



**Clifford Modern Living Announces 2017 Annual Results
Profit Attributable to Owners of the Company Increased 125.1% to
Approximately RMB56.33
Proposes Special Dividend of HK 1.30 cents per Ordinary Share
Further Expands Our Property Management Network Through
Engagements in Integrated Projects**

(23 March 2018 – Hong Kong) **Clifford Modern Living Holdings Limited** (“Clifford Modern Living” or the “Company”, stock code: 3686), a renowned diversified services provider in Guangdong Province, announced the audited annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2017.

During the year under review, the Group’s revenue increased by 11.7% YoY to approximately RMB365 million, mainly attributable to an increase in revenue from its property management services, information technology services and ancillary living services. Gross profit grew 17.1% to approximately RMB152 million, while gross profit margin improved 1.9 percentage points to 41.5% in 2017. Profit attributable to owners of the Company surged 125.1% to approximately RMB56.33 million during the year. Basic earnings per share were 5.6 RMB cents. The Board recommended the payment of a special dividend of HK 1.30 cents per ordinary share.

The announcements stated that as of March 2018, the Group made a breakthrough in expanding commercial property management business by signing contracts of leasing of commercial and office space, property management and preliminary planning with independent third parties, the contracts’ sum are approximately RMB16.0 million for a period of one to eight years.

Ms. Man Lai Hung, Chairman and Executive Director of Clifford Modern Living, said, “During the year under review, Clifford Modern Living continued to review the macro environment and adjusted its operating strategy in a timely manner, including the successful acquisition of new information technology services business, further expand our property management network through engagements in integrated projects, enhancement in commercial property management services expansion, upgrading convenience store to supermarket of retail services business, developing new operation strategy in catering services and a steady growth in student admissions for off-campus training services. The satisfactory achievement in each business segment laid a solid foundation for the future development of our business in the long run.”

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one-stop diverse and quality living-related services to residents in different communities. These services include property management services, retail services, catering services, information technology services and ancillary living services.

Property Management Services

During the year under review, revenue from the property management services segment increased 54.0% YoY to RMB80.1 million, accounting for 21.9% of the Group's total revenue. The Group mainly provided property management services to 15 residential communities and 3 pure commercial properties, with an aggregate contracted gross floor area ("GFA") of approximately 6,806,000 sq.m., increased by 855,000 sq.m. or 14.4% YoY. The growth was driven by the additional inclusion of "Clifford Wonderview (祈福繽紛匯)" in Panyu district and "The Green (果嶺天地)" in Foshan City, and a new pure commercial property located in Panyu district.

Retail Services and Catering Services

In 2017, revenue from retail services increased by 4.4% YoY to approximately RMB105 million, while revenue from catering services decreased by 22.0% YoY to approximately RMB66.8 million, accounting for 28.8% and 18.3% of the Group's total revenue respectively.

Clifford Modern Living operates 16 retail outlets in Clifford Estates and other areas in proximity, including two supermarkets, one wet market, 12 convenience stores and one imported goods specialty store, under the names of "Clifford Supermarket (祈福超市)", "Ni Wo Ta Convenience Store (你我他便利店)" and "Daily's Mart" respectively. The revenue increased in retail services during the year was mainly attributable to the increase in revenue of supermarket and imported goods specialty store. The Group further optimized its operating strategy to strive for providing better shopping experiences to its residents. The Group has relocated and upgraded its convenience stores to a supermarket in Panyu district during the year. The size of such convenience store was upgraded from approximately 100 sq.m. to approximately 1,600 sq.m., and the variety of commodities was also increased.

Furthermore, the Group operated 12 restaurants serving different cuisines, including six casual dining restaurants, four East Asian and Western restaurants and two cafés. During the year, the Group focused on expanding the operation by entering into franchising and catering partnership businesses, including "The Owls (貓頭鷹餐廳)", "Big Brother (老大哥)", "Yamabuki (山吹日本料理)" and "Bababibi Dessert (巴巴閉閉甜品店)", aiming to further optimize the catering services portfolio and to satisfy customers' demands.

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Services

During the year, revenue from information technology services recorded approximately RMB48.1 million, amounting for 13.1% of the Group's total revenue.

For the engineering services, the Group successfully acquired Guangzhou Kejian Computer Technology Co., Limited (廣州市科健計算機技術有限公司) which became an indirect wholly-owned subsidiary of the Group in December 2017. The Group principally engaged in the businesses of providing information technology services, related engineering services, security systems and hardware and software integration and telecommunication services.

For the telecommunication services, the Group established a telecommunication sales outlet in "Clifford Wonderview (祈福繽紛匯)" in August 2017 and entered into a contract with China Telecommunications Corporation (Guangzhou branch) ("China Telecom GZ") with the Group providing agency service to products and services of China Telecom GZ and receiving commissions as revenue.

Ancillary Living Services

The Company's ancillary living services included off-campus training services, property agency services, employment placement services and laundry services. Revenue from ancillary living services of the year under review increased 27.2% YoY to approximately RMB65.4 million, accounting for 17.9% of the Company's total revenue. The increase was mainly attributable to the enrollment increase in off-campus training, stimulated the revenue increased 26.2% YoY to approximately RMB34.2 million. The number of students or learners enrolled in the Company's training programmes and interest classes amounted to approximately 24,000, the number of students had been increased from 9,000 to 22,000 from 2013 to 2016. In August 2017, the Group had upgraded one of its training centres in Panyu district to approximately 3,000 sq.m..

Ms. Man concluded, "We will leverage our good brand image, expertise and experience to further increase the total GFA of property management services, to expand retail, catering and off-campus training services' networks, and to develop online marketing and online distribution channels. Looking ahead, the Group will keep up-to-date to the society, actively upgrade the service and towards the development of intelligence, and strive to bring superior and diversified living services to residents and customers, and to create value for shareholders."

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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 five main sectors including property management, retail, catering, information technology services and ancillary living services to the neighbourhood, creating convenient, comfortable, healthy and rich quality living. The Group now provides property management services to 15 residential communities and 3 pure commercial properties. It also operates 16 retail outlets of varying scale and 12 catering outlets offering different dining cuisines, information technology services including engineering and telecommunication services, as well as ancillary living services including off-campus training, property agency, employment placement and laundry services.