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COLOUR LIFE SERVICES GROUP CO., LIMITED
彩生活服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1778)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2023

HIGHLIGHTS

- For the year ended 31 December 2023, the Group recorded total revenue of approximately RMB1,523.2 million, gross profit of approximately RMB454.2 million, net profit of approximately RMB33.0 million and the net profit attributable to the owners of the Company of approximately RMB23.0 million.
- As at 31 December 2023, the Group's liabilities to assets ratio was approximately 23.7%, which remained steady as compared to that of approximately 23.8% as at 31 December 2022.
- As at 31 December 2023, the Group's interest-bearing debt balance was nil.
- As at 31 December 2023, the Group's Total Contracted GFA was 356.03 million sq.m..

The board (the “**Board**”) of directors (the “**Directors**”) of Colour Life Services Group Co., Limited 彩生活服務集團有限公司 (the “**Company**” or “**Colour Life**”) announces the audited financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>NOTES</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Represented)
Revenue from services	<i>3 & 4</i>	1,523,179	1,311,037
Cost of services		<u>(1,069,019)</u>	<u>(889,815)</u>
Gross profit		454,160	421,222
Other income	<i>5</i>	29,696	34,723
Other gains and losses	<i>5</i>	(43,366)	(10,868)
Impairment losses under expected credit loss model, net of reversal	<i>6</i>	(130,530)	(146,668)
Selling and distribution expenses		(4,658)	(10,961)
Administrative expenses		(255,681)	(220,936)
Finance costs	<i>7</i>	(1,889)	(5,458)
Change in fair value of investment properties		(1,501)	(897)
Share of results of associates		1,538	493
Share of results of joint ventures		<u>4,842</u>	<u>6,408</u>
Profit before tax		52,611	67,058
Income tax expense	<i>8</i>	<u>(19,645)</u>	<u>(18,540)</u>
Profit for the year	<i>9</i>	<u>32,966</u>	<u>48,518</u>

	<i>NOTE</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Represented)
Other comprehensive (expense) income			
Items that will not be reclassified subsequently to profit or loss:			
Change in fair value of equity instruments designated at fair value through other comprehensive income (“FVTOCI”)		(5,933)	(350)
Deferred taxation effect on change in fair value of equity instruments designated at FVTOCI		<u>1,483</u>	<u>88</u>
Other comprehensive expense for the year, net of income tax		<u>(4,450)</u>	<u>(262)</u>
Total comprehensive income for the year		<u>28,516</u>	<u>48,256</u>
Profit for the year attributable to:			
Owners of the Company		23,007	31,358
Non-controlling interests		<u>9,959</u>	<u>17,160</u>
		<u>32,966</u>	<u>48,518</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		18,557	31,096
Non-controlling interests		<u>9,959</u>	<u>17,160</u>
		<u>28,516</u>	<u>48,256</u>
Earnings per share – basic (RMB cents)	<i>11</i>	<u>1.55</u>	<u>2.11</u>
Earnings per share – diluted (RMB cents)	<i>11</i>	<u>1.55</u>	<u>2.11</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	<i>NOTE</i>	2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>
Non-current Assets			
Property, plant and equipment		42,940	34,837
Right-of-use assets		207,109	263,803
Investment properties		19,561	22,325
Interests in associates		42,526	38,601
Interests in joint ventures		115,990	112,846
Equity instruments designated at FVTOCI		13,282	25,139
Goodwill		906,944	890,870
Intangible assets		–	1,378
Other receivables		6,007	86,524
Deferred tax assets		129,421	120,327
Deposits paid for potential acquisition of subsidiaries		121,776	122,174
		<u>1,605,556</u>	<u>1,718,824</u>
Current Assets			
Contract assets		32,328	39,878
Trade receivables	<i>12</i>	651,808	565,309
Other receivables and prepayments		1,454,450	1,669,008
Loan receivables		141,939	143,710
Payments on behalf of residents		756,830	838,208
Amounts due from related parties		208,286	58,446
Restricted bank deposits		50,269	34,770
Bank balances and cash		947,904	757,116
		<u>4,243,814</u>	<u>4,106,445</u>

	<i>NOTE</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current Liabilities			
Trade payables	13	378,876	305,269
Other payables and accruals		211,003	153,895
Contract liabilities		253,342	182,678
Receipts on behalf of residents		180,185	295,204
Lease liabilities due within one year		8,093	2,711
Amounts due to related parties		40,501	146,255
Tax liabilities		294,141	289,049
		<u>1,366,141</u>	<u>1,375,061</u>
Net Current Assets		<u>2,877,673</u>	<u>2,731,384</u>
Total Assets Less Current Liabilities		<u>4,483,229</u>	<u>4,450,208</u>
Non-current Liabilities			
Deferred tax liabilities		248	592
Lease liabilities due after one year		19,658	8,734
		<u>19,906</u>	<u>9,326</u>
Net Assets		<u><u>4,463,323</u></u>	<u><u>4,440,882</u></u>
Capital and Reserves			
Share capital		120,750	120,750
Reserves		4,150,390	4,132,636
		<u>4,271,140</u>	<u>4,253,386</u>
Equity attributable to owners of the Company		4,271,140	4,253,386
Non-controlling interests		192,183	187,496
		<u>4,463,323</u>	<u>4,440,882</u>
Total Equity		<u><u>4,463,323</u></u>	<u><u>4,440,882</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL

Colour Life Services Group Co., Limited (the “**Company**”) is a limited liability company incorporated in Cayman Islands and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**SEHK**”). Its immediate holding company is Fantasia Holdings Group Co., Limited (“**Fantasia Holdings**”), a company which was incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Main Board of the SEHK. Its ultimate holding company is Ice Apex Limited, a limited liability company incorporated in the British Virgin Islands (the “**BVI**”). Its ultimate controlling party is Ms. Zeng Jie, Baby. The addresses of the registered office and principal place of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company.

The consolidated financial statements is presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company and the major subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform-Pillar Two Model Rules</i>

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in the consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ¹
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i> ¹
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> ¹
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i> ¹
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ²

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE FROM SERVICES

Disaggregation of revenue from contracts with customers

For the year ended 31 December 2023

	Property management services <i>RMB'000</i>	Value-added services <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods and services			
<i>Property management services</i>			
Lump sum basis	1,309,741	–	1,309,741
Pre-delivery services	12,956	–	12,956
Commission basis	102,814	–	102,814
Consultancy services fee	2,088	–	2,088
	<u>1,427,599</u>	<u>–</u>	<u>1,427,599</u>
 <i>Value-added services</i>			
Online promotion services	–	36,464	36,464
Sales and rental assistance	–	27,840	27,840
Engineering services	–	22,710	22,710
Other value-added services	–	8,566	8,566
	<u>–</u>	<u>95,580</u>	<u>95,580</u>
	<u><u>1,427,599</u></u>	<u><u>95,580</u></u>	<u><u>1,523,179</u></u>
 Timing of revenue recognition			
A point in time	–	27,840	27,840
Over time	1,427,599	67,740	1,495,339
	<u>1,427,599</u>	<u>95,580</u>	<u>1,523,179</u>
	<u><u>1,427,599</u></u>	<u><u>95,580</u></u>	<u><u>1,523,179</u></u>

For the year ended 31 December 2022

	Property management services <i>RMB'000</i>	Value-added services <i>RMB'000</i> (Represented)	Total <i>RMB'000</i> (Represented)
Types of goods and services			
<i>Property management services</i>			
Lump sum basis	1,066,635	–	1,066,635
Pre-delivery services	10,740	–	10,740
Commission basis	122,408	–	122,408
Consultancy services fee	6,567	–	6,567
	<u>1,206,350</u>	<u>–</u>	<u>1,206,350</u>
 <i>Value-added services</i>			
Online promotion services	–	43,943	43,943
Sales and rental assistance	–	28,010	28,010
Engineering services	–	16,680	16,680
Other value-added services	–	16,054	16,054
	<u>–</u>	<u>104,687</u>	<u>104,687</u>
	<u>1,206,350</u>	<u>104,687</u>	<u>1,311,037</u>
 Timing of revenue recognition			
A point in time	–	28,010	28,010
Over time	1,206,350	76,677	1,283,027
	<u>1,206,350</u>	<u>104,687</u>	<u>1,311,037</u>

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

During the year ended 31 December 2023, the Group is principally engaged in the provision of property management services and related services in the PRC. Management reviews the operating results of the business as a single operating segment as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment is same in different regions.

Information about major customer

There were no sales to a single customer which amounted to 10% or more of the Group's revenue during the years ended 31 December 2023 and 2022.

Information about geographical areas

The principal operating entities of the Group are domiciled in the PRC and majority of revenue is derived in the PRC during the years ended 31 December 2023 and 2022.

As at 31 December 2023 and 2022, majority of the non-current assets of the Group were located in the PRC.

5. OTHER INCOME, GAINS AND LOSSES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Other income		
Interest income from		
– loan receivables	7,499	7,000
– banks	4,970	3,476
– advance to staffs	182	–
Refund of value-added tax	140	36
Unconditional government grants	15,010	18,348
Others	1,895	5,863
	<u>29,696</u>	<u>34,723</u>

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Other gains and losses		
Loss on disposal of subsidiaries, net	(14,512)	(5,820)
Loss on termination of lease agreement	(21,984)	–
Exchange gain	970	165
Others	(7,840)	(5,213)
	<u>(43,366)</u>	<u>(10,868)</u>

6. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Impairment loss (recognised on) reversed of		
– trade receivables	(4,248)	(62,086)
– other receivables	(113,571)	(23,413)
– contract assets	(24,513)	(847)
– payments on behalf of residents	(18,539)	(39,738)
– amount due from related parties	20,071	(20,452)
– loan receivables	10,270	(132)
	<u>(130,530)</u>	<u>(146,668)</u>

7. FINANCE COSTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interests on:		
– borrowings	–	(4,157)
– lease liabilities	<u>(1,889)</u>	<u>(1,301)</u>
	<u>(1,889)</u>	<u>(5,458)</u>

8. INCOME TAX EXPENSE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current tax		
Enterprise Income Tax	(27,610)	(38,274)
Deferred tax		
Credit to profit and loss	<u>7,965</u>	<u>19,734</u>
	<u>(19,645)</u>	<u>(18,540)</u>

9. PROFIT FOR THE YEAR

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit for the year has been arrived at after charging:		
Directors' remuneration	4,481	1,658
Other staffs' salaries and other benefits	459,880	340,476
Retirement benefits scheme contributions	<u>58,203</u>	<u>47,548</u>
Total staff costs	<u>522,564</u>	<u>389,682</u>
Auditors' remuneration	4,200	4,800
Amortisation of intangible assets	1,378	8,428
Depreciation of property, plant and equipment	16,350	19,401
Depreciation of right-of-use assets	<u>19,007</u>	<u>19,871</u>

10. DIVIDENDS

The directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: nil).

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2023	2022
Earnings (RMB'000)		
Earning for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>23,007</u>	<u>31,358</u>
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>1,487,526</u>	<u>1,487,526</u>

For the years ended 31 December 2023 and 2022, the computation of diluted earnings per share does not assume the exercise of certain share options granted by the Company as the exercise prices of the respective options were higher than the average market price per share.

12. TRADE RECEIVABLES

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	858,322	767,575
Less: allowance for credit losses	<u>(206,514)</u>	<u>(202,266)</u>
	<u>651,808</u>	<u>565,309</u>

Trade receivables are mainly arisen from property management services income from communities under lump sum basis, pre-delivery services and consultancy service arrangement, value-added services income and engineering services income.

Revenue from property management services from communities under lump sum basis are due for payment by property owners upon the issue of demand note, the receiving pattern is normally within 30 days to 1 year after the issue of demand notes to the residents.

Revenue from property management services for pre-delivery services are received in accordance with the terms of the relevant service agreements with the property developers, normally within 30 to 90 days from the issue of demand note.

Revenue from property management services for consultancy service arrangement are received in accordance with the terms of the relevant service agreements with the property management companies, normally within 30 to 90 days from the issue of demand note.

Revenue from value-added services are received in accordance with the terms of the relevant service agreements, normally within 30 to 90 days from the issue of demand note.

Revenue from engineering services are received in accordance with the terms of relevant service agreements, normally within 30 to 90 days from the issue of payment requests.

The following is an aging analysis of trade receivables presented based on the invoice date or date of demand note at the end of the reporting period, which the invoice date or the date of demand note represented the payment due date:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 30 days	122,044	90,198
31 – 90 days	101,165	88,967
91 – 180 days	117,186	108,682
181 – 365 days	119,626	103,986
Over 1 year	191,787	173,476
	<u>651,808</u>	<u>565,309</u>

13. TRADE PAYABLES

The credit period granted by suppliers to the Group ranges from 30 to 180 days. The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 60 days	166,870	137,464
61 – 180 days	156,228	94,892
181 – 365 days	45,885	63,563
Over 1 year	9,893	9,350
	<hr/> 378,876 <hr/>	<hr/> 305,269 <hr/>

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with current's year presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS MODEL

The Group is a leading property management and community services provider in China, with a focus on setting up offline and online service platform via the internet technology and effectively connecting the residents of the communities with different commodities and service providers, so as to provide the best living experience for residents of the communities on the back of property management services.

As communities constitute the most fundamental social units within a city, the services provided by the property management companies are essential in creating a stable and convenient living environment for the residents of the community and promoting the development of the society. The Group strives to meet the basic living needs of the property owners through providing Four Basic Guarantees services (defined as cleaning, greening, security and maintenance services), which constitute the solid cornerstone of community services system.

While meeting the basic living needs of the residents of the community, the Group also promotes smart community construction by proactively utilising emerging technologies such as the Internet of Things, big data and artificial intelligence, and introducing the application of intelligent equipment, so as to enhance the Group's service efficiency in providing high quality property management services for the residents. The Group has established a powerful digitalized "cloud" system in the head office, which minimised the dependency on function and scope of "management" and strengthened the service capacity of the "terminal", so as to organise effective community services. For instance, the Group has upgraded the existing Big Dipper system to a "digital property management platform" by adding an intelligent customer service feature that covers the five basic services including security, cleaning, greening, maintenance and engineering, the order-oriented operation system of the lift, energy and decoration services, as well as the customer complaint platform comprising complaint, repair application, parking, payment, decoration and other services. The Group has divided the entire property management service process into orders, further enhancing the service efficiency of the Group.

In addition to its efforts in refining the basic businesses, the Group has classified its management projects into various service levels based on different charging standards, set standards for equipment modification and services and provided well-oriented service experiences, so as to satisfy customers' demand for performance-price ratio in different projects and secure the Group's rapid expansion across China. With the establishment of an automated, centralised and standardized management system, the Group has realised excellent capacity of cost control under the premise of securing customer satisfaction.

While focusing on improving service efficiency, the Group is dedicated to building harmonious communities. The Group has taken the initiative to organise a wide range of community activities and proactively established communication channels to strengthen the relationship between the property owners as well as between the property owners and the property management staff and enrich the residents' off-work life and spiritual culture, with ultimate goal of building a better and more caring community. By providing such services, we are able to create a harmonious environment for the property owners, and push forward the establishment of our unique community culture brand, so as to enhance the property owners' trust in the Group. The improvement of our relationship with the residents also laid a solid foundation for our effort to further expand community consumption scenarios.

The Group is actively building up an online platform Caizhiyun for its community services equipped with functions such as paying property management fees, issuing notices and submitting complaints online through the platform, which not only provides convenience for residents of the communities but also strengthens the interactions between the Group and community property owners. In addition, the Group designates a proportional number of customer managers to serve the communities based on the proportion to the number of residents in such communities. The customer managers will carry out following up work and seek feedback relating to customer satisfaction in a timely manner. On one hand, it ensures the quality of basic services in the offline community, and on the other hand, it can efficiently understand the needs of community property owners so as to promote the development of value-added business. By organically combining the online and offline operations of the community, the Group further extends its competitive advantage.

BUSINESS DEVELOPMENT

Usually, property developers are required to engage property management companies before they obtain the delivery permits. At this stage, property developers usually identify qualified property management companies by way of tender, where the Group arranges its marketing department to submit tenders. Once the Group wins the bid, the area under the property management contracts will be incorporated into the Group's Contracted Managed GFA. Property developers will issue an occupation notification to home buyers after the properties are sold. Upon receipt of such notification, the home buyers will be obliged to settle property management fees. This part of Managed GFA will thus be called the "revenue-bearing GFA". The difference between the Contracted Managed GFA and the revenue-bearing GFA is the "reserved GFA" which will be transferred to the revenue-bearing GFA in future.

With a view of expanding the Group's presence, showcasing its services and abilities to a wider audience, the Group has selectively entered into consultancy service contracts with regional property management companies. The area agreed in the contracts will be incorporated into the Group's Consultancy GFA. Aforementioned Managed GFA and Consultancy GFA are collectively referred to as Contracted Managed GFA of the Group.

The Group focused on driving its organic growth through reputation and branding. With our outstanding property management experience and expansion capability, as at 31 December 2023, the Contracted Managed GFA of the Group had reached 356.03 million sq.m. while the number of communities under the Group's management and consultancy services contracts had reached 1,987. In which, as at 31 December 2023, the Group's revenue-bearing Contracted Managed GFA reached 182.64 million sq.m.

While proactively expanding service area, the Group made great efforts to establish and upgrade its community service platform, in an effort to meet the daily needs of the property owners and provide them with quality and efficient property management services. In addition to building caring communities, the Group explored various consumption scenarios, product innovation and new business models, with an aim to provide property owners with various value-added services, making property management services a much more important part of the property owners' domestic life.

The Group also continued to explore various value-added services under the community scenario, expanded the property management scenario portfolio, and provided customised products and services for the property owners based on market demands and property owner needs. For instance, based on the extensive property owner base of the Group and the parking lot management scenario, the Group proactively explored the auto insurance sales business. By establishing the headquarter-to-headquarter communication mechanism with the insurance companies, the Group strived to improve service efficiency and reduce the selection costs and purchase costs of the property owners. In addition, the Group continued to develop and strengthen online platform technology, paving the path for connection with the system of the insurance companies, which enabled the Group to have real-time understanding of the business development and claim settlement data and monitor the quality of community-based products in a dynamic manner, so as to provide property owners with quality customer services and claim settlement services. Also, the Group joined hands with Eternal Asia Starlink, a leading supply chain enterprise, to build a community online shopping platform – Colour Life Select, which offers property owners all sorts of goods and services and a light entrepreneurial platform. In doing so, the Group was able to increase the interaction frequency between the property management company and the property owners, enhance the loyalty between the property management company and the property owners, and improve the recognition of the property owners towards its basic property management services and value-added services.

As at 31 December 2023, the locations of communities where the Group provided management and consultancy services are set out as follows:



Northeastern China

- 1 Huludao
- 2 Tieling

Northern China

- 3 Langfang
- 4 Baoding
- 5 Beijing
- 6 Cangzhou
- 7 Chengde
- 8 Qinhuangdao
- 9 Shijiazhuang
- 10 Taiyuan
- 11 Tianjin
- 12 Xingtai
- 13 Hohhot

Eastern China

- 14 Dongying
- 15 Fuzhou
- 16 Fuzhou
- 17 Fuyang
- 18 Ganzhou
- 19 Gaoyou
- 20 Hangzhou
- 21 Huai'an
- 22 Ji'an
- 23 Jinan
- 24 Jiaxing
- 25 Jiangyin

26 Jingdezhen

- 27 Jiujiang
- 28 Jurong
- 29 Kunshan
- 30 Linyi
- 31 Longyan
- 32 Nanchang
- 33 Nantong
- 34 Qingdao
- 35 Quanzhou
- 36 Sanming
- 37 Xiamen
- 38 Shanghai
- 39 Shangrao
- 40 Suzhou
- 41 Suqian
- 42 Tai'an
- 43 Taizhou
- 44 Weifang
- 45 Wuxi
- 46 Xinyi
- 47 Xuzhou
- 48 Yantai
- 49 Yancheng
- 50 Yichun
- 51 Changzhou
- 52 Yingtan
- 53 Zaozhuang
- 54 Zhangzhou
- 55 Zhenjiang
- 56 Nanjing
- 57 Jining
- 58 Changshu

Southern China

- 59 Chongzuo
- 60 Dongguan
- 61 Foshan
- 62 Guangzhou
- 63 Guigang
- 64 Guilin
- 65 Heyuan
- 66 Huizhou
- 67 Liuzhou
- 68 Nanning
- 69 Qingyuan
- 70 Shantou
- 71 Shaoguan
- 72 Yangjiang
- 73 Zhaoqing
- 74 Zhongshan
- 75 Zhuhai
- 76 Beihai

Central China

- 77 Chenzhou
- 78 Ezhou
- 79 Enshizhou
- 80 Huanggang
- 81 Huangshi
- 82 Jingzhou
- 83 Liuyang
- 84 Loudi
- 85 Nanyang

86 Shaoyang

- 87 Shiyan
- 88 Suizhou
- 89 Wuhan
- 90 Xiangtan
- 91 Xiangyang
- 92 Yichang
- 93 Zhangjiajie
- 94 Changsha
- 95 Zhengzhou
- 96 Zhuzhou
- 97 Luoyang

Shenzhen

- 98 Shenzhen

Northwestern China

- 99 Baoji
- 100 Lanzhou
- 101 Xi'an
- 102 Xianyang
- 103 Yinchuan
- 104 Yulin
- 105 Hanzhong

Southwestern China

- 106 Chengdu
- 107 Dali
- 108 Deyang
- 109 Duyun
- 110 Guang'an
- 111 Guangyuan
- 112 Guiyang
- 113 Kunming
- 114 Mianyang
- 115 Neijiang
- 116 Qiannanzhou
- 117 Qingzhen
- 118 Chongqing
- 119 Ziyang
- 120 Zunyi
- 121 Gejiu
- 122 Nanchong

As at 31 December 2023, the following table sets out GFA and the number of communities where the Group provided management and consultancy services in different regions as at the dates indicated below:

	As at 31 December 2023				As at 31 December 2022			
	Managed by the Group		Under the Group's consultancy service arrangements		Managed by the Group		Under the Group's consultancy service arrangements	
	GFA (<i>'000 sq.m.</i>)	Number of communities	GFA (<i>'000 sq.m.</i>)	Number of communities	GFA (<i>'000 sq.m.</i>)	Number of communities	GFA (<i>'000 sq.m.</i>)	Number of communities
Shenzhen	5,211	84	41	1	4,775	90	41	1
Southern China (excluding Shenzhen)	61,360	420	-	-	68,906	447	-	-
Eastern China	99,836	660	-	-	98,122	701	-	-
Southwestern China	61,345	267	-	-	74,726	283	92	1
Northeastern China	9,100	53	-	-	11,451	59	-	-
Northwestern China	13,024	64	-	-	12,907	64	-	-
Northern China	19,378	87	-	-	22,681	85	-	-
Central China	86,730	351	-	-	106,318	376	-	-
Total	355,984	1,986	41	1	399,886	2,105	133	2

Note:

(1) As at 31 December 2023, the Group's Contracted Managed GFA reached 356.03 million sq.m.

As at 31 December 2023, the Group managed 1,986 communities with an aggregate contracted GFA of approximately 355.98 million sq.m. and entered into consultancy service contracts with 1 community with an aggregate GFA of consultancy service arrangements of approximately 0.041 million sq.m. The Group will mainly expand its business by obtaining new service engagements. The following table sets out the movements of contracted GFA and the number of communities where the Group provided management and consultancy services during the reporting period:

	As at 31 December 2023				As at 31 December 2022			
	Managed by the Group		Under the Group's consultancy service arrangements		Managed by the Group		Under the Group's consultancy service arrangements	
	Contracted Managed GFA (<i>'000 sq.m.</i>)	Number of communities	Contracted Managed GFA (<i>'000 sq.m.</i>)	Number of communities	Contracted Managed GFA (<i>'000 sq.m.</i>)	Number of communities	Contracted Managed GFA (<i>'000 sq.m.</i>)	Number of communities
As at the beginning of the year	399,886	2,105	133	2	414,619	2,189	8,874	31
New engagements ⁽¹⁾	15,086	93	-	-	9,620	68	0	0
Acquisition ⁽²⁾	274	7	-	-	1,466	11	-	-
Termination ⁽³⁾	(59,262)	(219)	(92)	(1)	(25,819)	(163)	(8,741)	(29)
As at the end of the year	355,984	1,986	41	1	399,886	2,105	133	2

Notes:

- (1) In relation to communities the Group managed, the new engagements mainly included service engagements for residential communities that replaced the previous property management company, and a small part was service engagements for new property development projects built by property developers. In relation to communities the Group provided consultancy services for, new engagements include the Group's entering into of consultancy services agreements with regional property management companies.
- (2) The Group expanded its Managed GFA through acquisitions and gained synergy after the acquisition.
- (3) The Contracted Managed GFA and the number of communities which the Group ceased to renew certain property management contracts due to commercial factors.

BUSINESS OVERVIEW

The Group has two main business lines:

- Property management services, which primarily include: (i) provision of services for communities under lump sum basis; (ii) provision of services for communities under commission basis; (iii) provision of pre-delivery services for property developers; and (iv) provision of consultancy services for property management companies; and
- Value-added services, which primarily include: (i) online promotion services; (ii) sales and rental assistance services; (iii) engineering services; (iv) other value-added services;

Scope of Services for Property Management Services

As at 31 December 2023, the Group employed over 26,887 on-site personnel (including staffs employed by the Group and the staffs outsourced from third parties) to provide property management services. The table below sets forth the property management fee range for area within the communities the Group managed under commission basis and lump sum basis as at the dates indicated below. Property management fee levels within the same geographical region vary depending on factors such as property types and locations.

	As at 31 December 2023		As at 31 December 2022	
	Under commission basis (RMB/sq.m./ month)	Under lump sum basis (RMB/sq.m./ month)	Under commission basis (RMB/sq.m./ month)	Under lump sum basis (RMB/sq.m./ month)
Shenzhen	0.4-11.4	1.8-16.9	0.4-11.4	1.8-16.9
Southern China (excluding Shenzhen)	0.5-6.0	0.7-16.9	0.5-6.0	0.7-16.9
Eastern China	0.4-17.0	1.1-16.0	0.4-17.0	1.1-16.0
Southwestern China	0.5-6.1	0.3-25.0	0.5-6.1	0.3-25.0
Northeastern China	0.4-3.3	2.0-18.0	0.4-3.3	2.0-18.0
Northwestern China	0.5-4.0	1.4-22.7	0.5-4.0	1.4-22.7
Northern China	0.7-5.5	1.2-25.0	0.7-5.5	1.2-25.0
Central China	0.6-5.3	0.9-16.9	0.6-5.3	0.9-16.9

Property management services, which primarily include: (i) provision of services for communities under lump sum basis; (ii) provision of services for communities under commission basis; (iii) provision of pre-delivery services for property developers; and (iv) provision of consultancy services for regional property management companies.

Property Management Services under Lump Sum Basis

Under lump sum basis, the Group is entitled to recognise all property management fees charged from the property owners as revenue and pay the expenses related to property management from the property management fees. Accordingly, the related costs are recognised as the Group's cost of sales.

Property Management Services under Commission Basis

Under commission basis, the Group is essentially acting as an agent of the property owners. The Group reserves the right to retain the specified percentage (usually 10%) of the owner's property management fees as required by the relevant local authorities as the Group's revenue. The remaining property management fees will be used as operating funds to cover the expenses associated with the management of the property.

Pre-delivery Services

The Group may be appointed as a property management company by the property developers at the initial stage of the property development. The Group provides pre-delivery services for the property developers in preparation for the presale activities and recognises the proceeds based on the fees charged. The relevant expenses are calculated based on the number of employees and positions deployed by the Group, and the related staff costs incurred are the sales costs incurred in providing the services.

Consultancy Services

With a view of expanding the Group's presence, showcasing its services and abilities to a wider audience and making its brand more widely known, the Group has selectively entered into consultancy services contracts with regional property management companies. Under such arrangements, the property management companies are contracted to provide property management services in the relevant communities. The Group provides consultation and advice for these regional property management companies such that they can leverage on the Group's experience and platform to improve various aspects of them such as property management, quality control and human resources management. In addition, the Group provides value-added services in the relevant communities in accordance with the contracts, which may generate additional revenue for the Group in the future.

Scope of Services for Value-added Services

Adhering to the value and concept of “Service to Your Family”, the Group has been focusing on providing diversified value-added services for community property owners. With 21 years of experience in community management and services, the Group has established a comprehensive online and offline service system. The Group has employed on-site personnel such as customer managers and community stewards to provide more convenient community services for property owners. Through paying frequent visits to and communicating with property owners by customer managers, the Group has built up trust with residents living in communities and has a more comprehensive understanding on the demands of them. Leveraging on the in-depth understanding about the residents of the communities for which the Group provides management and consultancy, the Group works with third-party professional goods and service providers to create a safer, more convenient and more comfortable living environment for residents.

The Group’s value-added services primarily include (i) online promotion services; (ii) sales and rental assistance; (iii) engineering services; and (iv) other value-added services.

Online promotion services

The Group collaborates with providers of various products and services and promotes products or services to property owners through Caizhiyun, the online platform run by the Group. Product and service providers pay certain amount of commission according to their sales ordered through the Caizhiyun platform to the Group. Further, the Group provides system or software for projects that it provides management and consultancy services for, and charges amount of usage fees from using information system software.

Sales and rental assistance

The Group (i) refers its case to a third-party property agent, who assists the property owner in completing the rental and the sale of the property. The Group charges the agent on every successful referral and generates revenue from authorizing property agent’s rights to use our online leasing data platform; (ii) helps property developers sell their parking lots under Colour Life Parking Lots model and receives commissions in accordance with the agency sales agreement; (iii) assists communities in renting promotional space of structures (such as elevator interior walls or public spaces) and additional storage space, and receives commissions in return.

Engineering Services

The Group provides engineering services for property developers (including primarily independent property developers and to a lesser extent, the Fantasia Group) and communities which the Group manages through sub-contracting and cooperation with qualified third-party contractors and through its subsidiaries that are mainly engaged in engineering services and energy management services, namely Shenzhen Kaiyuan Tongji Building Technology Co., Ltd. (“**Shenzhen Kaiyuan Tongji**”) and Shenzhen Ancaihua Energy Investment Co., Ltd. (“**Shenzhen Ancaihua**”).

Engineering services provide a safe and comfortable environment for property owners of the communities. It also laid the hardware foundation for accelerating the smart transformation of communities which the Group serves and implementing the digital property management platform.

In recent years, the Group continued to carry out the internet-based smart transformation to the projects under its management. Focusing on the property owners’ multi-dimension needs for easy community life, we strengthened the transformation of the community mainly in two directions. Firstly, hardware is upgraded to include remote monitoring of elevators, QR code/face recognition access control, vehicle license recognition system in car park etc., so as to realise central management control, replace labour with equipment, save energy and posts, and enhance efficiency and service quality. Secondly, a community service platform is established through connecting communities to the Group’s cloud system at its head office. For example, real-time picture of the operation condition in the community under the Group’s management will be sent to its head office using remote monitoring technology, and it will promptly assign rectification tasks for areas with potential problem and follow up the results.

Other value-added services

Other value-added services include (i) purchase assistance; (ii) energy management services; (iii) insurance brokerage services; and (iv) other value-added services.

REVIEW AND ANALYSIS

Revenue

The Group's revenue mainly arises from (i) property management services; (ii) value-added services. For the year ended 31 December 2023, the total revenue increased by 16.2% to approximately RMB1,523.2 million from approximately RMB1,311.0 million for last year.

The increase in revenue was mainly due to the increase in revenue from the Group's property management services, which increased by 18.3% in 2023 as compared to the previous year.

	For the year ended 31 December					
	2023		2022		Variance	
	Amount <i>RMB'000</i>	% of total revenue	Amount <i>RMB'000</i>	% of total revenue	Amount <i>RMB'000</i>	%
Revenue						
Property management services	1,427,599	93.7%	1,206,350	92.0%	221,249	18.3%
Value-added services	95,580	6.3%	104,687	8.0%	(9,107)	(8.7%)
Total revenue	<u>1,523,179</u>	<u>100.0%</u>	<u>1,311,037</u>	<u>100.0%</u>	<u>212,142</u>	<u>16.2%</u>

Property Management Services

For the year ended 31 December 2023, revenue from property management services increased by 18.3% to approximately RMB1,427.6 million from approximately RMB1,206.4 million of last year. Breakdown of revenue from property management services are as below:

	2023		2022		Variance	
	Amount	% of total	Amount	% of total	Amount	%
	<i>RMB'000</i>	revenue	<i>RMB'000</i>	revenue	<i>RMB'000</i>	
Revenue						
Property management service fees under lump sum basis	1,309,741	86.0%	1,066,635	81.4%	243,106	22.8%
Pre-delivery services	12,956	0.9%	10,740	0.8%	2,216	20.6%
Property management service fees under commission basis	102,814	6.7%	122,408	9.3%	(19,594)	(16.0%)
Property management consultancy service fees	2,088	0.1%	6,567	0.5%	(4,479)	(68.2%)
Total of property management service fees	<u>1,427,599</u>	<u>93.7%</u>	<u>1,206,350</u>	<u>92.0%</u>	<u>221,249</u>	<u>18.3%</u>

The changes are mainly attributable to:

- (a) An increase in revenue from property management services under lump sum basis by approximately RMB243.1 million, which was mainly due to the increase in the number of the new commissioned communities for business expansion and communities managed under lump sum basis during the year;
- (b) A decrease in revenue from property management services under commission basis by approximately RMB19.6 million, which was mainly due to the termination of certain commission basis service contracts;

- (c) An increase in revenue from pre-delivery services by approximately RMB2.2 million;
- (d) A decrease in revenue from property management services under consultancy services by approximately RMB4.5 million.

Value-added Services

For the year ended 31 December 2023, revenue from value-added services decreased by 8.7% to approximately RMB95.6 million from approximately RMB104.7 million of last year.

Breakdown of revenue from value-added services are as below:

	For the year ended 31 December					
	2023		2022		Variance	
	Amount	% of total	Amount	% of total	Amount	%
		revenue		revenue		
<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>		
Revenue						
Online promotion services	36,464	2.4%	43,943	3.4%	(7,479)	(17.0%)
Sales and rental assistance	27,840	1.8%	28,010	2.1%	(170)	(0.6%)
Engineering services	22,710	1.5%	16,680	1.3%	6,030	36.2%
Other value-added services	8,566	0.6%	16,054	1.2%	(7,488)	(46.6%)
Total of value-added service fees	<u>95,580</u>	<u>6.3%</u>	<u>104,687</u>	<u>8.0%</u>	<u>(9,107)</u>	<u>(8.7%)</u>

The decrease in revenue from value-added service as compared to that of last year was due to:

- (a) A decrease in revenue from online promotion services by approximately RMB7.5 million;

- (b) A decrease in revenue from sales and rental assistance by approximately RMB0.2 million;
- (c) An increase in revenue from engineering services by approximately RMB6.0 million;
- (d) A decrease in revenue from other value-added services by approximately RMB7.5 million.

Cost of Services

Cost of services primarily comprises labour costs, subcontracting costs, costs of raw materials which mainly consist of energy-saving light bulbs, intercommunication devices, security camera wires, pipes and others, utility costs, depreciation and amortisation, rental cost and others. For the year ended 31 December 2023, cost of services increased by approximately RMB179.2 million or approximately 20.1% from approximately RMB889.8 million of last year to approximately RMB1,069.0 million.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2023, the overall gross profit was approximately RMB454.2 million, representing an increase of approximately RMB33.0 million or approximately 7.8% from approximately RMB421.2 million for last year.

The overall gross profit margin for the year ended 31 December 2023 was approximately 29.8%, representing a decrease of 2.3 percentage points as compared to 32.1% of last year.

(i) Property Management Services

For the year ended 31 December 2023, the gross profit of property management services was approximately RMB384.9 million, representing an increase of approximately RMB38.1 million from approximately RMB346.8 million for last year, and gross profit margin for the year amounted to 27.0%, representing a decrease of 1.8 percentage points as compared to 28.8% of last year.

(ii) Value-added Services

For the year ended 31 December 2023, the gross profit of value-added services was approximately RMB69.3 million, representing a decrease of approximately RMB5.1 million from approximately RMB74.4 million for last year, and gross profit margin increased by 1.4 percentage points from 71.1% for last year to 72.5%.

Other Gains and Losses

For the year ended 31 December 2023, the Group's other gains and losses amounted to a loss of approximately RMB43.4 million, representing an increase in loss of approximately RMB32.5 million as compared to a loss of approximately RMB10.9 million last year. The increase in loss was primarily due to (i) an increase in loss of approximately RMB8.7 million on disposal of subsidiaries of the Group during the year; and (ii) an increase in loss of approximately RMB22.0 million on early termination of leases during the year.

Other Income

For the year ended 31 December 2023, other income of the Group decreased by approximately RMB5.0 million to approximately RMB29.7 million from approximately RMB34.7 million of last year, which was mainly attributable to a decrease of approximately RMB3.3 million in government subsidy.

Selling and Distribution Expenses

For the year ended 31 December 2023, selling and distribution expenses of the Group amounted to approximately RMB4.7 million, representing a decrease of approximately RMB6.3 million from approximately RMB11.0 million of last year, which was mainly due to the decrease in business activities for the period, resulting in the decrease in sales and distribution expenses related thereto.

Administrative Expenses

For the year ended 31 December 2023, the administrative expenses of the Group were approximately RMB255.7 million, representing an increase of approximately 15.8% from approximately RMB220.9 million of last year.

Finance Costs

For the year ended 31 December 2023, the Group's finance costs were approximately RMB1.9 million, which decreased by approximately 65.5% as compared to approximately RMB5.5 million of last year. The decrease was mainly attributable to the Group's interest-bearing borrowings being fully repaid in 2022 and finance costs for the year being derived from lease liabilities.

Income Tax Expenses

For the year ended 31 December 2023, the Group's income tax expenses amounted to approximately RMB19.6 million, representing an increase of approximately RMB1.1 million from approximately RMB18.5 million of last year.

Intangible Assets

As at 31 December 2023, the carrying amount of intangible assets was nil, representing a decrease of approximately RMB1.4 million from approximately RMB1.4 million as at 31 December 2022. The decrease was due to the amortisation of intangible assets for the year.

Goodwill

As at 31 December 2023, the carrying amount of goodwill was approximately RMB906.9 million, representing an increase of approximately RMB16.0 million from approximately RMB890.9 million as at 31 December 2022. The increase was due to the Group's acquisition of companies for the period.

Bank Balances and Cash

As at 31 December 2023, the Group's bank balances and cash increased by approximately 25.2% to approximately RMB947.9 million from approximately RMB757.1 million as at 31 December 2022.

Trade and Other Receivables and Prepayments

Trade receivables mainly arise from property management services income under lump sum basis, property management services income from pre-sale services, property management service income from consultancy services, engineering services income and value-added services income.

As at 31 December 2023, trade receivables of the Group net of the allowance for credit losses amounted to approximately RMB651.8 million, which increased by approximately RMB86.5 million as compared to approximately RMB565.3 million as at 31 December 2022. Trade receivables growth was similar to services revenue growth.

As at 31 December 2023, the Group's other receivables and prepayments amounted to approximately RMB1,460.5 million, which decreased by approximately RMB295.0 million as compared to approximately RMB1,755.5 million as at 31 December 2022. The decrease was mainly attributable to the recovery of the Group's receivables from the disposal of major subsidiaries in 2021.

Payments/Receipts on Behalf of Residents

Payments/receipts on behalf of residents represent the current accounts with the property management offices of residential communities managed by the Group under commission basis. These property management offices of residential communities usually have no separate bank accounts because they have no separate legal identity status. For the daily management of these property management offices of residential communities, all transactions of these management offices, including the collection of property management fees and the settlement of daily expenses, are settled through the treasury function of the Group. A net receivable balance from the property management office of the residential community represents expenses paid by the Group on behalf of the residential community in excess of the property management fees collected from the residents of the residential community. A net payable balance to the property management office of the residential community represents property management fees collected from residents of the residential community in excess of the expenses paid by the Group on behalf of the residential community.

Trade and Other Payables and Accruals

Trade and other payables and accruals primarily comprise amounts payable for subcontracting services, deposits received, accrued staff costs, other taxes payable, provision for retirement benefits contribution and consideration payable for acquisition of subsidiaries.

As at 31 December 2023, trade payables amounted to approximately RMB378.9 million (31 December 2022: RMB305.3 million), mainly due to the growth in business scale and the increase in the amount payable to suppliers at the end of the period.

As at 31 December 2023, other payables and accruals amounted to approximately RMB211.0 million (31 December 2022: RMB153.9 million).

Share Capital

As at 31 December 2023, the total number of issued shares of the Company was approximately 1,487,526,000 (31 December 2022: approximately 1,487,526,000) and the share capital was approximately RMB120.8 million (31 December 2022: approximately RMB120.8 million).

Cash Position

As at 31 December 2023, the Group's total cash (including pledged bank deposits) was approximately RMB998.2 million, representing an increase of approximately 26.1% from approximately RMB791.9 million as at 31 December 2022, of which approximately RMB50.3 million (31 December 2022: approximately RMB34.8 million) were restricted.

As at 31 December 2023, the current ratio (current assets/current liabilities) of the Group was approximately 3.1 (31 December 2022: approximately 3.0).

Net Gearing Ratio

The net gearing ratio was calculated by net debt over the total equity. As at 31 December 2023, the total of bank balances and cash and pledged/restricted bank deposits amounted to approximately RMB998.2 million and the interest-bearing liabilities were fully paid up. Therefore, no net gearing ratio was presented as at 31 December 2023. There was also no net gearing ratio as at 31 December 2022.

Currency Risk

As the Group mainly operates its business in China, there is no material direct exposure to foreign exchange fluctuations risk.

Employees and Remuneration Policies

As at 31 December 2023, the Group had approximately 11,156 employees (31 December 2022: approximately 10,465 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and the prevailing industry practice.

Apart from salary payments, other staff benefits include contribution to the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for employees in the PRC) and a discretionary bonus program.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. Reference is made to the announcement of the Company dated 19 December 2023 in relation to the resignation of Mr. Xu Xinmin as an independent non-executive director. Since his resignation, the Company has not complied with Rules 3.10, 3.10A, 3.21 and 3.27A of the Listing Rules. As disclosed in the announcement of the Company dated 15 March 2024, Ms. Yu Shan was appointed as an independent non-executive director of the Company with effect from 15 March 2024. The Company has re-complied with Rules 3.10, 3.10A, 3.21 and 3.27A of the Listing Rules since then.

Save as disclosed above, the Company has complied with all code provisions set out in the Corporate Governance Code in Appendix C1 to the Listing Rules for the year ended 31 December 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry of all Directors and all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2023.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, 13 May 2024 and a notice convening the AGM will be published and dispatched in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the qualification as shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 6 May 2024 to Monday, 13 May 2024, both days inclusive. In order to qualify as shareholders of the Company to attend and vote at the AGM, unregistered holders of shares of the Company are required to lodge all transfer documents accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 3 May 2024.

REVIEW OF ANNUAL RESULTS

The annual results of the Company for the year ended 31 December 2023 had been reviewed by the Audit Committee, which consists of three independent non-executive directors, namely Mr. Zhang Raymond Yue, Ms. Yu Shan and Mr. Lee Yan Fai (chairman of the audit committee).

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.colourlife.hk). The Company's 2023 annual report along with the AGM circular, the notice of AGM, the proxy form and such documents will be published on the aforementioned websites and despatched Company's shareholders in due course.

By Order of the Board
Colour Life Services Group Co., Limited
彩生活服務集團有限公司
ZHU Jindong
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Hongcai and Ms. Yang Lan as executive directors; Mr. Zhu Jindong, Mr. Timothy David Gildner and Mr. Chen Wenjian as non-executive directors; and Mr. Lee Yan Fai, Mr. Zhang Raymond Yue and Ms. Yu Shan as independent non-executive directors.