

【For Immediate Release】



## Clifford Modern Living Announces 2017 Interim Results Achieves Satisfactory Business Growth

**Profit Attributable to Owners of the Company  
Surges 92.9% to RMB20.48 Million**

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### Actively Expands Property Management Business Coverage Diversifies Income Sources

(25 August 2017 – Hong Kong) **Clifford Modern Living Holdings Limited** (“Clifford Modern Living” or the “Group”, stock code: 3686), a renowned provider of diverse living-related services in Guangdong Province, today announced its unaudited results for the six months ended 30 June 2017.

During the period under review, the Group’s revenue increased by approximately 9.4% YoY to RMB153 million, mainly attributable to increased revenue contributions from its property management services, retail services and ancillary living services segments. In the first half of 2017, gross profit of the Group grew by 23.8% to approximately RMB68.0 million, with gross profit margin up by 5 percentage points to 44.0%. During the period, profit attributable to owners of the Company surged by a remarkable 92.9% to RMB20.48 million. Basic earnings per share were 2 RMB cents. The reason was that on 16 May 2017, the Group acquired 24.5% equity interest in Guangzhou Panyu Clifford Property Management Limited (廣州市番禺祈福物業管理有限公司), and became a wholly-owned subsidiary of the Group, and there was no listing expenses occurred in the first half of 2017.

**Ms. Man Lai Hung, Chairman and Executive Director of Clifford Modern Living**, said, “In China, the demand for a high quality lifestyle among people is growing. During the review period, the Group continued adjusting its business structure and expanding the property management services segment while optimizing retail, catering and ancillary living services, all aimed at satisfying the needs of residents in communities and also customers for fine and convenient living. Two more property management service projects were added during the period, one of which included a new key tourist attraction in Guangzhou – the large-scale tourism/entertainment and commercial project ‘Clifford Wonderland (祈福繽紛世界)’ that grand opened in mid-August. The project is expected to boost traffic and add zest to consumption at Clifford Estates and its neighborhood, and in the long run bring synergies to the different services segments of the Group, and in turn boost the Group’s overall income.”

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Clifford Modern Living provides a full-suite of living services, aiming to provide one-stop diverse and quality living-related services to residents in different communities. These services include property management services, retail services, catering services and ancillary living services.

### **Property Management Services**

During the period under review, revenue from the property management services segment increased 17.9% YoY to RMB31.6 million. The Group mainly provided general property management services and residential support services to 15 residential communities and two commercial properties in Guangdong Province, with a contracted gross floor area ( “GFA “) of approximately 6,673,000 sq.m., in all, 722,000 sq.m. larger than a year ago. The growth was driven by the addition two new residential communities “Clifford Wonderview (祈福繽紛匯)” in Panyu district and “The Green (果嶺天地)” in Foshan City, respectively, in the Group’s property management business portfolio, plus the delivery of “Clifford Fortress (祈福聚龍堡)” and “Clifford Dragon Tower (祈福天龍苑)” in Huadu district, and additional car park GFA in the commercial properties “Clifford Logistics Center (祈福物流園)” in Huadu district.

On 16 May 2017, the Group signed an equity transfer agreement with Guangzhou Huanyu Meishi Canyon Limited (廣州市寰宇美食餐飲有限公司) to acquire from the latter 24.5% equity interest in Guangzhou Panyu Clifford Property Management Limited at a consideration of RMB21.8 million. With the acquisition completed, the property management company has become an indirect wholly-owned subsidiary of the Group. The acquisition has boosted the scale and standard of the property management business and also the competitiveness of the Group.

### **Retail Services and Catering Services**

In the first half of 2017, revenue from retail and catering services increased to RMB52.5 million and RMB39.3 million, representing growth of 7.3% and decline of 7.1% respectively, YoY.

Clifford Modern Living operates 17 retail outlets of various sizes including two supermarkets, one wet market, 13 convenience stores and one imported goods specialty store, under the names “Clifford Supermarket (祈福超市),” “Ni Wo Ta Convenience Store (你我他便利店)” and “Dailey’s Mart” respectively. During the period, the supermarket and imported goods specialty store were the main contributors to revenue growth of the retail segment. In January 2017, the Group strategically moved one of its convenience stores in Panyu to a high consumer traffic location and upgraded it from a 100 sq.m. store to a 1,600 sq.m. supermarket, not only selling more fresh food but also a wide range of merchandise, giving residents better and more convenient shopping experiences.

On the catering front, during the review period, the Group operated 16 restaurants serving different cuisines, including five Chinese restaurants, six casual dining restaurants, four East Asian and Western restaurants and one café. The decrease in revenue from the catering services business was primarily due to the closure of “Herbal Cuisine (Shawan Branch) (藥膳坊(沙灣分店))” in November 2016 and the VAT tax policy change by the PRC government in effect from May 2016. Thus, the catering services revenue booked was the amount after the value-added tax of 6%. Heeding mainlanders’ growingly discerning demand for catering service and the fast changing dining cultures and trends, the Group proactively periodically adjusts its strategy for the segment. To improve and expand the business segment, the Group closed five Chinese restaurants in August 2017 and its plan is to open three catering outlets by the end of the second half of 2017. The Group also expects to see more franchisees and partners joining its four well-known catering chains in Panyu namely “The Owls (貓頭鷹餐廳),”, “Big Brother (老大哥)”, “Yamabuki (山吹日本料理)” and “Bababibi Dessert (巴巴閉閉甜品屋),”, and its 10 other partner restaurants by the end of the second half of 2017.

### **Ancillary Living Services**

The Group’s ancillary living services included off-campus training services, property agency services, employment placement services and laundry services. During the period, revenue from ancillary living services increased by 35.7% YoY to RMB29.6 million, driven primarily by the increase in revenue from off-campus training services and property agency services.

During the review period, off-campus training services made good progress, its revenue increased 20.7% to RMB15.0 million, compared to RMB12.5 million in the last corresponding period. To meet the keen demand for off-campus training, the Group expanded one of its training centers from 2,000 sq.m. to 3,000 sq.m. in August 2017 and its plan is to open another education training center by the end of the second half of 2017, to offer residents more diverse off-campus training programs. As for property agency services, the Group expanded the business by opening a new branch in “Clifford Wonderland (祈福繽紛世界)” in July 2017. For laundry services, the Group set up an approximately 1,500 sq.m. laundry facility in Panyu in July 2017. It intends to open a laundry service store in “Clifford Wonderland (祈福繽紛世界)” by the end of the second half of 2017 to meet increasing customer demand.

In August 2017, the Group opened a telecommunication sales outlet in “Clifford Wonderland (祈福繽紛世界)” and signed a contract with China Telecommunications Corporation (Guangzhou branch) (“China Telecommunications”) with the Group providing agency service to products and services of China Telecommunications and receiving commissions as revenue.

## **To Develop Online Business and Build Online Distribution Channels**

As online shopping is quickly gaining popularity in the PRC, the Group has been active in tapping market opportunities and has plans to invest in online sales and marketing platforms and collaborate with other websites and online sales platforms, targeting residents in the communities the Group serves and their neighborhood areas, in order to promote its services and sell its products, as well as enhance its image. Currently, the Group is looking for suitable investment targets among online sales and marketing networks and platforms.

**Ms. Man** concluded, “To meet mainland consumers’ growing demand for all-round quality living, the Group plan to strengthen our position in the property management industry and further expand our service network. We will strive to actively expand our business and widen diverse income sources and remain steadfast in providing a finer living experience to residents and customers and also bringing long-term handsome returns to shareholders.”

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## **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 neighborhood, creating convenient, comfortable, healthy and rich quality living. The Group now provides property management services to 15 residential communities and 2 pure commercial properties. It also operates 17 retail outlets of varying scale and 16 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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