





2018 Environmental, Social and Governance Report

Colour Life Services Group Co., Limited Stock Code : 1778

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ABOUT THIS REPORT

Purpose of the Report

This report is the fifth Environmental, Social and Governance ("ESG") Report (the "Report") published by Colour Life Services Group Co., Limited (the "Colour Life" or "Company", and together with its subsidiaries, collectively referred to as the "Group", "we" or "us") to the stakeholders, aiming to summarize the policies, strategies and performance in relation to the sustainable development of the Group over the past year.

Reporting Period and Scope

The reporting period in this Report is from 1 January 2018 to 31 December 2018 (the "Reporting Period"). Unless otherwise stated, the reporting scope covers our principal business in the People's Republic of China ("PRC"), including 1) Property Management Services; 2) community rental, sales and other Value-added Services (referred to as "value-added services"); and 3) Engineering Services.

Reporting Standards

This Report is prepared in accordance with the disclosure requirements of the Environmental, Social and Governance Reporting Guide (the "ESG Guide") as set out in the Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"), and was approved by the board of directors of the Group in June 2019.

Reporting Principles

During the course of preparation, the Group adhered to the following reporting principles: materiality, quantitative, balance and consistency. Please refer to the table below for details.

Principle	Definitions	Responses from the Group
Materiality	The issues covered in this Report should reflect the significant impacts of the Group on the economy, environment and society, or scopes that affect stakeholders' assessments and decisions.	Through engaging with stakeholders as well as considering the Group's business nature and development, material sustainability issues are being identified.
Quantitative	This Report should disclose key performance indicators in a measurable manner.	The Group will disclose its key environmental and social performance indicators quantitatively where appropriate.
Balance	This Report should reflect fairly a comprehensive picture of the sustainability performance of the Group without prejudice.	The Group has identified and disclosed the environmental, social and governance issues that have significant impact on the Group's business, including the results and challenges faced by the Group, in this Report.
Consistency	The Group should confirm that the preparation of ESG report is consistent with the one(s) used in previous year(s), or state the revised reporting methods, or illustrate other relevant factors that will affect meaningful comparison.	The reporting scope and reporting method are substantially consistent with those in prior year(s).

Information Collection Method

The information in the Report is derived from the official documents and statistics of the Group and has been reviewed by the relevant departments of the Group.

Access to This Report

The Report is available in both traditional Chinese and English. An electronic version of the Report can be downloaded from the website of the Stock Exchange as well as the official website of the Group (www.colourlife.hk). In the event of any conflict or inconsistency between the Chinese and English versions, the Chinese version shall prevail.

Your Feedback

We are convinced that the feedback of our stakeholders are cornerstone to promote the Group's operating business, environment and social sustainability.

Should you have any suggestions regarding our sustainability performance and this Report, please email us at IR@Colourlife.com.

SERVICE TO YOUR FAMILY

ABOUT COLOUR LIFE

Listed on main board of Hong Kong Stock Exchange in 2014 and with its headquarters located in Shenzhen, Colour Life Services Group Co., Limited is a leading service operator of community platform. The history of the Group's principal business could trace back to 2002 when Shenzhen Colour Life Property Management Co., Ltd was established. After operating and developing for more than a decade, the Group was honoured as the "World Largest Community Service Platform" by China Index Academy in June 2017. Colour Life established offline and online service platforms through internet and had effectively connected community residents with various commodity and service suppliers, providing customers with the best residential service experience. It is also a technology-based and comprehensive community service company in providing one-stop services in property management services, value-added services and engineering services. Currently, our businesses expand to seven major regions including Northwestern China, Northern China, Northeastern China, Southwestern China, Eastern China, Central China.





Property Management Services

To render services such as public security, cleaning, gardening, repair and maintenance



Value-added Services

To render online promotion services, sales and leasing assistance services and other value-added services



Engineering Services

To render facility installation services, repair and maintenance services, equipment leasing services and other energy-saving services

"Service to Your Family" is not only a brand concept of Colour Life but also our core concept and commitment to sustainable development. By leading various effective work departments, our senior management team strives to build and maintain strong corporate governance and puts stakeholders' interests in high regard. As a community service provider, from the community perspective, we perform our environmental, social and governance responsibilities in the course of daily operation and business decision-making. We pay great attention to staff welfare, occupational health and safety, equal opportunities, energy conservation and emission reduction, customer satisfaction, service quality and community contribution, so as to practice environmental and social sustainability through four major aspects:- "Colour Life's Talents", "Colour Life's Services", "Colour Life's Environment" and "Colour Life's Community".



Stakeholder Engagement

Rooted in the community, Colour Life always adheres to its people-oriented concept and serves community residents diligently. Therefore, we place special emphasis on relationship and strive to establish a long-term and harmonious relationship with stakeholders and maintain close communication and interaction, so as to understand their expectations and needs and conduct appropriate response.

The category of our stakeholders and daily communication channels identified are as below:



Materiality Assessment

To execute sustainable development more effectively, we conducted a materiality assessment during the Reporting Period to identify the environmental, social and governance issues that are material to stakeholders and the Group. This will facilitate us to formulate more appropriate policies and measures to improve the Group's sustainable development performance. We understand the opinions and expectations of stakeholders through the above daily communication channels and concluded 36 sustainable development scopes that are applicable to the Group through integrating the industrial trend and ESG report guidance of the Stock Exchange.

During the Reporting Period, we entrusted an independent consultancy company to conduct an anonymous online opinion survey to understand stakeholders' priority concerns and conduct an analysis, so that we could make corresponding followup action in the future. We constantly improve the Group's environmental and social performance and bring long-term benefits to stakeholders. The major steps of materiality assessment this year were concluded as follows:

Step 1

Identify environmental, social and governance issues that are material to the Group according to listing rules, daily stakeholder communication, industrial trend and daily operation.

Step 2

Invite stakeholders to conduct opinion survey through Caizhiyun (彩之雲) platform and provide ratings on the 36 issues in terms of their materiality.

Step 3

Collect survey results and conduct materiality analysis together with the opinions from the management.

Step 4

Count and analyze those issues and form the materiality matrix according to the assessment of the internal and external stakeholders of the Group as well as the survey results.

During the Reporting Period, the materiality matrix is presented below in accordance with the results from the materiality analysis. The indexes located on the top right-hand corner indicate the key issues that are concluded through the analysis and will be disclosed in this Report. We concluded 8 issues of material scopes for the year.



Importance to the Group

List of important categories

Issu	es	Sections	Pages
20.	Disaster emergency plan	Care about talents	14
23. 24. 25. 27. 30. 31. 32.	Product safety Customers' personal, healthy safety and other property security Complaint handling Customers/consumers' privacy protection Customers' complaint handling Customers' satisfaction Legitimate operation	Colour Life's Services	18–21

Other Categories Considered

Quality of Working Environment	Environmental Protection and Green Operation	Operation Practices	Product and Service Responsibility	Community Contribution
1. Diversity and equal opportunity	8. Sewage discharge	18. Supplier assessment and management	23. Product safety	34. Participation in volunteer activities
2. Employee turnover rate	9. Greenhouse gas emissions	19. Anti-fraud and corruption	24. Customers' personal, and health safety and other property security	
	10. Waste gas emissions		25. Handling Complaint	
3. Occupational safety and health	11. Non-hazardous wastes treatment	20. Disaster emergency plan	26. Intellectual property	35. Charitable donations
	12. Hazardous wastes treatment		27. Customers/ consumers' privacy protection	
4. Training and development	13. Saving energy and water	21. Supplier environmental and social	28. Operation cooperative partner selection	
5. Child labour and forced labour prevention	14. Use of resources	performance assessments	29. Technology research and development	36.Community communion activity
6. Employment relationships and employee communication	15. Assessment regarding the impact to surrounding environment	22. Anti-money laundering	30. Customers' complaint handling	
	16. Green procurement		31. Customer satisfaction	
7. Staff benefits/ recreation			32. Legitimate operation	
entertainment	17. Building operating efficiency and control		33. Contribution to community and development position	

CORPORATE GOVERNANCE

Corporate Governance and Supervision

The Board assesses the environmental, social and governance risks and opportunities and adopts a series of risk management procedures to ensure the primary focus of stakeholders are in line with the Group's long-term values. The Board determines the material contents and long-term values of the Group. Each department of the Group constantly collects internal and external data and opinions from stakeholders through different channels, historic data, future prediction and case studies as well as information of other relevant companies both domestically and overseas. The Group formulates control measures related to the environment, society and governance in responding to the material environmental, social and governance risks, and these control measures are implemented effectively at appropriate business levels. The board of directors monitors the environmental, social and governance issues and strives to create the long-term values for stakeholders.

The Group is committed to maintaining a high standard of corporate governance to ensure the integrity of the management of the Company and to safeguard the interests of all shareholders. The board of directors established the Audit Committee, the Remuneration Committee and the Nomination Committee. The board of directors and its committees regularly assess and review the effectiveness of their work based on their terms of reference. As a result, there is continuous improvement in enhancing overall efficiency and strengthening internal audit and risk control. The Company will continue to review and enhance its corporate governance standard.

For more information regarding the corporate governance of the Group, please refer to the Corporate Governance Report section in 2018 annual report.



Integrity Protection

As a corporate citizen and an industry pioneer, we should be responsible for our behaviors at all times. Therefore, we take commercial ethics and integrity as our core and strive to establish and maintain corporate culture with integrity. We also require all staff, suppliers and cooperative partners to strictly comply with "Anti-Unfair Competition Law of the PRC" (《中華人民共和國反不當競爭法》) and "Criminal Law of the PRC" (《中華人民共和國刑法》) to eradicate any form of behaviors in corruption, fraud, extortion, money laundering or any other breaching activities of commercial ethics and integrity. Employees shall not collect any gifts or benefits through taking advantage of their positions according to relevant clauses set out in the Employee Manual.

During the Reporting Period, the Group was not aware of any litigation and complaint to the Group, its subsidiary and staff relating to corruption, bribery, extortion, fraud and money laundering.

CORPORATE GOVERNANCE

Supply Chain Management

As of 31 December 2018, the Group engaged a total of 366 suppliers in our entire China businesses. We will give priority to cooperate with local suppliers to minimize carbon emission generated from vehicles or aircraft transportation and make contributions to the environment.



As a leading community platform service operator, we should not only focus on our own, but also pay attention to suppliers' products and service quality in order to guarantee the quality of every of our services, including public security, cleaning, maintenance and gardening. Therefore, the Administrative Regulations on the Execution of Procurement Methods and the Supplier Assessment Mechanism have been formulated for the purpose of standardising procurement activities:

Supplier Approval List Mechanism

The Group complies with our "comparison among various suppliers" principle to call for tender and consider potential suppliers in various aspects to select the most appropriate suppliers and enter in the supplier information database.

Appraisal Mechanism

Formulate appraisal mechanism for suppliers and conduct appraisals on the quarterly and annual basises. The appraisal includes product quality, timeliness of delivery and accuracy, after-sales service and price level to select A-to-D grade suppliers. We will give priority to consider A-level suppliers to cooperate and suspend the cooperation with D-level suppliers and requires them to rectify.

Yellow and Red Cards Evaluation Mechanism

As for evaluation mechanism, suppliers will be given a yellow card when their scores are below 70 in a quarterly period and below 80 in 2 consecutive quarterly periods. And we will issue a rectification notice and require them to rectify in 3 months. For those suppliers whose scores are below 70 in 2 consecutive quarterly periods and below 80 in 4 consecutive quarterly periods or who received 3 yellow cards in a year, we will give a red card and suspend the cooperation for half a year.

Annual Excellent Suppliers Selection

We select excellent suppliers annually, provided that they are required to work with us for one full year and obtain an A grade in the annual evaluation and no yellow card is received. Those selected suppliers will be awarded "Excellent Suppliers" trophies and incentive in kinds at our annual supplier meeting.

Supplier Elimination Mechanism

The supplier evaluation is subject to the elimination process, and according to evaluation results to a supplier, the supplier is prohibited to cooperate in future procurement or tender activities.

We emphasise not only supplier quality, but also their environmental and social risks, and expect them to adhere to sustainable operation principles, so as to bring a positive impact to the entire supply chain. We will state items that are related to morality and integrity clearly in the agreement and require suppliers to comply with integrity rules and forbid any behaviour that violates relevant laws and regulations or fair competition and commercial ethics. In addition, as for product suppliers, we will also state the sanitary and environmental requirements in the agreement that are necessary for products so as to avoid any material harm to environment caused by products.

SERVICE TO YOUR FAMILY

Colour Life focuses on "Service to Your Family". We serve the community with heart and also treat every staff with same mentality. We treat staff as a family member of Colour Life and provide a pleasant and safe working environment, taking care about their welfare and enhancing their sense of belongings to the Group, so as to build an enthusiastic and united "Colour Life's talents" team. We have specified items related to compensation and benefits, dismissal, working hours, holidays in the Employee Manual to protect staff's interests.

We strive to comply with all the regulations and rules related to employment, including but not limited to the "Labour Law of PRC" (《中華人民共和國勞動法》), "Law of the PRC on the Prevention and Control of Occupational Diseases" (《中華人民 共和國職業病防治法》) and "Provisions on the Prohibition of Using Child Labour" (《禁止童工規定》). During the Reporting Period, the Group did not involve in any material breach of regulations and rules related to employment.

Staff Overview

As of 31 December 2018, the Group engaged 14,161 employees and the distribution by gender, category and age are detailed as follows:



Talents Attraction

It is the Group's expectation and objective to become an ideal employer of our staff. We make efforts to maintain a diversified, equal and syncretic work environment and treat every staff equally without discrimination in all labour-related processes, such as selection, engagement, training, remuneration, promotion and re-designation. Furthermore, we treat every staff as equal and any condition irrelevant to capability including their race, skin, gender, religious belief, disability, marital status shall not be affected.

We will recruit the most suitable talents to join the Colour Life big family in accordance with the principles of internal priority, openness and fairness, good competitiveness and appointment by merit. Our employment standards are: cooperation, integrity, professionalism, tenacity and growth. We hope every staff can get sufficient development opportunities in our big family and grow with the Company. We will publish recruitment information and conditions on our official Wechat through Human Resources Center.

In addition, we also leverage on internet and will publish a comprehensive platform of "Human Resources Pool" on Caizhiyun (彩之雲) platform next year. In integrating both the talents' demand and supply, we will recommend suitable talents and achieving match between supply and demand according to job recruitment order issued by companies.

Talents Retainment

Caring for employees is the most effective way to reflect our corporate culture. In order to attract and retain talents, we provide competitive emoluments and benefits to our employees. Staff remuneration mainly include salary payment, position subsidy and bonus. We also provide public holidays leave, marriage leave, funeral leave, annual leave, maternity leave and occupational injury leave. In addition, the Group also contributes employee social insurance in accordance with the "Social Insurance Law of the PRC" (《中華人民共和國社會保險法》), covering pension insurance, medical insurance, occupational injury insurance, unemployment insurance and maternity insurance as well as housing provident fund. Apart from the above basic welfare, we also offer various benefits to our staff to improve their living standards and enhance employees' senses of belongings to the Company.



SERVICE TO YOUR FAMILY

It is also one of our goals to boost staff morale and work performance. Therefore, we will reward outstanding employees in light of their performance. The awards will be issued in cash and classified into two forms including year-end special reward and discretionary reward.

The Group jointly manages and operates Colour Life Time Plaza with a third party in Longgang district, Shenzhen with an area of 35,000 sq.m., which is a mall integrating fashionable retail, parental upbringing, special catering, entertainment and urban facilities. A Colour Life's meal coupon is one of the main payment methods in the plaza and can be used in most commercial tenants. The coupons are classified into micro-card, VIP card, silver card and gold card. As a member of Colour Life family, we prepare customized material benefits for our staff. Every employee will have a gold card and is entitled to a 2-hours free parking and 2 complimentary cinema tickets every quarter.

Talent Connection

Understanding the opinions from our staff is very vital to the Group's sustainability. Therefore, we pay great attention to the mutual communication between employees and management. We connect with employees and understand their opinions and expectations to the Company through diversified communication methods, so as to meet their needs.

Colour Life's Housekeeper Microservice	Conduct daily work management through the automated office system of Colour Life's Housekeeper, such as accepting and receiving e-mails, signing in, online training, review & approval and leave application.
Middle-and-senior Management Conference	Provide a platform for mutual communication between middle and senior management and encourage them to put forward any views and opinions to the Group
Tea Party for New Employees	Hold tea party for new employees, understand their thoughts and listen to their aspirations and inject young dynamic into the Group

As for employee complaints, the Group sets up a sophisticated complaint system. Employees can submit their complaints to their superior in forms of telephone, Wechat, letter, interview, fax, and emails. Employees can submit to comprehensive handing department of the company and report to the Human Resources Center of the Group ultimately if those complaints are still unsolved or have other complaints. We promise to conduct an investigation promptly and give an outcome feedback to the complainant within 7 days. If the complaint is proven, we will penalize respondents according to the articles of excellent performance rewards.

Apart from formulating a comprehensive complaint system and communication channels to enable staff to voice out freely, we pay high attention on their work-life balance. We would arrange plenty of enjoyable clubs and activities for staff such as golf, soccer, basketball, climbing, and yoga, which enable them to enjoy themselves and relaxed during spare time. Meanwhile, gathering staff together will also help strengthening their ties.

To understand employees' demands more comprehensively and effectively, we conduct staff satisfaction survey questionnaire annually to know their opinions about the categories such as corporate culture, management system, working environment, promotion and development, in which we will be able to collect their appeals to the Company and formulate essential action plans and constantly improve the employment policies of the Group. During the Reporting Period, the employee satisfaction survey reached 83.77%, representing an increase of 1.95% when compared to last year.

Talent Care

Staff is the most valuable assets of the Group. Therefore, we place great importance on their physical and mental health and committed to stringently follow the regulations and rules related to occupational health and safety, including but not limited to the "Prevention and Control of Occupational Disease" (《中華人民共和國職業病防治法》) and "Regulations on Work-related Injury Insurance" (《工傷保險條例》). We provide gears for labour protection and in the event of any occupational disease or injury, we will provide staff sufficient protection according to regulations.

Since some of the frontline staff must work outdoors, we stress on heatstroke prevention issues especially and offer them cooling items such as herbal tea and drugs to minimize the risk of outdoor heatstroke. In addition, we will hold fire safety education and salvation training regularly to enhance employees' awareness of work safety and to avoid risk of accident occurrence. We also publish safety information during holidays on our official Wechat through the human resources center to remind staff of any safety notice.

The Third Colour Life Cup Badminton Game





Talent Training

Colour Life urges converging and training talents and recognize their worth, and at the same time, formulates Employee Promotion Management System, setting up clear vocational development channels which is divided into professional and management segments. We will provide promotion opportunities to employees according to their individual quality, ability and results so as to enable them to grow up gradually in Colour Life and exert their strengths. To effectively understand employees' work performance, the Group organizes performance evaluation annually and the outcome will be the important reference of staff's promotion prospect and salary increase.



"It is never too old to learn". The Group stresses talents training and contributes correspondingly. We set up Colour Life training schools in the headquarters and domestic regions and carry out various online and offline training courses to enable employees to be equipped with professional knowledge and skills to face future challenges.



Besides the above principal courses, we also arrange job induction training, other regular courses and programs for new employees such as "I am at the Frontline", "Colour Life Lecture" and "Two Weeks' Talk", which enable employees to share experience with one another. We device annual training plans according to training demands which mainly come from daily common problems of property management, customer complaint, plan execution in previous year. These plans mainly include quality, professional skills, employee's knowledge or skills competition, internal training lecturers, internet study. All trainings will accompany effectiveness evaluations which are filled in by participants. Training includes training service, teaching materials, courses arrangement and teachers qualifications so as to improve training contents in the future.

During the Reporting Period, the Group's percentage of trained employees by male and female, and by management and operating personnel reached 100%. The average number of hours of completion of training for each employee by gender and employee category was: male: 10.28 hours; female: 14.61 hours; management: 10.58 hours; and operating personnel: 13.71 hours.

To facilitate training efficiency, we will select employees to become our internal training lecturers and provide kinds of welfares such as lecture fee payment, professional training, Teachers' Day gifts, awards and promotion. The lecture fee payment will be adjusted according to students' appraisal, thus encouraging mutual learnings on works.

Training System of Colour Life covers internet college, including mandatory and elective courses as well as special publications. All staffs are required to have self-study in the college each month so as to reach minimum score requirements. The top 10 students with highest scores in every quarter will receive cash award to encourage them to further their studies. During the Reporting Period, Colour Life officially launched a new study platform – E study, which covers topics including "Ace Show", "Weekly Study", "Working Skills", "Excellent Leadership" and "Vocational Theory", providing convenience for employees to gain knowledge at any time and place through rich content and user-friendly operation.

Employment Standards

We strictly comply with the relevant regulations and rules such as the "Law of the PRC on the Protection of Minors" (《中華 人民共和國未成年人保護法》) and "Provisions on the Prohibition of Using Child Labour" (《禁止使用童工規定》) and forbid child and forced labour. Employees shall provide their identification documents to identify their legitimate working ages and are not child labour. In addition, we also specify working hours, holidays and arrangements for contract termination and dismissal in the Employee Manual and other documents relevant to human resources to avoid forced labour to the greatest extent. The human resources department of the Group reviews its recruitment practices annually to avoid child labour and forced labour.



If there is a child labour under the legal minimum working age within the Group, we will always take the following measures from the perspective of the best interests of the child labour and in accordance with requirements of relevant laws:

- immediately take the child labour away from the workplace to ensure his/her own safety;
- immediately notify the human resources department to verify whether such labour is a child labour. If found to be true
 after investigation, we will terminate the labour relationship with him/her and inform the local social welfare agency, and
 also will take remedial measures that provide the maximum protection to his/her interests;
- the child labour shall be sent to a specialized occupational health check-up institution for a medical examination to confirm the child's physical and mental health conditions, and to conduct an investigation and visit to fully understand his/her situation;
- when the child reaches the legal minimum age for employment, he/she will be provided with re-employment opportunity; and
- immediately identify problems in the recruitment process and take improvement measures within 30 working days.

If there is a forced labour within the Group, we will take the following measures in accordance with requirements of relevant laws:

- immediately take the labour away from the workplace to ensure his/her own safety;
- immediately notify the human resources department to verify whether he/she is a forced labour;
- the forced labour shall be sent to a specialized occupational health check-up institution for a medical examination to confirm the his/her physical and mental health conditions, and fully understand his/her situation; and
- immediately identify problems in the recruitment process and take improvement measures within 30 working days.

To promote the concept of "Service to Your Family" into every community managed by Colour Life, apart from relying on traditional property management model, we also seize the advantages and development opportunities of Internet by breaking through traditional thinking and striving to build intelligent community 4.0. We make all relevant property management service internet-enabled including charges, parking, opening gates of community, complaints, and satisfy community owners' demands for "clothing, food, residence, transportation, entertainment, shopping, travel and study" in an integrated series of electronic life service platforms through our one-stop community service platform, Caizhiyun (彩之 雲). At the same time, we take advantage of the high-end network technology and big data which help to improve service efficiency, quality and community safety significantly. Up to now, Colour Life has become the world's largest community service platform operator with its registered ecosystem users of over 26.4 million, and service platform area reaching 1.12 billion sq.m., and its coverage radiates 268 cities nationwide for its projects.

Caizhiyun (彩之雲)

The flagship product of Colour Life, Caizhiyun (彩之雲) Community Service Platform, was launched officially in 2013. Based on community service, it focuses on community basic services and living facility services and provide matching information and transaction platforms for owners and merchants.

Living Service

Launch various living service types to enable users to enjoy quality products and services without leaving home

Community E-commerce

Meal coupons mall, Wechat commercial circle, Colour Benefits Life

Beidouqixing (「北斗七星」)

Service System

Basic property management services

Beidouqixing Service System (北斗七星服務體系)

Beidouqixing Service System enables 7 traditional basic property services to be electronicised, platform-oriented, and adopts innovative orders distribution model to cooperate with service sub-contractors. It separates each service into independent orders and service staff will receive orders and upload working pictures, and then our staff will conduct checking and assessment. Users can also monitor the service situations and raise any complaints. The overall service process and progress including planning, orders distribution, acceptance, appraisal and salary payment can be monitored and traced on the platform in real time. Such process increases service transparency. Meanwhile, salaries of service staff will be determined according to their orders taken up and overall evaluation in which it will ensure and greatly enhance service quality and benefit our communities.

E-Security

park

pedestrian and cars and car

Ensure security and order of fixed safety positions, entrance and exit of

E-Repair/E-Lift

Facilitate intelligence of elevator and control repair and maintenance progress of elevators and other equipment on the platform

E-Energy

Explore one-stop effective management data platform so as to conduct energy audit for projects and optimize energy efficiency and environmental performance

E-Complaint

Submit feedback and opinions through E complaint platform. Follow-up and handling progress of all complaints could be checked and pushed and an appraisal can be made

E-Cleaning

Cleaners receive orders and upload working pictures, and checked and assessed by the Group's personnel

E-Greening

Conduct greening and maintenance in communities as well as greening the households for owners and residents and yards re-construction

E-Payment

Pay property management fees and parking expenses on the platform and can self-check the details on your own

To further ensure service quality, taking E-Security and E-Cleaning as examples, we will conduct daily, weekly, monthly and discretionary inspection, according to the quality standards of the Group. Staff must upload working pictures on a daily basis such as patrolling, area cleaning and pest control, so as to monitor and evaluate and assure the safety and sanitation of the communities. If any sub-standard situation has occurred, we will issue Rectification and Penalty Notice to relevant units and require them to rectify within limited time periods. Furthermore, all staff shall pass trainings and assessment prepared by the Group before starting work, and we will arrange regular on-job training to enhance staff's working skills. Service expenses are hooked with the monthly rating of service quality. If the evaluations for 3 consecutive months are not up to standard, we will consider discharging the contracts with relevant units.

In addition, residents' personal and property security as well as community safety are also our vital focus and concerns. We can enhance community security from multiple aspects through the Beidouqixing Service System, which include:

Sky-eye System

- Monitoring the real time videos of public leisure areas for children and elders in communities through the "Sky-eye System" so as to ensure family members security.
- During the Reporting Period, the Group conducted Sky-eye upgrading works for 131 projects and added 394 Sky-eye systems to monitor the security in allround direction and eradicate any hidden danger.

E-elevator

Monitoring the conditions of each elevator in real time on E-elevator platform. It will remind us the annual checking date automatically through the system and report to the police automatically if breakdowns or trapped events occurred.

Access Control System

- Adopting AB-door tailgate model. Owners can enter into A door through identification via QR code, Cloud Talking, IC card, and the B door can be opened until the A door is closed. If other persons that follow are identified, it would not permit entrance until obtaining owners confirmation through the platform, thus preventing strangers from entering into the communities.
- During the Reporting Period, access control system of 47 projects were upgraded, optimizing door opening experience, system layout, data base management, and achieve the functions of opening door through face recognition, card, distant calling management office/opening door by owners. A total of 412 equipment were upgraded and access control system security is enhanced.

Colour Life Meal Coupons	Cash coupon provided by the Group can be used for payment at Caizhiyun (彩之雲) online or at the surroundings real shops of the community, including tourist products, decorations, maintenance, tickets, local supermarket, catering and beverages, entertainment, conveniently and promptly. Our third-party payment service supplier has obtained Payment Permission Licence issued by Bank of China.		
Wechat Commercial Circle	Invite nationwide renowned brands and merchants surrounding the communities to settle in and users can search for merchants nearby and discounts at any time and place and conduct online shopping at the same time		
Colour Benefits Life	 The Group launched Colour Benefits Life – benefit community service platform during the Reporting Period, and introduced merchants, service providers and third-party companies and promoted the concept of "giving property management fees through consumption". It includes the following features: Beneficial: gain property management fee reduction if have reached certain amount of household consumption Effective: Greatly enhance payment rates of property management fees collection so as to minimize collection and payment workload of offline workers. Quality: Promote quality products and services to owners nationwide Closen: Provide owners with intelligent, considerate and customized products and services Interactive: Provide owners with quality life and create opportunities to interact with owners in many scenarios so as to close the gap with owners. All products published on Colour Benefit Life platform meet the standard products of daily necessities. The overall procedures from placing orders to delivery have detailed tracking and control, and we actively obtain feedback from users and satisfaction survey so as to ensure product quality. We have explained the terms and procedures of replacement and refund on official Wechat and the platform. If there is any problem about product quality, users can apply for replacement and refund within 15 days from the day of goods delivery. During the Reporting Period, Colour Benefit Life has completed 18.246 million orders with accumulated property management fees offset of RMB36.2 million, and the results are satisfactory.		

Community E-Commerce

To enhance quality management, we formulate monthly quality improvement plan and execute in our nationwide projects. During the Reporting Period, the monthly topics covered are fire safety, equipment and facilities, flood prevention, aesthetic communities. We guided personnel of projects to enhance regional cleaning, security check, notice posting and fire drills, so as to create comfortable and hygienic living environment for owners.





Boost Owners' Experience

Enhancing owners' experience and satisfaction is our main focus, for example, if owners or residents have any opinion or complaint, they could provide feedback via the 400 customer service hotline or Caizhiyun (彩之雲) platform. We will then handle and give appropriate response timely through the system or telephone. Caizhiyun (彩之雲) users can check the progress of complaints and details on the platform and give their comment so that we can improve our service quality constantly. During the Reporting Period, our complaints and handling rate had exceed 95% with cumulative handling rate was over 98%.

To further understand the opinions of owners and residents, we entrusted a third-party research institution to conduct a property satisfaction survey during the Reporting Period, and collected 2,000 feedbacks in total with 10 cities participating in 10 projects. The total satisfaction scores of this survey were 84.5, and nearly half of the owners gave full marks.

Privacy Protection and Intellectual Property Rights

To protect the interests of the Group, staff, owners and customers, we undertake to deal with all private information prudently including financial information, owners' information, patents and skills as well as software. All staffs must sign the letter of undertaking and confidentiality agreement and shall commit not to disclose confidential information to third-parties without any approval. In addition, we also provide relevant training to enhance employees' awareness of compliance and intellectual property rights and protect the dedicated works of the Group and researchers.

Advertising and Labelling

The Group promotes products and services in accordance with relevant laws and regulations, including but not limited to the "Advertising Law of the PRC" (《中華人民共和國廣告法》) and "Law of the PRC on the Protection of Consumer Rights and Interest" (《中華人民共和國消費者權益保護法》), so as to ensure the authenticity of advertising content, protect the interests of consumers and customers. According to our business nature, product labelling is not suitable to the Group.

As a pioneer in property management industry, not only has Colour Life focused on online and offline business development and service quality, we also undertake the responsibility of environmental protection. We positively search for suitable environmental measures and make efforts to create a sustainable community for owners, residents and our next generation. The Group strictly follows all regulations and rules related to environment, including but not limited to the "Environmental Protection Law of the PRC" (《中華人民共和國環境保護法》) and "Law of the PRC on Prevention and Control of Environmental Pollution by Solid Wastes" (《中華人民共和國固體廢物污染環境防治法》). During the Reporting Period, we were not aware that the Group was involved in any breach of regulations and rules related to environmental protection.

Emission Management

The emissions of the Group mainly include greenhouse gas that is indirectly generated from power consumption for daily operation of building and equipment, waste gas and greenhouse gas ("GHG") generated from boiler fuel gas and non-hazardous wastes such as papers and general office wastes. We do not generate any material hazardous wastes in the course of operation. The followings are the major emission data of the Group during the Reporting Period:



Emissions	Unit	2018
Total GHG emissions ²	tonnes of CO ₂ e	239.67
Indirect emissions (Scope 2)	tonnes of CO ₂ e	239.67
Total GHG emissions per floor area (Scope 2)	tonnes of CO2e/sq. m.	0.02
Total non-hazardous waste	tonnes	64.83
Total general waste disposed	tonnes	64.83
Total non-hazardous waste per floor area	Kg/sq. m.	5.48

Note: The environmental data during the Reporting Period only covered the headquarters, the Southern Colour Life ecosystem in Shenzhen and Eastern Colour Life ecosystem in Shanghai. In addition, as the Group's headquarters moved from the 7th and 12th floors of Colour Life Building to the 12th floor of Qi Xing Plaza in January 2018, the environmental data during the Reporting Period did not include the 7th and 12th floors of Colour Life Building.

1 As the natural gas data collection system is not well established during the Reporting Period, it is unable to disclose relevant data on waste gas and GHG emissions (Scope 1). We will actively optimise the data collection system and make more comprehensive disclosures in the next year's report.

2 According to the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) issued by World Business Council For Sustainable Development and World Resources Institute, Scope 1 direct emissions cover GHG emissions directly produced by businesses owned or controlled by the Group, while Scope 2 indirect emissions cover GHG emissions of "indirect energy" resulted from electricity (purchased or acquired), thermal energy, refrigeration and steam internally consumed by the Group.

Throughout the Group's business, we do not have any material discharge to the environment. Nevertheless, we actively take environmental measures into daily operation and achieve "green offices", so as to reduce emissions to the greatest extent. The major measures we took in our office include:

- ♦ Encourage staff to go to work by public transportation instead of private cars
- ♦ Recycle batteries and plastic bottles
- ♦ Recycle and reuse office papers
- ♦ Double-sided printing
- Use micro-service of Colour Life housekeeper for daily work and communication purposes, such as receiving and sending emails and issuing notices instead of using papers, so as to reduce waste generation

Resources Management

Resources consumption is a concerned issue in property management industry. Colour Life closely monitors and manages energy and water consumption in offices as well as its property projects, so as to conduct appropriate resources optimization measures and protect valuable natural resources on earth. Our main resources consumption covers purchased electricity and domestic water. Since our business nature does not involve product manufacturing and sales, the Group does not have any packaging materials utilization. During the Reporting Period, major resources consumption data of the Group are as follows:



Use of Resources	Unit	2018
Total energy consumption	MWh	456.44
Purchased electricity	MWh	425.07
Solar energy	MWh	31.37
Total energy consumption per square meter	kWh/sq.m.	38.56
Total water consumption ³	m ³	3,987.29
Total water consumption per square meter	m³/sq.m.	0.34

3 Since there is no water consumption data or water metre for the 10th floor of Colour Life Building, the total water consumption does not include the water consumption data for the 10th floor of Colour Life Building.

Energy

It is one of our major emphasis to boost energy efficiency of buildings. To fully understand energy utilization in offices and property projects, we adopt the one-stop energy efficiency data management platform of E-energy of the Group and conduct energy audit in the respective offices of the Group and property management projects in regions, including monitoring, diagnosis and evaluation on energy consumption, energy efficiency of buildings and environmental impact, so as to search for suitable energy-saving measures and optimize energy efficiency and performance of buildings. During the Reporting Period, Shenzhen Ancaihua Energy Investment Co., Ltd. (深圳市安彩華能源投資有限公司) (the



operating entity of E-energy) conducted reviews of 32 property management projects of the Group and upgraded the illuminating systems in public areas of 30 projects among them, of which they include 15,000 LED lights. We also completed 47 pump improvement engineering projects with 90 sets in total. It is expected that power volume saved was about 3,400,000 kWh.

To further optimize energy efficiency, the Group expects to expand the scope of energy audit in the coming year, which covers 120 property management projects and 90 projects need to be upgraded. In addition, it is expected to complete the solar PV power generation modification works in Shenzhen Colour Life Times Square to minimize the dependence on traditional non-renewable energy.

During the Reporting Period, we completed the energy audit project of Shanghai Colour Life Plaza and the upgrading and modification works of a lot of equipment. It is expected to save power volume of over 1,122,000 kWh, of which it includes:

- Install sensors and controllers to existing equipment, for example, install automatic control system to air processors
- ♦ The control of cooling tower
- ♦ Adopt temperate supplemental control to boiler system
- Update illuminating system and shorten illuminating working hours
- ♦ Reform central air conditioning system by using ice storage
- ♦ Use variable frequency immersible pump with no negative pressure

Water

Apart from energy, we also pay attention to water consumption. Since the Group's domestic water where our business operations locate is mainly provided by regional water supply companies, we do not have any problems in obtaining appropriate water sources. Despite the fact that our business does not involve in large amount of water consumption, we have also adopted the following water saving measures to save water resources in the offices:



- \diamond Use residual mineral water in meeting rooms and clean water to water plants in the offices
- ♦ Post water saving labels in washrooms
- ♦ Control water flow of some faucets to reduce water consumption

Intelligent Property

Intelligent property management has become an industrial trend. Besides service intelligence of the Group through Caizhiyun (彩之雲) platform, we also take advantage of the internet to achieve the concept of intelligent office further and achieve the concept of green property. During the Reporting Period, we introduced the intelligent household system into Intra-property platform and started to use it in the offices in Qixing Plaza. We also upgraded the illuminating system in offices, realizing automation and intelligent switching system to bring employees convenience and lower energy consumption.



Colour Life deeply understands our duties as a corporate citizen, and proactively goes deep into the communities to contribute to society. It also communicates closely with owners and residents through online and offline platforms to strengthen connections and strive to boost service quality and customer satisfaction. At the same time, we try to understand the demand of every resident and every community and identify groups in need and expect to make contributions to the communities under our management and even to the wider society through our resources and employees' participation.



Colour Life Charity Foundation

Colour Life Charity Foundation was founded in 2015 and committed to undertake the social responsibility in the community service segment. We urge our employees to join the foundation, formed the "Colour Life Volunteers" team and organize various public activities regularly and put forth the idea of "Charity Practice with Wonderful Life" into practice. The Charity Foundation mainly engaged in providing

assistance to employees, owners and residents in Colour Life service communities who suffer serious illness or experience unexpected accidents.

To raise fund for maintaining the operation of Charity Foundation and achieve the environmental concepts of resources sharing and wastes reduction, the Charity Foundation started to operate a community charity shop named Colour Life Shop since 2016, aiming at supporting vulnerable groups and helping the poor by ways of collecting personal goods from employees and residents for charitable sales and all donations raised are used for the public charity projects of the Charity Foundation. During the Reporting Period, the Charity Foundation made the donations of approximately RMB230,000.

Given the active participation and outstanding performance by the Charity Foundation and "Colour Life Volunteers", we received many awards and honours during the Reporting Period and the results are encouraging.

Awarding Agency

Shenzhen Care Action

The 8th China Charity Festival

a Charity Festival

Shenzhen Property Management Association

Awards and Honours

Top 100 Projects of Residents Satisfaction 2018 Public Charity Innovation Award Outstanding Contribution Enterprise for Public Charity



Poverty Alleviation Program in Rural Areas

Caring about poverty groups has always been the focus of the Charity Foundation. In June 2018, the Group officially joined the China Social Poverty Alleviation Union organized by Eju-lenong, a charitable group. Mr. Tang Xuebin, the Chief Executive Officer of the Group, was elected as the vice chairman of the Union for its first session. China Social Poverty Alleviation Union will carry forward the idea of "Supporting Agriculture by Community" and search for quality agricultural products from 592 poor cities and counties. We dealt directly with local farmers and participated in the packaging, marketing promotion and quality control procedures to simulate local economy and help the distant rural areas to alleviate poverty.



Signing Ceremony of Cooperation Between Colour Life and Lenong



Shenzhen Fantasia Huajun and Huaxiang Community placed agricultural products for residents to taste







After joining the China Social Poverty Alleviation Union, our flagship project is promoting the poverty alleviation program in rural areas with Fantasia Holdings Group Co., Limited (01777. HK). Located in a remote mountainous region in Suichuan town, Suichuan county, Jiangxi Province, it is our first piloting project with mostly left-behind elders who are making a living on agriculture with minute income. We believe that one-off money support could not help them to eradicate poverty in the long run and is only for urgency needs. To enable poverty alleviation to become effective in the long run and sustainable, we sell agricultural products produced by local old farmers such as tea and steamed rice cake on the online platforms including Caizhiyun (彩之雲) and Colour Benefits Life. All profits generated will be donated entirely to the Pension and Poverty Alleviation Specific Funds of Gaoping town, Suichuan to improve the livelihood of local farmers. Tremendous support was received from the public. We will actively consider propelling this model nationwide and enable much more poor farmers in regions to put their local agricultural products on the platforms of Colour Life and earn income and live happier elderly lives.



In addition, we also headed to Gaoping, Suichuan in December together with the volunteers from Fantasia Public Funds Association, providing warm necessities to more than 40 households with low income, elderly homes and disabled elderly people. These necessities include hand warmers, felts, vacuum cups, thermal underwear, down jackets, cotton-padded trousers, cotton-padded shoes, quilted stockings and other winter clothing, bringing them a warm winter to the local.



Colour Life Class

Besides poverty alleviation, since 2016, we have penetrated deeply into the communities nationwide that are managed by the Group and carried out all kinds of "Community Colour Life Class" activities. We performed matchings of integrated community resources and invited talents to teach children in communities including painting, calligraphy, paper folding, table tennis and taekwondo and handcraft. In addition, communities also hold various irregular activities such as family reading club, choir for the elderly, medical outreach and athletic competition, forming harmonious communities through connecting with residents. All courses and activities are free of charge which aim at nourishing the interests of children and broadening their views. During the Reporting Period, Colour Life had arranged a total of more than 900 Colour Life classes.





Volunteers and medical outreach









Parents-child campaign













Sports





Home Care

To extend the concept of "Service to Your Family", not only has Colour Life held "Colour Life Class" in communities but also organized "Colour Life Volunteers" in communities over the country to visit old solitary elderlies in communities, helped them cleaning house and donated daily necessities, hoping to give them our care and warmth. During the Reporting Period, the business divisions all over the country had organized over 40 visits including festive day visits and ordinary visits.

Fanglin-Environmental Education Station

It is also one of our major works to popularize the importance of environmental protection in communities. In order to increase the environmental awareness of community residents, especially our next generation, during the Reporting Period, we actively responded to the call on garbage classification and recycling renewable resources from Urban Management Bureau of Luohu District, Shenzhen and donated more than RMB90,000. We set up environmental protection education station with Compassion Relief Tzu Chi Foundation in the public area on the 3rd floor of Fanglin Building in Fanglin Community of Luohu managed by Colour Life. The environmental protection education station was opened officially in August 2018 and organized reading groups about environmental education for white-collar workers on a weekly basis. In addition, it also held environmental practical courses and 1 to 2 large-scale recreational activities monthly, including making handmade soap with environmental enzymes and environment-related parenting handicraft classes, which enable residents to have personal experience regarding the importance of resources recycling and practice the idea of "cherish everything and support environmental protection".

Environmental protection education will be one of the important community investments of Colour Life. Taking Fanglin environmental protection education station as the initial step, we will establish environmental protection stations in many communities managed by Colour Life and disperse the environmental seeds into every community and even nationwide.





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(b) compli on the relating to ai	normal bicies; and ance with relevant laws and regulations that have a significant impact	Emission Management	22–23
KPI A1.1	The types of emissions and respective emission data.		
KPI A1.2	Greenhouse gas emissions in total and intensity		
KPI A1.3	Total hazardous waste produced and intensity.		
KPI A1.4	Total non-hazardous waste produced and intensity.		
KPI A1.5	Description of measures to mitigate emissions and results achieved.		
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Aspect A2: l	Jse of Resources	·	
materials.	losure the efficient use of resources, including energy, water and other raw es may be used in production, in storage, transportation, in buildings, electronic equipment,	Resources Management	23–25
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.		
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KPI A2.3	Description of energy use efficiency initiatives and results achieved.		
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KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.		
Aspect A3: E	Environment and Natural Resources	· · · · ·	
General Disc Policies on n resources.	losure ninimising the issuer's significant impact on the environment and natural	Colour Life's Environment	22–25
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		

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B. Social			
Employment a	nd Labour Standards		
Aspect B1: En	nployment		
on the is relating to con	: ies; and nce with relevant laws and regulations that have a significant impact	Colour Life's Talents	11–17
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee Overview	11
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	All turnover employees were those in Mainland China. The total turnover rate was 28.89%, 27.93% for male, 30.25% for female; 42.45% for 20 years old or below, 37.84% for 21–30 years old, 26.48% for 31–40 years old, 19.63% for 41–50 years old, 33.46% for 51–60 years old, 61.95% for 60 years old or above	N/A
Aspect B2: He	ealth and Safety		
on the is	: iies; and nee with relevant laws and regulations that have a significant impact issuer aviding a safe working environment and protecting employees from	Talent Care	14
KPI B2.1	Number and rate of work-related fatalities.	The number of	N/A
KPI B2.2	Lost days due to work injury.	work-related fatality during the Reporting Period was 1, with a rate of 0.01%; and the number of working days lost due to work injury was approximately 1,900 days	
	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Talent Care	14

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Aspect B3: [Development and Training		
	losure mproving employees' knowledge and skills for discharging duties at ption of training activities.	Talent Training	15–16
KPI B3.1	The percentage of employees trained by gender and employee category.		
KPI B3.2	The average training hours completed per employee by gender and employee category.		
Aspect B4: L	abour Standards		
(b) compli on the	on: licies; and ance with relevant laws and regulations that have a significant impact	Employment Standards	16–17
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Relevant data were not disclosed	N/A
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	during the year	
Operating Pr	ractices		
Aspect B5: 8	Supply Chain Management		
General Disc Policies on n	losure nanaging environmental and social risks of the supply chain.	Supply Chain Management	10
KPI B5.1	Number of suppliers by geographical region.	The Group cooperated with 366 suppliers during the Reporting Period, all of the suppliers are located in Mainland China	N/A
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	10
Aspect B6: F	Product Responsibility		
(b) compli on the relating to he	on: licies; and ance with relevant laws and regulations that have a significant impact	Colour Life's Services	18–21

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KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group is not involved in	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	any product manufacturing	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Privacy protection and intellectual property rights	21
KPI B6.4	Description of quality assurance process and recall procedures.	The Group is not involved in any product manufacturing	N/A
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Privacy protection and intellectual property rights	21
Aspect B7:	Anti-Corruption		
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KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.		
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		
Community			
Aspect B8:	Community Investment		
	community engagement to understand the needs of the communities suer operates and to ensure its activities take into consideration the	Colour Life's Community	26–33
KPI B8.1	Focus areas of contribution.]	
KPI B8.2	Resources contributed to the focus area.		



HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("THE PRC") Room 1203 - 09 Qixing Commercial Plaza B Meilong Avenue Long Hua District Shenzhen, the PRC

PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

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