

Liking Fit, a 24H Internet Fitness Brand with Lead Investment from Everbright Zhongying Capital, enters Series C Financing

16 Jan 2018 - Everbright Zhongying Capital, a fund co-founded by **China Everbright Limited** ("CEL"; stock code: 165.HK) and **Focus Media** to focus on growth investments in new area of consumption, announced that the fund has completed its lead investment in Liking Fit, a 24H smart internet fitness brand. Upon the completion of the transaction, Liking Fit has become one of the few smart fitness firms to enter series C financing.

Combining internet and smart fitness

Rapid changes in the consumer market have already given birth to changes in clothing, food and grocery, housing, and transportation. The fast developing sports and fitness industry is without a question a typical example of consumption upgrades. Statistics show that in 2017 the size of China's health club market was almost RMB90 billion. It is expected to maintain a compound annual growth rate of 12% in the next five years, reaching RMB123 billion by 2020.

As a 24H smart internet fitness brand, Liking Fit targets office workers and young people, with most smart gyms sized 400 to 800 square meters and located in the cities' CBD office buildings and core commercial streets. As of December 2017, due to its hi-tech and large-scale strategy, Liking Fit has more than 200 authorised stores in over 100 cities across the country, becoming the leader in new generation gym brands.

With deep insight into the fitness industry, Liking Fit has decided to start up offline and undergo improvements in product development and user operations through software and hardware like the Liking Fit 2nd generation bracelets, smart health trackers, Smart Spot and online management systems. The company has a sound R&D system and supply chain. It has established independent R&D teams and close partnerships in Shanghai headquarters, Shenzhen, Seattle and San Francisco.

Liking Fit positions itself as a smart health club that, compared with the traditional size of thousands of square meters, is down to 400 to 800 square meters and opens 24 hours a day to meet the demand of more and more night-time fitness enthusiasts. It is self-served, using a series of internet tools to reduce staff and put an end to product marketing to gym goers. Employing technology-driven internet tools and smarter ideas, Liking Fit not only overcomes the shortcomings of traditional gyms such as bundled sales and the problem of fragmented fitness needs not being satisfied, but also substantially reduces the operating costs of gym rooms.

Optimistic about the smart fitness market and fully equipped for a new consumption model

As the lead investor of Liking Fit as it goes into the series C phase of financing, Everbright Zhongying Capital says, "With the continuous improvement of technologies based on artificial intelligence and big data, the consumer sector is facing the upgrade and iterative process of the entire industrial chain. In our view, under this round of technological revolution, all traditional industries have been forced to change. Traditional enterprises that do not embrace emerging technologies will not stand a chance. Liking Fit is the perfect model of technology-driven companies that achieve overall efficiency improvement in traditional industries through the use of next-generation technology. We are optimistic about the market penetration and application of such health clubs, which make use of technology-driven tools to meet the new consumer needs and create investment opportunities.

Statistics show that China's population of people who participate in frequent sports activities has reached 434 million. The market is extremely promising. The new smart fitness platform built by Liking Fit aims at solving the problems faced by the urban crowd in traditional fitness models. Through the optimisation and upgrade of the offline stores and services, and integration of cutting-edge smart technologies, it provides users with more flexibility, comfort and convenience in the fitness experience. Answering the call for "fitness for all", the mission shall have a bright future. We are also impressed by Liking Fit's keen market acumen and their ability to undergo expansion and make profit. We believe it will become a leader on the new generation of emerging consumer services platform that is primed with technology.

As the growth capital with the strongest boosting effect in China, Everbright Zhongying Capital is devoted to laying out high-quality projects at home and abroad through its sound financial capital operation experience and deep market insight, finding enterprises with the greatest potential under the background of new economy. Currently, the fund has completed more than 10 investment projects in new consumption fields. Our investment in Liking Fit further strengthens the 'targeting technology-driven enterprises with smart commercial application and integration of online-offline' investment principle and direction of Everbright Zhongying Capital."

About Everbright Zhongying Capital

Founded in August 2016, Everbright Zhongying Capital is a new industry investment fund jointly established by China Everbright Limited and Focus Media. The Fund targets at the economic development tendency of China and exploits the enterprises with the greatest potential under the background of China's new economy. It aims to become the Growth Capital with the strongest boosting effect in China. Everbright Zhongying Capital has extensive involvement in emerging industries with rapid growth, with a focus on investment opportunities in various new consumption fields characterised by technological advancement as the driving force and diversified consumer demand as the catalyst. At present, the fund has completed more than ten investment projects, namely mobile video leader Yixia Technology, well-known second-hand car e-commerce platform Uxin Group, Xiaopeng Motors, renowned C2M online e-commerce platform Biyao Mall, new car e-commerce platform emao.com, Shanghai Film Art Academy, smart fashion headset brand i.am+, paid knowledge platform Hetao Live.

About China Everbright Limited

China Everbright Limited (CEL, stock code: 165.HK) was established in Hong Kong in 1997 and is China's leading cross-border investment and asset management company. Its parent company is China Everbright Group. CEL manages private equity funds, venture capital funds, industry funds, mezzanine funds, parent funds, fixed income and equity funds. The bank utilises strong private capital and cultivates a number of high-growth-potential enterprises together with its investors. While closely following the development requirements of Chinese companies, it also seamlessly merges the best in overseas technologies with the Chinese market, providing multi-faceted service to Chinese clients involved in overseas investment.

As at the end of June 2017, CEL managed 38 funds and completed fundraising efforts in the amount of HKD 106.6 billion. Through both proprietary funds and the funds it manages, CEL has invested in companies both in China and globally, including China UMS, GDS, Goldwind, CECEP Wind-power Corporation, Nanjing Gaosu Chuandong, HC SemiTek, Beijing Genomics Institute, Betta Pharmaceuticals Co., Ltd., Beingmate, Focus Media, iQiYi, Miaopai, Albania Capital Airport, Wish and BEP. It has invested in a total of over 300 companies, covering fields including real estate, pharmaceuticals, new energy, infrastructure, advanced technology, high-level manufacturing, financial technology and cultural consumption. Of these, more than 150 companies have been listed in China or overseas, or were listed and have withdrawn due to mergers and acquisitions.

CEL is the second-largest shareholder of Everbright Securities (stock code: 601788.SH, 6178.HK) and a strategic shareholder of China Everbright Bank (stock code: 601818.SH, 6818.HK). It is also the largest shareholder of Everbright Jiabao Company Limited (stock code: 600622.SH). On the Hong Kong listing, it is the largest shareholder of China Aircraft Leasing Group Holdings Limited (stock code: 1848.HK). On the Singapore listing, it is the second-largest shareholder of Ying Li International Real Estate Limited (stock code: 5DM. SGX). CEL and its subsidiary companies currently have offices in Hong Kong, Beijing, Shanghai, Shenzhen, Tianjin, Singapore and Dublin.

CEL became one of the first Hong Kong stocks to be traded following the launches of the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programmes in April 2014 and December 2016.

CEL adheres to the motto “The Power to Transform”. With a firm footing in Hong Kong – a true bridge between east and west – the Group is well positioned to take advantage of the long-term opportunities presented by changes in the Chinese market, respond flexibly, and become a leader in Chinese cross-border investment and asset management. For more information about CEL, please visit www.everbright.com.