



Clifford Modern Living Announces First Annual Results Revenue Grows 10.9% to Approximately RMB290.0 Million in 2016

(23 March 2017 – Hong Kong) **Clifford Modern Living Holdings Limited** (“Clifford Modern Living” or the “Company”, stock code: 3686), a renowned diversified services provider in Guangdong Province, today announced its audited annual results for the year ended 31 December 2016.

During the year under review, the Company’s revenue increased to approximately RMB290.0 million, representing an increase of 10.9%. Gross profit grew 19.5% to approximately RMB120.0 million, while gross profit margin improved 3 percentage points to 41% in 2016. Net profit for the year 2016 reached RMB23.1 million. Before excluding the non-recurring listing expenses of RMB22.9 million, the adjusted net profit was approximately RMB46.0 million. Basic earnings per share were RMB0.026.

Ms. Man Lai Hung, Chairman and Executive Director of Clifford Modern Living, said, “We are pleased to announce our first annual results after Clifford Modern Living was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 8 November 2016. Leveraging our solid experience in property management services in one of the largest residential communities in Guangdong Province, Clifford Estates, our one-stop solution services and our renowned quality brand, we were able to maintain stable growth for our four main business segments during the year, successfully meeting the increasing demand for the pursuit of a quality life for the PRC residents.”

Clifford Modern Living provides full-suite living services, and aims to provide one-stop diversified and quality lifestyle for residential communities. Our business segments comprise property management services, retail services, catering services and ancillary living services.

Property Management Services

Revenue of property management services for the year under review increased 2.6% year-on-year to RMB52.0 million, accounting for approximately 17.9% of the Company’s total revenue. It mainly provides general property management services and residential support services in [13] residential communities and 2 pure commercial properties in Guangdong Province. The total contracted GFA increased to 5,951,000 sq.m. in 2016, representing an increase of 245,000 sq.m. or 4.3% year-on-year. This increase was mainly due to a new residential community located in Panyu district during December 2016, known as “Clifford Dynamic Garden II (祈福活力花園 II)”, and increase in GFA in a residential community in Huadu district, known as “Clifford Brilliant Terrace (祈福輝煌台)”.

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Retail Services and Catering Services

In 2016, revenue of retail and catering services increased to approximately RMB101.0 million and RMB85.6 million, representing a year-on-year growth of 2.0% and 12.2%, and accounting for 34.8% and 29.6% of the Company's total revenue, respectively.

Clifford Modern Living operates 17 retail outlets of different scale in Guangdong Province, including a supermarket, a wet market, 14 "Ni Wo Ta Convenience Stores" and an imported goods specialty store. It mainly provides a variety of goods, including fresh food, packaged food and beverages, groceries, daily essential products, etc., aiming to provide a convenient purchasing experience for its customers.

The Company also operates 17 catering outlets serving different cuisines and in different dining styles, including five Chinese restaurants, six casual dining restaurants, four South-east Asian and Western restaurants and two cafés. We place great attention to the overall dining experience such as food safety, services and the dining environment.

During February and March 2016, the Company has relocated some of its major retail and catering stores, such as Clifford Supermarket, Clifford Market, and Clifford Café, to a newly-developed shopping plaza with an aim to attract a higher customer flow and promote a higher quality of service. The Company has also opened eight new catering outlets in this newly developed shopping plaza, which further boosts the customer flow and contributes to the increase of its retail and catering revenues.

Ancillary Living Services

The Company's ancillary living services include off-campus training services, property agency services, employment placement services and laundry services. Revenue of ancillary living services of the year under review increased 44.8% year-on-year to RMB51.4 million, accounting for 17.7% of the Company's total revenue. The increase was mainly attributable to the rise of off-campus training revenue to RMB27.1 million, representing 30.9% year-on-year growth. During 2016, the number of students or learners enrolled in the Company's training programmes and interest classes amounted to approximately 22,000, an increase of about 3,000, or 15.8% from 2015. The steady growth in student admissions for our off-campus training services could be explained by the changes in China's "one-child" policy. As the competition in society becomes more intense, the Company believes that the demand for both training programmes and interest classes will continue to drive significant growth in this segment.

Ms. Man concluded, "Given our proven track record, substantial experience and good quality of service, we are confident in grasping the opportunities arising from the increasing demand of a one-stop solution for living services in China. We are well positioned to have further growth by means of winning more property management service contracts and further extending our services within the residential communities we already manage and to nearby areas. We also intend to further expand our retail, catering and off-campus training services network for our business growth. Furthermore, we plan to invest more in online marketing and distribution channels for promoting our range of goods and services. Looking ahead, the Company will continue its active business expansion with an aim to bring higher quality and more satisfying life experiences to our residents and customers. Based on our ongoing efforts, the Company will move forward striving to bring good returns to its shareholders in the long run."

About Clifford Modern Living Holdings Limited

Clifford Modern Living Holdings Limited is a renowned service provider with a diversified service portfolio in Guangdong Province. The Group strives to provide comprehensive services in four main sectors including property management, retail, catering and ancillary living services to the neighbourhood, creating convenient, comfortable, healthy and rich quality living. The Group now provides property management services to 13 residential communities and 2 pure commercial properties. It also operates 17 retail outlets of varying scale and 17 catering outlets offering different dining cuisines, as well as ancillary living services including off-campus training, property agency, employment placement and laundry services.

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