



## **Clifford Modern Living Announces Outstanding 2018 Interim Results**

### **Profit Attributable to Owners of the Company Substantially Increased/Surges 73.5% to Approximately RMB38.05 million**

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(21 August 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, has today announced its unaudited interim results for the six months ended 30 June 2018.

During the period under review, the Group’s revenue rose by approximately 7.6% YoY to RMB186 million. The growth in its revenue was mainly attributable to the increase in revenue from our information technology services, renovation and fitting-out services, property management services and retail services, and was offset by a decrease in revenue from catering services. In the first half of 2018, gross profit of the Group grew by 18.0% to approximately RMB85.08 million, with gross profit margin up to 46.0%. During the period, profit attributable to owners of the Company surged by a remarkable 73.5% to RMB38.05 million. Basic earnings per share were 3.8 RMB cents.

**Ms. Man Lai Hung, Chairman of Clifford Modern Living**, said, “During the period, Clifford Modern Living continued to carefully review the macro environment, leveraged its own knowledge of the local market and management expertise, actively adjusted its operating strategy, and further expanded the business to renovation and fitting-out services. At the same time, the Group optimised the property management services, retail services, catering services, information technology services and ancillary living services. These measures are intended to satisfy the demand of residents for superior and convenient living services.

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, renovation and fitting-out services, retail services, catering services, information technology services and ancillary living services.

#### **Property Management Services**

During the period under review, revenue from the property management services segment increased 15.6% YoY to approximately RMB26.33 million. The Group mainly provided general property management services and residential support services to 15 residential communities and three pure commercial properties in Guangdong Province, with a contracted gross floor area (“GFA”) of approximately 6,870,000 sq.m. During the period, the Group has already entered into six property management and related integrated

services contracts with a total contract sum amounting to approximately [RMB60.2 million].

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In August 2018, the Group has further won two property management services contracts with a company owned by the PRC mainland government. The contract sums are approximately RMB5.3 million for a period of two years. The Group plans to further expand its business by managing integrated projects which include apartments, shopping malls and office buildings developed by third parties in Guangdong Province. The services it would provide here include property management, property agency and marketing consultancy services.

### **Renovation and Fitting-out Services**

As at 30 June 2018, revenue from renovation and fitting-out services surged 86.3% YoY to approximately RMB16.36 million, mainly due to the increase in the number of services contracts entered into by the Group.

The Group provides renovation and fitting-out services principally for residents, tenants or owners or their principal contractors in their residential units, offices, shops and other properties. To utilise its own workforce more efficiently, the Group outsources certain renovation and fitting-out services to third-party sub-contractors who are constantly monitored and regularly evaluated on their ability to meet its requirements and standards to ensure the overall quality of work.

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

In the first half of 2018, revenue from retail and catering services increased to approximately RMB53.92 million and approximately RMB13.96 million.

Clifford Modern Living operates 15 retail outlets in Clifford Estates and other areas in close proximity. During the period, the increase in revenue was primarily attributable to the increase in revenue of the supermarket and wet market.

Furthermore, the Group operates eight restaurants serving different cuisines. During the period, the Group implemented a strategic shift in its catering services model from self-operating restaurants to franchising and partnership business arrangements to more closely follow the latest dining trends and offer greater diversity and novel choices to residents. Through engaging in a franchising business with three well-known brands in Panyu district including "The Owls (貓頭鷹餐廳)", "Big Brother (老大哥)" and "Bababibi Dessert (巴巴閉閉甜品店)" and a catering partnership business with 15 restaurants, the Group aims to further optimise the catering services portfolio and to satisfy customers' demands.

### **Information Technology Services**

During the period under review, revenue from information technology services rocketed 134.4% YoY to RMB46.97 million.

For the engineering services, the Group is principally engaged in the businesses of providing information technology services, related engineering services, security systems and hardware and software integration, most of which are delivered on a project basis.

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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 a major telecommunications service provider for it to provide agency and sales services for that provider’s products and services and receiving commissions for every successful transaction as revenue.

#### **Ancillary Living Services**

The Company’s ancillary living services include off-campus training services, property agency services, employment placement services and laundry services. During the period, revenue from ancillary living services has amounted to approximately RMB28.61 million.

During the period under review, the Group had two learning centres within Clifford Estates. The training programmes mainly include tutoring courses, language learning classes and interest classes. It plans to setup another training centre by the end of the second half of 2018 to further expand our business.

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

As the online shopping is quickly gaining popularity in the PRC, the Group has been active in tapping market opportunities and has plans to promote its services and sell its products, as well as enhance its image through different online channels including websites and apps on smartphones to better reach its current and prospective customers. In addition, the Group is considering to upgrade its sales and accounting systems which it believes would enhance its data collection process and enable a quicker response to its customers’ needs.

**Ms. Man** concluded, “As the domestic demand for a quality lifestyle and a complementary full-suite of living services is growing, we plan to continue to further expand our property management network and off-campus training services. Looking ahead, the Group will consistently extend into more businesses through engagements in managing integrated projects which include apartments, shopping malls and office buildings developed by third parties in integrated projects within Guangdong Province, as well as develop online marketing and build online distribution channels. At the same time, the

Group will actively upgrade its services and advance towards the development of 'smart' living, and strive to bring superior and diversified living services to residents and customers, and to create long-term and stable returns for shareholders".

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**About Clifford Modern Living Holdings Limited**

Clifford Modern Living is a renowned one-stop service provider offering a full-suite service portfolio in the People's Republic of China. The Group strives to provide services in property management services, renovation and fitting-out services, retail services, catering services, information technology services and ancillary living services (involving off-campus training, property agency, employment placement and laundry) to the community. The Group provides the diversified services necessary to maintaining quality daily living standards to individuals and efficient daily operations of the corporate business to corporate customers. It also provides comprehensive chain services to property developers by consolidating the integration of the Group's subsidiary professional services, coupled with its existing business in retail, catering, off-campus training, etc., assisting developers to resolve various management and operational issues, while also adding value to the "Clifford" brand.