金茂物業服務發展股份有限公司

Jinmao Property Services Co., Limited

(Incorporated in Hong Kong with limited liability)

Global Offering

Stock Code：00816

Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers (In alphabetical order)

CICC 中金公司

滙豐 HSBC

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers (In alphabetical order)

CITIC SECURITIES

安信國際 ESSENCE INTERNATIONAL

Joint Bookrunners and Joint Lead Managers (In alphabetical order)

農銀國際 ABC INTERNATIONAL

建银国际 CCB International

CMBI 招銀国际

華融國際證券有限公司 HUARONG INTERNATIONAL SECURITIES LIMITED

华泰国际 HUATAI INTERNATIONAL

申萬宏源香港 SHENWAN HONGYUAN

IMPORTANT: *If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.*

JINMAO PROPERTY SERVICES CO., LIMITED
金茂物業服務發展股份有限公司

(Incorporated in Hong Kong with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**101,411,500 Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**10,142,000 Shares (subject to reallocation and the Offer Size Adjustment Option)**
Number of International Offer Shares	**:**	**91,269,500 Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$8.14 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Stock code	**:**	**00816**

Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers:

CICC 中金公司 滙豐 HSBC

(In alphabetical order)

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers:

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Joint Bookrunners and Joint Lead Managers:

農銀國際 ABC INTERNATIONAL 建银国际 CCB International CMBI 招银国际

華融國際證券有限公司 HUARONG INTERNATIONAL SECURITIES LIMITED 华泰国际 HUATAI INTERNATIONAL 申萬宏源香港 SHENWAN HONGYUAN

(In alphabetical order)

Joint Lead Manager:

利弗莫尔证券

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix VI, has been registered by the Registrar of Companies in Hong Kong as required by Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be determined by agreement between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company on or around Thursday, March 3, 2022 and, in any event, not later than Wednesday, March 9, 2022. The Offer Price will not be more than HK$8.14 per Offer Share and is expected to be not less than HK$7.52 per Offer Share, unless otherwise announced. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK$8.14 per Hong Kong Offer Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015%, subject to refund if the Offer Price as finally determined is less than HK$8.14 per Offer Share.

If, for any reason, our Company and the Joint Representatives (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Offer Price on or before Wednesday, March 9, 2022, the Global Offering will not proceed and will lapse.

The Joint Representatives (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in this prospectus (which is HK$7.52 to HK$8.14 per Offer Share) at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.jinmaowy.com** as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or transferred within the United States. The Offer Shares are being offered, sold or delivered outside the United States in offshore transactions in reliance on Regulation S or other exemption from the registration requirements under the U.S. Securities Act.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this document or printed copies of any application forms to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the websites of the Stock Exchange at **www.hkexnews.hk** and our website at **www.jinmaowy.com**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

February 25, 2022

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus or printed copies of any application forms to the public.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.jinmaowy.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply through **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:

(i) instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or

(ii) (if you are an existing **CCASS Investor Participant**) giving **electronic application instructions** through the CCASS Internet System (**https://ip.ccass.com**) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Centre at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to "How to Apply for Hong Kong Offer Shares" for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Minimum Application Amount and Permitted Numbers

Your application through the **White Form eIPO** service or the **CCASS EIPO** service must be for a minimum of 500 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select.

JINMAO PROPERTY SERVICES CO., LIMITED (Stock Code: 00816)
(HK$8.14 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable on application HK$
500	4,111.02	8,000	65,776.32	150,000	1,233,305.85	1,000,000	8,222,038.99
1,000	8,222.04	9,000	73,998.35	200,000	1,644,407.80	1,500,000	12,333,058.49
1,500	12,333.06	10,000	82,220.39	250,000	2,055,509.75	2,000,000	16,444,077.98
2,000	16,444.07	15,000	123,330.59	300,000	2,466,611.69	2,500,000	20,555,097.48
2,500	20,555.10	20,000	164,440.78	350,000	2,877,713.64	3,000,000	24,666,116.97
3,000	24,666.12	25,000	205,550.98	400,000	3,288,815.59	3,500,000	28,777,136.47
3,500	28,777.13	30,000	246,661.17	450,000	3,699,917.54	4,000,000	32,888,155.96
4,000	32,888.16	35,000	287,771.37	500,000	4,111,019.50	4,500,000	36,999,175.46
4,500	36,999.17	40,000	328,881.56	600,000	4,933,223.40	5,071,000(1)	41,693,959.72
5,000	41,110.20	45,000	369,991.76	700,000	5,755,427.30		
6,000	49,332.23	50,000	411,101.95	800,000	6,577,631.19		
7,000	57,554.28	100,000	822,203.90	900,000	7,399,835.09		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

> *If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Stock Exchange at* ***www.hkexnews.hk*** and our Company at ***www.jinmaowy.com***.

Hong Kong Public Offering commences . . . . .9:00 a.m. on Friday, February 25, 2022

Latest time to complete electronic applications under the **WHITE Form eIPO** service through the designated website **www.eipo.com.hk**[2] . . . . .11:30 a.m. on Wednesday, March 2, 2022

Application lists open[3] . . . . .11:45 a.m. on Wednesday, March 2, 2022

Latest time for completing payment for **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and giving **electronic application instructions** to HKSCC . . .12:00 noon on Wednesday, March 2, 2022

Application lists close[3] . . . . .12:00 noon on Wednesday, March 2, 2022

Expected Price Determination Date[4] . . . . Thursday, March 3, 2022

(1) Announcement of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offering to be published on or before . . . . . . Wednesday, March 9, 2022

(2) Results of allocations in the Hong Kong Public Offering to be available through a variety of channels as described in the section headed "How to Apply for Hong Kong Offer Shares – D. Publication of Results" in this prospectus from . . . . Wednesday, March 9, 2022

(3) Announcement containing (1) and (2) above will be published on the website of the Company and the Hong Kong Stock Exchange at our website at **www.jinmaowy.com** and **www.hkexnews.hk** from . . . . Wednesday, March 9, 2022

Results of allocations in the Hong Kong Public Offering will be available at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a ''search by ID'' function from . . . . 8:00 a.m. on Wednesday, March 9, 2022 to 12:00 midnight on Tuesday, March 15, 2022

Despatch/Collection of share certificates or deposit of the share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before[5][6][7] . . . . Wednesday, March 9, 2022

Despatch/Collection of **White Form** e-Refund payment instructions/refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Hong Kong Public Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before . . . . Wednesday, March 9, 2022

Despatch of share certificates to Qualifying Jinmao Shareholders who are entitled to receive Shares under the Distribution on or before[8] . . . . Wednesday, March 9, 2022

Dealings in the Shares on the Hong Kong Stock Exchange expected to commence at 9:00 a.m. on . . . . Thursday, March 10, 2022

Despatch of cheques to Non-Qualifying Jinmao Shareholders (if any) of the net proceeds of the sale of Shares which they would otherwise receive pursuant to the Distribution on or before[9] . . . . Tuesday, April 12, 2022

Notes:

(1) All dates and times refer to Hong Kong local time, except as otherwise stated.

(2) You will not be permitted to submit your application under the **WHITE Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a "black" rainstorm warning signal or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, March 2, 2022, the application lists will not open and close on that day. See section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

(4) The Price Determination Date is expected to be on or around Thursday, March 3, 2022 and in any event, not later than Wednesday, March 9, 2022. If for any reason, the Offer Price is not agreed between the Joint Representatives (for themselves and on behalf of the Underwriters) and us by Wednesday, March 9, 2022, the Global Offering will not proceed and will lapse.

(5) The Share certificates will only become valid at 8:00 a.m. on the Listing Date, which is expected to be Thursday, March 10, 2022, provided that the Global Offering has become unconditional in all respects at or before that time. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of the Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.

(6) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.

(7) Applicants who have applied on White Form eIPO for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offering and have provided all information required by the Application Form may collect any refund cheques and/or Share certificates in person from our Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9: 00 a.m. to 1: 00 p.m.. Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. Applicants being corporations which are eligible for personal collection must attend by their authorized representatives bearing letters of authorization from their corporations stamped with the corporation's chop. Both individuals and authorized representatives of corporations must produce identification and (where applicable) authorization documents acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares by giving electronic application instructions to HKSCC should see "How to Apply for Hong Kong Offer Shares" in this prospectus for details. Uncollected Share certificates and/or refund cheques will be despatched by ordinary post, at the applicants' own risk to the addresses specified in the relevant applications. See "How to Apply for the Hong Kong Offer Shares — A. Applications for the Hong Kong Offer Shares — 6. Applying through CCASS EIPO Service" in this prospectus for details.

Applicants who have applied for less than 1,000,000 Hong Kong Offer Shares and any uncollected Share certificates and/or refund cheques will be despatched by ordinary post at the applicant's risk, to the address specified in the relevant applications.

See ''How to Apply for Hong Kong Offer Shares — F. Refund of Application Monies'' and ''How to Apply for Hong Kong Offer Shares — G. Despatch/Collection of Share Certificates/E-Refund Payment Instructions/Refund Cheques'' in this prospectus.

(8) For Qualifying Jinmao Shareholders whose shareholdings in China Jinmao are held in CCASS, their entitlements to Shares under the Distribution will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants. For Qualifying Jinmao Shareholders whose shareholdings in China Jinmao are held in their names on the register of members of China Jinmao, share certificates for Shares under the Distribution will be despatched by ordinary post to their addresses on the register of members of China Jinmao at their own risks.

(9) Non-Qualifying Jinmao Shareholders (if any) will be entitled to the Distribution but will not receive Shares. Instead, the Shares which they would otherwise receive pursuant to the Distribution will be sold by China Jinmao on their behalf as soon as reasonably practicable after commencement of dealings in the Shares on the Stock Exchange and they will receive a cash amount equal to the net proceeds of such sale. Further information is set out in the section headed "The Spin-off and Distribution — Distribution" in this prospectus.

Share certificates for the Hong Kong Offer Shares and Shares to be distributed pursuant to the Distribution are expected to be issued on Wednesday, March 9, 2022 but will only become valid evidence of title if the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements is terminated in accordance with its terms before 8:00 a.m. on the Listing Date, which is expected to be on on Thursday, March 10, 2022.

For details of the structure of the Global Offering, including its conditions, and the procedures for applications for the Hong Kong Offer Shares, see sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus, respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, the Company will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and does not constitute an offer to sell or a solicitation of an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. The Hong Kong Public Offering are made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, employees, agents or representatives of any of them or any other person or party involved in the Global Offering.

Page

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by and should be read in conjunction with, the full prospectus. You should read the whole prospectus, including the appendices, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed "Risk Factors" of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a fast-growing upscale property management and city operation service provider in China. According to China Index Academy, the average property management fee for properties under our management was significantly higher than the industry average of the Top 100 Property Management Companies in 2018, 2019 and 2020. According to China Index Academy, we are an industry-leading company in terms of multiple indicators in the three dimensions of scope of service, service standards and service fees. China Jinmao, our Controlling Shareholder, is a top tier property developer in China. We provide a full range of high-quality property management and value-added services to one of the fastest-growing portfolios of high-end residential properties, according to China Index Academy. We also manage and operate a diversified and growing portfolio of commercial properties primarily comprising office buildings and shopping malls, as well as public properties such as schools, government facilities and other public spaces. As of September 30, 2021, the total GFA under management was approximately 23.2 million sq.m. According to China Index Academy, the property management industry in China is highly competitive and fragmented. Our market share in terms of GFA under management and total revenue in 2020 was approximately 0.07% and 0.15% of the property management market in China. We were ranked the 5th in terms of revenue per sq.m. among the Top 100 Property Management Companies headquartered in the Beijing-Tianjin-Hebei Region in 2020. We were ranked the second in terms of GFA under management for upscale property management service projects among the Top 100 Property Management Companies in Beijing in 2020.

Capitalizing on our leading brand reputation, extensive resources and experience, and comprehensive technological capabilities, together with our business partners, we are committed to developing a lifestyle service platform that is centered around living and working activities of property users. Through our platform, we seek to synergize different pillars of our services to deliver an integrated and elevated living experience, improve property users' quality of life and vitalize property management for owners.

We are engaged in three business lines, namely (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services. We also provide city operation services, the scope of which spans across our three business lines. We were established over 25 years ago to focus on the provision of property management services in China. In addition to property management services, we offer value-added services to non-property owners (such as sales assistance, consultancy and other value-added services). We also offer a variety of community value-added services, which are provided mainly to the owners and residents of the properties we manage.

Our contracted GFA reached 45.7 million sq.m. as of September 30, 2021, covering 47 cities in 22 provinces, autonomous regions and municipalities in China, 67.8% of which are in first-tier and second-tier cities in China. As of the Latest Practicable Date, our property management portfolio covered residential properties and a wide range of non-residential properties, including commercial properties (such as office buildings and shopping malls) and public and other properties (such as schools, government facilities and other public spaces). Our total GFA under management as of September 30, 2021 was 23.2 million sq.m. across 35 cities in 20 provinces, autonomous regions and municipalities in China, encompassing 96 residential projects and 41 non-residential projects. As of September 30, 2021, our GFA under management for residential properties and non-residential properties was approximately 19.7 million sq.m. and 3.5 million sq.m., representing 85.0% and 15.0% of our total GFA under management, respectively. Our GFA under management refers to contracted GFA of properties for which we have started to provide property management services pursuant to the relevant property management service contracts, whereas our contracted GFA refers to GFA under management and GFA to be managed by us under operating property management contracts, including both delivered and undelivered GFA.

We experienced rapid growth during the Track Record Period. Our revenue increased from RMB574.5 million in 2018 to RMB788.3 million in 2019 and further to RMB944.2 million in 2020, representing a CAGR of 28.2% from 2018 to 2020. Our revenue in the nine months ended September 30, 2020 and 2021 was RMB665.3 million and RMB1,048.7 million, respectively. Meanwhile, our profit for the year increased from RMB17.5 million in 2018 to RMB22.6 million in 2019 and further to RMB77.1 million in 2020, representing a CAGR of 110.0% from 2018 to 2020. Our profit for the nine months ended September 30, 2020 and 2021 was RMB53.3 million and RMB109.4 million, respectively.

BUSINESS MODEL

Our business includes the following three business lines:

- **Property management services**. We provide a range of property management services to property owners and residents, as well as property developers, including, among others, security, cleaning, greening, gardening and repair and maintenance services for the operation of common area facilities. Our property management portfolio covers residential properties, in particular, high-end ones, and a wide range of non-residential properties, including (i) commercial properties, such as office buildings and shopping malls, and (ii) public and other properties, such as schools, government facilities and other public spaces.

- **Value-added services to non-property owners**. We provide value-added services to non-property owners, including (i) sales assistance services to property developers to assist with their sales and marketing activities at property sales venues and display units, and (ii) consultancy and other value-added services such as pre-delivery and consultancy services, mainly to property developers.

- **Community value-added services**. We provide community value-added services mainly to property owners and residents of our managed properties to address their daily lifestyle needs, which mainly consist of: (i) platform services for interior decoration, (ii) community living services such as housekeeping, new retail and catering services, (iii) community space operation services such as elevator advertising services and car park space management services, and (iv) real estate brokerage services.

Additionally, we provide city operation services in multiple forms to assist governments and enterprises in the optimization, innovation and distribution of urban resources and the delivery of value-added public services to citizens. The service scope of our city operation services spans across our three business lines.

The following table sets out the breakdown of our revenue by business line for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Revenue										
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Residential properties	164,568	28.6	201,501	25.6	276,914	29.3	199,400	30.0	335,210	32.0
— Non-residential properties	170,549	29.7	260,776	33.0	290,567	30.8	210,098	31.6	243,028	23.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
Community value-added services(1)	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
Total revenue	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

Note:

(1) Includes gross rental income from investment properties operating leases.

Our overall revenue increased from RMB574.5 million in 2018 to RMB788.3 million in 2019, further to RMB944.2 million in 2020 and our revenue increased from RMB665.3 million in the nine months ended September 30, 2020 to RMB1,048.7 million in the nine months ended September 30, 2021, due to an increase in revenues generated from our three business lines as we expanded our business scale.

Our revenue from property management services increased throughout the Track Record Period, mainly attributable to an increase in our GFA under management, which was 10.2 million sq.m., 12.7 million sq.m., 17.7 million sq.m. and 23.2 million sq.m. as of December 31, 2018, 2019 and 2020 and September 30, 2021. Our revenue from value-added services to non-property owners increased from RMB178.6 million in 2018 to RMB250.8 million in 2019 and further to RMB294.4 million in 2020, primarily due to an increase in the number of sales activities conducted by property developers to whom we provided services. Our revenue from value-added services to non-property owners increased from RMB199.0 million in the nine months ended September 30, 2020 to RMB371.6 million in the same period of 2021 primarily due to increased revenue from preliminary planning and design services and post-delivery services as we expanded our service offerings. Our revenue from community value-added services increased from RMB60.8 million in 2018 to RMB75.2 million in 2019 and further to RMB82.3 million in 2020 primarily due to increased revenue from community space operation services and platform services for interior decoration as we managed more projects. Our revenue from community value-added services increased from RMB56.8 million in the nine months ended September 30, 2020 to RMB98.8 million in the same period in 2021 primarily due to an increase in the number of communities under our management as a result of our expansion of business scale.

The following table sets out the breakdown of our revenue by source of projects for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	308,277	53.6	431,282	54.7	524,854	55.6	380,716	57.3	534,714	51.0
— Properties developed by Independent Third Parties	26,840	4.7	30,995	3.9	42,627	4.5	28,782	4.3	43,524	4.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	176,539	30.7	247,956	31.4	284,019	30.1	192,601	28.9	360,499	34.4
— Properties developed by Independent Third Parties	2,074	0.4	2,882	0.4	10,382	1.1	6,381	1.0	11,125	1.0
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	59,921	10.5	74,547	9.5	81,604	8.6	56,702	8.5	97,347	9.3
— Properties developed by Independent Third Parties	852	0.1	661	0.1	724	0.1	140	0.0	1,476	0.1
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

The following table sets out the breakdown of our revenue by type of properties for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Residential properties	164,568	28.6	201,501	25.6	276,914	29.3	199,400	30.0	335,210	32.0
— Non-residential properties	170,549	29.7	260,776	33.0	290,567	30.8	210,098	31.6	243,028	23.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Residential properties	167,972	29.2	236,522	30.0	280,418	29.7	187,567	28.2	352,463	33.6
— Non-residential properties	10,641	1.9	14,316	1.8	13,983	1.5	11,415	1.7	19,161	1.8
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Residential properties	28,813	5.0	31,861	4.0	40,342	4.3	30,957	4.7	62,785	6.0
— Non-residential properties	31,960	5.6	43,347	5.6	41,986	4.4	25,885	3.8	36,038	3.4
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

The following table sets out the breakdown of our revenue by types of ultimate paying customers for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	95,020	16.5	90,509	11.5	102,611	10.9	78,009	11.7	105,609	10.1
— Independent Third Parties	240,097	41.8	371,768	47.1	464,870	49.2	331,489	49.9	472,629	45.1
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	164,457	28.6	232,210	29.5	279,610	29.6	190,796	28.7	353,669	33.7
— Independent Third Parties	14,156	2.5	18,628	2.3	14,791	1.6	8,186	1.2	17,955	1.7
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	20,540	3.6	28,546	3.6	28,568	3.0	19,661	3.0	24,527	2.3
— Independent Third Parties	40,233	7.0	46,662	6.0	53,760	5.7	37,181	5.5	74,296	7.1
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

Our revenue generated from value-added services to non-property owners attributable to property developers which are related parties increased in the nine months ended September 30, 2021 compared to the same period of 2020 primarily due to an increase in revenue generated from preliminary planning and design services and post-delivery services provided to Jinmao Group and its joint ventures and associates.

The following table sets out the breakdown of our gross profit and gross profit margin by business line for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	37,105	11.1	54,868	11.9	100,978	17.8	77,831	19.0	101,163	17.5
Value-added services to non-property owners	48,373	27.1	68,558	27.3	101,170	34.4	64,231	32.3	171,157	46.1
Community value-added services(1)	29,556	48.6	28,097	37.4	32,641	39.6	21,739	38.2	38,575	39.0
Total/Overall	**115,034**	**20.0**	**151,523**	**19.2**	**234,789**	**24.9**	**163,801**	**24.6**	**310,895**	**29.6**

Note:

(1) Includes gross rental income from investment properties operating leases.

Our overall gross profit margin decreased to 19.2% in 2019 from 20.0% in 2018 primarily due to decreased gross profit for community value-added services as a result of increased investments in our smart management systems. Our overall gross profit margin increased to 24.9% in 2020 from 19.2% in 2019 primarily due to (i) the higher gross profit margin of our property management business, as detailed below, and (ii) increased revenue from pre-delivery services and community space operation services, which typically generate a higher gross profit margin compared to other services we offered. Our overall gross profit margin increased to 29.6% in the nine months ended September 30, 2021 from 24.6% in the same period in 2020 primarily due to the contribution from our new consultancy and other value-added service offerings such as preliminary planning and design services and post-delivery services which typically have higher profit margin.

For analysis of the trend in our gross profit margin of each business line during the Track Record Period, see "Financial Information — Period to Period Comparison".

The following table sets out the breakdown of gross profit and gross profit margin by source of projects for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*
Property management services	37,105	11.1	54,868	11.9	100,978	17.8	77,831	19.0	101,163	17.5
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	38,548	12.5	54,557	12.6	97,375	18.6	75,386	19.8	97,410	18.2
— Properties developed by Independent Third Parties	-1,443	-5.4	311	1.0	3,603	8.5	2,445	8.5	3,753	8.6
Value-added services to non-property owners	48,373	27.1	68,558	27.3	101,170	34.4	64,231	32.3	171,157	46.1
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	47,149	26.7	67,115	27.1	97,266	34.2	61,852	32.1	169,429	47.0
— Properties developed by Independent Third Parties	1,224	59.0	1,443	50.1	3,904	37.6	2,379	37.3	1,728	15.5
Community value-added services	29,556	48.6	28,097	37.4	32,641	39.6	21,739	38.2	38,575	39.0
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	29,650	49.5	28,043	37.6	32,551	39.9	21,661	38.2	38,177	39.2
— Properties developed by Independent Third Parties	-94[(1)]	-11.0	54	8.2	90	12.4	78	55.7	398	27.0
Total	**115,034**	**20.0**	**151,523**	**19.2**	**234,789**	**24.9**	**163,801**	**24.6**	**310,895**	**29.6**

Note:

(1) This is attributable to our one-off and non-recurring cleaning services provided to a government facility and not representative of our revenue model for community value-added services.

For analysis of the trend in our gross profit margin by source of projects during the Track Record Period, see "Financial Information — Key Factors Affecting our Results of Operations — Business Mix".

The following table sets out the breakdown of gross profit and gross profit margin by type of properties for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	37,105	11.1	54,868	11.9	100,978	17.8	77,831	19.0	101,163	17.5
— Residential properties	2,712	1.6	5,301	2.6	36,788	13.3	33,729	16.9	54,159	16.2
— Non-residential properties	34,393	20.2	49,567	19.0	64,190	22.1	44,102	21.0	47,004	19.3
Value-added services to non-property owners	48,373	27.1	68,558	27.3	101,170	34.4	64,231	32.3	171,157	46.1
— Residential properties	44,758	26.6	63,136	26.7	93,647	33.4	57,656	30.7	159,366	45.2
— Non-residential properties	3,615	34.0	5,422	37.9	7,523	53.8	6,575	57.6	11,791	61.5
Community value-added services	29,556	48.6	28,097	37.4	32,641	39.6	21,739	38.2	38,575	39.0
— Residential properties	12,031	41.8	3,581	11.2	14,524	36.0	12,155	39.3	24,819	39.5
— Non-residential properties	17,525	54.8	24,516	56.6	18,117	43.2	9,584	37.0	13,756	38.2
Total	**115,034**	**20.0**	**151,523**	**19.2**	**234,789**	**24.9**	**163,801**	**24.6**	**310,895**	**29.6**

For analysis of the trend in our gross profit margin by type of properties during the Track Record Period, see "Financial Information — Key Factors Affecting our Results of Operations — Business Mix".

We manage a diverse portfolio of properties covering residential properties, in particular, high-end ones, and non-residential properties, including (i) commercial properties, such as office buildings, skyscrapers and shopping malls, and (ii) public and other properties, such as schools, government facilities and other public spaces. The following table sets out the breakdowns of our revenue from property management services by property type:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Residential properties	164,568	49.1	201,501	43.6	276,914	48.8	199,400	48.7	335,210	58.0
Non-residential properties	170,549	50.9	260,776	56.4	290,567	51.2	210,098	51.3	243,028	42.0
Total	**335,117**	**100.0**	**462,277**	**100.0**	**567,481**	**100.0**	**409,498**	**100.0**	**578,238**	**100.0**

The following table sets out the breakdowns of our (i) GFA under management, and (ii) number of properties under management by geographic region, as of the dates indicated:

	As of December 31,									As of September 30,		
	2018			2019			2020			2021		
	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management
	('000 sq.m.)	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*	
Eastern region(1)	3,034.4	29.7	22	4,304.1	34.0	28	8,048.2	45.6	45	12,690.3	54.6	76
Northern region(2)	2,649.8	25.9	16	2,640.8	20.9	20	3,109.4	17.6	25	3,362.0	14.5	27
Central region(3)	2,013.5	19.7	7	2,581.1	20.4	9	2,834.1	16.0	12	3,130.3	13.5	13
Southern region(4)	1,131.8	11.1	2	1,735.4	13.7	4	1,971.8	11.2	6	2,022.1	8.7	8
Southwestern region(5)	1,393.6	13.6	4	1,399.2	11.0	5	1,587.1	9.0	8	1,776.6	7.6	11
Northwestern region(6)	–	–	–	–	–	–	100.9	0.6	1	259.5	1.1	2
Total	**10,223.1**	**100.0**	**51**	**12,660.6**	**100.0**	**66**	**17,651.5**	**100.0**	**97**	**23,240.8**	**100.0**	**137**

Notes:

(1) "Eastern region" refers to Shanghai, Zhejiang province, Jiangsu province, Jiangxi province, Shandong province, Fujian province and Anhui province;

(2) "Northern region" refers to Beijing, Tianjin, Shanxi province, Hebei province and the central area of Inner Mongolia (Hohhot, Baotou and Ulanqab);

(3) "Central region" refers to Hubei province, Hunan province and Henan province;

(4) "Southern region" refers to Guangxi Zhuang autonomous region, Guangdong province and Hainan province;

(5) "Southwestern region" refers to Chongqing, Sichuan province, Yunnan province, Guizhou province and Tibet;

(6) "Northwestern region" refers to Gansu province, Ningxia Hui autonomous region, Shaanxi province, Xinjiang Uygur autonomous region and the western area of Inner Mongolia autonomous region (Alxa League, Bayannur, Wuhai and Ordos).

During the Track Record Period, the properties under our management were principally developed by Jinmao Group and Sinochem Group and their joint ventures and associates while the rest were developed or owned by other independent-third-party property developers.

The following table sets out the breakdown of our Group's (i) contracted GFA, (ii) undelivered GFA, and (iii) number of properties for contracted GFA by source of projects as of the dates indicated:

	As of December 31,			As of September 30,
	2018	2019	2020	2021
Contracted GFA ('000 sq.m.)	21,861.2	30,788.4	40,525.5	45,730.2
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	20,823.2	29,950.5	37,835.9	41,379.0
— Properties developed by Independent Third Parties	1,038.0	837.9	2,689.6	4,351.2
Undelivered GFA ('000 sq.m.)	11,638.1	18,127.8	22,874.0	22,489.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	11,638.1	18,026.9	22,343.1	21,260.3
— Properties developed by Independent Third Parties	–	100.9	530.9	1,229.1
Number of properties for contracted GFA	107	148	190	228
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	99	137	164	188
— Properties developed by Independent Third Parties	8	11	26	40

The following table sets out the breakdowns of our Group's (i) contracted GFA, (ii) undelivered GFA, and (iii) number of properties for contracted GFA by type of properties as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
Contracted GFA ('000 sq.m.)	21,861.2	30,788.4	40,525.5	45,730.2
— Residential properties	19,461.8	27,559.4	36,444.9	41,355.4
— Non-residential properties	2,399.4	3,229.0	4,080.6	4,374.8
Undelivered GFA ('000 sq.m.)	11,638.1	18,127.8	22,874.0	22,489.4
— Residential properties	11,591.8	17,129.5	21,989.1	21,592.1
— Non-residential properties	46.3	998.3	884.9	897.3
Number of properties for contracted GFA	107	148	190	228
— Residential properties	85	118	152	182
— Non-residential properties	22	30	38	46

The following tables set out the breakdowns of our (i) revenue from property management services by source of projects, and (ii) GFA under management, and number of properties under management by source of projects for the periods or as of the dates indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)[(1)]	308,277	92.0	431,282	93.3	524,854	92.5	380,716	93.0	534,714	92.5
Properties developed by Independent Third Parties[(2)]	26,840	8.0	30,995	6.7	42,627	7.5	28,782	7.0	43,524	7.5
Total	**335,117**	**100.0**	**462,277**	**100.0**	**567,481**	**100.0**	**409,498**	**100.0**	**578,238**	**100.0**

Notes:

(1) "Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)" refers to properties solely developed by Jinmao Group or Sinochem Group or jointly developed by Jinmao Group or Sinochem Group and other parties.

(2) "Properties developed by Independent Third Parties" refers to properties that were not developed by Jinmao Group or Sinochem Group, either solely or jointly with other parties.

	As of December 31,									As of September 30,		
	2018			2019			2020			2021		
	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management
	('000 sq.m.)	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*	
Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)[1]	9,185.1	89.8	43	11,923.7	94.2	56	15,492.8	87.8	76	20,118.7	86.6	105
Properties developed by Independent Third Parties[2]	1,038.0	10.2	8	736.9	5.8	10	2,158.7	12.2	21	3,122.1	13.4	32
Total	**10,223.1**	**100.0**	**51**	**12,660.6**	**100.0**	**66**	**17,651.5**	**100.0**	**97**	**23,240.8**	**100.0**	**137**

Notes:

(1) "Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)" refers to properties solely developed by Jinmao Group or Sinochem Group or jointly developed by Jinmao Group or Sinochem Group and other parties.

(2) "Properties developed by Independent Third Parties" refers to projects not developed by Jinmao Group or Sinochem Group, either solely or jointly with other parties.

Based on information available to us, as of December 31, 2018, 2019 and 2020 and June 30, 2021, we managed approximately 91.0%, 93.0%, 89.0% and 89.0% of the total GFA of the properties developed by Jinmao Group and its joint ventures and associates. To the best of our knowledge, as the properties developed by Sinochem Group and its joint ventures and associates are mainly for self-use purposes, Sinochem Group does not maintain GFA data for such properties, and therefore our managed GFA as a percentage of the total GFA of the properties developed by Sinochem Group and its joint ventures and associates is not available.

The following table sets out the expiration schedule of our preliminary property management service contracts for residential properties as of September 30, 2021:

	Preliminary property management service contracts for residential properties			
	Contracted GFA		Number of contracts	
	('000 sq.m.)	*(%)*		*(%)*
Property management service contracts without fixed term[1]	25,048.7	62.5	138	67.3
Property management service contracts under which we provided services beyond contract expiration[2]	4,385.4	10.9	19	9.3
Property management service contracts with fixed terms expiring in				
— Year ending December 31, 2021	261.5	0.6	3	1.5
— Year ending December 31, 2022	679.0	1.7	4	1.9
— Year ending December 31, 2023 and beyond	9,730.3	24.3	41	20.0
Sub-total	10,670.8	26.6	48	23.4
Total	**40,104.9**	**100.0**	**205**	**100.0**

Notes:

(1) A property management service contract without fixed term primarily refers to a preliminary property management service contract entered into with the property developer which does not have a fixed term and can be terminated when the property owners' association is formed and the property owners select the property service provider with a replacement property management service contract entered into by the property owners' association.

(2) We continued to provide services under these property management service contracts despite their expired contract terms as of September 30, 2021. This was mainly because the relevant property owners' general meetings of such properties are yet to be convened or the property owners' associations are yet to be formed to renew our property management service contracts or to select a replacing property management service provider, or that we are still in the negotiation process with the property owners' associations for the renewal of our engagement.

The following table sets out the expiration schedule of our property management service contracts for residential properties entered into with property owners' associations as of September 30, 2021:

	Property management service contracts for residential properties entered into with property owner's associations			
	Contracted GFA		Number of contracts	
	('000 sq.m.)	*(%)*		*(%)*
Property management service contracts without fixed term	—	—	—	—
Property management service contracts under which we provided services beyond contract expiration	103.3	8.3	4	36.4
Property management service contracts with fixed terms expiring in				
— Year ending December 31, 2021	106.2	8.5	1	9.1
— Year ending December 31, 2022	182.0	14.5	1	9.1
— Year ending December 31, 2023 and beyond	858.9	68.7	5	45.4
Sub-total	1,147.1	91.7	7	63.6
Total	**1,250.4**	**100.0**	**11**	**100.0**

The following table sets out the expiration schedule of our property management service contracts for non-residential properties as of September 30, 2021:

	Property management service contracts for non-residential properties			
	Contracted GFA		Number of contracts	
	('000 sq.m.)	*(%)*		*(%)*
Property management service contracts without fixed term	1,172.3	26.8	10	19.6
Property management service contracts under which we provided services beyond contract expiration	189.0	4.3	3	5.9
Property management service contracts with fixed terms expiring in				
— Year ending December 31, 2021	1,255.0	28.7	10	19.6
— Year ending December 31, 2022	574.4	13.1	12	23.5
— Year ending December 31, 2023 and beyond	1,184.1	27.1	16	31.4
Sub-total	3,013.5	68.9	38	74.5
Total	**4,374.8**	**100.0**	**51**	**100.0**

During the Track Record Period, we terminated two property management service contracts which did not match with our profitability criteria on a voluntary basis.

OUR CUSTOMERS AND SUPPLIERS

We have a large, growing and loyal customer base primarily consisting of (i) property owners and residents for our property management and community value-added services, (ii) property developers for our value-added services to non-property owners and property management service, and (iii) other customers such as advertising companies for our community value-added services. We typically do not grant a credit term to individual customers for our property management services and other customers for our community value-added services. We typically grant a credit term of 90 days to 180 days to property developers.

China Jinmao is the Controlling Shareholder of our Company for the purpose of the Listing Rules. Sinochem Group is an indirect controlling shareholder of China Jinmao and consolidated the accounts of China Jinmao and its subsidiaries during the Track Record Period. When calculating our five largest customers for the Track Record Period, we aggregated revenue contribution from customers under common control and their subsidiaries, joint ventures and associates. As a result, our single largest customer during the Track Record Period was Sinochem Group and its subsidiaries, joint ventures and associates, which include China Jinmao and its subsidiaries (excluding our Group), joint ventures and associates. For further details, see "Connected Transactions" and Note 29 of the Accountants' Report in Appendix I to this prospectus. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, revenue from our single largest customer in each year/period for the Track Record Period amounted to RMB280.0 million, RMB351.3 million, RMB410.8 million and RMB483.8 million, representing 48.7%, 44.6%, 43.5% and 46.1% of our total revenue, respectively. For the same periods, revenue from our five largest customers in each year/period for the Track Record Period, in aggregate amounted to RMB336.6 million, RMB405.6 million, RMB461.8 million and RMB528.4 million, representing 58.5%, 51.5%, 48.8% and 50.4% of our total revenue, respectively.

Starting from 2020, we proactively reinforced our efforts to seek property management engagements for projects developed by property developers that are Independent Third Parties, in order to benefit more from economies of scale, gain additional revenue sources, diversify our property management portfolio, and reduce reliance on our single largest customer, Sinochem Group. As of September 30, 2021, our contracted GFA from properties developed by Independent Third Parties was 4.4 million sq.m.

During the Track Record Period, most of our five largest suppliers were sub-contractors providing cleaning, product purchasing and security services. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, purchase from our single largest supplier in each year/period for the Track Record Period amounted to RMB22.4 million, RMB52.9 million, RMB63.0 million and RMB125.1 million, representing 10.7%, 16.7%, 15.6% and 24.0% of our total purchase amount, respectively. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, purchase from our five largest suppliers in each year/period for the Track Record Period, amounted to in aggregate RMB76.3 million, RMB121.8 million, RMB148.5 million and RMB193.9 million, representing 36.4%, 38.4%, 36.9% and 37.1% of our total purchase amount, respectively.

COMPETITIVE STRENGTHS

Our competitive strengths include the following:

- We are a leading and well-recognized comprehensive property management service provider in China with a strong focus on core cities.

- Leveraging the support from our Controlling Shareholder, China Jinmao, we have achieved a remarkable project pipeline and will continue to capitalize on highly visible and sustainable growth opportunities.

- We are also a leader in the high-end property management services market and provide premium property management services.

- As a pioneer in city operation service sector in China, we are well positioned to rapidly scale up and further diversify our city operation property portfolio and service offerings.

- Our advanced technology and digitalization have enabled us to deliver smart property management.

- We have an experienced, visionary and pragmatic management team and a comprehensive talent development system.

BUSINESS STRATEGIES

Our business strategies include the following:

- Further expand and diversify our portfolio under management through various channels, achieving economies of scale.

- Continue to focus on select major cities with high growth potential, optimize our premium services and further improve our brand recognition and influence.

- Further develop a wide variety of distinguished new value-added services to diversify our sources of income and to increase our customer loyalty.

- Continue to enhance our technological capabilities, thereby increasing service quality and operational efficiency.

- Continue to improve our talent training and incentive mechanisms to support sustainable and rapid growth of our business.

SUMMARY OF FINANCIAL INFORMATION

The following tables set out our summary of financial informations for the Track Record Period and should be read together with our consolidated financial information, including the accompanying notes thereto, as set out in the Accountants' Report included in Appendix I to this prospectus. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

Consolidated statements of profit or loss

	For the year ended December 31,			For the nine months ended September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Revenue	574,503	788,323	944,210	665,322	1,048,685
Cost of sales	(459,469)	(636,800)	(709,421)	(501,521)	(737,790)
Gross profit	115,034	151,523	234,789	163,801	310,895
Other income and gains	11,746	74,712	74,908	58,630	41,048
Selling and distribution expenses	(2,301)	(954)	(1,808)	(1,185)	(10,213)
Administrative expenses	(82,346)	(117,150)	(134,920)	(95,633)	(148,702)
Other expenses, net	(5,606)	(4,441)	(1,258)	(32)	(6,256)
Finance costs	(10,165)	(70,280)	(64,186)	(51,021)	(33,537)
Profit before tax	26,362	33,410	107,525	74,560	153,235
Income tax expense	(8,875)	(10,786)	(30,401)	(21,231)	(43,884)
Profit for the year/period	17,487	22,624	77,124	53,329	109,351
Attributable to:					
— Owners of the parent	17,487	22,624	77,124	53,329	108,702
— Non-controlling interests	–	–	–	–	649
	17,487	22,624	77,124	53,329	109,351

Consolidated statements of comprehensive income

	Year ended December 31,			Nine months ended September 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
PROFIT FOR THE YEAR/PERIOD	17,487	22,624	77,124	53,329	109,351
OTHER COMPREHENSIVE LOSS					
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements of the Company	–	–	–	–	(2)
OTHER COMPREHENSIVE LOSS FOR THE YEAR/PERIOD, NET OF TAX	–	–	–	–	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	17,487	22,624	77,124	53,329	109,349
Attributable to:					
Owners of the parent	17,487	22,624	77,124	53,329	108,700
Non-controlling interests	–	–	–	–	649
	17,487	22,624	77,124	53,329	109,349

Our net profit increased from RMB53.3 million in the nine months ended September 30, 2020 to RMB109.4 million in the nine months ended September 30, 2021. The increase was primarily attributable to increased revenue from our all three business lines as we expanded our business scale and service offerings.

Our net profit increased from RMB22.6 million in 2019 to RMB77.1 million in 2020. The significant increase was primarily attributable to (i) increased revenue from our property management services and (ii) enhanced economies of scale and effective cost-control measures.

Our net profit increased from RMB17.5 million in 2018 to RMB22.6 million in 2019. The increase was primarily attributable to increased revenue from our property management services and value-added services to non-property owners.

For details, see "Financial Information — Period to Period Comparison".

Non-HKFRS Measures

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also presented adjusted profit and total comprehensive income, adjusted net profit margin and adjusted gearing ratio as additional financial measures. See "Financial Information — Non-HKFRS Measures" for detailed definitions and methods of calculation.

These non-HKFRS measures eliminate the effect of borrowings and loans due from related parties and borrowings related to the ABS arrangement, which are not related to our ordinary course of business. We believe that these non-HKFRS measures facilitate comparison of our financial performance and position by eliminating the impact of items, and therefore provide more useful information to investors and others in understanding and evaluating our consolidated results of operations and financial position in the same manner as our management. Our presentation of these non-HKFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

The following table reconciles our adjusted profit during the Track Record Period presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	For the year ended December 31,			For the nine months ended September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
	(RMB '000)	*(RMB '000)*	*(RMB '000)*	*(RMB '000)*	*(RMB '000)*
Profit for the year/period	17,487	22,624	77,124	53,329	109,351
Less:					
— Other income and gains related to borrowings and loans due from related parties	9,864	69,991	63,750	50,803	32,408
Add:					
— Finance costs related to borrowings and loans due from the third parties	9,864	69,991	63,750	50,803	32,841
Adjusted profit	17,487	22,624	77,124	53,329	109,784

The following table reconciles our adjusted total equity as of the dates indicated to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB '000)	*(RMB '000)*	*(RMB '000)*	*(RMB '000)*
Total equity	79,655	107,831	49,134	145,494
Less:				
— Other income and gains and finance costs related to interest-bearing borrowing	–	–	–	(433)
Adjusted total equity	79,655	107,831	49,134	145,927

The following table reconciles our adjusted interest-bearing borrowings and lease liabilities as of the dates indicated to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB '000)	*(RMB '000)*	*(RMB '000)*	*(RMB '000)*
Sum of long-term and short-term interest-bearing borrowings and lease liabilities	1,346,825	1,220,460	1,098,788	26,452
Less:				
— Borrowings related to the 2018 ABS	1,341,000	1,214,997	1,080,992	–
Adjusted interest-bearing borrowings and lease liabilities	5,825	5,463	17,796	26,452

Our adjusted gearing ratio is nil during the Track Record Period.

The following table sets forth the impact of the 2018 ABS on our net profits and net profit margins after excluding the other income and finance costs and our gearing ratios after excluding interest-bearing borrowings in relation to the 2018 ABS from our financial results during the Track Record Period as of the dates and for the periods indicated:

	As of and for the years ended December 31,			As of and for the nine months ended September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
	(RMB'000, except for the percentages)				
Before adjusting for the 2018 ABS:					
Profit for the year/period	17,487	22,624	77,124	53,329	109,351
Net profit margin[(1)]	3.0%	2.9%	8.2%	8.0%	10.4%
Gearing ratio[(2)]	1,683.5%	1,126.8%	2,200.1%	N/A	–
After adjusting for the 2018 ABS:					
Profit for the year/period	17,487	22,624	77,124	53,329	109,784
Net profit margin[(1)]	3.0%	2.9%	8.2%	8.0%	10.5%
Gearing ratio[(2)]	–	–	–	N/A	–

Notes:

(1) Net profit margin is calculated based on our profit for the year/period divided by our total revenue in the same year/period, multiplied by 100%.

(2) Gearing ratio is calculated based on interest-bearing borrowings excluding lease liabilities divided by total equity, multiplied by 100%.

For details, see "Financial Information — Indebtedness — Borrowings — 2018 ABS" and "Financial Information — Non-HKFRS Measures".

Summary of consolidated statements of financial position

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
NON-CURRENT ASSETS				
Property, plant and equipment	10,916	17,889	33,615	38,245
Investment properties	14,510	11,640	10,590	9,459
Right-of-use assets	1,926	2,433	15,970	24,982
Intangible assets	192	6,155	7,084	6,108
Deferred tax assets	1,578	1,607	2,457	4,085
Other receivables and other assets	1,215,623	1,086,022	941,593	3,374
Total non-current assets	1,244,745	1,125,746	1,011,309	86,253
CURRENT ASSETS				
Inventories	6,400	5,493	5,199	5,044
Trade receivables	88,801	155,291	203,713	451,537
Prepayments, other receivables and other assets	440,526	544,576	644,196	515,762
Restricted cash	–	–	–	1,278
Cash and cash equivalents	160,030	155,113	270,818	274,169
Total current assets	695,757	860,473	1,123,926	1,247,790
CURRENT LIABILITIES				
Trade payables	82,897	90,655	112,036	150,737
Other payables and accruals	317,279	401,709	520,641	621,713
Contract liabilities	98,148	146,917	206,391	258,992
Interest-bearing borrowings	126,000	134,000	144,000	–
Lease liabilities	1,547	2,063	5,572	10,713
Tax payable	13,119	16,661	22,735	5,326
Total current liabilities	638,990	792,005	1,011,375	1,047,481
NET CURRENT ASSETS	56,767	68,468	112,551	200,309
TOTAL ASSETS LESS CURRENT LIABILITIES	1,301,512	1,194,214	1,123,860	286,562

	As of December 31,			As of September 30,
	2018	2019	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
NON-CURRENT LIABILITIES				
Other payables	—	—	123,657	123,657
Interest-bearing borrowings	1,215,000	1,080,997	936,992	—
Lease liabilities	4,278	3,400	12,224	15,739
Deferred tax liabilities	2,579	1,986	1,853	1,672
Total non-current liabilities	1,221,857	1,086,383	1,074,726	141,068
Net assets	79,655	107,831	49,134	145,494
Equity attributable to owners of the parent				
Share capital	N/A	N/A	—*	66,947
Reserves	79,655	107,831	49,134	72,798
	79,655	107,831	49,134	139,745
Non-controlling interests	—	—	—	5,749
Total equity	**79,655**	**107,831**	**49,134**	**145,494**

Note:

* The amount is less than RMB1,000.

Our net assets increased from RMB79.7 million as of December 31, 2018 to RMB107.8 million as of December 31, 2019 primarily attributable to increased profits as a result of our business growth. Our net assets decreased from RMB107.8 million as of December 31, 2019 to RMB49.1 million as of December 31, 2020 primarily attributable to the dividends declared by certain subsidiaries to their then shareholders. Our net assets increased from RMB49.1 million as of December 31, 2020 to RMB145.5 million as of September 30, 2021 primarily attributable to increased profits as a result of our business growth.

Our net current assets increased from RMB56.8 million as of December 31, 2018 to RMB68.5 million as of December 31, 2019 primarily attributable to increased amounts due from related parties generally in line with our business growth. Our net current assets increased from RMB68.5 million as of December 31, 2019 to RMB112.6 million as of December 31, 2020, primarily attributable to increased cash and bank balances due to increased proceeds from our business operations. Our net current assets increased from RMB112.6 million as of December 31, 2020 to RMB200.3 million as of September 30, 2021 primarily attributable to increased amounts due from related parties generally in line with our business growth.

Summary of consolidated statements of cash flows

	For the year ended December 31,			For the nine months ended September 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Operating cash flows before movements in working capital	37,676	47,070	124,801	85,533	174,235
Movement in working capital	(53,288)	(24,164)	35,442	(62,387)	(74,680)
Cash generated from/(used in) operations	(15,612)	22,906	160,243	23,146	99,555
Interest received	1,243	864	1,313	958	2,085
Income tax paid	(5,456)	(7,866)	(25,310)	(18,621)	(63,102)
Net cash flows (used in)/from operating activities	(19,825)	15,904	136,246	5,483	38,538
Net cash flows (used in)/from investing activities	(1,334,955)	176,878	170,550	100,618	1,097,222
Net cash flows from/(used in) financing activities	1,326,180	(197,699)	(191,091)	(116,090)	(1,132,409)
Net (decrease)/increase in cash and cash equivalents	(28,600)	(4,917)	115,705	(9,989)	3,351
Cash and cash equivalents at beginning of the year/period	188,630	160,030	155,113	155,113	270,818
Cash and cash equivalents at end of the year/period	**160,030**	**155,113**	**270,818**	**145,124**	**274,169**

Our cash and cash equivalents increased from RMB155.1 million at the end of 2019 to RMB270.8 million at the end of 2020 primarily due to increased net cash flows from operating activities as a result of the increase in our net profit.

We had net operating cash outflows of RMB19.8 million in 2018, primarily attributable to our profit before tax of RMB26.4 million, as adjusted for non-cash and non-operating items, which primarily include (i) finance costs of RMB10.2 million and (ii) loan interest income of RMB9.9 million. The amount was further adjusted by changes in income tax paid of RMB5.5 million and working capital. The changes in working capital primarily included (i) an increase in other payables and accruals by RMB53.8 million attributable to increased amounts due to related parties, (ii) an increased in trade payables by RMB30.0 million due to the increased purchases of materials from suppliers and the increased procurement of security and cleaning services and (iii) an increased in contract liabilities by RMB21.7 million due to increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management, partially offset by an increase in prepayments, other receivables and other assets of RMB146.5 million generally in line with our business growth. For details about our cash flows, see "Financial Information — Liquidity and Capital Resources — Cash Flows".

Key financial ratios

The following table sets out our key financial ratios as of the dates or for the periods indicated:

	As of/for the year ended December 31,			As of/for the nine months ended September 30,	
	2018	2019	2020	2020	2021
Current ratio(1)	1.1	1.1	1.1	N/A	1.2
Quick ratio(2)	1.1	1.1	1.1	N/A	1.2
Return on equity(3)	22.0%	21.0%	157.0%	N/A	75.2%
Return on total assets(4)	0.9%	1.1%	3.6%	N/A	8.2%
Gross profit margin(5)	20.0%	19.2%	24.9%	24.6%	29.6%
Net profit margin(6)	3.0%	2.9%	8.2%	8.0%	10.4%

Notes:

(1) Current ratio is calculated by dividing total current assets by total current liabilities as of the date indicated.

(2) Quick ratio is calculated by dividing total current assets less inventories by total current liabilities as of the date indicated.

(3) Return on equity is calculated by dividing profit for the year/period by the closing balances of total equity for the relevant year/period and multiplied by 100%.

(4) Return on total assets is calculated by dividing profit for the year/period by the closing balances of total assets for the relevant year/period and multiplied by 100%.

(5) Gross profit margin is calculated by dividing gross profit by total revenue for the relevant year/period.

(6) Net profit margin is calculated by dividing profit by total revenue for the relevant year/period.

Our return on equity increased significantly from 21.0% in 2019 to 157.0% in 2020, primarily due to a significant increase in our profit from 2019 to 2020 and a significant decrease in total equity from 2019 to 2020 due to the distribution arising from the Reorganization.

Our return on total assets increased from 1.1% in 2019 to 3.6% in 2020 mainly as a result of an increase in our profit from 2019 to 2020.

Our gross profit margin increased from 19.2% in 2019 to 24.9% in 2020 primarily due to (i) the higher gross profit margin of our property management business, and (ii) our increased revenue from pre-delivery services and community space operation services. Such services typically generate higher gross profit margin compared to other services we offer.

Our net profit margin increased from 2.9% in 2019 to 8.2% in 2020 primarily due to the expansion of existing services that carry higher gross profit margins, such as pre-delivery services and community space operation services and cost control measures through sub-contracting to enhance the efficiency of our cost structures. Our net profit margin increased from 8.0% in the nine months ended September 30, 2020 to 10.4% in the same period in 2021 primarily due to the contribution from our new consultancy and other value-added services offerings such as preliminary planning and design services and post-delivery services, which typically have higher profit margin.

OUR BUSINESS RELATIONSHIP WITH AND RELIANCE ON JINMAO GROUP AND SINOCHEM GROUP

Immediately upon completion of the Bonus Issue, the Distribution and the Global Offering (without taking into account the Distribution Adjustment and any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option or the Over-allotment Option), China Jinmao will directly control approximately 67.5% of the issued share capital of our Company. Hence, upon Listing, China Jinmao will continue to constitute our Controlling Shareholder under the Listing Rules.

Upon completion of the Spin-off, the businesses of our Group and Jinmao Group will be clearly delineated. Jinmao Group principally assumes the roles of owner, investor and/or operator in respect of the properties developed or invested by Jinmao Group with the purpose of maximizing Jinmao Group's investment interests and brand value in such self-developed properties; whereas our Group is principally an asset light service provider without holding any ownership interest in its managed properties, with its property management services aimed at keeping the properties under management safe, clean and functional and its other value-added services aimed at facilitating the sales and marketing activities of property developers and addressing the lifestyle needs of existing residents. While our Group and Jinmao Group operate in the same market segments of residential and commercial properties and are both operating on a national scale, the nature of their operations complements and does not compete with each other. Whilst there exist limited overlapping or similar businesses, we believe that these will not materially affect the business delineation between our Group and Jinmao Group.

China Jinmao is indirectly owned as to approximately 35.3% by Sinochem Group, a large-scale conglomerate under the supervision of the SASAC. The business of Sinochem Group covers a range of sectors including energy, chemicals, agriculture, real estate and finance. Jinmao Group is the platform enterprise of Sinochem Group in the development of real estate business. We have provided principally property management services for properties developed Jinmao Group and its joint ventures and associates. During the Track Record Period, we also provided property management services for one project developed by a subsidiary of Sinochem Group (not being a member of Jinmao Group and its joint ventures and associates). For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, revenue generated from our property management services attributable to projects developed by Jinmao Group and Sinochem Group and their joint ventures and associates accounted for approximately 92.0%, 93.3%, 92.5% and 92.5% of our total revenue from property management service segment, respectively. As of December 31, 2018, 2019 and 2020 and September 30, 2021, our GFA under management from projects developed by Jinmao Group and Sinochem Group and their joint ventures and associates amounted to approximately 9.2 million sq.m., 11.9 million sq.m., 15.5 million sq.m. and 20.1 million sq.m., respectively, representing approximately 89.8%, 94.2%, 87.8% and 86.6% of our total GFA under management, respectively.

While we expect our cooperation with and reliance on Jinmao Group and Sinochem Group and their joint ventures and associates to continue in the future, we began to allocate more resources to speed up the business development with independent third-party property developers in 2020. As a result, the total GFA under our management for projects developed by independent third-party property developers increased substantially from approximately 0.7 million sq.m. as of December 31, 2019 to approximately 2.2 million sq.m. as of December 31, 2020, and our revenue from property management services attributable to projects developed by independent third-party property developers also increased from approximately RMB31.0 million for the year ended December 31, 2019 to approximately RMB42.6 million for the year ended December 31, 2020. As of September 30, 2021, we managed a total of 32 projects developed by independent third-party property developers with an aggregate GFA under management of approximately 3.1 million sq.m., representing approximately 13.4% of our total GFA under management as of the same date. We have also made remarkable achievements in our extension of value-added services to Independent Third Parties. We have successfully acquired seven engagements in 2020 with a total contract amount of approximately RMB20.6 million and secured 11 engagements during the nine months ended September 30, 2021 with a total contract amount of approximately RMB23.3 million for the provision of value-added services to non-property owners who are Independent Third Parties. Our Directors are of the view that our Group has adopted and will adopt realistic and effective measures to expand our services to Independent Third Parties going forward.

Our Group has entered into certain transactions with China Jinmao (for itself and on behalf of its associates) and its ultimate controlling shareholder, Sinochem Holdings (for itself and on behalf of its associates) in the ordinary and usual course of our business which will constitute continuing connected transactions of our Company under the Listing Rules upon the Listing. We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with certain requirements under Chapter 14A of the Listing Rules.

Nature of Transaction	**Waiver sought**	**Proposed Annual Cap for the Year Ending December 31,**	
		2022	**2023**
		(RMB'000)	*(RMB'000)*
Continuing connected transactions with China Jinmao and its associates			
Trademark Licensing	N/A	Nil	Nil
Cost Sharing Services	N/A	Nil	Nil
Property Management Services	Waiver from announcement, circular and independent shareholders' approval requirements	140,000	182,000
Sales Assistance Services	Waiver from announcement, circular and independent shareholders' approval requirements	330,000	390,000
Property Agency Services	Waiver from announcement, circular and independent shareholders' approval requirements	160,000	220,000
Consultancy and Other Value-added Services	Waiver from announcement, circular and independent shareholders' approval requirements	536,000	615,000
Continuing connected transactions with Sinochem Holdings and its associates			
Property Management Services and Value-added Services	Waiver from announcement, circular and independent shareholders' approval requirements	64,000	83,000

For further details, please refer to the sections headed "Relationship with China Jinmao" and "Connected Transactions" in this prospectus.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$7.83 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK$728.9 million, after deduction of underwriting commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised. We currently intend to use the net proceeds of the Global Offering for the following purposes and in the amounts set forth below:

- approximately 55%, or HK$400.9 million, will be used to pursue selective strategic investment and acquisition opportunities with companies engaged in property management, city operation services and/or community operations and to expand our business scale and solidify our leading industry position, among which, approximately 50%, or HK$364.4 million, will be used to acquire, invest in or cooperate with other property management companies and professional service providers in the upstream and downstream of city operation services which are suitable for and complementary to our business operations and strategies, and approximately 5%, or HK$36.4 million, will be used to acquire or invest in companies which provide community products and services complementary to those of ours. As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of net proceeds from the Global Offering;

- approximately 22%, or HK$160.4 million, will be used to upgrade our systems for smart management services and for the development of our smart communities and smart city solutions, aiming to offer a higher-quality living experience with more convenience for our property owners and residents and further enhance cost-efficiency for our property management and city operation services, among which, approximately 10%, or HK$72.9 million, will be used to purchase and upgrade hardware for the deployment of smart devices and Internet of Things facilities, approximately 10%, or HK$72.9 million, will be used to develop smart city solutions, and approximately 2%, or HK$14.6 million, will be used for the upgrade and maintenance of our digitalized management and service platforms, in particular, our "Jinxiaomao" (金小茂) system and "Home" (回家) mobile application;

- approximately 13%, or HK$94.8 million, will be used to further develop our community value-added services in an effort to diversify our service offering and enhance profitability, among which, approximately 7%, or HK$51.0 million, will be used to develop our existing community living services, approximately 3%, or HK$21.9 million, will be used to develop our existing platform services for interior decoration, real estate brokerage services and community space operation services, and approximately 3%, or HK$21.9 million, will be used to expand our business outreach to the provision of new community value-added services; and

- approximately 10%, or HK$72.9 million, will be used for working capital and general corporate purpose.

Many of our peers listed on the Stock Exchange are looking for potential target property management companies in the PRC, and therefore we may face fierce competition in exploring suitable acquisition targets and materializing our acquisition plan in the PRC. See "Risk Factors — Risks relating to Our Business and Industry — Our mergers and acquisitions may not achieve the desired benefits. We may face difficulties in integrating acquired operations with our existing business" for details.

For more information, see "Future Plans and Use of Proceeds".

THE SPIN-OFF AND DISTRIBUTION

Our Listing will constitute a spin-off from China Jinmao. China Jinmao submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules in relation to the Spin-off, and the Stock Exchange had confirmed that China Jinmao may proceed with the Spin-off. The reduction of China Jinmao's shareholding interest in our Company following completion of the Spin-off does not constitute a notifiable transaction of China Jinmao under the Listing Rules.

The board of directors of China Jinmao considers that the Spin-off is in the interests of China Jinmao and the shareholders of China Jinmao taken as a whole based on the following reasons: (i) allowing China Jinmao and its shareholders an opportunity to realize the value of investment in our Group under a separate standalone platform for the business of our Group; (ii) enabling our Group to build our identity as a separately listed group, to have a more defined business focus and efficient resources allocation, to have a separate fund-raising platform and to broaden our investor base through the Global Offering; (iii) enabling us to enhance our corporate profile with more streamlined business, thereby increasing our ability to attract strategic investors for potentially forming strategic partnerships directly with us, which could provide synergies for our Group; (iv) increasing the brand awareness of "Jinmao"; (v) enabling a more focused development, strategic planning and better allocation of resources for Jinmao Group and our Group with respect to our respective businesses; and (vi) as our Company is expected to remain as a subsidiary of China Jinmao upon completion of the Spin-off and the Global Offering, it enables China Jinmao to continue to benefit from any potential upside in the business of our Group through consolidation of our Group's accounts and receipt of dividend income from our Group.

As part of the Spin-off, on February 18, 2022, the board of directors of China Jinmao declared the Distribution to the Qualifying Jinmao Shareholders, being registered holders of Jinmao Shares whose names appear on the register of members of China Jinmao on the Record Date. The Distribution will be implemented through a distribution in specie to be satisfied by way of our Company allotting and issuing an aggregate of 191,680,031 Shares to the Qualifying Jinmao Shareholders in proportion to their shareholdings in China Jinmao on the Record Date (subject to the Distribution Adjustment), representing approximately 21.3% of the issued share capital of our Company immediately following the completion of the Spin-off and the Global Offering (without taking into account the Distribution Adjustment and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Pursuant to the Distribution, the Qualifying Jinmao Shareholders will be entitled to one Share for every 66.20 Jinmao Shares held on the Record Date (subject to the Distribution Adjustment).

The Distribution is conditional on the Global Offering becoming unconditional in all respects. If such condition is not satisfied, the Distribution will not be made and the Spin-off will not take place.

For more information, see "The Spin-off and Distribution" in this prospectus.

GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises: (i) the Hong Kong Public Offering of 10,142,000 Shares (subject to reallocation and the Offer Size Adjustment Option) for subscription by the public in Hong Kong as described in "Structure of the Global Offering — The Hong Kong Public Offering" in this prospectus; and (ii) the International Offering of 91,269,500 Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option) outside the United States in offshore transactions in reliance on Regulation S.

The Offer Shares will represent approximately 11.3% of the issued share capital of our Company immediately following the completion of the Bonus Issue and the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised. If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the Offer Shares will represent approximately 14.4% of the issued share capital of our Company immediately following completion of the Bonus Issue and the Global Offering.

OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 101,411,500 Offer Shares are issued pursuant to the Global Offering, and (ii) 901,411,500 Shares are in issue immediately following the completion of the Bonus Issue and the Global Offering.

	Based on an Offer Price of HK$7.52 per Share	**Based on an Offer Price of HK$8.14 per Share**
Market capitalization of our Shares[1]	HK$6,778.6 million	HK$7,337.5 million
Unaudited pro forma adjusted net tangible assets attributable to owners of the parent per Share	HK$0.97 (RMB0.79)	HK$1.04 (RMB0.85)

Notes:

(1) The calculation of market capitalization is based on 901,411,500 Shares expected to be in issue immediately upon completion of the Bonus Issue and the Global Offering assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

As of December 31, 2021, we had an aggregate contracted GFA of 57.6 million sq.m. covering a total of 266 properties, out of which 200 properties with a contracted GFA of 43.9 million sq.m. were developed by Jinmao Group or Sinochem Group or their respective joint ventures and associates, and 66 were other sources of projects with a contracted GFA of 13.7 million sq.m., respectively.

As of December 31, 2021, we managed 175 properties with an aggregate GFA under management of 36.4 million sq.m. covering 38 cities in 20 provinces, municipalities and autonomous regions in China, out of which residential properties and non-residential properties accounted for 64.4% and 35.6% of our total GFA under management, respectively.

For the three months ended December 31, 2021, we confirmed successful tenders for 14 property management service engagements for properties covering an aggregate GFA of 2.1 million sq.m.

Recently we have entered into cooperation agreements with Zhejiang Hualong Industrial Group Co., Ltd. (浙江省華龍實業集團有限公司), a wholly-owned subsidiary of Sinochem Lantian, Jinmao Investment Consulting (Shenzhen) Co., Ltd. (金茂投資諮詢(深圳)有限公司) Beijing Zhongguancun Science City Construction Holding Co., Ltd. (北京中關村科學城建設股份有限公司) and Nanjing Dongbubaoju Investment and Development Co., Ltd. (南京東部寶聚投資發展有限公司) to provide property management and city operation services in connection with 19 projects with a total contacted GFA expected to be approximately 2.3 million sq.m.. These projects represent a diverse property profile comprising residential properties, commercial properties, high-end office buildings and industrial parks.

As a large scale state-owned enterprise, Jinmao Group continues to achieve growth and maintain sound financial ratios in 2021. In December 2021 alone, due to the tightened regulation on real estate market and the macroeconomic environment, Jinmao Group recorded a contracted sales amount of RMB21,985 million, representing a year-over-over decrease of 28.6%. However, Jinmao Group recorded an accumulative contracted sales amount of RMB235,603 million in the twelve months ended December 31, 2021, representing a year-over-year growth of 2%. As of December 31, 2021, Jinmao Group recorded a subscribed (but not contracted) property sales amount of RMB6,501 million. As of July 31, 2021, Jinmao Group held land reserves of 85.5 million sq.m., according to China Index Academy. Based on the information currently available and to the best of our Directors' knowledge after due and careful inquiry, our Directors are of the view that, as of the Latest Practicable Date, there had been no material adverse impact on the property management projects to be delivered by Jinmao Group to our Group.

Our Directors have confirmed that, since September 30, 2021 and up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects and no event has occurred that would materially and adversely affect the information shown in our consolidated financial statements set out in the Accountants' Report included in Appendix I to this prospectus.

RECENT REGULATORY DEVELOPMENT

The PRC government promulgated a series of regulatory notices to regulate the real estate market as well as property management industry, aiming to promote the stable and healthy development of the real estate market and the property management industry.

These regulatory notices include the Notice on Strengthening and Improving Residential Property Management (《關於加強和改進住宅物業管理工作的通知》) (Jian Fang Gui [2020] No. 10) (the "**Notice 10**") and the Notice on Continued Regulation and Standardization of the Real Estate Market Order (《關於持續整治規範房地產市場秩序的通知》) (Jian Fang [2021] No. 55) (the "**Notice 55**") issued by the Ministry of Housing and Urban-Rural Development ("**MOHURD**") and other competent departments. The Notice 10 provides guidance and aims to enhance the quality of property management services, and therefore is expected to have a positive impact on the development of property management service industry, according to the China Index Academy. The Notice 55 requires the implementation of policies to highlight the key rectification points and focus on the rectification of real estate development, housing sales, housing leasing and property services. As advised by China Index Academy, the Notice 55 primarily refines or reiterates certain general requirements, but does not impose new compliance requirements, on the property development and property management service industries, and therefore is not expected to have negative impact on the property management companies that offer high quality services, constantly operate in compliance with laws and regulations and have relevant internal control policies in place to ensure the compliance.

In August 2020, the MOHURD and the PBOC proposed restrictive rules that limit the growth of real estate companies' interest-bearing debt and financing activities in a symposium jointly held by the agencies. The rules lay out three red line standards on debt-to-asset ratio, net gearing ratio and cash to short-term debt ratio applicable to property developers (the "**Three Red Line**"). For details, see "Industry Overview — Industry Growth Drivers — Proposed Regulations on "Three Red Line" Standards". The Three Red Line standards require that (i) the debt-to-asset ratio (excluding receipts in advance) shall not exceed 70%, (ii) the net gearing ratio shall not exceed 100%, and (iii) the cash to short-term debt ratio shall not be lower than 1.0. Based on the interim results of China Jinmao for the six months ended June 30, 2021, as of June 30, 2021, China Jinmao's debt-to-asset ratio (excluding receipts in advance), net gearing ratio and cash to short-term debt ratio were 69%, 52% and 1.26, respectively, each having met the relevant standard set by the "Three Red Line" regulations. Based on the foregoing, and after due inquiry with China Jinmao, we believe that the "Three Red Line" regulations do not have a material adverse impact on China Jinmao's usual course of business and planned operations.

On December 28, 2020, PBOC and China Banking and Insurance Regulatory Commission (the "**CBIRC**") jointly promulgated the Notice on Establishment of a Concentration Management System for Real Estate Loans of Financial Institutions in the Banking Industry (《關於建立銀行業金融機構房地產貸款集中度管理制度的通知》) (the "**Joint Notice**"), imposing a limitation on the proportion of balance of real estate loans and personal housing loans to the total loan balance of the financial institutions. According to China Index Academy, the Joint Notice mainly affects residential properties, and in the short term, in light of the Joint Notice, some banks and financial institutions may be reluctant to provide financing to personal housing mortgages, which in turn affects purchasing power of personal housing buyers, residential property sales and the growth of real estate sector. However, according to China Index Academy, in the long run, the overall impact of the Joint Notice on the real estate industry is expected to be neutral and therefore unlikely to have material adverse impact on the property management industry.

On October 23, 2021, the Standing Committee of NPC passed a resolution to authorize the State Council to carry out pilot projects for real estate tax reform in certain regions (the "**Real Estate Tax Reform Policy**"), according to which, real estate tax is proposed to be imposed on land users and property owners of various types of properties in the pilot regions, such as residential or non-residential properties, except for rural homestead and buildings (the "**Real Estate Tax Reform**"). According to China Index Academy, the Real Estate Tax Reform Policy may affect the availability of newly constructed projects for the property management market; however, the Real Estate Tax Reform Policy is not expected to have a material adverse impact on projects under management or change the landscape for property demand and supply in the long run.

Our Directors are of the view that the aforesaid recent regulatory developments are not expected to have material adverse impact on our operation and financial performance, and nothing has come to the attention of the Joint Sponsors that would cause the Joint Sponsors to disagree with the Directors' view above. For further details of the aforementioned recent regulatory developments and the impacts on our business and financial performance, see "Regulations", "Risk Factors — Risks Relating to Our Business and Industry — We are subject to the regulatory environment and measures affecting the PRC property management and real estate industries" and "Business — Recent Regulatory Development".

On November 14, 2021, the Cyberspace Administration of China (the "**CAC**") published the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft Regulations**"). According to the Article 2 of the Draft Regulations, it applies to the activities relating to the use of networks to carry out data processing activities within the territory of the PRC. As advised by our PRC Legal Advisors, we are of the view that once the Draft Regulations becomes effective in the current form, it will be applicable to our certain PRC domestic entity and the relevant requirements shall be complied.

On January 4, 2022, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Measures**"), which came into effect on February 15, 2022. The Measures for Cybersecurity Review (《網絡安全審查辦法》) which took effect on June 1, 2020 was abolished at the same time. According to the Measures, if a Critical Information Infrastructure Operator (the "**CIIO**") anticipates that its procurement of network products and services affect or may affect national security after the network products and services being put into use, it shall apply for cybersecurity review to the Cybersecurity Review Office. The Measures also requires that network platform operators possessing personal information of more than 1 million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. According to the Critical Information Infrastructure Security Protection Regulations (《關鍵信息基礎設施安全保護條例》) promulgated by the State Counsel on July 30, 2021 and taking effect on September 1, 2021, protection work departments are responsible for organizing the identification of CII within their industries and sectors and notifying operators about the identification results. As of the date of this Prospectus, we have not received any notification from relevant regulatory authorities regarding our identification as a CIIO. Therefore, the obligation for CIIO to proactively apply for cybersecurity review shall not be applicable to us as of the date of this Prospectus. As advised by our PRC legal advisors, given the fact that, the number of users that we process personal information as of the Latest Practical Date was significantly less than "one million users" threshold, as well as the differentiation made by Article 13 of the Draft Regulations by the CAC which clarifies that "listing in a foreign country" does not include "listing in Hong Kong", the obligations under the Measures to proactively apply for cybersecurity review by a network platform operator seeking listing in a foreign country shall not be applicable to the proposed listing in Hong Kong. As advised by our PRC legal advisors, except the above voluntary filings, regulatory authorities may initiate cybersecurity reviews if it is of the opinion that the network products and services as well as data processing activities affect or may affect national security. Since there remain uncertainties with respect to the interpretation and applicability of the criteria for determining the risks that "affect or may affect national security" based on the risk factors set out in Article 10 of the Measures, we cannot preclude the possibility that the risk factors may apply to us as network platform operators, and we may need to conduct cybersecurity review.

For details, see "Business — Standardization and Smart Management — Online Service Platform".

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2021

On the basis set out in Appendix III to this prospectus, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to the parent of our Company for the year ended December 31, 2021 to be not less than RMB170.0 million (equivalent to approximately HK$209.0 million). For details about the estimate of our consolidated profit for the year ended December 31, 2021, see "Appendix III — Profit Estimate."

IMPACT OF THE OUTBREAK OF COVID-19 ON OUR BUSINESS

Due to PRC governments' measures to contain the spread of the virus such as restrictions on mobility and travel and cancellation of public activities, our operations have, to a certain extent, been impacted by delays in business activities and commercial transactions as well as general uncertainties surrounding the duration of the governments' extended business and travel restrictions. Moreover, we took a series of measures in response to the outbreak to protect our employees, including, among others, temporary closure of our offices, remote working arrangements for our employees, and travel restrictions or suspension. In 2020 and the nine months ended September 30, 2021, according to the management account, we incurred additional expenses of RMB6.9 million and RMB1.5 million, respectively, for the disinfection of managed properties and the purchase of personal protective equipment and sanitizing materials. The recent emergence of the Omicron virus variant, a COVID-19 virus variant that is significantly more infectious than its predecessors, has created more uncertainties for our business operations under the COVID-19 pandemic. For details, see "Business — Impact of the Outbreak of COVID-19 on our Business" and "Risk Factors — Our business operations and financial performance have been and may continue to be affected by the outbreak of COVID-19."

RISK FACTORS

Our business is subject to certain risks involved in our operations, including but not limited to risks relating to our business and industry, risks relating to conducting business in the PRC and risks relating to the Spin-off and the Global Offering. We believe that the following are some of the major risks that we face: (i) we may not be able to procure new service contracts as planned or at desirable pace or favourable terms and a substantial portion of the properties under our management during the Track Record Period were developed by Jinmao Group; (ii) our future growth may not materialize as planned and failure to manage any future growth effectively may have a material adverse effect on our business, financial position and results of operations; (iii) termination or non-renewal of our property management service contracts for a significant number of properties could have a material adverse effect on our business, financial position and results of operations; (iv) our business, financial performance and prospects may be materially and adversely affected if we are unable to control operating costs, and maintain or improve our level of profitability; (v) we may not be able to fully collect service fees from customers and as a result, may incur impairment losses on receivables or cash outflow of operating activities; (vi) our business operations and financial performance have been and may continue to be affected by the outbreak of COVID-19; (vii) We may face difficulties in integrating acquired operations with our existing business and may need to make an impairment with respect to goodwill and other intangible assets for such mergers and acquisitions; and (viii) our historical results of operations may not be indicative of our future performance due to our mergers and acquisitions.

In addition, we are facing competition with industry peers, in particular those listed on the Stock Exchange which are actively seeking quality acquisition or investment targets in the market to achieve their expansion goals, and there is no assurance that we could identify suitable targets that meet our selection criteria. Our future acquisitions are also subject to other uncertainties and risks, including, without limitation, potential ongoing financial obligations and unforeseen or hidden liabilities, failure to achieve the intended objectives, benefits or revenue-enhancing opportunities, and diversion of resources and management's attention. For details, see "Risk Factors — Risks Relating to Our Business and Industry — Our mergers and acquisitions may not achieve the desired benefits. We may face difficulties in integrating acquired operations with our existing business".

As different interpretations and standards may be applied for determining the materiality of a risk, you should carefully consider all of the information set out in this prospectus, including the risks and uncertainties described in the section headed "Risk Factors".

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

No dividend was declared or paid by our Company during the Track Record Period and up to the Latest Practicable Date. Certain subsidiaries now comprising our Group had provided for or paid dividends of RMB123.7 million and RMB28.2 million to their then shareholders in 2020, respectively. Our dividend distribution record, if any, in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future. Any declaration of dividends is subject to our results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant from time to time. In addition, any declaration and payment as well as the amount of the dividends will be subject to the provisions of our Articles of Association and the Hong Kong Companies Ordinance. Any future declarations and payments of dividends will be at the discretion of our Directors and may require the approval of our Shareholders. For details, see "Financial Information — Dividends". As of September 30, 2021, our Company had no distributable reserves. Certain subsidiaries now comprising our Group had distributable reserves as of September 30, 2021. For details, see "Financial Information — Distributable Reserves".

LISTING EXPENSES

The total listing expenses for the Listing of the Shares are estimated to be approximately HK$65.2 million (assuming an Offer Price of HK$7.83 per Share, being the mid-point of the indicative Offer Price range), among which, approximately HK$23.6 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$41.6 million will be charged to our consolidated statement of comprehensive income. During the Track Record Period, we incurred listing expenses of RMB12.5 million, which were charged to our consolidated statement of comprehensive income. Our total listing expenses account for approximately 8.2% of our gross proceeds from the Global Offering (assuming an Offer Price of HK$7.83 per Share, being the mid-point of the indicative Offer Price range and not taking into account the Offer Size Adjustment Option and the Over-allotment Option). The aforementioned estimated listing expenses of approximately HK$65.2 million include (i) professional fees paid and payable to the professional parties for their services rendered in relation to the Listing and the Global Offering which are non-underwriting related expenses, including sponsor fees, fees paid and payable to legal advisers, reporting accountants, the internal control consultant and the independent industry consultant of approximately HK$35.1 million, (ii) other non-underwriting related fees and expenses of approximately HK$11.0 million, and (iii) the underwriting commission (including SFC transaction levy, Stock Exchange trading fee and FRC transaction levy) of approximately HK$19.1 million, payable to the Underwriters in connection with the offering of Offer Shares under the Global Offering. The listing expenses above are the latest practicable estimates and are provided for reference only and actual amounts may differ. Our Directors do not expect such expenses to have a material adverse impact on our financial results for the year ending December 31, 2021.

In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings.

"Application Form(s)"	**GREEN** Applications Form(s) in connection with the Hong Kong Public Offering
"Articles" or "Articles of Association"	the articles of association of the Company adopted on February 18, 2022, which will become effective upon the Listing Date, as amended from time to time, a summary of which is set out in Appendix IV to this prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Beijing-Tianjin-Hebei Region"	a region of China covering the municipalities of Beijing and Tianjin and the province of Hebei
"Beneficial Jinmao Shareholders"	any beneficial owner of Jinmao Shares whose Jinmao Shares are registered, as shown in the register of members of China Jinmao, in the name of a registered Jinmao Shareholder on the Record Date
"Board" or "Board of Directors"	the board of Directors of our Company
"Bonus Issue"	a total of 799,999,998 Shares for allotment and issuance without payment and as fully-paid Shares by our Company to China Jinmao prior to completion of the Global Offering, of which 191,680,031 Shares (subject to the Distribution Adjustment) shall be allotted and issued, at the direction of China Jinmao, to the Qualifying Jinmao Shareholders pursuant to the Distribution, details of which are set out in "History, Reorganization and Corporate Structure — Bonus Issue" in this prospectus
"Business Day" or "business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant

"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by (i) instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, or (ii) if you are an existing CCASS Investor Participant, giving electronic application instructions through the CCASS Internet System (**https://ip.ccass.com**) or through the CCASS Phone System (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input electronic application instructions for CCASS Investor Participants through HKSCC's Customer Service Center by completing an input request
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual, joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"China" or "PRC"	the People's Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to "China" and the "PRC" do not include Hong Kong, Macau and Taiwan
"China Clear"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"China Index Academy"	China Index Academy, our independent industry consultant

"China Jinmao"	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司) (formerly known as Franshion Properties (China) Limited (方興地產(中國)有限公司)) (stock code: 00817.HK), a company incorporated in Hong Kong on June 2, 2004 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and our Controlling Shareholder
"Chuangmao Technology"	創茂科技(北京)有限公司 (Chuangmao Technology (Beijing) Co., Ltd.), a limited liability company established in the PRC on February 14, 2020 and an indirect wholly-owned subsidiary of our Company
"close associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Companies Ordinance" or "Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time
"Company", "our Company", "the Company", "we" or "us"	Jinmao Property Services Co., Limited (金茂物業服務發展股份有限公司) (formerly known as Hanmao Limited (翰茂有限公司) and Jinmao Property Development Co., Limited (金茂物業發展股份有限公司)), a company incorporated in Hong Kong with limited liability on September 14, 2020
"connected person"	has the meaning ascribed thereto in the Listing Rules
"connected transaction"	has the meaning ascribed thereto in the Listings Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, means China Jinmao, Sinochem Hong Kong, Sinochem Corporation, Sinochem Group and Sinochem Holdings
"core connected person"	has the meaning ascribed thereto in the Listing Rules
"COVID-19"	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2, believed to have first emerged in late 2019

"CRIC Research"	the research arm of CRIC (克而瑞信息集團), a real estate big data application service provider in China
"Director(s)"	the director(s) of our Company
"Deed of Non-Competition"	the deed of non-competition dated February 21, 2022 entered into by China Jinmao with and in favour of our Company (for itself and as trustee for each of the members of our Group), as further described under "Relationship with China Jinmao — Deed of Non-Competition" in this prospectus
"Distribution"	the conditional special dividend declared by the board of directors of China Jinmao on February 18, 2022 to be satisfied by way of a distribution in specie of an aggregate of 191,680,031 Shares to the Qualifying Jinmao Shareholders, subject to the Distribution Adjustment and the satisfaction of the conditions described in the section headed "The Spin-off and Distribution" in this prospectus
"Distribution Adjustment"	the downward adjustment to the number of Shares to be distributed under the Distribution as may be made by China Jinmao in circumstances where the Offer Size Adjustment Option is exercised, as further described under the section headed "The Spin-off and Distribution" in this prospectus
"EIT Law"	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
"Excluded Jurisdiction(s)"	those jurisdictions outside Hong Kong in respect of which the board of directors of China Jinmao has determined, after making relevant enquires and based on legal advice received, that it is necessary or expedient not to distribute Shares to the Jinmao Shareholders or the Beneficial Jinmao Shareholders located or resident in those jurisdictions pursuant to the Distribution, on account of either the legal restrictions under the applicable laws of such jurisdictions and/or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions

"Extreme Conditions"	any extreme conditions or events, the occurrence of which will cause interruption to the ordinary course of business operations in Hong Kong and/or that may affect the Listing Date
"FG Consulting"	FG Consulting (北京賽惟諮詢有限公司), an independent consulting company with a focus on customer relationship research in the PRC real estate industry
"FRC"	Financial Reporting Council
"Global Offering"	the Hong Kong Public Offering and the International Offering
"**GREEN** Application Form(s)"	the application form(s) to be completed by the **White Form eIPO** Service Provider, Computershare Hong Kong Investor Services Limited
"Group", "our Group" or "the Group"	our Company and its subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries as if they were subsidiaries of our Company at that time or their predecessors, as the case may be
"Guangdong Tumao"	廣東途茂商業物業經營有限公司 (Guangdong Tumao Commercial Property Operation Co., Ltd.), a limited liability company established in the PRC on December 6, 2021 and an indirect non-wholly-owned subsidiary of our Company
"HK$" or "Hong Kong dollars" or "HK dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong Offer Shares"	the 10,142,000 new Shares being initially offered by our Company for subscription together with, where relevant, any additional Shares which may be offered pursuant to the exercise of the Offer Size Adjustment Option, at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation) as further described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the offer by our Company of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation) for cash at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015%), on the terms and subject to conditions set out in this prospectus and the Application Forms
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering whose names are set out in "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement dated February 24, 2022 relating to the Hong Kong Public Offering and entered into among, inter alia, the Joint Representatives, the Joint Sponsors, the Hong Kong Underwriters and our Company, as further described in "Underwriting"
"Huimao Building"	慧茂樓宇科技(北京)有限公司 (Huimao Building Technology (Beijing) Co., Ltd.), a limited liability company established in the PRC on March 5, 2021 and an indirect wholly-owned subsidiary of our Company
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons as defined under the Listing Rules

"International Offer Shares"	the 91,269,500 new Shares (subject to reallocation and the Over-allotment Option) initially being offered together with, where relevant, any additional Shares which may be offered pursuant to the exercise of the Offer Size Adjustment Option, by our Company pursuant to the International Offering
"International Offering"	the offer of the International Offer Shares at the Offer Price in offshore transactions outside the United States in accordance with Regulation S under the U.S. Securities Act or any other available exemption from registration under the U.S. Securities Act, as further described in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the group of international underwriters expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or around the Price Determination Date by, among others, our Company, the Joint Representatives and the International Underwriters in respect of the International Offering, as further described in "Underwriting"
"Jiashan Jiamao"	嘉善嘉茂城市公共資源管理有限公司 (Jiashan Jiamao Urban Public Resources Management Co., Ltd.), a limited liability company established in the PRC on February 9, 2021 and an indirect non-wholly-owned subsidiary of our Company
"Jinmao Group"	China Jinmao and its subsidiaries which for the purpose of this prospectus and unless the context otherwise requires, excludes our Group
"Jinmao Overseas Shareholder(s)"	Jinmao Shareholders whose addresses, as shown on the register of members of China Jinmao on the Record Date, are in any jurisdiction other than Hong Kong

"Jinmao PM"	中化金茂物業管理(北京)有限公司 (Sinochem Jinmao Property Management (Beijing) Co., Ltd) (formerly known as 北京世紀凱晨物業管理有限公司 (Beijing Century Chemsunny Property Management Co., Ltd.), a limited liability company established in the PRC on January 16, 2007 and a direct wholly-owned subsidiary of our Company
"Jinmao PRC Stock Connect Investor(s)"	the PRC southbound trading investor(s) through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect who hold Jinmao Shares through China Clear as nominee
"Jinmao Shanghai"	金茂(上海)物業服務有限公司 (Jinmao (Shanghai) Property Management Co., Ltd.) (formerly known as 上海金茂物業管理有限公司 (Shanghai Jinmao Property Management Co., Ltd.) and 上海金茂英泰設施管理有限公司 (Shanghai Jinmao Yingtai Facilities Management Co., Ltd.)), a limited liability company established in the PRC on September 18, 1995 and an indirect wholly-owned subsidiary of our Company
"Jinmao Share(s)"	the issued share(s) of China Jinmao
"Jinmao Shareholder(s)"	the holder(s) of Jinmao Share(s)
"Joint Bookrunners"	ABCI Capital Limited, CCB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited, CLSA Limited, CMB International Capital Limited, Essence International Securities (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited, Huarong International Securities Limited, Huatai Financial Holdings (Hong Kong) Limited and Shenwan Hongyuan Securities (H.K.) Limited (in alphabetical order)
"Joint Global Coordinators"	China International Capital Corporation Hong Kong Securities Limited, CLSA Limited, Essence International Securities (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited (in alphabetical order)

"Joint Lead Managers"	ABCI Securities Company Limited, CCB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited, CLSA Limited, CMB International Capital Limited, Essence International Securities (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited, Huarong International Securities Limited, Huatai Financial Holdings (Hong Kong) Limited, Livermore Holdings Limited and Shenwan Hongyuan Securities (H.K.) Limited (in alphabetical order)
"Joint Representatives"	China International Capital Corporation Hong Kong Securities Limited and The Hongkong and Shanghai Banking Corporation Limited (in alphabetical order)
"Joint Sponsors"	China International Capital Corporation Hong Kong Securities Limited and HSBC Corporate Finance (Hong Kong) Limited (in alphabetical order)
"Latest Practicable Date"	February 16, 2022, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or around Thursday, March 10, 2022, from which the Shares are listed and dealings in the Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange

"Maotong PM"	茂同物業管理(上海)有限公司 (Maotong Property Management (Shanghai) Co., Ltd.), a limited liability company established in the PRC on March 8, 2021 and an indirect wholly-owned subsidiary of our Company
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"National Bureau of Statistics"	National Bureau of Statistics of China (國家統計局)
"Nanjing Ninggao"	南京寧高國際物業顧問有限公司 (Nanjing Ninggao International Property Consultancy Co., Ltd.), a limited liability company established in the PRC on April 23, 2004 and an indirect wholly-owned subsidiary of our Company
"Nanjing Xinmao"	南京新茂資產管理有限公司 (Nanjing Xinmao Asset Management Co., Ltd.), a limited liability company established in the PRC on December 13, 2021 and an indirect non-wholly-owned subsidiary of our Company
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Non-Qualifying Jinmao Shareholder(s)"	Jinmao Overseas Shareholders whose names appeared in the register of members of China Jinmao on the Record Date and whose addresses as shown in such register are in any of the Excluded Jurisdictions and any Jinmao Shareholders or Beneficial Jinmao Shareholders at that time who are otherwise known by China Jinmao to be residents in any of the Excluded Jurisdictions
"NPC"	National People's Congress of the PRC and its Standing Committee (中華人民共和國全國人民代表大會常務委員會)

"Offer Price"	the final Hong Kong dollar price per Offer Share of not more than HK$8.14 and expected to be not less than HK$7.52 (exclusive of brokerage of 1%, the SFC transaction levy of 0.0027%, the Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015%) at which the Hong Kong Offer Shares are to be subscribed under the Hong Kong Public Offering and the International Offer Shares are to be offered under the International Offering, to be determined in the manner further described in "Structure of the Global Offering — Pricing and Allocation"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option
"Offer Size Adjustment Option"	the option under the Hong Kong Underwriting Agreement, exercisable by the Company on or before the Price Determination Date, pursuant to which the Company may issue and allot to an aggregate of 15,211,500 additional Shares at the Offer Price, to cover additional market demand, if any, as described in the section headed "Structure of the Global Offering" in this prospectus
"Over-allotment Option"	the option we expect to grant to the International Underwriters, exercisable by the Joint Representatives (for themselves and on behalf of the International Underwriters) under the International Underwriting Agreement at any time from the Listing Date until the 30th day from the last day for lodging applications under the Hong Kong Public Offering, which may require us to allot and issue up to an aggregate of not more than 15% of the total number of Offer Shares available under the Global Offering, including the Shares offered pursuant to the exercise of the Offer Size Adjustment Option, if any, which will be equal to 15,211,500 Offer Shares, assuming the Offer Size Adjustment Option is not exercised, or 17,493,000 Offer Shares, assuming the Offer Size Adjustment Option is fully exercised, at the Offer Price to cover over-allocations in the International Offering, if any. See "Structure of the Global Offering — Over-Allotment Option" for more details

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	Company Law of the PRC (中華人民共和國公司法), as amended
"PRC government" or "State"	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
"PRC Legal Advisors"	Tian Yuan Law Firm, legal advisors to our Company as to PRC laws
"Pearl River Delta"	a network of cities in Guangdong Province covering Dongguan, Foshan, Guangzhou, Huizhou, Jiangmen, Shenzhen, Zhaoqing, Zhongshan and Zhuhai as well as the Special Administrative Regions of Hong Kong and Macau
"Price Determination Agreement"	the agreement to be entered into by the Joint Representatives and us on the Price Determination Date to record and fix the pricing of the Offer Shares
"Price Determination Date"	the date, expected to be on or about Thursday, March 3, 2022, on which the Offer Price will be determined, or such later time as the Joint Representatives (for themselves and on behalf of the Underwriters) and we may agree, but in any event, not later than Wednesday, March 9, 2022
"Qualifying Jinmao Shareholder(s)"	Jinmao Shareholder(s) whose names appeared in the register of members of China Jinmao on the Record Date, other than Non-Qualifying Jinmao Shareholders
"Record Date"	February 23, 2022, being the record date for determining the entitlement of the Qualifying Jinmao Shareholders to the Distribution
"Regulation S"	Regulation S under the U.S. Securities Act

"Relevant Persons"	the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering
"Reorganization"	the reorganization arrangements undergone by our Group in preparation for the Listing, which are more particularly described in the section headed "History, Reorganization and Corporate Structure — Reorganization" in this prospectus
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (國務院國有資產監督管理委員會)
"SAT"	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shanghai Jinmao Investment"	上海金茂投資管理集團有限公司 (Shanghai Jinmao Investment Management Group Co., Ltd.), a limited liability company established in the PRC on November 15, 2007 and a wholly-owned subsidiary of China Jinmao
"Share(s)"	ordinary share(s) of our Company
"Shareholder(s)"	holder(s) of our Shares
"Sinochem Corporation"	中國中化股份有限公司 (Sinochem Corporation), a joint stock limited liability company established in the PRC on June 1, 2009 and a wholly-owned subsidiary of Sinochem Group

"Sinochem Group"	中國中化集團有限公司 (Sinochem Group Co., Ltd) (formerly known as 中國中化集團公司 (Sinochem Corporation) and 中國化工進出口總公司 (China National Chemicals Import & Export Corporation)), a state-owned enterprise established in the PRC on August 11, 1981 and a wholly-owned subsidiary of Sinochem Holdings
"Sinochem Holdings"	中國中化控股有限責任公司 (Sinochem Holdings Corporation Ltd.), a state-owned enterprise established in the PRC on May 6, 2021 which is wholly owned by the SASAC
"Sinochem Hong Kong"	中化香港(集團)有限公司 (Sinochem Hong Kong (Group) Company Limited) (formerly known as Sinochem Hong Kong (Holdings) Company Limited), a company incorporated in Hong Kong on December 1, 1989 with limited liability which is wholly owned by Sinochem Corporation
"Sinochem Hotel"	中化國際物業酒店管理有限公司 (Sinochem International Property and Hotel Management Co., Ltd.), a limited liability company established in the PRC on October 15, 1993 and a wholly-owned subsidiary of China Jinmao
"Sinochem Lantian"	中化藍天集團有限公司 (Sinochem Lantian Co., Ltd.), a limited liability company established in the PRC on August 23, 2000 and a wholly-owned subsidiary of Sinochem Group
"Spin-off"	the separate listing of our Shares on the Main Board by way of the Distribution and the Global Offering
"Stabilizing Manager"	China International Capital Corporation Hong Kong Securities Limited
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Borrowing Agreement"	the stock borrowing agreement expected to be entered into on or around the Price Determination Date between China Jinmao and the Stabilizing Manager (or its affiliates) pursuant to which the Stabilizing Manager may borrow up to 17,493,000 Shares from China Jinmao to facilitate the settlement of over-allocations in the International Offering

"subsidiary" or "subsidiaries"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto in the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising the three financial years ended December 31, 2018, 2019, 2020 and the nine months ended September 30, 2021
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"**White Form eIPO**"	the application for the Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of the **White Form eIPO** Service Provider, at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Yangtze River Delta"	a region of China covering the municipality of Shanghai and the provinces of Anhui, Jiangsu and Zhejiang
"Yuelin Hangzhou"	悅鄰(杭州)房地產經紀有限公司 (Yuelin (Hangzhou) Real Estate Agency Co., Ltd.), a limited liability company established in the PRC on July 29, 2020 and an indirect wholly-owned subsidiary of our Company

"Zhonglan Xinmao"	浙江中藍新茂園區管理有限公司 (Zhejiang Zhonglan Xinmao Park Management Co., Ltd.), a limited liability company established in the PRC on August 19, 2021 and an indirect non-wholly-owned subsidiary of our Company
"Zhoushan Dongda Jinmao"	舟山東大金茂城市物業服務有限公司 (Zhoushan Dongda Jinmao Urban Property Services Co., Ltd.), a limited liability company established in the PRC on July 19, 2021 and an indirect non-wholly-owned subsidiary of our Company
"Zijin Xinmao"	北京紫金鑫茂物業服務有限公司 (Beijing Zijin Xinmao Property Services Co., Ltd.), a limited liability company established in the PRC on September 30, 2021 and an indirect non-wholly-owned subsidiary of our Company
"%"	per cent

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese or another language included in this prospectus is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

This glossary contains certain definitions and other terms related to our business and used in this prospectus. Such terms and their meanings may not correspond to standard industry definitions or usage.

"AI"	artificial intelligence
"average property management fee(s)"	weighted average property management fee(s) charged per sq.m. per month, which is calculated by dividing (i) the sum of the products of the monthly property management fee chargeable for each of the properties under management and the GFA under management as of the relevant date for each of such property by (ii) the total GFA under management of all properties under management as of the relevant date, excluding a small portion of projects to which we charged a package price of property management fees on individual project basis
"CAGR"	compound annual growth rate, calculated as (existing value / basic value) ^ (1 / years) - 1
"collection rate"	aggregate property management fees for a certain period collected up to the Latest Practicable Date and attributable to the same period divided by the aggregate amount of property management fees to which we are entitled during the same period
"commission basis"	a revenue generating model for our property management services whereby our fee income from property management consists only of either a fixed percentage or fixed amount of, the property management fees received or receivable from the customers while the remainder of such property management fees would be used to cover the expenses incurred in our management of the relevant properties and any excess or shortfall of the property management fees (after deducting the relevant expenses) belong to or are borne by the relevant customers
"commercial property(ies)"	properties for business use, in commercial, food, supply and sales, and catering service and other sectors

"common area(s)"	common areas jointly owned by the property owners, including, among others, staircases, railings, hallways, basements and gardens parking lots, facility rooms, management offices, swimming pools and club houses, as well as the passageways and landscape area within the communities we manage
"contracted GFA"	GFA under management and GFA to be managed by us under operating property management contracts, including both delivered and undelivered GFA
"GFA"	gross floor area
"GFA under management"	contracted GFA of properties for which we have started to provide property management services pursuant to the relevant property management service contracts
"IBA"	internet building automation, an operational system designed by our Company
"IoT" or "Internet of Things"	a network of physical devices, vehicles, buildings and other items embedded with electronics, software, sensors and network connectivity that enable these items to collect and exchange data
"lump sum basis"	a revenue generating model for our property management services under which we generally charge a pre-determined property management fee which represents "all-inclusive" fees for all of the property management services we provide in accordance with the property management service contract we entered into
"project renewal rate"	calculated as the number of property management service contracts with fixed contract terms expired and subsequently renewed by us during a period divided by the total number of property management service contracts with fixed contract terms expired and property management service contracts we terminated on a voluntary basis during the same period

"residential community(ies)" or "residential property(ies)"	properties which are purely residential or mixed-use properties containing residential units and ancillary facilities that are non-residential in nature such as commercial or office units but excluding pure commercial properties
"sq.m."	square meter(s)
"tier-one cities" or "first-tier cities"	according to the China Index Academy, comprised of the four cities of Beijing, Shanghai, Guangzhou and Shenzhen, following the classification standards of the National Bureau of Statistics of China
"tier-two cities" or "second-tier cities"	according to the China Index Academy, comprised of provincial capital cities, capital cities of autonomous regions and other sub-provincial cities in the PRC, following the classification standards of the National Bureau of Statistics of China
"tier-three and tier-four cities"	according to the China Index Academy, comprised of cities in the PRC other than tier- one and tier- two cities, following the classification standards of the National Bureau of Statistics of China
"Top 100 Property Management Companies"	an annual ranking of China-based property management companies by overall competitiveness published by the China Index Academy based on a number of key indicators, including management scale, operational performance, service quality, growth potential and social responsibility
"Undelivered GFA"	contracted GFA that has not been delivered yet

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position, our strategies, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- our business strategies, operating plans and objectives;
- the amount and nature of, and potential for, future development of our business;
- our dividend policy;
- our prospective financial information and certain statements in the section headed "Financial Information" in this prospectus with respect to trends in prices, volumes, operations, margins, overall market trends, risk management and exchange rates;
- various business opportunities that we may pursue;
- our ability to identify and successfully take advantage of new business development opportunities;
- our ability to identify and integrate suitable acquisition targets;
- our ability to control or reduce costs;
- our ability to identify, measure, monitor and control risks in our business, including our ability to improve our overall risk profile and risk management practice;
- the actions and developments of our capital partners, suppliers, customers and competitors;
- future developments, trends and conditions in the industry and markets in which we operate;

- general economic, market and business conditions in Hong Kong, the PRC and overseas;
- changes in the regulatory and operating conditions in the industry and markets in which we operate;
- exchange rate fluctuations and restrictions;
- expected growth of and changes in the PRC real estate and property management industries;
- the future competitive environment for the PRC property management industry;
- development and effect of the COVID-19 pandemic;
- capital market(s) developments; and
- the other risk factors discussed in this prospectus as well as other factors beyond our control.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors" and elsewhere in this prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our view only as of the date of this prospectus, in particular given the rapidly changing nature of the PRC economy and the property management industry. You should read this prospectus in its entirety and with the understanding that the actual future results may be materially different from what we expect. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur in the way we expect, or at all. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section as well as the risks and uncertainties discussed in "Risk Factors".

Investing in our Shares involves risks. You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in our Shares, in light of the circumstances and your own investment objectives. Our business, financial position and results of operations could be materially and adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline due to any of these risks, and you may lose all or part of your investment. In addition to the risks described below, there may be other risks and uncertainties not currently known to us or that we currently deem to be immaterial which may in the future become material risks. You should pay particular attention to the fact that our principal operations are conducted in China and are governed by a legal and regulatory environment that may differ significantly from that of other countries.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

A substantial portion of the properties under our management during the Track Record Period were developed by Jinmao Group.

A substantial portion of our property management service contracts during the Track Record Period were related to the management of properties developed by Jinmao Group (and its joint ventures and associates). Our revenue from the management of these properties accounted for 92.0%, 93.3%, 92.5% and 92.5% of our revenue from property management services for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, respectively. Our GFA under management attributable to properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates) accounted for 89.8%, 94.2%, 87.8% and 86.6% of our total GFA under management as of December 31, 2018, 2019 and 2020 and as of September 30, 2021, respectively.

As we do not have control over the management strategy of Jinmao Group, any measures that the PRC government may adopt to further regulate the real estate market, or the macro-economic or other factors that may affect the business operations and prospects of Jinmao Group, any adverse development in the operations of Jinmao Group or its ability to develop new properties may affect our ability to procure the relevant new service contracts for property management services, value-added services to non-property owners and community value-added services. We cannot assure you that Jinmao Group will continue to engage us to provide property management services, value-added services to non-property owners or community value-added services for any properties they develop, particularly because the appointment of property management companies for the preliminary property management service contracts of residential and non-residential properties in the same property management area is generally subject to a tender and bidding process under the Regulations on Property Management (2018 Revision) (《物業管理條例》) (2018年修訂) and the Interim Measures for Bid-Inviting and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》). Moreover, the aforementioned properties developed by Jinmao Group (and its joint ventures and associates) included those jointly developed by Jinmao Group and other parties in which Jinmao Group did not hold a controlling interest. As Jinmao Group does not have control or significant influence over these projects and the other parties developing the properties may have various reasons, including commercial considerations, for engaging property management companies other than us, we cannot guarantee that we would be engaged to provide property management services to such projects or to renew our existing service contracts upon expiry.

We may not be able to procure new service contracts as planned or at desirable pace or favorable terms.

During the Track Record Period, we generally procured new property management service contracts through a tender and bidding process. The selection of a property management company depends on a number of factors, including but not limited to the quality of services provided, the level of pricing and the operating capabilities of the property management company. Tender success is ultimately at discretion of the inviting party, and our efforts may be hindered by factors beyond our control, which may include, among others, changes in general economic conditions, evolving government regulations as well as supply and demand dynamics within the property management industry. We cannot assure you that we will be able to procure new property management service contracts in the future as planned or at desirable pace or favorable terms.

During the Track Record Period and up to the Latest Practicable Date, we had procured property management service contracts from sources of projects other than those developed by Jinmao Group (or its joint ventures or associates) and procured contracts for value-added services to non-property owners from property developers other than Jinmao Group (or its joint ventures or associates). However, we cannot assure you that we can continue to procure these service contracts from other sources or other customers as planned or at desirable pace or favorable terms as we compete with other property management companies without the inherent advantages we have in projects sourced from Jinmao Group. Moreover, we cannot guarantee that the gross profit margins of property management services provided to projects developed by Independent Third Parties would be comparable to margins of those developed by Jinmao Group (and its joint ventures and associates), mainly because the nature of the projects developed by Independent Third Parties differs from those developed by Jinmao Group and we may need to offer more favorable terms as we expand our business to secure engagements from Independent Third Parties. As a result, our profitability may decrease in the future as we expand our property management portfolio to projects developed by Independent Third Parties if the gross profit margin attributable to such projects are lower than that attributable to properties developed by Jinmao Group (and its joint ventures and associates).

In addition, we usually enter into preliminary property management service agreements with property developers during the later stages of property development. We cannot assure you that we will be able to maintain our high success rate in obtaining such preliminary property management service agreements from the Jinmao Group (and its joint ventures and associates) or other developers. In addition, such contracts are transitional in nature and facilitate the transfer of legal and actual control of the properties from property developers to property owners. A preliminary property management service agreement typically expires when another property management service provider is selected through the property owners' general meeting and the property management service agreement entered into between the property owners' association and the newly selected property management service provider becomes effective. We cannot guarantee that the property owners' associations will retain our services instead of replacing us with our competitors. Our customers select property management companies based on service quality and cost, and we cannot assure you that we will always be able to balance them on favorable terms to their satisfaction.

Our historical results may not be indicative of our future prospects, our future growth may not materialize as planned and failure to manage any future growth effectively may have a material adverse effect on our business, financial position and results of operations

We experienced rapid growth in revenue and profitability historically during the Track Record Period. Our revenue increased from RMB574.5 million in 2018 to RMB944.2 million in 2020, representing a CAGR of 28.2%. Our revenue increased by 57.6% from RMB665.3 million in the nine months ended September 30, 2020 to RMB1,048.7 million in the nine months ended September 30, 2021. Our net profit increased from RMB17.5 million in 2018 to RMB77.1 million in 2020, representing a CAGR of 110.0%. Our net profit increased by 105.0% from RMB53.3 million in the nine months ended September 30, 2020 to RMB109.4 million in the same period in 2021. We benefit from organic growth primarily through increasing the total GFA under management and the number of properties that we manage in both existing and new markets. In addition, to a lesser extent, we are also expanding the value-added services we provide with diversified service types and an enlarged customer base. Our GFA under management was 10.2 million sq.m., 12.7 million sq.m., 17.7 million sq.m. and 23.2 million sq.m. as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively.

However, our expansion is based upon our forward-looking assessment of market prospect and there is no guarantee that we will continue to succeed in our business expansion efforts going forward. We cannot guarantee that our assessment will always turn out to be correct or we can grow our business as planned. Our expansion plans may be affected by a number of factors beyond our control. Such factors include challenges from rising labor and other operating costs, intensive competition for business opportunities, changes in China's economic condition and regulatory environment in general and in the real estate and property management markets in particular, changes in the supply and demand for property management and value-added services, as well as availability of suitable and capable employees and third-party service providers for our expansion efforts, and the evolving needs and preference of customers and business partners. We may also encounter unanticipated delays in projects of our contracted GFA, which may slow down the growth of our GFA under management.

To succeed in our business expansion in obtaining new service engagements and expanding market share and customer base, we will need to recruit, train and retain competent employees, select third-party service providers as suppliers, strengthen cooperation with other business partners, continue to build our operations and reputation, and understand the evolving needs and preference of our customers and business partners, within a relatively short period of time. We may have limited knowledge of the local property management service markets or have little or no prior business experience in the new markets that we may expand into. In addition, we may face difficulties in adapting to the administrative and regulatory environments in new markets, which could be substantially different from those in our established markets. We may not have the same level of familiarity with business practices of the new markets or strength of relationships with third-party service providers and other business partners in such markets as we do in our established markets. We may have limited ability to leverage our brand name in new markets in the way that we have done so in our established markets, and may face more intense competition from other property management companies or property developers that manage their own properties in those new markets. Moreover, compared to our historical results of operations, we may not experience the same rate of growth of gross profit and gross profit margin of the property management services in the future as we expand our portfolio to cover more properties in new locations or markets, especially during the initial stages of entry when economy of scale has yet to be achieved.

Furthermore, our future growth depends on our management's ability to continuously improve our administrative, technical, operational and financial infrastructure. Our ability to maintain our future growth also depends on our ability to recruit, retain, train, supervise and manage additional officers and employees, replicate our business model, allocate our human resources and manage our relationships with a growing number of customers, suppliers and other business partners. Our historical results and growth may not be indicative of our future prospects and results of operations. There can be no assurance that our future growth will materialize at a desirable rate, if at all, or that we will be able to manage our future growth effectively, and such failure would have a material adverse effect on our business, financial position and results of operations. Successful implementation of our expansion plans may also stretch our human resources thinly which may impact our ability to maintain high quality services.

Termination or non-renewal of our property management service contracts for a significant number of properties could have a material adverse effect on our business, financial position and results of operations

During the Track Record Period, we generated a substantial part of our revenue from property management services. For the years ended December 31, 2018, 2019 and 2020 and for the nine months ended September 30, 2020 and 2021, revenue generated from our property management services accounted for 58.3%, 58.6%, 60.1%, 61.6% and 55.2% of our total revenue, respectively. As of December 31, 2018, 2019 and 2020 and September 30, 2021, our contracted GFA were 21.9 million sq.m., 30.8 million sq.m., 40.5 million sq.m. and 45.7 million sq.m., respectively. As of December 31, 2018, 2019 and 2020 and September 30, 2021, the number of property management contracts were 131, 182, 233 and 267, respectively. Our preliminary property management service contracts entered into with developers generally do not have a fixed term and can be terminated when the property owners select another property management service provider through the property owners' general meeting and a replacing property management service contract entered into by the property owners' association takes effect. During the Track Record Period, none of our preliminary property management service contracts entered into with developers was terminated by developers or by property owners through the property owners' general meeting. The property management service contracts we entered into with property owners' associations generally have fixed terms which will need to be renewed upon expiry and can be terminated for cause. For details, see "Business — Property Management Services Contracts — Property management service contracts for residential communities". There is no assurance that our services can be provided at a satisfactory level for us to be selected by the relevant property owners to enter into subsequent property management service contracts.

Even where we succeed in entering into property management service contracts with property owners' associations, we cannot guarantee that they will be renewed upon expiration. If such contracts are not renewed or are terminated for cause, there is no guarantee that we would be able to find other business opportunities and enter into alternative property management service contracts on favorable terms, or at all. Termination or non-renewal of a significant number of management service contracts could have a material and negative impact on our revenue from property management services.

In addition, the development and operational success of our community value-added services, to certain extent, rely upon the number of properties we manage. Therefore, any failure to renew our property management service contracts or termination of such contracts could also adversely affect the performance of our other businesses.

The performance and prospects of our city operation services depend upon the continued public spending and investment by local PRC governments

City operation services mainly include the integration, optimization, transformation and distribution of urban resources by governments and enterprises and the delivery of value-added public services to citizens, which are affected by the level of public spending and investment by local PRC governments. Public spending and investment by local PRC governments is subject to various factors such as macroeconomic environment, real estate market condition and government's economic policies, many of which are beyond our control. As a result, any reduction of public spending and investment in urban planning, operations and development by local PRC governments, may cause a decrease in the number of engagements we obtain for our city operation services. To the extent that local PRC governments significantly reduce public spending and investment in urban planning, operations and development, our business, financial position and results of operation may be materially and adversely affected. In addition, our city operation services commenced in 2014. Given our limited operating history in this sector, we cannot assure you that our city operation business will be able to maintain the growth rate as in the past, or that we will be able to successfully implement our plans to expand such services.

Our business, financial performance and prospects may be materially and adversely affected if we are unable to control operating costs, and maintain or improve our level of profitability

The property management industry is labor intensive. To maintain and improve our profit margins, it is critical for us to control and reduce our labor and sub-contracting costs as well as other operating costs. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, staff cost accounted for 32.3%, 32.1%, 30.2%, 32.4% and 27.6%, respectively, of our total cost of sales, and our sub-contracting cost (representing security, maintenance, cleaning and greening cost) accounted for 28.0%, 29.7%, 31.9%, 30.8% and 29.9%, respectively, of our total cost of sales. We face upward pressures in our labor and sub-contracting costs from various aspects, including but not limited to:

- increase in minimum wages. Minimum wages across China are set at the regional level based largely on standards determined by relevant local governments. The minimum wages in some of the regions in which we operate have increased substantially in recent years, directly impacting our labor costs. In addition, the competition for recruiting qualified employees in the PRC property management industry is intense, which could require us to pay higher wages in our recruitment and make greater efforts on employee retention, resulting in a corresponding increase in our labor costs;

- increase in headcount. As we expand our operations, we expect our headcount to continue to increase. In addition to our labor cost, this increase in headcount also increases other associated costs such as those related to training and quality control measures. We will also need to retain and continuously recruit qualified employees to meet our growing demands for talent; and

- delay in implementing cost-saving measures. There is a lapse in time between our commencement of property management services for a particular property and any implementation of our measures to achieve the standardization of procedures, operational optimization and smart management to reduce our relevant operating costs. Before we carry out such measures, our ability to mitigate the impact of cost increases is limited.

As our business expands and our services and property management portfolio diversify, we cannot assure you that we will be able to control or reduce our operating costs and improve our cost structure and efficiency while continuously improving our service quality. As it may be practically difficult for us to negotiate with property owners to raise the property management fees or otherwise negotiate for a raise in our other service fees with our customers, we cannot assure you that we will be able to successfully pass increased costs through to the prices (including the property management fees) that we charge to our clients, so as to maintain our profitability. If we cannot successfully control cost and maintain profitability, our business, financial condition and results of operations may be materially and adversely affected.

We may be subject to losses and our profit margins may decrease if we fail to control costs or raise the property management fee in performing our property management services on a lump sum basis

During the Track Record Period, we generated substantially all of our revenue from property management services on a lump sum basis, which accounted for 96.8%, 98.7%, 98.5% and 98.7% of our total revenue from property management services for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, respectively. On a lump sum basis, we generally charge property management fees at a pre-determined fixed lump sum price, representing "all-inclusive" fees for the property management services provided. These property management fees are fixed regardless of the actual amount of property management costs we incur. On a lump sum basis, we recognize as revenue the full amount of property management fees we charge to customers, and recognize as our cost of sales the actual costs we incur in connection with rendering our property management services. For further details, see "Business — Property Management Services — Revenue Model of Property Management Services". In the event that we fail to accurately estimate our actual costs prior to negotiating and entering into our property management service contracts and the amount of property management fees that we charge proves insufficient to cover all the costs we incur for rendering the property management services, we are not entitled to collect the shortfall from the relevant property owners, residents or property developers. As a result, we may suffer losses and may not be able to rectify such situations until the expiry of such unprofitable contracts. As of December 31, 2018, 2019 and 2020 and September 30, 2021, we had 8, 11, 14 and 15 property management projects managed on a lump sum basis which had incurred losses during the Track Record Period, respectively. The property management service revenue from these projects accounted for 2.6%, 2.6%, 2.1% and 1.8% of our total revenue for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, according to the management account, respectively. We had continued to manage certain of those projects with a view to gradually improving their profitability through various cost-saving measures or through negotiating new terms upon expiry of such contracts. However, we cannot ensure that these measures will be effective for improving the profitability of such projects. For further details of our loss-making projects, see "Business — Property Management Services — Revenue Model of Property Management Services".

We can negotiate with property owners to raise the property management fees upon contract renewal or through obtaining approval from the requisite number of property owners under applicable PRC laws and regulations. However, we may not be successful in raising property management fees. In such cases and when there is a shortfall in working capital after deducting the property management costs, our profit margins would be adversely affected or our scope of services may need to be adjusted in order to maintain profitability under these engagements. In such events, we may seek different measures to cut costs with a view to reducing the shortfall. However, such mitigating measures may not be successful in raising our profit margin, and our cost-saving efforts may negatively affect the quality of our property management services, which in turn would further reduce customers' willingness to pay us higher property management fees and, accordingly, adversely affect our overall reputation, business operations and financial position beyond the unprofitable contracts.

We may be subject to losses and our profit margins may decrease if we fail to manage our costs in projects to which we charge a package price

During the Track Record Period, we charged certain non-residential property management projects under our management a package price of property management fees on a per project basis without reference to GFA. The projects to which we charged a package price are non-residential properties such as schools and government facilities. We take into account factors such as the nature and scope of the specific property management services to be provided, our cost expected to be incurred, reasonable target profit margins and competition from peer companies (including pricing of property management services provided to comparable properties) when determining the package price of property management fees. In the event that we fail to accurately estimate our actual costs prior to negotiating and entering into our property management services contracts and the package price of property management fees that we charge proves insufficient to cover all the costs we incur for rendering the services, we may suffer losses and may not be able to rectify such situations until the expiry of such unprofitable contracts.

During the Track Record Period, according to the management account, the revenue generated from projects to which we charged a package price of property management fees was RMB16.4 million, RMB11.8 million, RMB17.5 million, RMB12.3 million and RMB20.9 million in 2018, 2019, 2020 and nine months ended September 30, 2020 and 2021. According to the management account, we incurred gross losses of RMB3.6 million, RMB3.0 million, RMB2.1 million and RMB1.7 million in 2018, 2019, 2020 and the nine months ended September 30, 2020 and gross profit of RMB2.1 million in the nine months ended September 30, 2021 for these projects. Our profitability for these projects has improved through various cost-saving measures we made. However, we cannot ensure that these measures will continue to be effective, in which cases, our overall reputation, business operations and financial position could be adversely affected.

We had net operating cash outflows of RMB19.8 million in 2018 and may experience net operating cash outflow in the future

Although we generated net operating cash inflows of RMB15.9 million, RMB136.2 million, RMB5.5 million and RMB38.5 million in 2019, 2020 and the nine months ended September 30, 2020 and 2021, respectively, we had net operating cash outflows of RMB19.8 million in 2018, primarily attributable to our profit before tax of RMB26.4 million, as adjusted for non-cash and non-operating items, which primarily include (i) finance costs of RMB10.2 million and (ii) loan interest income of RMB9.9 million. The amount was further adjusted by changes in income tax paid of RMB5.5 million and working capital. The changes in working capital primarily included (i) an increase in other payables and accruals by RMB53.8 million attributable to increased amounts due to related parties, (ii) an increased in trade payables by

RMB30.0 million due to the increased purchases of materials from suppliers and the increased procurement of security and cleaning services and (iii) an increased in contract liabilities by RMB21.7 million due to increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management, partially offset by an increase in prepayments, other receivables and other assets of RMB146.5 million generally in line with our business growth.

We cannot assure you that we will not experience net operating cash outflow in the future. If we fail to generate sufficient cash flow from our operations, or if we fail to maintain sufficient cash or obtain additional external financing, our liquidity position may be adversely affected. If we do not have sufficient cash flows to fund our business, operations and capital expenditure, our business, financial position and results of operations will be materially and adversely affected.

We may not be able to fully collect service fees from customers and as a result, may incur impairment losses on receivables or cash outflow of operating activities

We may encounter difficulties in collecting service fees from customers, such as property management fees from property owners and residents. With respect to office building and shopping mall management, we mainly collect fees from tenants of subleased offices and stores. Even though we seek to collect overdue property management fees through various collection measures, we cannot guarantee that such measures will be effective. Before accepting new engagements, we may assess the historical collectability of property management fees for these properties. However, there is no assurance that such assessment would enable us to accurately predict our future property management fee collection rate. Moreover, although most of the property management fees were paid to us through non-cash methods such as bank transfers during the Track Record Period, certain property owners and residents may choose to pay their property management fees in cash, which may impose cash management risks on us. Our costs of operations remain fixed whether or not we can collect service fees.

The carrying amount of our trade receivables amounted to RMB88.8 million, RMB155.3 million, RMB203.7 million and RMB451.5 million as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively. The balance of our allowance for impairment of trade receivables was RMB4.1 million, RMB3.2 million, RMB3.6 million and RMB4.6 million as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively. Although our management's estimates and the related assumptions were made in accordance with information available to us at the time the allowance was determined, such estimation or assumptions may need to be adjusted if new information becomes known. In the event that the actual recoverability is lower than expected, or that our past allowance for impairment of trade receivables becomes insufficient in light of the new information, we may need to make more of such impairment allowance, which may in turn materially and adversely affect our business, financial position and results of operations.

The collection of our trade receivables is subject to seasonal fluctuations

We experienced seasonal fluctuations in the collection of our trade receivables during the Track Record Period and expect to continue experiencing such seasonal fluctuations going forward. For instance, our collection rate of property management fees was 98.5%, 96.8% and 94.1% for the years ended December 31, 2018, 2019 and 2020, respectively. We may also encounter lower collection rates of trade receivables for value-added services to non-property owners during the first few months in a year, in particular, during the Chinese Lunar New Year. In general, our trade receivable amounts increase throughout the year and decrease toward the end of the year when property owners, tenants and residents settle their outstanding property management fee balances with us.

Seasonal fluctuations in our property management fee collection rates and trade receivables require that we manage our liquidity carefully so as to provide our business with adequate cash for operations. If we are unable to collect service fees from customers or experience a prolonged delay in receiving such fees, our cash flow position and our ability to meet our working capital requirements may be adversely affected.

We are exposed to risks associated with engaging third-party sub-contractors to perform certain property management services and value-added services

In conducting our business, we delegate certain non-core services, such as cleaning, greening, maintenance and security services, to third-party sub-contractors. We select our sub-contractors based on factors such as market reputation, qualifications, prices and track record. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, our sub-contracting costs (representing security, maintenance, cleaning and greening cost) accounted for 28.0%, 29.7%, 31.9%, 30.8% and 29.9% of our total cost of sales, respectively. However, we cannot guarantee that they will always perform in accordance with our expectations and we may not be able to monitor the services of our sub-contractors as directly and effectively as when monitoring the work of our own employees. They may take actions contrary to our or our customers' instructions or requests, or be unable or unwilling to fulfil their obligations or meet our quality standards. They may have financial difficulty, or may not have obtained or renewed on a timely basis the relevant business permits, licenses, registrations or filings for the provision of their services. As a result, we may have disputes with our sub-contractors, or may receive complaints from our customers or be held responsible for their actions, either of which could lead to damages to our reputation, additional expenses and business disruptions, and potentially expose us to litigation and damage claims. Upon the expiration of contracts with our current sub-contractors, there can be no assurance that we will be able to renew such contracts or find suitable replacements in a timely manner, on terms acceptable to us, or at all. In addition, if our third-party sub-contractors fail to maintain a stable team of qualified labor or are unable to access a stable supply of qualified labor, the work process may be interrupted. Any interruption to the sub-contractors' work process may potentially result in a breach of the contract that we entered into with our customers for which we remain ultimately responsible. Any of such events could materially and adversely affect our service quality, reputation, as well as our business, financial position and results of operations.

Our business operations and financial performance have been and may continue to be affected by the outbreak of COVID-19

Since December 2019, a growing number of countries and regions around the world, including the PRC, have encountered outbreaks of COVID-19, a highly contagious disease known to cause respiratory illness. On March 11, 2020, the World Health Organization made the assessment that COVID-19 can be characterized as a pandemic. COVID-19 has subsequently spread to over 100 countries and territories globally and the death toll and number of infected cases are continuing to rise. The outbreaks have had an adverse impact on the livelihood of people in, and the economy of, the PRC. In response to the COVID-19 outbreak, various measures have been implemented, including restrictions on travel and public transport, prolonged closures of workplaces and public places, social-distancing measures and mandatory quarantines, which have led to a noticeable reduction in regional and national economic activities during the affected periods.

The outlook of the real estate market, economy slowdown, negative business sentiment or other factors that we cannot foresee could potentially have an indirect impact on the property management market and our business operation and financial condition may be adversely affected. For instances, such events may disrupt our businesses and cause temporary suspension or shortage of labor and sub-contracting services for our business operations, as well as delays in construction, sales and delivery of properties for us to subsequently provide property management and value-added services. For instance, for our property management services relating to non-residential properties, certain property owners and tenants of the relevant business premises, such as office buildings and shopping malls, had to temporarily suspend their operations during the outbreak. For our value-added services to non-property owners, due to the delay in construction, sales and marketing activities and delivery of some of the property development projects by our customers caused by temporary lock-down in response to the COVID-19 outbreak in the first half of 2020, we had experienced a relatively slower growth in revenue from our value-added services to non-property owners. For our community value-added services, we had experienced a slow-down in business for our platform services for interior decoration as a result of the outbreak. In addition, if any of our employees or workers of our sub-contractors were suspected of contracting or contracted an epidemic disease, we may be required to quarantine some or all of our employees and sub-contracting workers, disinfect the properties or even scale-down or close some of our business to prevent the spread of the disease, and our operations and financial conditions could be adversely affected. Further, according to the management account, in 2020 and the nine months ended September 30, 2021, we had to incur additional expenses of RMB6.9 million and RMB1.5 million, respectively, for the disinfection of managed properties and the purchase of personal protective equipment and sanitizing materials. During the first half of 2020, we incurred lower selling and marketing expenses since we have been focusing on implementing and enhancing hygiene and precautionary measures across the properties under our management and canceled most of the community events and activities as affected by the outbreak of COVID-19. For further details of the impact of COVID-19 outbreak, see the section headed “Business — Impact of the Outbreak of COVID-19 on Our Business”.

In addition, the outbreaks could cause disruption to our suppliers, subcontractors and customers such as property developers and tenants. The operations of such suppliers, subcontractors and customers could be disrupted by worker absenteeism, quarantines, or other travel or health-related restrictions as a result of COVID-19 outbreak or concern over COVID-19. If any of these suppliers, subcontractors and customers are so affected, they may experience difficulties in maintaining their financial strength and performing their obligations under their agreements with us, such as provision of services or payment obligations, the failure of which may adversely affect our business and results of operations. In response, we have increased our collection efforts of receivables. We also enhanced our supplier and subcontractor management, and paid particular attention to their performance of contract obligations during the pandemic when evaluating future engagement. However, there can be no assurance that such response measures will be effective.

While there has been improvement in the COVID-19 situation in the PRC where we operate, we are uncertain as to when the outbreak of COVID-19 will continue to be contained, and we also cannot predict if the impact will be long-lasting. Furthermore, there is no assurance that another major COVID-19 or other disease outbreak will not happen in the future. In particular, the recent emergence of the Omicron virus variant, a COVID-19 virus variant which is significantly more infectious than its predecessors, has created more uncertainties for our business operations under the COVID-19 pandemic. This could materially and adversely affect the overall business sentiment, cause our business to suffer in ways that we cannot predict and affect our business, financial condition and results of operations. Over a longer term, if the outbreak continues and impacts the broader economy, some of the property owners may face difficulty in honoring their payment obligations under our property management contracts. If any of these events eventuate, our business, financial condition and results of operations may be adversely affected.

Individual projects may not be as profitable as expected due to unexpected costs, unanticipated delays, early termination of engagements or undesirable results

When we submit proposals to bid for projects, we provide cost estimates. We believe these estimates reflect our best judgment regarding the efficiencies of our methodologies and professionals as we plan to deploy them on projects. Any increased or unexpected costs or unanticipated delays in connection with these projects, including delays caused by factors beyond our control, could make these projects less profitable or unprofitable, which would have an adverse effect on our profitability. We suffered losses from certain property management projects during the Track Record Period. For details, see “— Our business, financial performance and prospects may be materially and adversely affected if we are unable to control operating costs, and maintain or improve our level of profitability.”

In addition, as large projects involve multiple engagements or stages, there is a risk that clients may choose not to retain us for additional stages of a project or that clients may cancel or delay their original operational plans or additional planned engagements. These terminations, cancellations or delays could result from factors unrelated to our services provided or the progress of the project, but could be related to business or financial condition of the client or the economy generally. Our results of operation could suffer as a result.

We also undertake some major engagements where a portion of our compensation is tied to the results of our services. Accordingly, if these engagements do not result in demonstrable benefits to our clients, our profitability on these engagements will suffer.

Our business strategies are subject to uncertainties and risks, and therefore our future growth may not materialize as planned

Our business strategies are based upon our assessment of market prospects and the current information available to us. There can be no assurance that our assessment will turn out to be correct at all times or we can grow our business as planned, and our related costs incurred may not be recovered. Our business strategy may be affected by a number of factors beyond our control. Such factors include changes to the PRC economic condition in general and the PRC property management services market, in particular, government regulations or policies, changes in supply and demand for our services as well as the competitive landscape. As a result, there can be no assurance that our business strategies will be fully implemented, our future growth will materialize and that we will be able to manage our future growth effectively or sustain our profitability. Failure to do so would have a material adverse impact on our business, prospects, financial condition and results of operations.

We are subject to the regulatory environment and measures affecting the PRC property management and real estate industries

Our operations are affected by the regulatory environment and measures affecting the property management industry in the PRC. In particular, the fees that property management companies may charge in connection with property management services are subject to regulation and supervision by relevant regulatory authorities in the PRC. For example, the relevant price administration department and construction administration department of the State Council are jointly responsible for the supervision over and administration of fees charged in relation to property management services for preliminary property management service contracts and such fees may need to follow PRC government guidance prices. Although government-imposed price controls on property management fees may continue to relax over time pursuant to the Circular of the National Development and Reform Commission on Relaxing Price Controls in Certain Services (國家發展改革委關於放開部分服務價格意見的通知) (發改價格[2014]2755號), which became effective on December 17, 2014, the property management fees we charge, such as those for preliminary property management service contracts, may still need to follow guidance prices imposed by local governments in different regions in China. In addition, if the property management fees we charge are not ratified by the relevant PRC authorities or otherwise not in compliance with the relevant requirements for government guidance prices, we may be subject to applicable administrative penalties and our property management fees in excess of the guidance price may be confiscated by the relevant PRC authorities. For more information, see "Business — Property Management Services — Property Management Fees — Pricing of Property Management Fees". Government-imposed limits and other regulatory requirement on property management fees could have a negative impact on our earnings. In addition, the government from time to time publishes notices to regulate the market orders and address the recent issues in the real estate and property management industries. For example, in July 2021, the MOHURD, along with other governmental agencies, jointly published the Notice on the Continuous Rectification and Regulation of the Real Estate Market(《住房和城鄉建設部等8部門關於持續整治規範房地產市場秩序的通知》). The Notice addresses issues such as illegal construction activities, illegal advertising in property development activities, failure to deliver agreed-on and quality property management services and illegal use of common areas. We cannot guarantee that the government regulations on property management fees and other matters concerning the property management industry will not have an adverse effect on our business, financial condition and results of operations, which may be material.

In addition, as we expand our business operations into new geographic regions and broaden the range of services we perform, we are subject to an increasing number of provincial and local rules and regulations for various aspects of our business operations. In addition, as the size and scope of our operations had increased during the Track Record Period, the difficulty of ensuring compliance with the various local property management regulations and the potential for loss resulting from non-compliance have increased. If we fail to comply with the related local regulations, especially in respect of new markets that we may be less familiar with, we may be subject to penalties by the competent PRC authorities. The laws and regulations applicable to our business, whether national, provincial or local, may also change in ways that materially increase our costs of compliance, and restrict our ability to pass on such costs to our end customers and any failure to comply could result in significant financial penalties which could have a material adverse effect on our reputation, business, financial position and results of operations.

Moreover, we may also be affected by the PRC government regulations on the real estate industry. The PRC government had in the past introduced various restrictive measures to discourage speculation in the real estate market and has exerted considerable direct and indirect influence on the development of the PRC real estate industry by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, real estate financing and taxation. Through these policies and measures, the PRC government may restrict or reduce property development activities, place limitations on the ability of commercial banks to make loans to property purchasers, impose additional taxes and levies on property sales and affect the delivery schedule and occupancy rates of the properties we service. Any such governmental regulations and measures may affect the PRC real estate industry, thus limiting our business growth and resulting in a material adverse effect on our business, financial position and results of operations. In particular, the PRC government may introduce other initiatives or implement more stringent measures in the future, such as setting caps on certain debt ratios, with a view to controlling the increase of the debt levels in the real estate sector. For example, the PRC government continues to implement stringent real estate industry policies, including the "two centralized" land supply policy, and strengthens financial regulations. Such potential initiatives or measures, once in place, may further limit property developers' access to capital and slow down the overall growth of the real estate sector and expansion of property developers, including Jinmao Group (and its joint ventures and associates), which may in turn negatively impact the growth of the property management industry and the supply of new properties for management by property management companies like us, especially with respect to the expansion of new contracts from Independent Third Party developers who may be more sensitive to the potential changes at least in the short term. As such, our business, financial condition and results of operations could be materially and adversely affected. For example, the Standing Committee of NPC authorized the State Council to carry out pilot projects for the Real Estate Tax Reform in certain regions on October 23, 2021, according to which real estate tax is proposed to be imposed on land users and property owners of various types of properties in the pilot regions, such as residential or non-residential properties, except for rural homestead and buildings.

According to the symposium jointly held by the MOHURD and the PBOC in August 2020, the MOHURD and the PBOC proposed restrictive rules that limit the growth of real estate companies' interest-bearing debt and financing activities. The rules lay out three red line standards on debt-to-asset ratio, net gearing ratio and cash to short-term debt ratio applicable to property developers. For details, see "Industry Overview – Industry Growth Drivers – Proposed regulations on three red line standards". These rules may slow down the growth of the whole real estate sector, affecting the expansion of property developers such as China Jinmao and in turn imposing adverse impact on our growth. As of June 30, 2021, all of China Jinmao' relevant financial ratios as of June 30, 2021 did not exceed any of the aforementioned three red line standards based on the interim results of China Jinmao for the six months ended June 30 2021. Nevertheless, in the event that China Jinmao or other property developer customers are unable to obtain sufficient financing to support their expansion of business which results in a delay in the delivery of new properties to be managed by us, the growth of our GFA under management, our business and financial condition may be materially and adversely affected.

Our property management service contracts may have been obtained without going through the required tender and bidding process

Under PRC laws and regulations, property developers are typically required to enter into a preliminary property management service contract for residential properties with a property management company through a tender and bidding process. A residential property developer may be required to take rectification measures within a prescribed period and would be fined if it fails to comply with such tender and bidding requirements under PRC laws for entering into preliminary property management service contracts. In addition, a public tender process may also be required under PRC laws and regulations for PRC government, public institutions and bodies with public fiscal funds to engage property management service providers for management of properties, such as government buildings and public service facilities.

The percentage of contracted GFA or revenue generated from projects without going through the required tender and bidding process of the total contracted GFA or revenue is minimal. We cannot assure you that we would obtain the preliminary property management service contracts by going through the required tender and bidding process under PRC laws, especially where such tender and bidding process needs to be initiated by the relevant property developers. As advised by our PRC Legal Advisers, there are currently no specific laws and regulations in the PRC which set out administrative penalties upon property management companies for failing to enter into preliminary property management service contracts with property developers through a required tender and bidding process. However, as further advised by our PRC Legal Advisers, such preliminary property management service contracts may be determined to be invalid by the local judicial authorities depending on the circumstances of the case. If such events occur, the relevant property developer may need to organize a tender and bidding process to select a property management service provider for the relevant property management projects. If we do not win the tender and bidding, we may not continue our property management services for the relevant projects and, as a result, our revenue and business may be negatively impacted.

We are in a competitive business with various competitors and if we do not compete successfully against existing and new competitors, our business, financial position, results of operations and prospects may be materially and adversely affected

The PRC property management industry is competitive and fragmented. See "Industry Overview — Competition". Our major competitors include national and regional property management companies. Competition may intensify as our competitors expand their service offerings or as new competitors enter our existing or new markets. We compete with our competitors on a number of factors, including operation scale, service quality and price, customer base, technical capabilities, brand recognition and financial resources. Our competitors may have better track records, longer operating histories and greater financial, technical, sales, marketing and other resources, as well as greater brand recognition and larger customer bases. As a result, these competitors may be able to devote more resources to the development, promotion, sale, and support of their services. Some of our competitors are also part of corporate group developers and therefore enjoy similar advantages in tendering for projects developed by their affiliates and limiting our ability to compete for such opportunities. In addition to competition from established competitors, emerging companies may enter the property management industry in our existing or new markets offering terms that may be disruptive to the market. The emerging companies may have stronger capital resources and greater financial and technological resources compared to us. There can be no assurance that we will be able to continue to compete effectively or maintain or improve our market position, and such failure could have a material adverse effect on our business, financial position and results of operations.

We believe our current success can be partially attributed to our standardization and smart management of operations in providing our services. We plan to continue with such efforts to enhance the quality and consistency of our services, improve our service efficiency and reduce costs. Our competitors may emulate our business model, and we may lose competitive advantages that have distinguished ourselves from our competitors. If we fail to continue to improve such practices or be innovative in our service provisions and operations, we may not be able to compete successfully in the market. If we do not compete successfully against existing and new competitors, our business, financial position, results of operations and prospects may be materially and adversely affected.

Brands are our key assets and affect how we are perceived in the market. Any inappropriate use of any of "Jinmao Property Management Service" (金茂服務) or related trade names or trademarks and deterioration in the "Jinmao Property Management Service" (金茂服務) brand image could adversely affect our business

Brands are our key assets. We provide property management services and value-added services under the trade name of "Jinmao Property Management Service" (金茂服務). Our ability to attract and retain customers is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, management, workplace culture, financial condition, our response to unexpected events and other subjective qualities. The success of our business depends substantially upon our continued ability to increase brand recognition and further grow brand equity. Our reliance on third party service providers for certain operations may also pose a risk to our overall brand image. See "Risk Factors — We are exposed to risks associated with engaging third-party sub-contractors to perform certain property management services and value-added services".

As certain trade names such as 金茂, JINMAO and 金茂物业 JINMAO PROPERTY are shared by us and members of Jinmao Group, if we or these entities or our or their respective directors, management personnel or other employees take action that damages such brand names or corporate image, or if any material negative publicity is associated with any of them, for example, as a result of regulatory investigations into, or other proceedings involving, wrongdoing or corrupt practices engaged in by any such entity or person, our brand image and reputation as well as our market value may be adversely affected.

Meanwhile, unauthorized use of our brand names or related trademarks could diminish the value of our brands, market reputation and competitive advantages. Negative perceptions or publicity regarding these matters, even if related to seemingly isolated incidents and whether or not factually correct, could erode trust and confidence and damage our reputation among existing and potential clients, which could make it difficult for us to attract new customers and maintain existing ones.

We believe our continued success depends on our ability to preserve, grow and leverage the value of such brands. The protection of our brands, including related trademarks, may require the expenditure of significant financial and operational resources. Moreover, the steps we take to protect our brands may not adequately protect our rights or prevent third parties from infringing or misappropriating our trademarks. Even when we detect infringement or misappropriation of our trademarks, we may not be able to enforce all such trademarks. Any unauthorized use by third parties of our brands may adversely affect our brands. Furthermore, as we continue to expand our business, there is a risk that we may face claims of infringement or other alleged violations of third-party intellectual property rights, which may restrict us from leveraging our brands in a manner consistent with our business goals.

Our business is subject to third-party payment platform processing related risks

We accept payments through a variety of methods, including payments with credit cards and debit cards issued by banks in the PRC, as well as payments through third-party online payment platforms. For certain payment methods, including credit and debit cards, we may pay interchange and other fees, which may rise over time, thereby increasing our operating costs. We may also be subject to fraud and other illegal activities in connection with the various payment methods we use, including e-commerce payment options. We are also subject to various rules and requirements, regulatory or otherwise, governing electronic funds transfers, which are subject to change or reinterpretation that could make it difficult or impossible for us to comply with. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from customers, process electronic funds transfers or facilitate other types of online payments, and our business, financial position and results of operations could be adversely affected. Moreover, transactions conducted through third-party payment platforms involve the transmission of confidential information such as credit card numbers, personal information and billing addresses over public networks. In recent years, the use of third-party payment platforms in China has grown in parallel with consumer confidence in their security and efficiency. However, we do not have control over the security measures taken by providers of our third-party payment platforms. In the event that the security and integrity of these third-party payment platforms are compromised, we may experience material adverse effects on our ability to process property management service fees or third-party claims on funds transferred to us from such payment platforms. We may also be perceived as partially responsible for failures to secure personal information and be subjected to claims alleging possible liability brought by our customers. Furthermore, the PRC government may yet promulgate new laws and policies to regulate the use of third-party payment platforms; such measures may increase our compliance and operational costs, for example by requiring that we pay higher transaction fees.

Some of our community value-added services were recently launched with limited history

Some of our community value-added services were recently launched, such as new retail services and community space operation services. We have limited experience in operating such businesses in a competitive market. We have encountered and expect to continue to encounter risks and difficulties frequently experienced in relation to new business offerings, and those risks and difficulties may be heightened in a rapidly evolving market. Some of the risks may affect our ability to:

- retain customers and qualified employees;
- maintain stable cooperation with strategic partners to offer certain businesses, such as home improvement services;
- maintain effective control of our development as well as operating costs and expenses;
- develop and maintain internal personnel, systems, controls and procedures to comply with the extensive regulatory requirements applicable to the relevant industries;
- respond to competitive market conditions in the relevant industries or build the scale of these value-added services; and
- respond to changes in our regulatory environment.

Our failure to achieve any of the above may jeopardize our ability to offer newly introduced community value-added services, as well as other new service offerings we plan to launch, which in turn would cause an adverse effect on our business and prospects, and financial position, results of operations and cash flows.

Our community value-added services may not grow as planned and the development of our online service platform may not be successful

We plan to grow our community value-added services by expanding our service offerings and customer base. For further information on our community value-added services, see "Business — Community Value-added Services". However, there is no assurance that we could grow such business as planned, and our related costs incurred may not be recovered. We need to recruit qualified employees with relevant experience to grow our community value-added services. As the market is competitive, there is no assurance that we will be able to recruit sufficient number of qualified employees to support our growth plan. In addition, the development of community value-added services also relies on our ability to tap our existing customer base from our managed properties for community value-added services, as well as our ability to identify and explore business partners with suitable products and services to be offered through our community value-added services. However, our current planning may be changed or certain community value-added services that we plan to offer may not materialize due to changes in demand from customers and market trends. If our community value-added services fail to attract our customers or satisfy their needs, or prove to be otherwise unsatisfactory, and we fail to grow our community value-added business as planned, our results of operations, profitability and business prospects could be adversely affected.

In addition, we utilize our online service platform, mainly comprising our "Home (回家)" mobile application, as the gateway for users to access our services both online and offline with a view to enhancing customer experience and loyalty, as well as our brand recognition. The future development of such service platform depends on our ability to enhance the functionality of such service platform, as well as our ability to stay abreast of emerging life-style and consumer preferences to attract and appeal to users. We cannot assure you that our users will be able to have access to their desired products and services through our service platform, which may result in users losing interest in our service platform and thus using our service platform less frequently. Any of the foregoing may adversely affect our business, our results of operations and our financial position.

We are exposed to liability and reputational risks in relation to work safety and occurrence of accidents

Work injuries and accidents may occur during the ordinary course of our business. For instance, certain repair and maintenance services performed by our employees or third-party sub-contractors may involve the handling of tools and operation of heavy machinery and therefore, are subject to inherent occupational risk of accidents. Our ability to balance such risks is limited as the repair and maintenance of hazardous facilities such as elevators and fire control systems is part of the property management business. Hence, we are exposed to risks in relation to work safety, including but not limited to claims for injuries, fatal or otherwise, sustained by our employees or sub-contractors. Such occurrences may also result in damage to, or destruction of, properties of the communities. In addition, we are exposed to claims that may arise due to employees' or third-party sub-contractors' negligence or recklessness when performing our services and we may be held liable for the losses which may subsequently damage our reputation within the property management industry. We may also experience business disruptions and be required to implement additional safety measures or modify our business procedures and/or model as a result of any governmental or other investigations. Any of the foregoing could adversely affect our reputation, business, financial position and results of operations.

We, our shareholders and affiliates, our customers and suppliers and other parties that have collaborative relationships with us are subject to governmental economic and trade sanctions laws that could subject us or them to liability

We, our shareholders and affiliates, our customers and suppliers and other parties that have collaborative relationships with us are subject to various economic and trade sanctions laws. For example, U.S. economic sanctions prohibit the provision of products and services to countries, governments, and persons targeted by U.S. sanctions. United Kingdom financial sanctions and European Union sanctions also have similar regime to prohibit the provision of products and services to countries, governments and persons on their respective target list. In addition, political tensions between the U.S. and China have escalated in recent years, and the United States has threatened to impose further sanctions, export controls, trade embargoes, and other heightened regulatory requirements on China and Chinese companies for alleged activities both inside and outside of China. Sinochem Group Co., Ltd., the controlling shareholder of Jinmao Group, was identified as an entity on the CCMC List by the US Government on November 12, 2020, and was subsequently removed from the list in June 2021.

If we, our shareholders and affiliates, our customers and suppliers or other parties that have collaborative relationships with us become targeted under sanctions, trade or export control restrictions, this may result in significant interruption in our business, regulatory investigations and reputational harm to us. Our failure to employ appropriate safeguards with respect to customers, suppliers or business partners located in countries that are targets of governmental economic sanctions may result in a violation of such laws and regulations. Non-compliance with applicable governmental economic and trade sanctions laws could subject us to adverse media coverage, investigations, severe administrative, civil and possibly criminal sanctions, and expenses related to remedial measures and legal expenses, which could materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

We may fail to effectively implement our risk management and internal control policies and procedures or detect and prevent any fraud, negligence or other misconduct committed by our employees, sub-contractors, customers or other third parties

We are exposed to fraud, negligence or other misconduct committed by our employees, sub-contractors or other third parties that could subject us to financial losses and sanctions imposed by governmental authorities as well as harm to our reputation. Examples of such behavior include crimes such as theft, vandalism, embezzlement and bribery. We have established risk management and internal control systems consisting of policies and procedures that are designed to identify, assess and manage risks arising from our operations and monitor our overall compliance. Details on risk categories identified by our management, internal and external reporting mechanism, remedial measures and contingency management have been codified in our policies. Our risk control department is responsible for supervising the compliance with our internal control and risk management policies and will timely conduct routine inspections and report for any non-compliance to ensure our compliance with relevant laws and regulations.

However, we cannot assure you that our risk management and internal control systems will always enable us to identify non-compliance and/or suspicious transactions in a timely manner, or at all, or that they will always enable us to detect, prevent and take remedial measures in relation to fraud, negligence or other misconduct (accidental or otherwise) committed by our employees, subcontractors or other third parties in a timely and effective manner. Moreover, although we may have limited control over the behavior of these parties, we may be viewed as at least partially responsible for their conduct on contractual or tortious grounds or be targeted for litigations or proceedings for strategic reasons. We may become, or be joined as, a defendant in litigation or other administrative or investigative proceedings and be held accountable for injuries or damages sustained by our customers or other parties. To the extent that we cannot recover related costs from the employees, sub-contractors or other third parties involved, we may experience material adverse effects on our business, financial position and results of operations. We may also attract negative publicity, damaging our reputation and brand value or placing us in a position where we may be required to compensate the injured parties even in the absence of a legal requirement to do so.

Damage to the common areas of the properties we manage may adversely affect our business, results of operations and financial position

The common areas of the properties we manage may suffer damage as a result of occurrences beyond our control, including but not limited to natural disasters, accidents or intentional damage. Where the damage is caused by natural disasters such as earthquakes, floods or typhoons, or accidents or intentional harm such as fires, the damage caused may be material and extensive. Although a residential community is required under PRC laws to establish a special fund to pay for the repair and maintenance costs of common areas, there is no guarantee that such fund will be sufficient.

As the property management service provider, we may be viewed as responsible for restoring the common areas and at times we need to allocate additional resources to assist the police and other governmental authorities in investigating criminal actions that may have been involved in connection with damage caused to the common areas. In the event that there is any shortfall in the special funds necessary to cover all the costs involved, we may have to compensate for the difference and fix the damages with our own resources first before we attempt to collect the amount of the shortfall from the property owners, property developers and residents later on. To the extent that our attempts are unsuccessful, we may experience material adverse effects on our business, financial position and results of operations. As we intend to continue growing our business, the likelihood of such occurrences may rise in proportion to any increases in the number of our managed properties and the expansion of our geographic coverage. Moreover, we may expand into markets that are geographically located in areas susceptible to natural disasters, such as earthquakes or typhoons.

Accidents or injuries suffered by our residents, our employees or other personnel at properties under our management may adversely affect our reputation and subject us to liabilities

We could be held liable for accidents or injuries or other harm to residents or other people at properties under our management, including those caused by or otherwise arising in connection with property facilities or employees. We could also face claims alleging that we were negligent, or that we provided inadequate maintenance to property facilities or inadequately supervised our employees and therefore may be held liable for accidents or injuries suffered by our residents or other people at properties under our management. We have implemented a series of risk management policies in terms of personal safety in order to effectively reduce risk of injuries or fatalities. These policies cover areas such as general security, fire safety and safety equipment management. We regularly inspect electricity and other common area utility equipment to early-detect and repair wear and tear. We routinely hold training and information sessions on various aspects of safety management which improve our staff's safety awareness and provide clear guidance on ensuring personal safety. In addition, we maintain certain liability insurance. However, these policies and insurance coverage may not be adequate to fully protect us from these kinds of incidents and the resulting claims and liabilities. A liability claim against us or any of our employees could adversely affect our reputation. Further, such a claim may create unfavorable publicity, cause us to pay compensation, incur costs in defending such claim and divert the time and attention of our management, all of which may have a material adverse effect on our business, prospects, financial condition and results of operations.

Negative publicity, including adverse information on the internet, about us, our Shareholders and affiliates, the properties we manage, our brand, management and other aspects of our business operations may have a material adverse effect on our business, reputation and the trading price of our Shares

Negative publicity about us, our Shareholders and affiliates, the properties we manage, our brand, management and other aspects of our business operations may arise from time to time. They may appear, among other things, in the form of comments on internet postings and other media sources, and we cannot assure you that other types of negative publicity will not arise in the future. For example, if our services fail to meet our customers' needs or expectations in any way, our customers may disseminate negative comments about our services on social media platforms. Our sub-contractors may also become the subject of negative publicity for various reasons, such as customer complaints about the quality of their services.

In addition, third-party merchants we cooperate with in connection with the value-added services we provide may also be subject to negative publicity as a result of customers' complaints about the quality of their products and services. Any public relation incidents with respect to such business partners may adversely affect the provision of products or services for our value-added services and indirectly affect our reputation. Moreover, negative publicity about other service platforms for property management services or value-added services in China may arise from time to time and cause customers to lose confidence in the operations of our service platform. Such occurrences, regardless of veracity, may damage our reputation and we may lose customer confidence. In the long term, this would affect our future ability to attract and retain new customers and employees. We may suffer material adverse effects to our business and brand that in turn reduce the trading price of our Shares and diminish our competitive position.

Our business may be adversely affected if we fail to obtain, or experience material delays in obtaining requisite government approvals or licenses in carrying out our operations

We are required to obtain and maintain governmental approvals in the form of licenses, permits and certificates or complete certain registrations or filings for our business operations, which, in general, are only issued or renewed after certain conditions have been satisfied. We cannot guarantee that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary governmental approvals for our operations in a timely manner, or at all. Moreover, we anticipate that the PRC governmental authorities will promulgate new laws, regulations and policies in relation to the conditions for issuance or renewal of these governmental approvals from time to time and we cannot guarantee that we will be able to adapt to and meet these new conditions for us to obtain and/or renew the relevant governmental approvals in a timely manner, or at all. Loss of or failure to obtain or renew our permits, licenses and certificates necessary for our business operations, may stall our business development plans and operations, increase our compliance costs and leading to adverse impact on our business, financial condition and results of operations.

As we charged higher average property management fees to Jinmao Group and its joint ventures and associates compared to Independent Third Party property developers during the Track Record Period, our profitability may decrease if we reduce reliance on Jinmao Group or its joint ventures and associates in the future

Historically, we charged higher average property management fees for residential properties developed by Jinmao Group and joint ventures and associates of Jinmao Group compared to those developed by independent third-party property developers. As of December 31, 2018, 2019 and 2020 and September 30, 2021, our average property management fee per sq.m. was RMB3.41, RMB3.43, RMB3.56 and RMB3.46, respectively, for residential properties developed by Jinmao Group. In the same periods, our average property management fee per sq.m. was RMB3.83, RMB3.93, RMB3.73 and RMB3.46, respectively, for residential properties developed by Jinmao Group's joint ventures and associates. By contrast, as of December 31, 2020 and September 30, 2021, our average property management fee per sq.m. was RMB2.62 and RMB3.37, respectively, for residential properties developed by independent third-party developers. We did not provide property management services to third-party property developers in 2018 and 2019.

While we plan to continue to work with Jinmao Group and its joint ventures and associates, we also plan to increase our efforts to obtain new engagements for properties developed by independent third-party property developers. However, we cannot assure you that properties developed by independent third-party property developers will be as of high quality as the ones developed by Jinmao Group and its joint ventures and associates. As we continue to expand our business operations by exploring opportunities with independent third-party property developers and increasing the percentage of revenue from property management services to properties developed by independent third-party developers, if the properties under management developed by independent third-party developers are located in lower tier cities, and/or of lower classification such that high management fees cannot be charged, and/or if they are not profitable, our results of operations in terms of profitability may be materially adversely affected.

Our success depends upon the retention of our senior management, as well as our ability to attract and retain qualified and experienced employees

Our continued success is highly dependent upon the efforts of our senior management who have constantly contributed to our business operations, financial performance, as well as technical and administrative capabilities. For their biography and industry experience, see "Directors and Senior Management". Our success is also dependent upon other key employees, including our regional head and the head of departments at our headquarters level. If any of our senior management or other key employees leaves and we are unable to promptly hire and integrate a qualified replacement, our business, financial position and results of operations may be materially and adversely affected. Unexpected resignations may also leave key operations without supervisors and materially and adversely affect the implementation of our business strategies.

In addition, the future growth of our business will depend, in part, on our ability to attract and retain qualified personnel in all aspects of our business, including but not limited to corporate management and property management personnel. If we are unable to attract and retain these qualified personnel, our growth may be limited and our business, financial position and operating results could be materially and adversely affected.

We have incurred and may continue to incur equity-settled share option expenses. The issuance of share options may cause dilution to our existing shareholders and may affect the market price of our shares

In 2018, 2019, 2020 and the nine months ended September 30, 2020 and 2021, we recognized equity-settled share option expenses in our consolidated statement of profit or loss of RMB1.0 million, RMB3.8 million, RMB3.6 million, RMB2.7 million and RMB1.3 million in connection with the grant of share options to certain management of our Group pursuant to the share option scheme of Jinmao Group in order to provide incentives and rewards to them. For details for our equity-settled share option expenses, see Note 29 to the Accountants' Report in Appendix I to this prospectus.

Equity-settled share option expenses have affected our net profit and may reduce our net profit in the future, and any additional share options to be issued pursuant to any share option schemes that may be adopted by us will dilute the ownership interests of our existing Shareholders and could result in a decline in the value of our Shares.

We may experience failures in or disruptions to our information technology systems

We rely on our information technology systems to manage key operational functions such as processing financial data and facilitating communications, and to provide services to customers through online service platform(s). We cannot assure you that damages or interruptions caused by power outages, computer viruses, hardware and software failures, telecommunication failures, fires, natural disasters, security breaches and other similar occurrences relating to our information systems will not occur from time to time. We may, as a result, experience occasional system interruptions, delays or other technical problems that would adversely affect our business operations or render our services unavailable or difficult to access, and prevent us from promptly responding or providing services to our customers, which may compromise our reputation and reduce the attractiveness of our services. In addition, we may incur significant costs in restoring any damaged information technology systems. If we are unable to effectively maintain and upgrade our systems and network infrastructure and take steps necessary to improve the efficiency of our systems, there may be system interruptions or delays which would adversely affect our business operations on an ongoing basis. Moreover, our services utilizing any online platform, such as mobile applications, are subject to security risks, including security breaches and identity theft. We must be able to provide secured transmission of confidential information over public networks when providing such services. Any penetration of network security or other misappropriation or misuse of personal information could cause interruptions in the operations of our business and subject us to increased costs, litigation and other liabilities, which could negatively affect our financial and operating results and damage our reputation. Failures in or disruptions to our information technology systems and loss or leakage of confidential information could cause transaction errors, processing inefficiencies and the loss of customers and business and could subject us to liabilities. We may thus experience material adverse effects on our business, results of operations and prospects.

Our failure to protect confidential information of our customers, employees and third parties or our information technology systems against security breaches, any actual or perceived failure by us or third parties to comply with applicable data protection laws and regulations or privacy policies could harm our business, financial condition and results of operations

During the course of our business, in particular but without limitation, through the operations of our information technology systems including our online service platform, we may from time to time collect and use personal data such as addresses and phone numbers and other information from our customers, employees, and third parties. We also, in the course of business, collect information such as video and still photographs, text and voice messages, and other material which may include personal data or sensitive information about such persons. Our data security measures may be breached due to employee error, malfeasance, system errors or vulnerabilities, or otherwise. Outside parties may also attempt to fraudulently or otherwise wrongfully induce employees to disclose sensitive information in order to gain access to the data we collect. While we have taken steps to protect the confidential information that we have access to, our data security measures could be breached. As techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until sometime after they are launched against a target, we may be unable to anticipate these attacks or to implement adequate preventative measures. Any accidental or willful security breaches or other unauthorized access to our systems and platforms could cause confidential customer and other third party information to be leaked and used for unlawful purposes. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our reputation and brand could be severely damaged and we could incur significant liability which may have a material adverse impact on our business, financial condition and results of operations.

Laws and regulations related to cyber security are relatively new and evolving in the PRC, and their interpretation and enforcement involve significant uncertainties. The evolving PRC regulations regarding (i) data collection, usage and transfer; and (ii) cyber security may lead to future restrictions and the establishment of new regulatory agencies, and we may bear more legal responsibilities and compliance costs, which may have an adverse effect on our prospects. On June 10, 2021, the Standing Committee of the National People's Congress promulgated the PRC Data Security Law, which came into effect in September 2021. The Data Security Law provides for a security review procedure for the data activities that may affect national security. On January 4, 2022, the CAC and other twelve PRC regulatory authorities jointly revised the Measures which came into effect on February 15, 2022. The Measures requires that if a CIIO anticipates that its procurement of network products and services affect or may affect national security after the network products and services being put into use, it shall apply for cybersecurity review to the Cybersecurity Review Office. In addition, Network Platform Operators possessing personal information of more than 1 million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. See "Regulations — Legal Supervision over the Internet Information Services — Information Security." However, the Measures provide no further explanation or interpretation for "listing in a foreign country". As advised by our PRC legal advisors, substantial uncertainties exist with respect to the interpretation and applicability of the Measures, especially the criteria for the determination of the risks that "affect or may affect national security" based on the factors set out in Article 10 of the Measures, we cannot preclude the possibility that the risk factors may apply to us as network platform operators and we may need to conduct cybersecurity review. In addition, on November 14, 2021, the CAC published a discussion draft of Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft Regulations**"), which regulates the specific requirements in respect of the data processing activities conducted by data processors through internet in the view of personal data protection, important data safety, data cross-broader safety management and obligations of internet platform operators. As advised by our PRC Legal Advisors, we are classified as data processors under the Draft Regulations and shall comply with the relevant requirements under the Draft Regulations after its official adoption (assuming if it is implemented in its current form). Furthermore, the Draft

Regulations not only reiterates that a data processor which processes personal information of more than one million persons and is applying for listing in foreign countries should apply for the cybersecurity review, but also specifically requires that if the listing in Hong Kong by a data processor affects or may affect national security, the data processor shall apply for cybersecurity review in accordance with the relevant PRC laws and regulations. See "Regulations — Legal Supervision over the Internet Information Services — Information Security" for further information. There have been no clarifications from the authorities as to the standards for determining such activities that "affects or may affect national security". The Draft Regulations were released for public comment only and its operative provisions and the anticipated adoption or effective dates may be subject to change with substantial uncertainty. It also remains uncertain whether the future regulatory changes would impose additional restrictions on companies like us. We cannot predict the impact of the Measures and the Draft Regulations, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. If the enacted version of the Draft Regulations mandates clearance of cybersecurity review and other specific actions to be completed by companies like us, we face uncertainties as to whether such clearance can be timely obtained, or at all. If we are not able to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, removal of our app from the relevant application stores, or revocation of our business licenses and permits, among other sanctions, which could materially and adversely affect our business and results of operations.

We may need to make allowance for impairment of prepayments, other receivables and other assets

As of December 31, 2018, 2019 and 2020 and September 30, 2021, our current portion of prepayments, other receivables and other assets was RMB440.5 million, RMB544.6 million, RMB644.2 million and RMB515.8 million; our non-current portion of prepayments, other receivables and other assets was RMB1,215.6 million, RMB1,086.0 million, RMB941.6 million and RMB3.4 million as of the same dates, respectively. Our prepayments, other receivables and other assets mainly include (i) amounts due from related parties, (ii) deposits of ABS arrangement, (iii) prepayments primarily in relation to utility fees and lease payments, (iv) deposits placed for contract performance, tender and bidding process and leases, (v) advances to employees, and (vi) payments on behalf of residents and tenants, and (vii) others. Amounts due from related parties mainly represent: (i) advances to related parties which are non-trade in nature, (ii) receivables in relation to payments made on behalf of related parties, (iii) interest receivable in relation to loans to related parties, and (iv) performance guarantees and bidding guarantees placed with related parties.

There is no guarantee that related parties, suppliers and service providers will perform their obligations in a timely manner, and we are subject to credit risk in relation to prepayments, other receivables and other assets. We make allowance for impairment of prepayments, other receivables and other assets when we determine the chances of recovering the relevant amounts due are remote. We conduct assessments on the recoverability of prepayments, other receivables and other assets based on, among others, our historical settlement records, our relationship with relevant counterparties, payment terms, current economic trends and to a certain extent, the larger economic and regulatory environment, which involve the use of various judgments, assumptions and estimates by our management. The balance of our allowance for impairment of prepayments, other receivables and other assets was RMB0.9 million, RMB1.7 million, RMB1.6 million and RMB2.1 million as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively. As our management's estimates and related assumptions were made in accordance with information available to us at the time the allowance was determined, there is no assurance that our expectations or estimates will remain accurate for the future. If we are not able to recover the amount as scheduled, we may need to make allowance for impairment of prepayments, other receivables and other assets and our business, financial position and results of operations may be adversely affected.

We may fail to recover payments on behalf of property owners of the properties managed on a commission basis

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, revenue generated from our property management services on a commission basis accounted for 3.2%, 1.3%, 1.5%, 1.0% and 1.3%, respectively, of our total revenue from property management services. When we are contracted to manage communities on a commission basis, we essentially act as an agent of the property owners and residents. As at the end of a reporting period, if the working capital of a management office accumulated in our treasury function is insufficient to cover the expenses the management office has incurred and paid through our treasury function to arrange for property management services at the relevant community, the shortfall is recognized as other receivables subject to impairment.

Estimates may need to be made on whether or not the management offices have the ability to settle payments on behalf of property owners and whether there is any objective evidence of impairment, taking into account factors such as the likelihood of subsequent settlement and write-off amounts, if any. If a residential community consistently carries account payables that are higher than their account receivables, this indicates to us that the payments made on the behalf of those property owners and residents may have lower recoverability.

Our management estimates and the assumptions on which they are based have been made with information currently available to us, and they may have to be adjusted if new information becomes known. There is also a limited amount of publicly available information to facilitate making these estimates and assumptions. In the event that actual recoverability is lower than initially expected, or that our allowance for bad debts becomes insufficient in light of new information, we may need to increase our allowances and thereby suffer material adverse effects on our business, financial position and results of operations.

There are uncertainties about the recoverability of our deferred tax assets, which could adversely affect our results of operations

We recorded deferred tax assets of RMB1.6 million, RMB1.6 million, RMB2.5 million and RMB4.1 million, respectively, as of December 31, 2018, 2019 and 2020 and September 30, 2021. We periodically assess the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. In particular, deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized. However, we cannot assure you that future earnings will be consistent with our current expectations, which could prove to be inaccurate due to factors beyond our control, such as general economic conditions and negative developments in the regulatory environment. If our future earnings are not consistent with our current expectations, we may not be able to recover our deferred tax assets which could have an adverse effect on our results of operations.

Our failure to protect our intellectual property rights could have a negative impact on our business and competitive position

We have registered and were in the process of registering a number of intellectual property rights in the PRC as of the Latest Practicable Date. We consider these intellectual properties to be essential business assets and key to customer loyalty and essential to our future growth. The success of our business depends substantially upon our continued ability to use any of our brand, trade names and trademarks to increase brand recognition and to further develop our brand. The unauthorized reproduction of our trade names or trademarks could diminish the value of our brand and our market reputation and competitive advantages. For details, see "Business — Intellectual Property Rights". Our measures to protect intellectual property rights may afford limited protection and policing unauthorized use of proprietary information can be difficult and expensive. In addition, enforceability, scope and validity of laws governing intellectual property rights in the PRC are uncertain and still evolving, and could involve substantial risks to us. If we were unable to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights, it could have a material adverse effect on our business, operating results and financial position.

We have been licensed by Jinmao Group to use several of its trademarks for our operation on a non-transferable and royalty-free basis. For details, see "Business — Intellectual Property Rights" and "Connected Transactions — Continuing Connected Transactions which are fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements — Trademark License Deed". If the relevant licensor(s) cease to authorize such trademarks to us, our business, financial position and results of operations may be materially and adversely affected. We are also exposed to the risk that a third-party may successfully challenge the licensor's ownership of, or our right to use, the relevant licensed trademarks or if a third-party uses such trademarks without authorization.

Third parties may assert or claim that we have infringed their intellectual property rights, which may disrupt and affect our business

We cannot assure you that we will be successful in registering any of our intellectual properties, or that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties, or otherwise violate any laws of applicable jurisdictions. We may be challenged by third parties, including competitors as well as other entities or individuals, for infringement of their intellectual property rights, including, without limitation, unauthorized use of software and software piracy. We may not be fully aware of other parties' intellectual property rights involved in our systems, applications and business operations and there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed by our services or other aspects of our business without our awareness. To the extent that our employees or other parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. Any liability claim in relation to intellectual property rights that is made or threatened to be made against us in the future, regardless of its merits, could result in costly litigation and strain our administrative and financial resources. We may have to incur considerable time and costs in dealing with any claims, disputes or litigation, and if they are successful, we may be subject to substantial damages, royalty payments, restrictions from conducting our business and other stringent requirements unfavorable to our business and operations. We may also be required to indemnify other parties or pay settlement costs, and to obtain licenses, modify applications or refund fees, each of which may be expensive and time-consuming. Such processes may create a distraction for our management which could affect our business operations. Additionally, the interpretation and application of the intellectual property right laws and the procedures and standards for granting intellectual property rights in China are uncertain and still evolving, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business and results of operations may be materially and adversely affected.

Our insurance may not sufficiently cover, or may not cover at all, losses and liabilities we may encounter

We maintain certain insurance coverage, primarily public liability insurance to cover liabilities for damages suffered by third parties arising out of our business operations, employer liability insurance, commercial health insurance, property insurance for our business related facilities and vehicle insurance. For further details, see "Business — Insurance". We believe our insurance coverage is in line with industry practice for similar property management companies in the PRC. However, we cannot assure you that our insurance coverage will be sufficient or available to cover damages, liabilities or losses we may incur in the course of our business. Moreover, there are certain losses for which insurance is not available in the PRC on commercially practicable terms, such as losses suffered due to business interruptions, earthquakes, typhoons, flooding, epidemics, war or civil disorder. If we are held responsible for any such damages, liabilities or losses due to insufficiency or unavailability of insurance, there could be a material adverse effect on our business, financial position and results of operations.

We may be involved in legal and other disputes and claims from time to time arising from our operations

We may, from time to time, be involved in disputes with and subject to claims by our customers, such as property developers, property owners or residents, to whom we provide property management and other services. Disputes may also arise if such third parties are dissatisfied with our services. For instance, property owners may take legal actions against us if they perceive that our services are inconsistent with the prescribed service standards contained in the property management service contracts, or otherwise inconsistent with our legal duties to them, for example, in relation to our varied relationships with residents and other parties with whom we work in delivering community value-added services. Furthermore, we may from time to time be involved in disputes with and subject to claims by other parties involved in our business, including without limitation our employees, third-party subcontractors, business partners, other third parties who sustain injuries or damages while visiting properties under our management or otherwise in connection with our business operations. Any such dispute or claim may lead to legal or other proceedings or cause negative publicity against us, thereby resulting in damage to our reputation, substantial costs and diversion of resources and management's attention from our business activities. Any such dispute, claim or proceeding may have a material adverse effect on our business, financial position and results of operations.

Our mergers and acquisitions may not achieve the desired benefits. We may face difficulties in integrating acquired operations with our existing business

We plan to expand our business in part through mergers or acquisitions of other property management companies and other businesses that are complementary to our existing business and integration of their operations into ours. However, there can be no assurance that we will be able to identify suitable opportunities, especially in light of the competitive market environment of the property management industry in China. We may face fierce competition for high-quality property management or other companies that could be potential acquisition and/or investment targets. We are facing competition with industry peers, including those listed on the Stock Exchange which are also actively seeking quality acquisition or investment targets in the market to achieve their expansion goals. Even if we do manage to identify suitable opportunities, we may not be able to complete the mergers and acquisitions on terms favorable or acceptable to us or in a timely manner, or at all. The inability to identify suitable merger and acquisition targets or to complete acquisitions may materially and adversely affect our competitiveness and prospects.

In addition, mergers and acquisitions involve uncertainties and risks and we may fail to integrate the acquired operations with our existing business or achieve the desired benefits from such transactions, which could have a material adverse effect on our results of operations.

Such uncertainties and risks include, without limitation: (i) the size and complexity of the business of the target; (ii) potentially dilutive issuance of equity securities and/or significant cash outflows in our efforts to finance the relevant transactions; (iii) additional hidden costs associated with such transactions, potential ongoing financial obligations and unforeseen or hidden liabilities; (iv) potential increase in depreciation charges or amortization in the event that the target is rich in fixed assets; (v) failure to effectively integrate the target's operations with our existing business, particularly when integrating the existing workforce and business systems with such target(s); (vi) failure to achieve the intended objectives, benefits or revenue-enhancing opportunities; (vii) the risks of operating in new markets, unfamiliarity with new regulatory regimes, differences in corporate cultures; and (viii) the inability to retain the personnel of the target.

Such difficulties could disrupt our ongoing business, distract our management and employees or increase our expenses, any of which could materially and adversely affect our business, financial position and results of operations. Although we plan to improve service quality, reduce operating cost and increase the profitability of the targets, we cannot assure you that our historical mergers or acquisitions or any other future target would achieve our desired strategic objectives or expected return on investment.

Furthermore, a portion of the net proceeds raised from the Global Offering will be used to pursue strategic investment and acquisition opportunities. For more information, see "Future Plans and Use of Proceeds — Use of Proceeds". As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of net proceeds from the Global Offering. In the event that we fail to identify suitable acquisition opportunities or our future acquisition transactions fail to consummate for other reasons beyond our control, we would not have effectively applied our proceeds from the Global Offering as currently intended.

We may need to make an impairment with respect to intangible assets

We had intangible assets of RMB0.2 million, RMB6.2 million, RMB7.1 million and RMB6.1 million as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively. We may need to make an impairment with respect to intangible assets mainly as a result of our mergers and acquisitions. We generally test intangible assets, such as customer relationships, for impairment as at the end of a financial year, or more frequently if events or circumstances indicate that such intangible assets might be impaired. Examples of such events or circumstances include, but are not limited to, a significant adverse change in business performance and/or expected future business performance driven by factors including but not limited to degradation in business or legal climates, an adverse regulatory action, unanticipated competition or an inability to execute our strategy initiatives. If we fail to achieve our desired objectives, potential benefits or other revenue-enhancing opportunities that motivated our relevant acquisitions or if any unforeseen circumstances otherwise decreases the expected cash flows from acquired assets, the recoverable amount can be lower than the carrying amount on our financial statements. Under such circumstance, we may need to record impairments against our intangible assets in our financial statements, which may reduce our assets and materially and adversely affect our financial position.

We may require additional funding to finance our operations and future acquisitions, which may not be available on terms acceptable to us or at all, and if we are unable to raise funds, the value of your investment in us may be negatively impacted

To fund our future growth plans, including to diversify our business and operational model by acquiring or investing in other property management and value-added service providers, we need to secure additional funding to finance our future capital expenditures. There can be no assurance that we will be able to secure funding on terms acceptable to us or in a timely manner, or at all. If our internally generated capital resources are insufficient to finance our capital expenditure and growth plans, we may have to seek additional financing from third parties, including banks, joint venture partners and other strategic investors. We may also consider raising funds through the issuance of new Shares, which would lead to the dilution of our existing Shareholders' interests in our Company. If we are unable to obtain financing in a timely manner, at a reasonable cost and on acceptable terms, we may be forced to delay our expansion plans, or downsize or abandon such plans, which may adversely affect our business, financial condition and results of operations, as well as our future prospects.

The government grants and preferential tax treatment that we enjoy in the PRC may be altered or terminated

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, we had government grants income of RMB0.5 million, RMB1.6 million, RMB3.4 million, RMB2.7 million and RMB1.5 million, respectively, which mainly represented financial support funds from local government for our business development. Some of our subsidiaries are qualified to enjoy preferential enterprise income tax rate. We cannot assure you that the PRC policies on government grants or preferential tax treatment will not change or that any government grant or preferential tax treatment we enjoy or will be entitled to enjoy will not be terminated or renewed. Alteration or discontinuation of such government grants or preferential tax treatment, resulting from changes to the PRC laws, regulations and policies or our failure to meet any requisite conditions for renewal, may adversely affect our business and results of operations.

If we fail to fulfill our obligations under our contracts with customers, our business, results of operations and financial condition may be adversely affected

As of December 31, 2018, 2019 and 2020 and September 30, 2021, our contract liabilities amounted to RMB98.1 million, RMB146.9 million, RMB206.4 million and RMB259.0 million, respectively. Our contract liabilities primarily arise from the advance payments made by customers while the underlying services are yet to be provided. See "Financial Information — Description of Selected Consolidated Statement of Financial Position — Contract Liabilities."

If we fail to fulfill our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the property management fees we have received, which may adversely affect our cash flow and liquidity condition, our ability to meet our working capital requirements and our results of operations and financial condition. In addition, if we fail to fulfill our obligations under our contracts with customers, it may adversely affect our relationship with such customers, which may also affect our reputation and results of operations in the future.

Our reputation may be adversely affected by customer complaints relating to the services provided by us even if they may be frivolous or vexatious

Our customers may file complaints or claims against us regarding our services. We provide property management and other services to individual property owners and residents, which includes addressing the everyday needs of their homes and their families. These property owners and residents, even though living in the same property under our management, come from all walks of life and may have a variety of expectations on how their properties and neighborhoods should be managed. As a result, during our ordinary course of business, we need to strike a balance among these varying expectations among different groups of property owners and residents. In addition, we may also receive complaints or claims from non-property owner customers, such as property developers, if they are dissatisfied with our services.

Although we have established procedures to monitor the quality of our services and have set up communication channels through which customers may provide feedback and lodge complaints, there is no assurance that all property owners' and residents' expectations and demands can be addressed in a timely and effective manner. There is no guarantee that certain individual property owners and residents and/or groups of property owners and residents of a property under our management will not have specific demands or expectations which are beyond what we can provide within our normal course of operations. Furthermore, there is no guarantee that, in an effort to compel us to meet these demands, such property owners and residents will not attempt to exert pressure on us by means beyond our control, such as by making frivolous or vexatious complaints directly to us, online, or through various media sources, or by complaining to the relevant authorities. Any such events or any negative publicity about them even if untruthful, may distract our management's attention and may have an adverse effect on our business, our reputation and the trading price of our Shares.

Failure to pay the social insurance premium and housing provident funds for and on behalf of our employees in accordance with the relevant PRC laws and regulations may have an adverse impact on our financial conditions and results of operation

Under the PRC Social Insurance Law and the Regulations on the Administration of Housing Funds, employees are required to participate in pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds, and employers are required, together with their employees or separately, to pay the contributions to social insurance and housing funds for their employees. In 2018 and the nine months ended September 30, 2021, some of our subsidiaries did not fully contribute to the social insurance and housing provident funds for or on behalf of certain employees, mainly because we are not required to make such contributions to certain employees such as interns and employees who are rehired after retirement or we engaged third-party human resources agencies to pay social insurance premium and housing provident funds for some of our employees. If the relevant competent government authority is of the view that this third-party agency arrangement does not satisfy the requirements under the relevant PRC laws and regulations, in respect of housing provident fund, we may be ordered to pay the outstanding balance to the relevant local authority within a prescribed period of time. As advised by our PRC Legal Advisers, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions by a stipulated deadline and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments, we may be liable to a fine of one to three times the amount of the outstanding contributions. Our PRC Legal Advisers have also advised us that, under the relevant PRC laws and regulations, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed period of time, and if we fail to make such payments, application may be made to a people's court in the PRC for compulsory enforcement.

As of the Latest Practicable Date, none of these subsidiaries had been subject to any administrative penalties for the aforementioned matters, nor were we aware of any material employee complaints or involved in any material disputes with our employees with respect to social insurance or housing provident funds. However, we cannot assure you that we will not receive any complaint or demand for payment of social insurance and housing provident funds from our employees in the future. We cannot assure you that the relevant PRC authorities would not notify and require us in the future to pay the outstanding contributions by a stipulated deadline. As advised by our PRC Legal Advisors, if we can pay the outstanding balance to the relevant authorities within a certain period of time when we are required to do so, the likelihood of us being subject to fines by the relevant government authorities is low. For details, see "Business — Employees — Social Insurance and Housing Provident Fund Contributions".

We may be subject to penalties from the PBOC or adverse judicial rulings as a result of providing loan financings

In 2018, we entered into an asset-based securities arrangement (the "**2018 ABS**") with a third-party securities company. The ABS was secured by the right of receipt of the property management fees for certain properties under our management. In connection with the 2018 ABS, we made loans (the "**2018 Loan**") to a subsidiary of Jinmao Group with an aggregate principal amount of RMB1,460.0 million at the same effective interest rate as the 2018 ABS. See "Financial Information — Indebtedness — Borrowings — 2018 ABS." As a result, in 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, we incurred interest income from a related party of RMB9.9 million, RMB70.0 million, RMB63.8 million, RMB50.8 million and RMB32.4 million, respectively, and interest expense of RMB9.9 million, RMB70.0 million, RMB63.8 million, RMB50.8 million and RMB32.8 million, respectively.

The Article 61 of the General Lending Provisions (《貸款通則》) issued by the PBOC prohibits any financing arrangements or lending transactions between non-financial institutions. Further, pursuant to Article 73 of the General Lending Provisions, the PBOC may impose on the non-compliant lender a fine of one to five times the income received by the lender from such loans. Notwithstanding the General Lending Provisions, the Supreme

People's Court has made new interpretations concerning financing arrangements and lending transactions between non-financial institutions in the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) (the "**Judicial Interpretations on Private Lending Cases**") which came into effect on September 1, 2015 and amended on August 19, 2020 and December 29, 2020. According to Article 10 of the Judicial Interpretations on Private Lending Cases, the Supreme People's Court recognizes the validity of financing arrangements and lending transactions between non-financial institutions so long as certain requirements, such as the interest rates charged, are satisfied and there is no violation of mandatory provisions of laws and regulations.

As of the Latest Practicable Date, we had not received any notice of claim or was subject to any investigation or penalty relating to the interest-bearing loans to related parties and we had not been subject to any administrative penalty in respect of such interest-bearing loans by government authorities as of the Latest Practicable Date. However, the final determination of the relevant regulatory authorities could be different, and we may be subject to penalties from the PBOC or adverse judicial rulings as a result of our provision of loan financings to related parties during the Track Record Period or any prior periods. Any of these penalties or adverse judicial rulings could have a material adverse effect on our business, financial position and results of operations.

Our leased property interests may be defective and our right to lease the properties affected by such defects may be challenged, which could cause significant disruption to our business

As of the Latest Practicable Date, with respect to 62 of our 199 leased properties, the relevant lessors had not provided us with valid property ownership certificates or relevant authorization documents evidencing their rights to lease the properties to us. All such leased properties were used as offices and employee dormitories. The absence of the property ownership certificates limits our ability to determine whether the lessors have the right to lease the properties to us, and if any of the lessors are not the legal owners and have not been duly authorized by the legal owners, the relevant lease agreements may be deemed invalid, and as a result, we may face challenges from the legal owners of the properties or other third parties, and may be forced to vacate the relevant properties and relocate our offices. We may incur additional expenses during the process, and our business, financial condition and results of operations may be negatively affected.

Pursuant to applicable PRC laws and regulations, property lease agreements must be filed with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. The filing of such leases will require the cooperation of the lessors. As of the Latest Practicable Date, we had not filed leases for 195 of the 199 properties we leased in China, primarily due to the difficulty of procuring our lessors' cooperation to file such leases. As advised by our PRC Legal Advisor, the lack of filing will not affect the validity and enforceability of the lease agreements, but we might be ordered to rectify this non-filing by competent authorities and if we fail to rectify within a prescribed period, a fine ranging from RMB1,000 to RMB10,000 may be imposed on us for each non-filed lease. In the event that we are required by the competent authorities to register the lease agreements, we may be subject to fines for the failure to register the lease agreements, which could have adverse impact on our business, financial condition and results of operations. For details, see “Business — Properties”.

We are subject to environmental protection laws and regulations and any inability to comply with our environmental responsibilities may subject us to liability

We are subject to environmental protection laws, regulations and decrees that impose fines for violation of such laws, regulations or decrees. In addition, there is a growing awareness of environmental issues, and we may sometimes be expected to meet a standard which is higher than the requirement under the prevailing environmental laws and regulations in the PRC. In addition, there is no assurance that more stringent environmental protection requirements will not be imposed in the future. If we are unable to comply with existing or future environmental laws and regulations or are unable to meet public expectations in relation to environmental matters, our reputation may be damaged or we may be required to pay penalties or fines or take remedial actions and our operations may be suspended, any of which may materially and adversely impact our business, financial condition, results of operations and prospects.

An occurrence of a natural disaster, widespread health epidemic or other outbreaks could have a material adverse effect on our business, financial condition and results of operations

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic or pandemic, including COVID-19, SARS, H5N1 or H7N9 flu, H1N1 flu, swine influenza, avian influenza and MERS, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. For details, see “— Our business operations and financial performance have been and may continue to be affected by the outbreak of COVID-19.” The occurrence of such a disaster or prolonged outbreak of an epidemic illness or other adverse public health developments in the PRC or elsewhere may severely restrict the level of economic activity in affected areas, and could materially disrupt our business and operations. Such events could also significantly affect our industry and cause a temporary closure of the facilities we or our business partners use for our operations, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Our operations could be disrupted if any of our employees or employees of our business partners were suspected of having any of the epidemic illnesses, since this could require us or our business partners to quarantine some or all of such employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other outbreak harms the global or PRC economy in general. Our operations could also be severely disrupted if our customers were affected by such natural disasters, health epidemics or other outbreaks.

Our business is significantly influenced by various factors affecting our industry and general economic conditions

Our business, financial position and results of operations are and will continue to be dependent on various factors affecting the property management industries and general economic conditions, most of which are beyond our control. For example, limited flexibility in charging property management fees can adversely affect profit margins in the event of rising labor cost. Furthermore, any economic slowdown, recession or other developments in the PRC social, political, economic or legal environment or bank lending policies could result in fewer new property development projects, or a decline in the purchasing power of residents living in the communities we manage or provide consultancy services to, resulting in a lower demand for our services and lower revenue and income contribution for us. As such, our business, financial position and results of operations would be materially and adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Changes in the economic, political and social conditions and government policies in China may have an adverse effect on our business

Given that our business operations are conducted in the PRC, our business and results of operations are subject to the economic, political and social policies and conditions of the PRC.

The development of the economy in China is unique in many respects, including its structure, level of development, and growth rate. Although the PRC government has implemented measures emphasizing the utilization of market forces in the development of the Chinese economy, it still exercises macroeconomic control through means including allocation of resources and setting monetary policy. The PRC government also continues to play a significant role in regulating industries by imposing industrial policies. There is no assurance that the economic, foreign currency, political or legal systems of China will not develop in a way that is detrimental to our business operations. Our results of operations, financial condition and prospects may also be adversely affected by changes in foreign currency, social policies and conditions in the PRC.

In addition, while the PRC government has undergone various economic reforms in the last few decades, many of such reforms are expected to be refined, adjusted and modified from time to time based on economic and social conditions. In addition, the scope, application and interpretation of the laws and regulations relating to such reforms may not be entirely clear. Such refinement, adjustment or modification may impact our business operations in ways that we cannot predict, and any uncertainty in the scope, application and interpretation of the relevant laws and regulations may materially and adversely affect our results of operations and financial condition.

The macroeconomic conditions and real estate markets of the PRC have been and may continue to be adversely affected by the COVID-19 pandemic

According to the data released by the National Bureau of Statistics, China's GDP in 2020 was RMB101,598.6 billion, representing an increase of 2.3% from 2019. According to the data published by the National Bureau of Statistics, the cumulative contracted sales GFA of commodity properties was 1.8 billion sq.m. in 2020, representing an increase of 2.6% from 2019. The cumulative completed GFA in 2020 was 912.0 million sq.m., representing a decrease of 4.9% from 2019.

The PRC property management industry may be adversely affected as the COVID-19 pandemic has curbed the real estate market. The property management companies may be unable to enter into new agreements as expected when the property developers stop expanding. The growth of property management companies may also slow down as the properties they were contracted to manage experience delays in delivery as a result of the COVID-19 pandemic. According to China Index Academy, the PRC property management industry is under pressure in the short term as property management companies are required to suspend certain services and incur additional costs to comply with additional regulations and government measures. For more details, see "Risk Factors — Risks Relating to Our Business and Industry — Our business operations and financial performance have been and may continue to be affected by the outbreak of COVID-19."

Governmental control of currency conversion may limit our ability to use capital effectively

The PRC government, in certain cases, imposes controls on the convertibility of Renminbi into foreign currencies and the remittance of currency out of China. See "Regulations — Legal Supervisions over Foreign Exchange". We receive substantially all our revenue in Renminbi. Under our current structure, our income is primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations, if any. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of the SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of indebtedness denominated in foreign currencies. The restrictions on foreign exchange transactions under capital accounts could also affect our subsidiaries' ability to obtain foreign exchange through debt or equity financing, including by means of loans or capital contribution from us.

Fluctuation in the value of the Renminbi may have a material adverse effect on our business

We conduct substantially all our business in Renminbi. However, following the Global Offering, we may also maintain a significant portion of the proceeds from the offering in Hong Kong dollars before they are used in our PRC operations. The value of the Renminbi against the US dollar, Hong Kong dollar and other currencies may be affected by changes in the PRC's policies and international economic and political developments. As a result of these and any future changes in currency policy, the exchange rate may become volatile, the Renminbi may be revalued further against the US dollar or other currencies or the Renminbi may be permitted to enter into a full or limited free float, which may result in an appreciation or depreciation in the value of the Renminbi against the US dollar or other currencies. Fluctuations in exchange rates may adversely affect the value, translated or converted into US dollars or Hong Kong dollars (which are pegged to the US dollar), of our cash flows, revenues, earnings and financial position, and the value of, and any dividends payable to us by our PRC subsidiaries. For example, an appreciation of the Renminbi against the US dollar or the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert US dollars or Hong Kong dollars into Renminbi for such purposes.

Inflation in China could negatively affect our profitability and growth

Economic growth in China has, in the past, been accompanied by periods of high inflation. In response, the PRC government has implemented policies from time to time to control inflation, such as restricting the availability of credit by imposing tighter bank lending policies or higher interest rates. The PRC government may take similar measures in response to future inflationary pressures. Rampant inflation without the PRC government's mitigation policies would likely increase our costs, thereby materially reducing our profitability. There is no assurance that we will be able to pass any additional costs to our customers. On the other hand, such control measures may also lead to slower economic activity and we may see reduced demand for our properties.

Our ability to access credit and capital markets in the future may be adversely affected by factors beyond our control

Interest rate increases by the PBOC or market disruptions may increase our cost of borrowing or adversely affect our ability to access sources of liquidity upon which we may rely to finance our operations and satisfy our obligations as they become due. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges. There can be no assurance that the anticipated cash flow from our operations will be sufficient to meet all of our cash requirements, or that we will be able to secure external financing at competitive rates, or at all. Any such failure may adversely affect our ability to finance our operations, meet our obligations or implement our growth strategy.

PRC regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries

In utilizing the proceeds from the Global Offering or any further offering, as an offshore holding company of our PRC subsidiaries, we may make loans to our PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries. Any loans provided by us to our PRC subsidiaries are subject to PRC regulations. For example, loans by us to our PRC subsidiaries in China to finance their activities cannot exceed statutory limits and must be registered or filed on record. We may also decide to finance our PRC subsidiaries through capital contributions. These capital contributions must be filed to MOFCOM through the National Enterprise Credit Information Publicity System. In addition, the PRC government also restricts the convertibility of foreign currencies into Renminbi and use of the proceeds. On March 30, 2015, SAFE promulgated Circular 19, which took effect and replaced previous SAFE regulations from June 1, 2015. SAFE further promulgated Circular 16, effective on June 9, 2016, which, among other things, amend certain provisions of Circular 19. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency dominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of the applicable circulars and rules may result in severe penalties, including substantial fines as set forth in the Foreign Exchange Administration Regulations. The applicable foreign exchange circulars and rules may significantly limit our ability to convert, transfer and use the net proceeds from the Global Offering or any offering of additional equity securities in China, which may adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to obtain these government registrations or to complete filing procedures on a timely basis, or at all, with respect to future loans or capital contributions by us to our subsidiaries or any of their respective subsidiaries. If we fail to complete such registrations or filing procedures, our ability to use the proceeds of the Global Offering and to capitalize our PRC operations may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

We rely on dividends paid by our subsidiaries for our cash needs, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business

We conduct all of our business through our subsidiaries incorporated in the PRC. We rely on dividends paid by these subsidiaries for our cash needs, including the funds necessary to pay any dividends and other cash distributions to our Shareholders, to service any debt we may incur and to pay our operating expenses. The payment of dividends by entities established in the PRC is subject to limitations. Payment of dividends is permitted only out of accumulated profits as determined in accordance with accounting standards and regulations in the PRC. Each of our PRC subsidiaries is also required to set aside at least 10% of its after-tax profit based on PRC laws and regulations each year to its general reserves or statutory capital reserve fund until the aggregate amount of such reserves reaches 50% of its respective registered capital. Our statutory reserves are not distributable as loans, advances or cash dividends. We anticipate that in the foreseeable future our PRC subsidiaries will need to continue to set aside 10% of their respective after-tax profits to their statutory reserves. In addition, if any of our PRC subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Any limitations on the ability of our PRC subsidiaries to transfer funds to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends and otherwise fund and conduct our business.

In addition, under the PRC Enterprise Income Tax Law, or EIT Law, the EIT Implementation Rules, the Notice of the State Administration of Taxation on Negotiated Reduction of Dividends and Interest Rates (國家稅務總局關於下發協定股息稅率情況一覽表的通知) ("**Notice 112**"), which was issued on January 29, 2008, the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income and Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the "**Double Tax Avoidance Arrangement**"), which became effective on December 8, 2006, and the Announcement of the State Administration of Taxation on the Determination of "Beneficial Owners" in the Tax Treaties (《國家稅務總局關於稅收協定中"受益所有人"有關問題的公告》) ("**Notice 9**"), which became effective on April 1, 2018, dividends from our PRC subsidiaries paid to us may be subject to a withholding tax at a rate of 10%, or at a rate of 5% if our Company is considered as a "beneficial owner" that is generally engaged in substantial business activities and entitled to treaty benefits under the Double Tax Avoidance Arrangement. Furthermore, the ultimate tax rate will be determined by treaty between the PRC and the tax residence of the holder of the PRC subsidiary. We are actively monitoring the withholding tax and are evaluating appropriate organizational changes to minimize the corresponding tax impact.

We may be considered a "PRC resident enterprise" under the EIT Law and income tax on the dividends that we receive from our PRC operating subsidiaries may increase

Our Company was incorporated in Hong Kong. We conduct our business through operating subsidiaries in the PRC. Under the EIT Law, enterprises established under the laws of foreign countries or regions and whose "de facto management bodies" are located within the PRC are considered "PRC resident enterprises" and thus will generally be subject to enterprise income tax at the rate of 25% on their global income. SAT released the Notice Regarding the Determination of Chinese-Controlled offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) ("**Circular 82**") on April 22, 2009 (which was amended on December 29, 2017) setting out the standards and procedures for determining whether the "de facto management body" of an enterprises registered outside of China and controlled by PRC enterprises or PRC enterprises group is located within China. Under Circular 82, a foreign enterprise controlled by a PRC enterprise or a PRC enterprise group is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily business operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within China; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within China. In addition, Circular 82 also requires that the determination of "de facto management body" shall be based on the principle that substance is more important than form. Further to Circular 82, SAT issued the Chinese-Controlled Offshore Incorporated Resident Enterprises Income Tax Regulation (Trial Implementation) (《境外註冊中資控股居民企業所得税管理辦法(試行)》), which took effect on September 1, 2011 and amended on June 1, 2015, June 28, 2016 and June 15, 2018 to provide more guidance on the implementation of Circular 82 and clarify the reporting and filing obligations of such "Chinese-controlled offshore incorporated resident enterprises".

Currently, our management is primarily based in the PRC, and may continue to be based in the PRC in the future. If we were considered a PRC resident enterprise, we would be subject to enterprise income tax at the rate of 25% on our global income and the filing obligations of such enterprise income tax to the relevant PRC authorities, and any dividend or gain on the sale of our Shares received by our non-resident enterprise shareholders may be subject to a withholding tax at a rate of up to 10%. In addition, although the EIT Law provides that dividend payments between qualified PRC resident enterprises are exempted from enterprise income tax, it remains unclear as to the detailed qualification requirements for this exemption and whether dividend payments by our PRC operating subsidiaries to us would meet such qualification requirements if we were considered a PRC resident enterprise for this purpose. If our global income were to be taxed under the EIT Law, our financial position and results of operations would be materially and adversely affected.

Dividends payable by us to our foreign investors and gains on the sale of our Shares may become subject to withholding taxes under the PRC tax laws

Under the EIT Law and EIT Implementation Rules, our foreign corporate Shareholders may be subject to a 10% income tax upon any gains realized from the transfer of their Shares and dividend distributable to such foreign corporate Shareholder, if such income is regarded as income from "sources within the PRC". According to the EIT Implementation Rules, whether income generated from transferring equity investments is to be regarded as sources within the PRC or from foreign territory shall depend upon the locations in which the enterprises accepting the equity investment are located. However, it is unclear whether income received by our Shareholders will be deemed to be income from sources within the PRC and whether there will be any exemption or reduction in taxation for our foreign corporate Shareholders due to the promulgation of the EIT Law. If our foreign corporate Shareholders are required to pay

PRC income tax on the transfers of our Shares that they hold or on the gains on the sale of our Shares by them, the value of our foreign corporate Shareholders' investments in our Shares may be materially and adversely affected.

We face uncertainty relating to the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) ("SAT Circular No. 7") issued by the PRC State Administration of Taxation

On February 3, 2015, SAT issued the SAT Circular No. 7, which abolished certain provisions in the Circular on Strengthening the Administration of Enterprise Income Tax on Non-PRC Resident Enterprises' Share Transfers (關於加強非居民企業股權轉讓所得企業所得稅管理的通知》) ("**SAT Circular No. 698**"), previously issued by the SAT on December 10, 2009. SAT Circular No. 7 provides comprehensive guidelines relating to indirect transfers by a non-PRC resident enterprise of assets (including equity interests) of a PRC resident enterprise ("**PRC Taxable Assets**"). For example, SAT Circular No. 7 specifies that the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC Taxable Assets, when a non-PRC resident enterprise transfers PRC Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC Taxable Assets. The PRC tax authorities may disregard the existence of such overseas holding company and consider the transaction to be a direct transfer of PRC Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding PRC EIT and lack any other reasonable commercial purpose. Although SAT Circular No. 7 contains certain exemptions (including (i) where a non-resident enterprise derives income from the indirect transfer of PRC Taxable Assets by acquiring and selling shares of a listed overseas holding company which holds such PRC Taxable Assets on a public market; and (ii) where there is an indirect transfer of PRC Taxable Assets, but if the non-resident enterprise had directly held and disposed of such PRC Taxable Assets, the income from the transfer would have been exempted from PRC EIT under an applicable tax treaty or arrangement), it remains unclear whether any exemptions under SAT Circular No. 7 will be applicable to the transfer of our Shares or to any future acquisition by us outside of the PRC involving PRC Taxable Assets, or whether the PRC tax authorities will reclassify such transaction by applying SAT Circular No. 7. SAT Circular No. 7 may be determined by the tax authorities to be applicable to our Reorganization, if such transaction were determined by the tax authorities to lack reasonable commercial purpose. As a result, we may be subject to tax under SAT Circular No. 7 and may be required to expend valuable resources to comply with SAT Circular No. 7 or to establish that we should not be taxed under SAT Circular No. 7, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Uncertainty with respect to the PRC legal system could adversely affect us and may limit the legal protection available to you

Our operations and assets in the PRC are governed by the PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation, finance, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, China has not developed a fully integrated legal system and enacted laws and regulations may not sufficiently cover all aspects of economic activities in China, or may be unclear or inconsistent. In particular, since the property management service industry is in its early developmental stage in the PRC, the laws and regulations relating to this industry are unspecific and may not be comprehensive. Because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of PRC laws and regulations involve uncertainties and can be inconsistent. Even where adequate laws exist in China, the enforcement of existing laws or contracts based on existing laws may be uncertain or sporadic, and it may be difficult to obtain swift and equitable enforcement of a judgment by a PRC court. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after such violation. Finally, any litigation in China may be protracted and result in substantial costs and the diversion of resources and management's attention. The materialization of all or any of these uncertainties could have a material adverse effect on our financial position and results of operations.

It may be difficult to effect service of process on our Directors or executive officers who reside in the PRC or to enforce against us or them in the PRC any judgements obtained from non-PRC courts

A majority of our Directors and senior management members reside in the PRC and substantially all of the assets of those people and of our Company are located in the PRC. Therefore, it may be difficult for investors to effect service of process upon those persons inside the PRC or to enforce against us or them in the PRC any judgements obtained from non-PRC courts unless in accordance with the provisions of the international treaties concluded or acceded to by the relevant jurisdiction and the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgements of courts with the United States, the United Kingdom, Japan and many other developed countries and regions. However, judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**2006 Arrangement**") are met. On January 18, 2019, the Supreme People's Court and the Hong Kong SAR Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**2019 Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The 2019 Arrangement discontinued the 2006 Arrangement and the 2019 Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court and the completion of the relevant legislative procedures in the Hong Kong SAR. The 2019 Arrangement will, upon its effectiveness, supersedes the 2006 Arrangement. Therefore, before the 2019 Arrangement becomes effective, recognition and enforcement in the PRC of judgements of a court in any of these jurisdictions may be difficult or even impossible.

RISKS RELATING TO THE SPIN-OFF AND THE GLOBAL OFFERING

Purchasers of Shares in the Global Offering will experience immediate dilution and may experience further dilution if we issue additional Shares in the future

The Offer Price of our Shares is expected to be higher than the net tangible assets per Share immediately prior to the Global Offering. Therefore, purchasers of our Shares in the Global Offering will experience an immediate dilution in net tangible asset value per Share. In addition, in order to expand our business, we may consider offering and issuing additional securities in the future. Purchasers of our Shares may experience dilution in the net tangible asset value per Share of their investments in Shares if we issue additional securities in the future at a price which is lower than the net tangible asset value per Share prior to the issuance of such additional securities.

There is no prior public market for our Shares and an active trading market may not develop

Prior to the Global Offering, there was no public market for our Shares. An active public market may not develop or be sustained after the Global Offering. The initial Offer Price range for our Shares was the result of, and the Offer Price will be the result of, negotiations among us and the Joint Representatives on behalf of the Underwriters and may not be indicative of prices that will prevail in the trading market after the Global Offering.

We have applied for the listing of, and permission to deal in, our Shares on the Stock Exchange. However, even if approved, being listed on the Stock Exchange does not guarantee that an active trading market for our Shares will develop or be sustained. If an active market for our Shares does not develop after the Global Offering, the market price and liquidity of our Shares may be adversely affected. As a result, you may not be able to resell your Shares at prices equal to or greater than the price paid for the Shares in the Global Offering.

The liquidity and market price of our Shares may be volatile, which may result in substantial losses for investors purchasing our Shares pursuant to the Global Offering

The price and trading volume of our Shares may be volatile as a result of the following factors, as well as others, which are discussed in this "Risk Factors" section or elsewhere in this prospectus, some of which are beyond our control:

- actual or anticipated fluctuations in our results of operations (including variations arising from foreign exchange rate fluctuations);

- news regarding loss of key personnel by us or recruitment of key personnel by our competitors;

- announcements of competitive developments, acquisitions or strategic alliances in our industry;

- changes in earnings estimates or recommendations by financial analysts;

- potential litigation or regulatory investigations;

- changes in general economic conditions or other developments affecting us or our industry;

- price movements on international stock markets, the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and

- release of any lock-up or other transfer restrictions on the outstanding Shares or sales or perceived sales of additional Shares by our Company or other Shareholders.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related or disproportionate to the operating performance of particular companies. This may include a general global economic downturn, substantial volatility in equity securities markets, and volatility and tightening of liquidity in credit markets. While it is difficult to predict how long these conditions will last, they could continue to present risks for an extended period of time. If we experience such fluctuations, results of operations and financial position could be materially and adversely affected. Moreover, market fluctuations may also materially and adversely affect the market price of our Shares.

The market price of our Shares when trading begins could be lower than the Offer Price as a result of, among other things, adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins

The Offer Price will be determined on the Price Determination Date. However, the Offer Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be on the fifth business day after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Offer Shares during that period. Accordingly, holders of the Offer Shares are subject to the risk that the price of the Offer Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

Future or perceived sales of substantial amounts of our Shares could affect their market price

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other related securities, or the perception that such sales may occur. Our ability to raise future capital at favorable times and prices may also be materially and adversely affected. Our Shares held by the relevant Controlling Shareholders are currently subject to certain lock-up undertakings. For details, see "Underwriting — Underwriting Arrangements and Expenses". However, there is no assurance that following the expiration of the lock-up periods, these Shareholders will not dispose of any Shares. We cannot predict the effect of any future sales of the Shares by any of our Shareholders on the market price of our Shares.

Our Controlling Shareholders have substantial control over our Company and their interests may not be aligned with the interests of the other Shareholders

Prior to and immediately following the completion of the Global Offering, our Controlling Shareholders will remain having substantial control over their interests in the issued share capital of our Company. Subject to, among others, the Articles of Association and the Listing Rules, the Controlling Shareholders by virtue of their controlling beneficial ownership of the share capital of the Company, will be able to exercise significant control and exert significant influence over our business or otherwise on matters of significance to us and other Shareholders by voting at the general meeting of the Shareholders and at Board meetings. The interests of the Controlling Shareholders may differ from the interests of other Shareholders and the Shareholders are free to exercise their votes according to their interests. To the extent that the interests of the Controlling Shareholders conflict with the interests of other Shareholders, the interests of other Shareholders can be disadvantaged and harmed.

Our management has significant discretion as to how to use the net proceeds of the Global Offering, and you may not necessarily agree on how we use them

Our management may use the net proceeds from the Global Offering in ways that you may not agree with or that do not yield a favorable return to our Shareholders. By investing in our Shares, you are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the net proceeds from the Global Offering. For more information, see "Future Plans and Use of Proceeds".

Our dividend policy is subject to the discretion of our Directors and we may not declare dividends on our Shares in the future

We did not declare or pay any dividend during the Track Record Period. The amount of dividends actually distributed to our Shareholders will depend upon our earnings and financial position, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. There is no assurance that dividends of any amount will be declared or distributed in any year in the future. For further details, see "Financial Information — Dividends".

Facts and statistics in this prospectus should not be unduly relied upon

Certain facts and other statistics in this prospectus that do not relate directly to our operations, including those relating to the PRC, the PRC economy and the PRC property management industry as well as those relating to Jinmao Group and other companies other than our Group, have been derived from various official government publications, the market research report and publicly available or other third-party sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of these sources, and such information may not be consistent with other publicly available information.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy (as the case may be) in other publications or jurisdictions. Therefore, you should not rely unduly upon such facts and statistics contained in this prospectus.

The entire prospectus should be read carefully and any information contained in press articles, media and/or research reports regarding our Company, our business, our industry, the Spin-off or the Global Offering not contained in this prospectus should not be relied upon

There may be certain coverage in the press and/or media regarding our Company, our business, our industry, the Spin-off and the Global Offering. There had been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and/or media coverage regarding our Company, our business, our industry, the Spin-off and the Global Offering containing, among other matters, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information disseminated in the articles or media and that such information was not sourced from or authorized by our Company.

We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, publication or underlying assumptions. To the extent that any of the information in the media or publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim it. Accordingly, you should read the entire prospectus carefully and should make investment decisions about us on the basis of the information contained in this prospectus only and should not rely on any other information.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements that are "forward-looking" and indicated by the use of forward-looking terms such as "aim", "anticipate", "believe", "could", "estimate", "expect", "going forward", "intend", "ought to", "may", "plan", "potential", "project", "seek", "should", "will" or "would" or similar expressions. You are cautioned that any forward-looking statement involves risks and uncertainties and any or all of the assumptions relating to the forward-looking statements could prove to be inaccurate. As a result, the forward-looking statement could be incorrect. The inclusion of forward-looking statements in this prospectus should not be regarded as a representation by us that the plans and objectives will be achieved, and you should not place undue reliance on such statements.

THE SPIN-OFF

China Jinmao submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules in relation to the Spin-off, and the Stock Exchange had confirmed that China Jinmao may proceed with the Spin-off. The reduction of China Jinmao's shareholding interest in our Company following completion of the Spin-off does not constitute a notifiable transaction of China Jinmao under the Listing Rules. Following completion of the Spin-off, Jinmao Group will continue to operate the business of city operations and property development, commercial leasing and retail operations, as well as hotel operations. For details of the retained business of Jinmao Group, see the section headed "Relationship with China Jinmao".

Reasons for the Spin-Off

The board of directors of China Jinmao considers that the Spin-off is in the interests of Jinmao Group and the Jinmao Shareholders taken as a whole and the Spin-off will position each of Jinmao Group and our Group better for growth in their respective businesses and deliver clear benefits to both for the following reasons:

(a) the Spin-off will allow China Jinmao and its shareholders an opportunity to realize the value of investment in our Group under a separate standalone platform for the business of our Group, and will improve the operational and financial transparency of each of Jinmao Group and our Group, which will enable the market to appraise and assess the value and performance of our Group more effectively, and will in turn unlock the value of both our Group and Jinmao Group;

(b) Jinmao Group and our Group will operate in different business segments and intend to have different growth paths and different business strategies without being in competition against each other. The Spin-off will enable our Group to build its identity as a separately listed group, to have a more defined business focus and efficient resources allocation, to have a separate fund-raising platform and to broaden its investor base through the Global Offering. The Spin-off would allow our Group to gain direct access to capital markets for equity and/or debt financing to fund its existing operations and future expansion without reliance on China Jinmao, thereby improving its operating and financial management efficiencies, and also allowing Jinmao Group to optimize its capital allocation across the retained business of Jinmao Group;

(c) the Spin-off will enable our Group to enhance its corporate profile with more streamlined business, thereby increasing its ability to attract strategic investors interested in such segment and potentially forming strategic partnerships directly with our Group, which could provide synergies for our Group;

(d) leveraging on the attraction of having a standalone listing platform, the Spin-off will increase the brand awareness of "Jinmao" and in turn benefit the businesses of our Group and Jinmao Group;

(e) the Spin-off will enable more focused development, strategic planning and better allocation of resources for our Group and Jinmao Group with respect to their respective businesses. Both our Group and Jinmao Group will benefit from the efficient decision-making process under the separate management structure geared towards their respective needs for seizing emerging business opportunities, especially with a proven and dedicated management team for our Group to focus on its development, which will improve its ability to attract and motivate talents; and

(f) as our Company is expected to remain as a subsidiary of China Jinmao upon completion of the Spin-off and the Global Offering, China Jinmao will continue to benefit from any potential upside in the business of our Group through consolidation of our Group's accounts and receipt of dividend income from our Group.

The Spin-off by China Jinmao complies with the requirements of Practice Note 15 of the Listing Rules. China Jinmao will give due regard to the interests of its shareholders by providing Qualifying Jinmao Shareholders with an assured entitlement to the Shares by way of the Distribution, being a distribution in specie of the Shares, if the Spin-off proceeds. Details of the Distribution are set out below.

DISTRIBUTION

Information on the Distribution

On February 18, 2022, the board of directors of China Jinmao declared the Distribution to the Qualifying Jinmao Shareholders, being registered holders of Jinmao Shares whose names appear on the register of members of China Jinmao on the Record Date. The Distribution will be implemented through a distribution in specie to be satisfied by way of our Company allotting and issuing an aggregate of 191,680,031 Shares to the Qualifying Jinmao Shareholders in proportion to their shareholdings in China Jinmao on the Record Date (subject to the Distribution Adjustment as described below), representing approximately 21.3% of the issued share capital of our Company immediately following the completion of the Spin-off and the Global Offering (without taking into account the Distribution Adjustment and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Pursuant to the Distribution, the Qualifying Jinmao Shareholders will be entitled to one Share for every 66.20 Jinmao Shares held on the Record Date (the "**Distribution Basis**", subject to the Distribution Adjustment).

Fractional entitlements of Qualifying Jinmao Shareholders to our Shares under the Distribution will be disregarded and will instead be aggregated and sold by China Jinmao on the market and the aggregate proceeds of such sale (net of expenses and taxes) will be retained for the benefit of China Jinmao.

China Jinmao has appointed Computershare Hong Kong Investor Services Limited to provide matching services, on a best efforts basis, to the Qualifying Jinmao Shareholders to facilitate the trading of odd lots of Shares which the Qualifying Jinmao Shareholders may receive under the Distribution. For further details, please refer to the announcement dated February 18, 2022 issued by China Jinmao.

Distribution Adjustment

If the Offer Size Adjustment Option (as described in the section headed "Structure of the Global Offering — Offer Size Adjustment Option" in this prospectus) is exercised, China Jinmao may make a downward adjustment to the number of Shares to be distributed under the Distribution, provided that such adjustment will not result in the number of Shares held in public hands upon completion of the Spin-off and the Global Offering falling below the public float percentage as required under the Listing Rules.

The following tables set out the impact of the Offer Size Adjustment Option on the Distribution:

(a) Assuming the Over-allotment Option is not exercised:

	If the Offer Size Adjustment Option is not exercised and no Distribution Adjustment is made		If the Offer Size Adjustment Option is exercised in full and the Distribution Adjustment is made accordingly	
	Number	*Percentage*	*Number*	*Percentage*
Shares to be issue under the Global Offering	101,411,500	11.25%	116,623,000	12.72%
Shares to be distributed to the Qualifying Jinmao Shareholders under the Distribution	191,680,031	21.26%	174,039,474	18.99%
including:				
— Sinochem Hong Kong	67,616,133	7.50%	61,393,334	6.70%
— Mr. Jiang Nan	122,356	0.01%	111,095	0.01%
— Other Qualifying Jinmao Shareholders whose shareholding will be counted toward the public float	123,941,542	13.75%	112,535,045	12.28%
Shares to be held by China Jinmao upon completion of the Bonus Issue and the Distribution	608,319,969	67.49%	625,960,526	68.29%
Total number of issued Shares upon completion of the Spin-off and the Global Offering	901,411,500	100%	916,623,000	100%
Distribution Basis	66.20 Jinmao Shares for one Share		72.91 Jinmao Shares for one Share	
Public float	25.00%		25.00%	

(b) Assuming the Over-allotment Option is exercised in full:

	If the Offer Size Adjustment Option is not exercised and no Distribution Adjustment is made		**If the Offer Size Adjustment Option is exercised in full and the Distribution Adjustment is made accordingly**	
	Number	*Percentage*	*Number*	*Percentage*
Shares to be issue under the Global Offering	116,623,000	12.72%	134,116,000	14.36%
Shares to be distributed to the Qualifying Jinmao Shareholders under the Distribution	191,680,031	20.91%	174,039,474	18.63%
including:				
— Sinochem Hong Kong	67,616,133	7.38%	61,393,334	6.57%
— Mr. Jiang Nan	122,356	0.01%	111,095	0.01%
— Other Qualifying Jinmao Shareholders whose shareholding will be counted toward the public float	123,941,542	13.52%	112,535,045	12.05%
Shares to be held by China Jinmao upon completion of the Bonus Issue and the Distribution	608,319,969	66.37%	625,960,526	67.01%
Total number of issued Shares upon completion of the Spin-off and the Global Offering	916,623,000	100%	934,116,000	100%
Distribution Basis	66.20 Jinmao Shares for one Share		72.91 Jinmao Shares for one Share	
Public float	26.24%		26.41%	

Condition to the Distribution

The Distribution is conditional on the Global Offering becoming unconditional in all respects. If such condition is not satisfied, the Distribution will not be made and the Spin-off will not take place. Subject to the Distribution becoming unconditional, we expect to dispatch share certificates to Qualifying Jinmao Shareholders who are entitled to receive Shares under the Distribution on or before Wednesday, March 9, 2022. Share certificates will only become valid if the Distribution becomes unconditional.

Information for Jinmao PRC Stock Connect Investors

According to the "Stock Connect Shareholding Search" available on the Stock Exchange's website (**www.hkexnews.hk**), as at Latest Practicable Date, China Clear held 1,157,491,292 Jinmao Shares, representing approximately 9.12% of the total issued Jinmao Shares. China Clear is a CCASS Participant with HKSCC Nominees. Jinmao PRC Stock Connect Investors may hold our Shares pursuant to the Distribution through China Clear. Pursuant to the Shanghai Stock Exchange Measures for the Implementation of Shanghai-Hong Kong Stock Connect (《上海證券交易所滬港通業務實施辦法》) revised and effective on September 30, 2016 and last amended on February 1, 2021 and the Shenzhen Stock Exchange Measures for the Implementation of Shenzhen-Hong Kong Stock Connect (《深圳證券交易所深港通業務實施辦法》) promulgated and effective on September 30, 2016 and last amended on February 1, 2021, the Jinmao PRC Stock Connect Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with our Shares may only sell them on the Stock Exchange under the Shanghai Stock Connect and Shenzhen Stock Connect.

Jinmao PRC Stock Connect Investors should seek advice from their intermediary (including broker, custodian, nominee or China Clear participant) and/or other professional advisers for details of the logistical arrangements as required by China Clear.

Non-Qualifying Jinmao Shareholders

Non-Qualifying Jinmao Shareholders (if any) will be entitled to the Distribution but will not receive Shares. Instead, the Shares which they would otherwise receive pursuant to the Distribution will be sold by China Jinmao on their behalf as soon as reasonably practicable after commencement of dealings in the Shares on the Stock Exchange and they will receive a cash amount equal to the net proceeds of such sale, provided that if the amount that a Non-Qualifying Jinmao Shareholder would be entitled to receive is less than HK$100, such sum will be retained for the benefit of China Jinmao. The proceeds of such sale, net of expenses, will be paid to the Non-Qualifying Jinmao Shareholders (if any) in Hong Kong dollars. Such payment is expected to be made on or before Tuesday, April 12, 2022.

None of China Jinmao, our Company or the Joint Sponsors take any responsibility for the sale of such Shares or the payment of the net proceeds of the sale of such Shares to any such underlying Beneficial Jinmao Shareholder. China Jinmao reserves the right, in its absolute discretion, to allow the participation of any Jinmao Shareholder in the Distribution.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) (as amended) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors (including any proposed director who is named as such in this prospectus) collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

INFORMATION ON THE GLOBAL OFFERING

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus and the relevant Application Forms, and any information or representation not contained herein and therein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Global Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to us and the Joint Representatives (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

If, for any reason, our Company and the Joint Representatives (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Offer Price on or before Wednesday, March 9, 2022, the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, please see the section headed "Underwriting" in this prospectus.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus and on the relevant Application Forms.

RESTRICTIONS ON OFFER OF THE OFFER SHARES AND SALE OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus and the relevant Application Forms and that he is not acquiring, and has not been offered, any Offer Shares in circumstances that contravene any such restrictions.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus and/or Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus and/or Application Forms may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Bonus Issue and the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option).

Save as disclosed in this prospectus, no part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, March 10, 2022. The Shares will be traded in board lots of 500 Shares each. The stock code of the Shares will be 00816.

ADMISSION OF THE SHARES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

REGISTER OF MEMBERS AND STAMP DUTY

Our Company's register of members will be maintained by our registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong.

All Offer Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering will be registered on the register of members of our Company in Hong Kong in order to enable them to be traded on the Stock Exchange. Dealings in the Shares registered on our register of members will be subject to Hong Kong stamp duty.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposal of, and dealing in our Shares (or exercising rights attached to them). None of us, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective affiliates, directors, employees, agents or advisers or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, our Shares.

OVER-ALLOTMENT AND STABILIZATION

Details of the arrangement relating to the Over-allotment Option and stabilization are set out under the section headed "Structure of the Global Offering" in this prospectus. Assuming that the Over-allotment Option is exercised in full, our Company may be required to issue up to an additional 15,211,500 new Shares if the Offer Size Adjustment Option is not exercised or an additional 17,493,000 new Shares if the Offer Size Adjustment Option is exercised in full.

EXCHANGE RATE CONVERSION

Unless we indicate otherwise, the translation of Renminbi into Hong Kong dollars and of Renminbi into U.S. dollars, and vice versa, in this prospectus was made at the following rates:

- RMB0.8134 to HK$1.00 (being the prevailing rate set by PBOC on February 16, 2022)

- RMB6.3463 to US$1.00 (being the prevailing rate set by PBOC on February 16, 2022)

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated, or at all.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail. However, translated English names of Chinese laws and regulations, governmental authorities, departments, entities (including certain of our subsidiaries), institutions, natural persons, facilities, certificates, titles and the like included in this prospectus and for which no official English translation exists are unofficial translations for identification purposes only; and in the event of any inconsistency, the Chinese names (as appropriate) prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, or have been rounded to a set number of decimal places.

Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

In preparation for the Listing, our Company has applied for the following waivers and exemptions from strict compliance with the relevant provisions of the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RELATION TO CONNECTED TRANSACTIONS

Our Group has entered into, and expects to continue after the Listing, certain transactions which will constitute non-exempt continuing connected transactions under the Listing Rules upon the Listing. Our Company has applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "Connected Transactions — Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement, Circular and Independent Shareholders' Approval Requirements". For further details, please refer to the section headed "Connected Transactions" in this prospectus.

WAIVER IN RELATION TO MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires our Company to have a sufficient management presence in Hong Kong. This normally means that at least two of our Company's executive Directors must be ordinarily resident in Hong Kong. Since our Company's headquarters and core operations are based in the PRC, and all of our executive Directors and senior management team ordinarily reside in the PRC, our Company does not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 of the Listing Rules on the condition that the following arrangements be made for maintaining regular communication with the Stock Exchange:

(a) our Company has appointed Ms. Zhou Liye, an executive director of the Company, and Ms. Ho Wing Tsz Wendy, the company secretary of the Company, as our Company's authorized representatives for the purpose of Rule 3.05 of the Listing Rules to serve as our Company's principal channel of communication with the Stock Exchange. Ms. Ho Wing Tsz Wendy ordinarily resides in Hong Kong, whereas Ms. Zhou Liye ordinarily resides in the PRC and possesses valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time and will be readily contactable by phone and email to deal with enquiries from the Stock Exchange. As and when the Stock Exchange wishes to contact the Directors on any matter, each of our Company's authorized representatives will have the means to contact all of the Directors promptly at all times. Our Company will promptly inform the Stock Exchange of any change in our authorized representatives;

(b) our Company has provided our Company's authorized representatives with our Directors' respective office phone numbers, mobile phone numbers, fax numbers and e-mail addresses to the extent possible; and our Directors will provide our Company's authorized representatives with the phone numbers of their places of accommodation if they expect to travel or otherwise be out of office. Therefore, our Company's authorized representatives would have the means for contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters;

(c) our Company has provided the Stock Exchange with the contact details of our Directors (including their respective office phone numbers, mobile phone numbers, fax numbers and e-mail addresses, to the extent possible) to facilitate the communication with the Stock Exchange. Furthermore, each Director who does not ordinarily reside in Hong Kong has confirmed that he possesses or is able to apply for valid travel documents to visit Hong Kong and is able to meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange;

(d) in accordance with Rule 3A.19 of the Listing Rules, our Company has appointed First Shanghai Capital Limited as our Company's compliance advisor, to act as an additional channel of communication with the Stock Exchange at least for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of the financial results for the first full financial year commencing immediately after the Listing Date. Our Company's compliance advisor will be available to respond to any inquiries from the Stock Exchange concerning our Company and will act as the principal channel of communication with the Stock Exchange when the Authorized Representatives are not available. In addition, our Company's compliance advisor will also advise on the on-going compliance requirements and other issues arising under the Listing Rules after the Listing Date; and

(e) our Company will retain a Hong Kong legal advisor to advise our Company on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong (as amended and supplemented from time to time) after the Listing.

WAIVER IN RELATION TO RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Pursuant to Rule 4.04(1) of the Listing Rules, the accountant's report contained in this prospectus must include, inter alia, the results of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

Pursuant to section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, this prospectus shall include an accountants' report which contains the matters specified in the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Pursuant to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Company during each of the three financial years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

Pursuant to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this prospectus a report by our Company's auditor with respect to profits and losses and assets and liabilities of the Company in respect of each of the three financial years immediately preceding the issue of this prospectus.

Pursuant to section 38A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Paragraph 4.4(1) of Guidance Letter HKEX-GL25-11 provides that where an applicant issues its listing document within two months after the latest year end, a Rule 4.04(1) waiver would be subject to the following conditions: (i) the applicant must list on the Stock Exchange within three months after the latest year end; (ii) the applicant must obtain a certificate of exemption from the SFC on compliance with the requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance; (iii) a profit estimate for the latest financial year (which must comply with Rules 11.17 to 11.19 of the Listing Rules) must be included in the listing document or the applicant must provide justification why a profit estimate cannot be included in the listing document; and (iv) there must be a directors' statement in the listing document that there is no material adverse change to its financial and trading positions or prospect with specific reference to the trading results from the end of the stub period to the latest financial year end.

The accountant's report for each of the three years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021 has been prepared and is set out in Appendix I to this prospectus.

Pursuant to the relevant requirements set out above, our Company is required to produce three full years of audited accounts for the years ended December 31, 2019, 2020 and 2021. However, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange on the conditions that:

(a) this prospectus will be issued on or before February 25, 2022 and our Shares will be listed on or before March 31, 2022, i.e. three months after the latest financial year end;

(b) we will include in this prospectus a profit estimate for the year ended December 31, 2021 in compliance with Rules 11.17 to 11.19 of the Listing Rules and a statement from our Directors that after performing all due diligence work which they consider appropriate, there is no material and adverse change to the financial and trading positions or prospects of our Company, with specific reference to the trading results from October 1, 2021 to December 31, 2021;

(c) our Company obtains a certificate of exemption from the SFC on strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and

(d) we will publish the preliminary results announcement for the financial year ended December 31, 2021 by not later than March 31, 2022 and the annual report for the financial year ended December 31, 2021 by not later than April 30, 2022, respectively, in compliance with Rules 13.46(1) and 13.49(1) of the Listing Rules.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 38(1) in respect of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under section 38A(1) of the Companies (Winding Up and Miscellaneous Provisions)

Ordinance on the conditions that (i) the particulars of the exemption will be set out in this prospectus; and (ii) this prospectus will be issued on or before February 25, 2022 and our Shares will be listed on or before March 31, 2021, i.e. three months after the latest financial year end.

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 38(1) in respect of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance have been made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and waiver and exemption from strict compliance would not prejudice the interests of the investing public as:

(a) there would not be sufficient time for our Company and the reporting accountants of our Company (the "**Reporting Accountants**") to finalize the audited financial statements for the year ended December 31, 2021 for inclusion in this prospectus. If the financial information for the year ended December 31, 2021 is required to be audited, our Company and the Reporting Accountants would have to carry out substantial volume of work to prepare, update and finalize the accountant's report and this prospectus, and the relevant sections of this prospectus will need to be updated to cover such additional period;

(b) Our Directors and the Joint Sponsors herein confirm that after performing all due diligence work which they consider appropriate, up to the date of this prospectus, there has been no material adverse change to the financial and trading positions or prospects of our Group since October 1, 2021 (immediately following the date of the latest audited statement of financial position in the accountant's report set out in Appendix I to this prospectus) up to December 31, 2021 and there has been no event which would materially affect the information shown in the accountant's report as set out in Appendix I to this prospectus, the section headed "Financial Information" in this prospectus, the profit estimate for the year ended December 31, 2021 as set out in Appendix III to this prospectus and the information regarding our Company's recent development subsequent to the Track Record Period and up to the Latest Practicable Date, since October 1, 2021;

(c) our Company is of the view that the accountant's report covering the three years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, together with the profit estimate for the year ended December 31, 2021 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) included in this prospectus have already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record and earnings trend of our Company; and our Directors and the Joint Sponsors confirm that all information which is necessary for the investing public to make an informed assessment of the business, assets and liabilities, financial position, trading position, management and prospects has been included in this prospectus. Therefore, the waiver and exemption would not prejudice the interests of the investing public; and

(d) we will comply with the requirements under Rules 13.46(1) and 13.49(1) of the Listing Rules in respect of the publication of our annual results and annual report. Our Company currently expects to issue our annual results and annual report for the financial year ended December 31, 2021 on or before March 31, 2022 and April 30, 2022, respectively. In this regard, our Directors consider that the Shareholders of our Company, the investing public as well as potential investors of our Company will be kept informed of the financial results of our Group for the financial year ended December 31, 2021.

CONSENT IN RESPECT OF ALLOCATION OF OFFER SHARES TO CONNECTED CLIENT OF A JOINT GLOBAL COORDINATOR

Paragraph 5(1) of Appendix 6 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the lead broker or any distributors without the prior written consent of the Stock Exchange.

Canny Elevator (as defined in the section headed "Our Cornerstone Investors" in this prospectus) has agreed to be a cornerstone investor in the Global Offering. For the purpose of the cornerstone investment, Canny Elevator has engaged UBS SDIC Fund Management (as defined in the section headed "Our Cornerstone Investors" in this prospectus), an asset manager that is a qualified domestic institutional investor as approved by the relevant PRC authority, to subscribe for and hold the relevant Offer Shares on behalf of Canny Elevator on a discretionary basis. As UBS SDIC Fund Management and Essence International Securities (Hong Kong) Limited, which is Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Underwriter, are members of a group of companies controlled by State Development & Investment Corp. Ltd. (國家開發投資集團有限公司), UBS SDIC Fund Management is a "connected client" of Essence International Securities (Hong Kong) Limited under paragraph 13(7) of Appendix 6 to the Listing Rules.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a written consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit UBS SDIC Fund Management, which is a "connected client" of Essence International Securities (Hong Kong) Limited, to subscribe for and hold the Offer Shares on behalf of Canny Elevator as a cornerstone investor subject to certain conditions. For further details, please refer to the section headed "Our Cornerstone Investors" in this prospectus.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Xie Wei (謝煒)	Suite 302, Unit 3, 3/F, No.1 Ruyuanju Nanli, Haidian District, Beijing	Chinese
Ms. Zhou Liye (周立燁)	Suite 1201, Unit 2, No.1 Building, Guozi Lane, Xicheng District, Beijing	Chinese
Non-executive Directors		
Mr. Jiang Nan (江南)	Suite B, 8/F, Block 7, Residence Bel-Air Phase 1, 28 Bel-Air Avenue, Hong Kong SAR	Chinese
Ms. He Yamin (賀亞敏) (formerly known as He Liyuan (賀麗媛))	Suite 2601, No.102 Building, Nanhu East Garden I, Chaoyang District, Beijing	Chinese
Ms. Qiao Xiaojie (喬曉潔) (formerly known as 喬曉杰)	No. 402, 23/F, Balizhuang Beili, Haidian District, Beijing	Chinese
Independent non-executive Directors		
Dr. Chen Jieping (陳杰平)	No. 10-1001, Lane 188, Mingyue Road, Pudong, Shanghai	Chinese
Dr. Han Jian (韓踐)	Suite 102, Unit 1, No. 27 Building, Heshiyuan, Haidian District, Beijing	American
Mr. Sincere Wong (黃誠思)	Suite E, 59/F, The Harbourside Tower 1, 1 Austin Road West, Kowloon, Hong Kong SAR	Chinese

For more information on our Directors, please refer to the section headed "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors and Joint Representatives *(in alphabetical order)*	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	HSBC Corporate Finance (Hong Kong) Limited 1 Queen's Road Central Hong Kong
Joint Global Coordinators *(in alphabetical order)*	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	Essence International Securities (Hong Kong) Limited 39/F, One Exchange Square Central, Hong Kong
	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

Joint Bookrunners
(in alphabetical order)

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road,
Central, Hong Kong

Essence International Securities (Hong Kong) Limited
39/F, One Exchange Square
Central, Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Huarong International Securities Limited
Unit A, 16/F & Unit A, 17/F
Two Pacific Place
88 Queensway, Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 19, 28 Hennessy Road
Hong Kong

Joint Lead Managers
(in alphabetical order)

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central, Hong Kong

Essence International Securities (Hong Kong) Limited
39/F, One Exchange Square
Central, Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Huarong International Securities Limited
Unit A, 16/F & Unit A, 17/F
Two Pacific Place
88 Queensway, Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F
Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon, Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 19, 28 Hennessy Road, Hong Kong

Legal advisors to our Company

As to Hong Kong and U.S. law:
Latham & Watkins LLP
18/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

As to PRC law:
Tian Yuan Law Firm
10/F, China Pacific Insurance Plaza
28 Fengsheng Hutong
Xicheng District, Beijing, PRC

Legal advisors to the Joint Sponsors and the Underwriters

As to Hong Kong and U.S. law:
Fangda Partners
26/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

	As to PRC law: **Beijing Jingtian & Gongcheng Law Firm** 34/F, Tower 3, China Central Place 77 Jianguo Road Beijing, China
Reporting accountants and independent auditors	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong
Independent industry consultant	**China Index Academy** 11/F, Building A No. 20 Guogongzhuang Middle Street Fengtai District, Beijing, PRC
Receiving banks	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong
	Bank of Communications Co., Ltd. **Hong Kong Branch** Unit B B/F & G/F, Unit C G/F, 1-3/F, 16/F Room 01 & 18/F Wheelock House 20 Pedder Street Central Hong Kong
Compliance advisor	**First Shanghai Capital Limited** 19th Floor, Wing On House 71 Des Voeux Road Central Hong Kong

Registered office	Rm 4702-03, 47/F Office Tower Convention Plaza 1 Harbour Road, Wanchai Hong Kong
Corporate headquarters and principal place of business in the PRC	2F, Sinochem Tower A2 Fuxingmenwai Avenue Beijing, PRC
Company's website	**www.jinmaowy.com** *(The contents on this website do not form part of this prospectus)*
Company secretary	Ms. Ho Wing Tsz Wendy (何詠紫) *(Chartered Secretary, Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in United Kingdom)* Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Authorized representatives (for the purpose of the Listing Rules)	Ms. Zhou Liye (周立燁) Suite 1201, Unit 2, No.1 Building, Guozi Lane, Xicheng District, Beijing Ms. Ho Wing Tsz Wendy (何詠紫) *(Chartered Secretary, Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in United Kingdom)* Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Audit committee	Dr. Chen Jieping (陳杰平) *(Chairperson)* Mr. Sincere Wong (黃誠思) Ms. Qiao Xiaojie (喬曉潔)

Remuneration and Nomination committee	Dr. Han Jian (韓踐) *(Chairperson)* Dr. Chen Jieping (陳杰平) Ms. He Yamin (賀亞敏)
Strategy and Investment committee	Mr. Jiang Nan (江南) *(Chairperson)* Mr. Xie Wei (謝煒) Ms. Zhou Liye (周立燁) Mr. Sincere Wong (黃誠思)
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal bank	DBS Bank Ltd., Hong Kong Branch 18th Floor, The Center 99 Queen's Road Central Hong Kong

This industry overview section contains information and statistics that are derived from government publications, other publications and the market research report prepared by China Index Academy, which was commissioned by us.

The information extracted from the official government publications have not been independently verified by us, the Joint Sponsors, the Joint Representatives, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, employees, agents or representatives or any other person involved in the Listing (other than China Index Academy) and no representation is given as to their correctness or accuracy. Accordingly, the information from official government sources contained herein may not be accurate and should not be unduly relied upon.

RESEARCH BACKGROUND AND METHODOLOGIES

We have commissioned China Index Academy to prepare a market research report ("**CIA Report**") on the property management industry in China at a total sum of RMB0.8 million and supplemented these with data obtained from public sources where applicable. China Index Academy is an independent real estate research institute founded by experts with over 500 professional analysts. China Index Academy has extensive experience in researching and tracking the property management industry in the PRC, and has conducted research on the Top 100 Property Management Companies since 2008. In its research, China Index Academy considers primarily property management companies that have on average managed at least ten properties or an aggregate GFA of 500,000 sq.m. for the previous three years. China Index Academy uses research parameters and assumptions and gathers data from a multitude of primary and secondary sources, including data from property management companies (including data from reported statistics, websites and marketing materials), surveys it has conducted, data gathered from the China Real Estate Index System, the China Real Estate Statistics Yearbooks, public data from governmental authorities and data gathered for prior reports it has published. China Index Academy derives its rankings of overall strength of property management companies primarily by evaluating each property management company's property management scale, operational performance, service quality, growth potential and social responsibility. China Index Academy assesses the growth potential of a property management company primarily in terms of revenue growth, growth of total GFA under management, reserved GFA, and the number and composition of employees. In this section, the data analysis is primarily based on the Top 100 Property Management Companies in China.

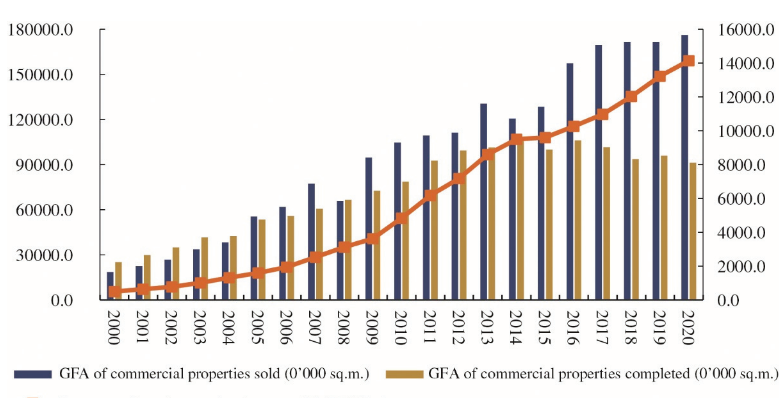
When preparing the CIA Report, China Index Academy assumed that: (i) the social, economic and political conditions in China and the world will remain stable during the forecast period; (ii) government policies on the property management industry in the PRC will remain unchanged during the forecast period; (iii) all published data by the relevant statistics bureaus are accurate; and (iv) all information relating to residential sales transactions collected from the relevant local housing administrative bureaus is accurate.

OVERVIEW OF THE DEVELOPMENT OF THE REAL ESTATE MARKET IN THE PRC

The gross domestic product, or GDP, of the PRC reached RMB101.6 trillion in 2020, representing a CAGR of 8.01% from RMB74.6 trillion in 2016, according to China Index Academy. In contrast with the traditional growth drivers, the new GDP growth drivers focus on optimizing the economic structure and improving quality of life.

According to China Index Academy, driven by rapid economic growth, favorable monetary policies, and strong demands, the real estate market in the PRC has experienced rapid development in the past 20 years. Total property development investment amount increased from RMB10.2 trillion in 2016 to RMB14.1 trillion in 2020, representing a CAGR of 8.4%, and total residential property investment amount increased from RMB6.9 trillion in 2016 to RMB10.4 trillion in 2020, representing a CAGR of 11.0%, according to China Index Academy. The GFA of contracted sales from commodity properties increased from 1.6 billion sq.m. in 2016 to 1.8 billion sq.m. in 2020, representing a CAGR of 2.9%, according to China Index Academy. The total GFA of commodity residential properties under construction increased from 7.6 billion sq.m. in 2016 to 9.3 billion sq.m. in 2020, representing a CAGR of 5.1%, according to China Index Academy. Such growth has provided an excellent opportunity for the development of the property management industry.

The following chart sets forth the GFA of contracted sales from commodity properties, the cumulative GFA of completed commodity properties and the total property development investment amount for the years indicated.



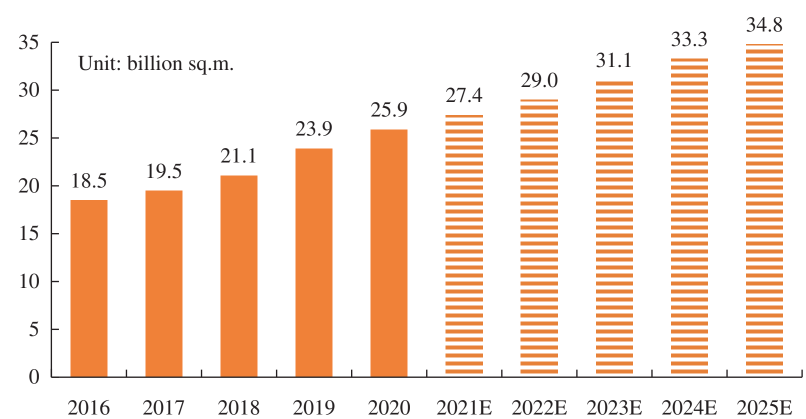
Source: China Index Academy

THE PROPERTY MANAGEMENT INDUSTRY IN THE PRC

Overview

The property management industry emerged in 1981 in the PRC, when the first domestic property management company was founded in the Shenzhen Special Economic Zone. Followed by the official promulgation of the Provisions on Property Management (《物業管理條例》) in 2003, Property Law of People's Republic of China (《中華人民共和國物權法》) in 2007 and Notice by the Ministry of Housing and Urban-rural Development and Other Departments of Strengthening and Improving the Administration of Residential Property (《關於加強和改進住宅物業管理工作的通知》) in 2021, the regulatory framework for the property management industry gradually took shape and matured. Meanwhile, an open and fair market system for the industry was established, which has boosted the significant growth of the PRC property management industry. The PRC property management industry now services a wide range of properties, including residential properties, commercial properties, offices, public properties, industrial parks, schools, hospitals and other properties.

The following chart sets forth the historical and projected market size of the property management industry in China in terms of GFA under management for the years indicated:



Source: China Index Academy

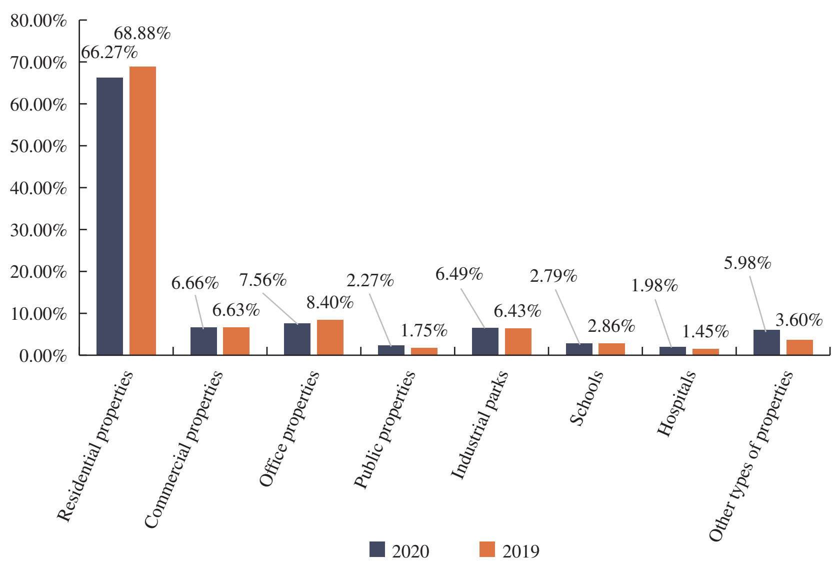
Property Management Services

According to China Index Academy, in recent years, the aggregate GFA under management and the number of properties managed by the Top 100 Property Management Companies have increased rapidly as a result of rapid urbanization and continual growth in per capita disposable income in China. According to China Index Academy, the average GFA under management by the Top 100 Property Management Companies increased from 27.3 million sq.m. in 2016 to 48.8 million sq.m. in 2020, representing a CAGR of 15.7%. Meanwhile, the average number of properties managed by the Top 100 Property Management Companies reached 244 in 2020, representing a CAGR of 10.1% from 2016. The market share of the Top 100 Property Management Companies increased from 29.4% in 2016 to 49.7% in 2020.

The following chart sets forth the average GFA under management and the aggregate market share of the Top 100 Property Management Companies for the years indicated:

Source: China Index Academy

While residential properties account for the majority of the total GFA under management by the Top 100 Property Management Companies, property management companies in China have also sought to diversify the types of properties they manage. The following chart sets forth the GFA under management by the Top 100 Property Management Companies by property type in 2020.



Source: China Index Academy

According to China Index Academy, in the PRC, property management service fees are the primary revenue source for property management companies. Property management fees may be charged either on a lump sum basis or commission basis. According to China Index Academy, the lump sum model for property management fees is the dominant revenue model in the property management industry in the PRC, especially for residential properties, as it improves efficiency by simplifying the collective decision-making processes by property owners and residents in the event of large expenditures, and provides more incentives to property management service providers to optimize their operations, thereby enhancing profitability. It is also an industry norm to charge certain projects, which are usually non-residential projects, a package price of property management fees on a per project basis without reference to any GFA, according to China Index Academy.

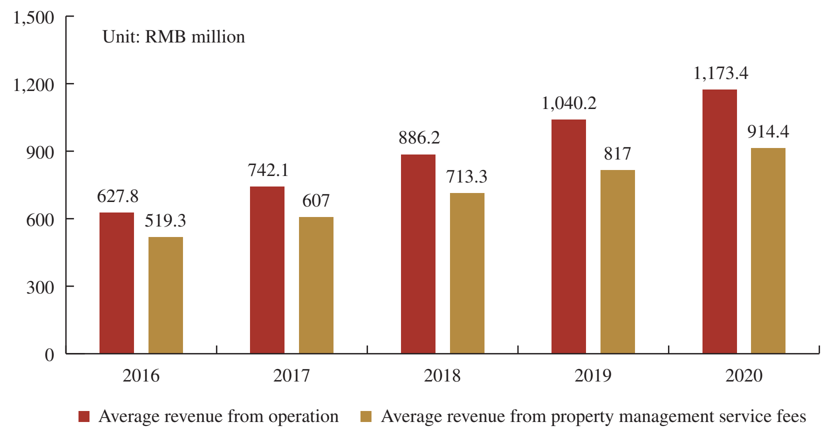
The following chart sets forth the average property management fees for residential properties and non-residential properties in different tiers of cities in China of the Top 100 Property Management Companies in 2020.

Source: China Index Academy

The average property management fees for residential properties and commercial properties in tier-one and tier-two cities were generally higher compared to tier-three and tier-four cities in 2020.

According to China Index Academy, the revenue from property management services of the Top 100 Property Management Companies has achieved steady growth through both organic growth and external acquisitions. The average revenue from property management services of the Top 100 Property Management Companies increased from RMB519.3 million in 2016 to RMB914.4 million in 2020, representing a CAGR of 15.2%, according to China Index Academy.

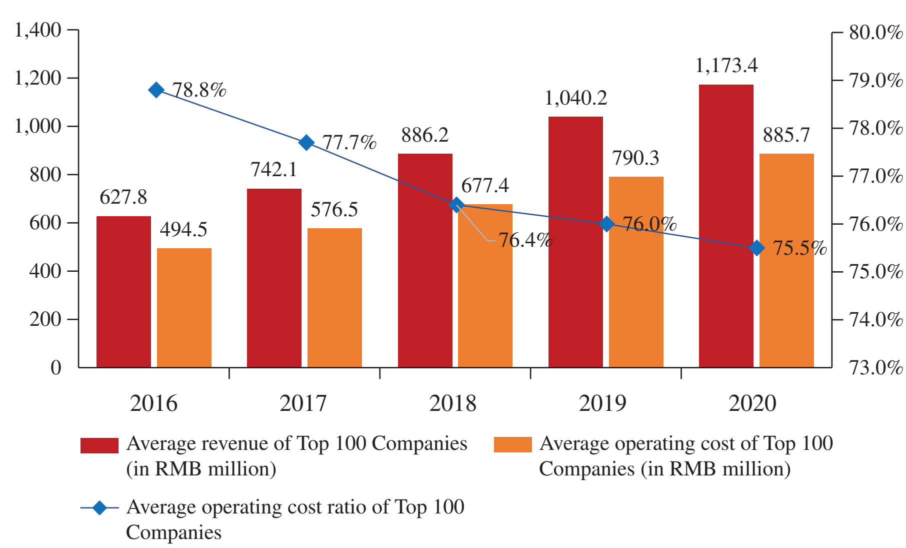
The following chart sets forth the average revenue from property management services for the Top 100 Property Management Companies during the years indicated.



Source: China Index Academy

Meanwhile, the average operating cost of the Top 100 Property Management Companies reached RMB885.7 million in 2020. With cost control measures through new technologies adopted in the industry, the average operating cost to average revenue ratio of the Top 100 Property Management Companies decreased from 78.8% in 2016 to 75.5% in 2020.

The following chart sets forth the average operating costs and the operating cost to revenue ratio of the Top 100 Property Management Companies during the years indicated.



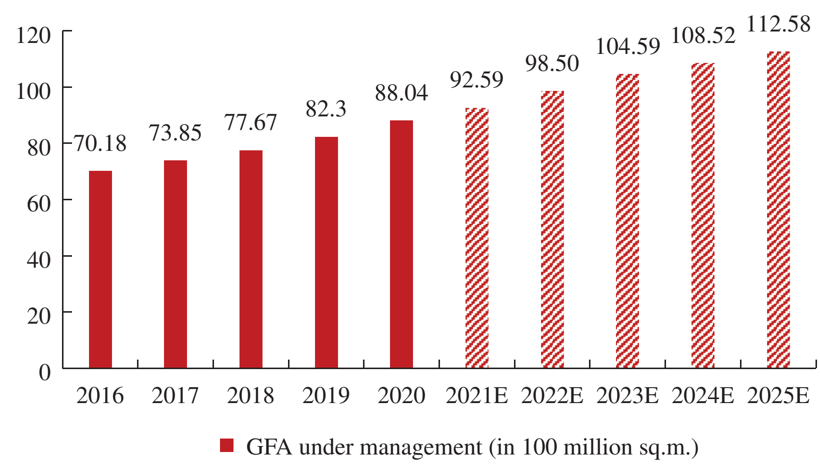
Source: China Index Academy

THE PROPERTY MANAGEMENT INDUSTRY IN THE EASTERN REGION AND NORTHERN REGION IN CHINA

The Eastern Region

The eastern region in China includes Shanghai, Jiangsu Province, Anhui Province, Fujian Province, Jiangxi Province and Shandong Province. According to China Index Academy, the region is one of the most developed economic regions in China with an urbanization rate of 67.7% in 2020. Its GDP increased to RMB3.9 billion in 2020, representing a CAGR of 5.8% from 2016 to 2020. There are approximately 62.4 thousand property management companies in 2020, accounting for 31.2% of the total property management companies in China.

The GFA under management in the eastern region increased to 8.8 billion sq.m. in 2020 from 7.0 billion sq.m. in 2016, representing a CAGR of 5.8%. The GFA under management in the eastern region accounted for 34.0% of the total GFA under management in China in 2020. The GFA under management is estimated to reach 11.3 billion sq.m. in 2025 in the eastern region. The following chart sets forth the GFA under management in the eastern region in China for the years indicated:

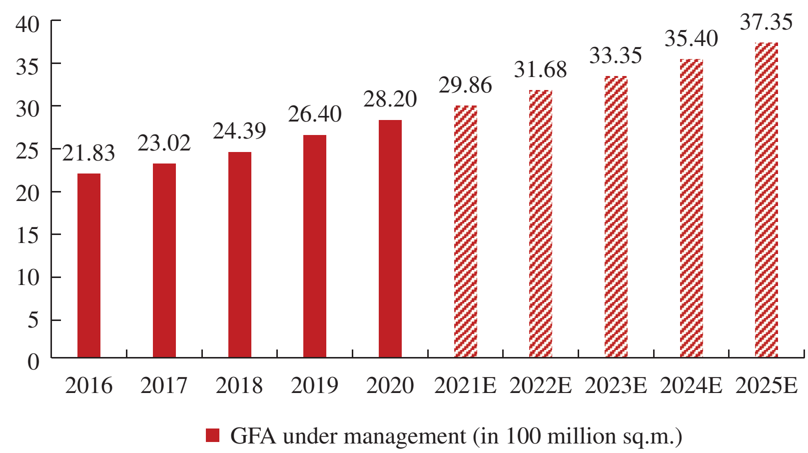


Source: China Index Academy

The Northern Region

The northern region in China includes Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia (including Hohhot, Baotou and Ulanqab). According to China Index Academy, the urbanization rate in the northern region is 67.2% in 2020. Its GDP increased to RMB1.1 billion in 2020, representing a CAGR of 3.3% from 2016 to 2020. There are approximately 29.2 thousand property management companies in 2020, accounting for 14.6% of the total property management companies in China.

According to China Index Academy, the GFA under management in the northern region increased to 2.8 billion sq.m. in 2020 from 2.2 billion sq.m. in 2016, representing a CAGR of 6.6%. The GFA under management in the northern region accounted for 10.9% of the total GFA under management in China in 2020. The GFA under management is estimated to reach 3.7 billion sq.m. in 2025 in the northern region. The following chart sets forth the GFA under management in the northern region in China for the years indicated:

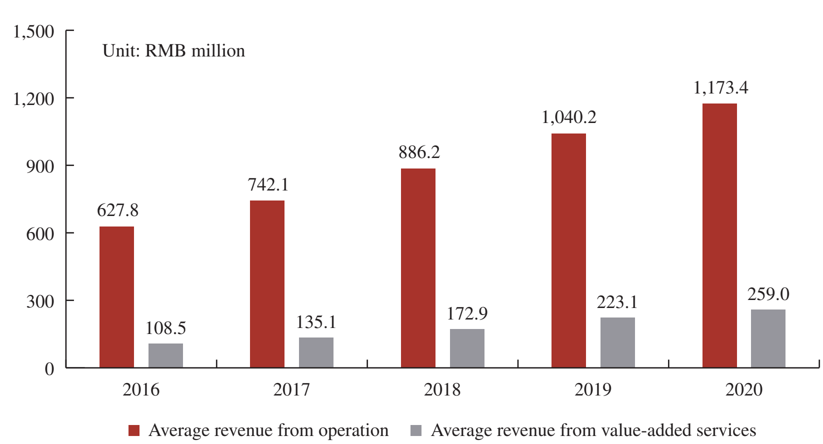


Source: China Index Academy

Value-added Services

Property management companies in the PRC are continuously diversifying the extent and content of value-added services. The average revenue from value-added services of the Top 100 Property Management Companies in the PRC was RMB259.0 million in 2020, representing a CAGR of 24.3% from RMB108.5 million in 2016.

The following chart sets forth the average revenue from value-added services of the Top 100 Property Management Companies during the years indicated.

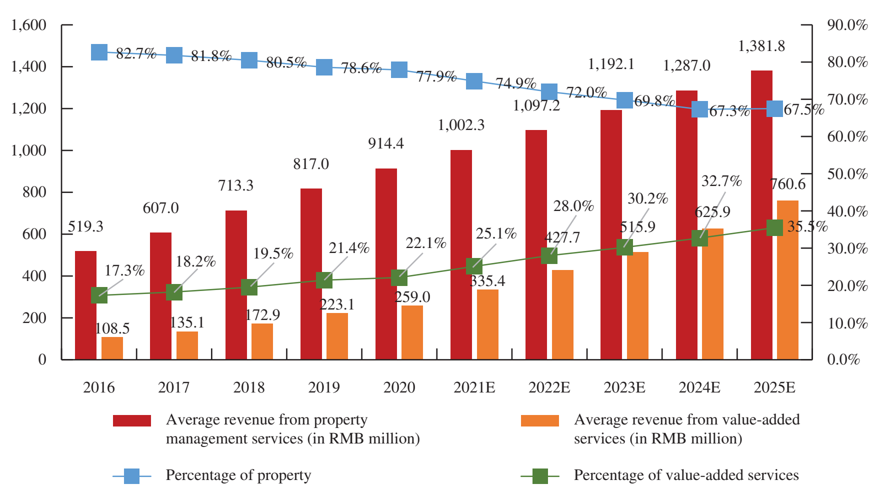


Source: China Index Academy

In terms of specific types of value-added services, the Top 100 Property Management Companies primarily focus on offline value-added services, especially housekeeping, other household related services, community space operations services, real estate brokerage services and e-commerce services. According to China Index Academy, revenue from community space operations services as a percentage of the community value-added service revenues of the Top 100 Property Management Companies increased by 4.4% from 24.4% in 2019 to 28.8% in 2020. Revenue from real estate brokerage services, e-commerce services, housekeeping services, household services and community finance services, each as a percentage of the community value-added service revenues of the Top 100 Property Management Companies, decreased from 19.6%, 15.3%, 11.6%, 10.5% and 2.1% in 2019 to 16.9%, 14.5%, 4.4%, 8.3% and 1.0% in 2020, respectively, according to China Index Academy.

Property management companies also provide value-added services to non-property owners, including sales assistance services to property developers to assist with their sales and marketing activities, and consultancy and other value-added services such as engineering services. Leveraging on the front-line property management expertise, property management companies have in-depth knowledge of customer preferences and have an edge on addressing customers' needs. In 2020, the average revenue generated from value-added services of Top 100 Property Management Companies reached to RMB259 million, representing a CAGR of 24.3%. The average revenue generated from value-added services to non-property owners of Top 100 Property Management Companies was RMB122 million and RMB142 million in 2019 and 2020, accounting for 54.7% and 54.9% of revenue generated from value-added services in the same years, respectively.

The percentage of revenue generated from value-added services increased from 17.3% in 2016 to 22.1% in 2020, and is expected to reach to 35.5% in 2025. The below chart sets forth the revenue generated from property management services and value-added services of Top 100 Property Management Companies for the years indicated.



Source: China Index Academy

INDUSTRY GROWTH DRIVERS

According to China Index Academy, growth of the property management industry in the PRC depends on the following key drivers:

Favorable Policies

Introduction of favorable laws, regulations and policies serves as a critical foundation for the health and growth of China's property management industry. The promulgation of the Provisions on Property Management (《物業管理條例》) in June 2003 by the State Council was a milestone in the regulatory history of the PRC property management industry. Subsequently, a series of favorable policies supporting the development of the property management industry have come into effect, including the Circular of the NDRC on the Opinions of Relaxing Price Controls in Certain Services (《國家發展改革委關於放開部分服務價格意見的通知》), which was issued in December 2014 and requires provincial level price administration authorities to abolish all price control or guidance policies on non-government supported properties other than government-supported housing, housing reform properties, properties in old residential areas and preliminary property management services, and the Guiding Opinions of the General Office of the State Council on Accelerating the Development of the Resident Service Industry to Promote the Upgrade of Consumption Structure (《國務院辦公廳關於加快發展生活性服務業促進消費結構升級的指導意見》), which was issued in November 2015, aiming to further standardize the provision of property management services as part of the industrial upgrade and diversification of the resident service sectors. In addition, the decentralization reforms in governmental functions and responsibilities lead to more demand for property management services for public and other properties and creates more opportunities for property management companies to expand their scale of property management services for public and other properties. These laws and policies jointly create and will continue to offer a supportive environment and accelerate the development of the industry and property management companies in the PRC. In August 2014, the NDRC released the Guiding Opinion on the Promotion of the Healthy Development of Smart Cities (《關於促進智慧城市健康發展的指導意見》), which laid out a comprehensive plan for the development of smart cities in the PRC. In December 2018, the NDRC and the CAC promulgated the Notice on Continuing to Evaluate the Development of New Smart Cities and Further Promoting the Rapid and Healthy Development of New Smart Cities (《關於繼續開展新型智慧城市建設評價工作深入推動新型智慧城市健康快速發展的通知》). Other relevant government authorities also promulgated detailed policies related to the various aspects of developing smart cities. These policies provide comprehensive policy support and clear guidance on smart city development for property management companies in the PRC.

Proposed Regulations on "Three Red Line" Standards

According to the symposium jointly held by the MOHURD and the PBOC in August 2020, the MOHURD and the PBOC proposed restrictive rules that limits the growth of real estate companies' interest-bearing debt and financing activities. The rules lay out three standards, which include:

- Red line I: the debt-to-asset ratio, excluding advances from customers, not higher than 70%;
- Red line II: the net gearing ratio not higher than 100%; and
- Red line III: the cash to short-term debt ratio not lower than 1.0 time.

In accordance with the above standards, real estate companies would be categorized into four tiers by color, on which restrictions would be applied to different extents:

- Red tier: companies whose financial ratios exceed all three red lines are not allowed to increase their interest-bearing debt;
- Orange tier: companies whose financial ratios exceed two red lines are allowed to expand their interest-bearing debt at a maximum annual rate of 5%;
- Yellow tier: companies whose financial ratios exceed one red line are allowed to expand their interest-bearing debt at a maximum annual rate of 10%; and
- Green tier: companies whose financial ratios do not exceed any of the three red lines are allowed to expand their interest-bearing debt at a maximum annual rate of 15%.

According to China Index Academy, the proposed regulations on the "Three Red Line" are primarily for the purpose of restraining the overly aggressive expansion of certain heavily indebted property developers, enhancing the marketization, regulation and transparency of financing of property developers. The proposed regulations on the "Three Red Line" standards are expected to speed up real estate companies' deleveraging process and promote the healthy development of the PRC real estate industry. The short-term investment along with the short-term financings in the real estate industry are expected to decrease. In the long run, the land auction market will become more stable and the cost of long-term financings are expected to decrease.

Certain property developers are no longer able to achieve rapid and large-scale expansion through use of financial leverages, which may slow down the growth of the real estate market and have an adverse impact on the property management industry. The proposed regulations are expected to have less negative impact on real estate companies which have advantages in capital sufficiency, such as large property developers and state-owned companies and therefore less likely to have a material negative impact on the business and financial performance of the property management service providers affiliated to such real estate companies, since many of their projects are sourced from related parties. Property management industry will become attractive due to its light asset mode and property management companies need to enhance their abilities to source projects from independent third parties to diversify its revenue source, provide more comprehensive service offerings and achieve economies of scale.

Growth in Demand Driven by the Acceleration of Urbanization Process in the PRC and the Increase in Per Capita Disposable Income

The level of urbanization and per capita disposable income in the PRC have increased significantly in recent years and have accelerated the growth of the property management industry. According to China Index Academy, the urbanization rate, being the percentage of the population living in urban areas, in China increased from 34.8% in 1999 to 63.9% in 2020, with the urban population increasing by approximately 20.6 million each year. The PRC property management industry is expected to continue to grow in tandem with such rising level of urbanization. Moreover, according to China Index Academy, per capita disposable income of the urban population has also steadily increased to RMB43,834 in 2020, representing a CAGR of 6.9% from 2016, driving increasing demand for better living conditions and quality property management services, and creating growth opportunities for property management companies.

Growth in Supply

Following the rapid urbanization and continuous growth in per capita disposable income, the supply of commodity properties also surged in China. According to China Index Academy, the total GFA of contracted sales from commodity properties in China increased from 1.6 billion sq.m. in 2016 to 1.8 billion sq.m. in 2020 at a CAGR of 2.9%, whereas the total GFA of the commodity properties being newly constructed increased from 1.7 billion sq.m. in 2016 to 2.2 billion sq.m. in 2020 at a CAGR of 6.7%. The continuous expansion of the real estate market has provided favorable opportunities for the development of the property management industry.

MARKET TRENDS

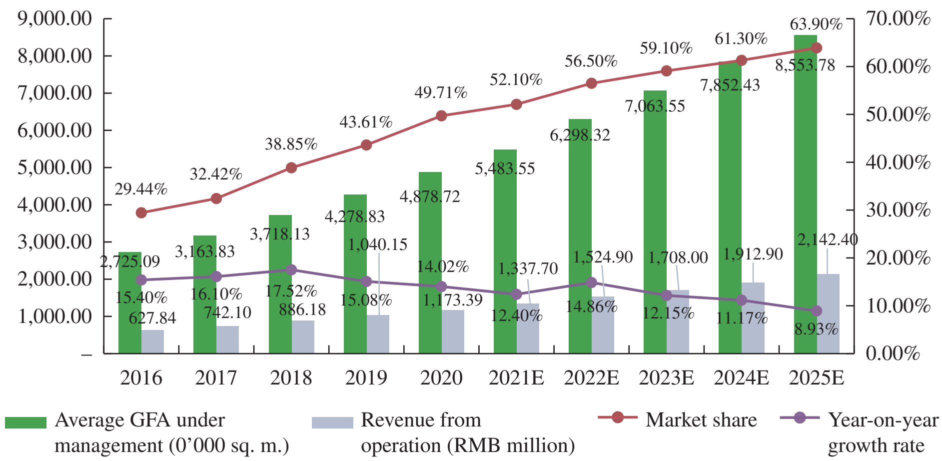
Key market trends of the property management industry in the PRC include:

Increasing Market Concentration

The property management industry in the PRC is fragmented and competitive. In order to expand the GFA under management and realize economies of scale to strengthen market positions, large-scale property management companies actively accelerate their expansions by means of both organic growth and acquisitions of small- and medium-sized property management companies. Many of property management companies already listed on the Stock Exchange are also looking for potential target property management companies in the PRC. Subsequently, the market continues to become more concentrated. According to China Index Academy, the average GFA under management of the Top 100 Property Management

Companies increased from 27.3 million sq.m. in 2016 to 48.8 million sq.m. in 2020 at a CAGR of 15.7%. Meanwhile, the total GFA under management of property management companies in the PRC increased from 2016 to 2020 at a CAGR of 8.8%.

The following chart sets forth the average GFA under management, the aggregate market share in terms of the total GFA under management and the year-on-year growth rate of the Top 100 Property Management Companies for the years indicated:

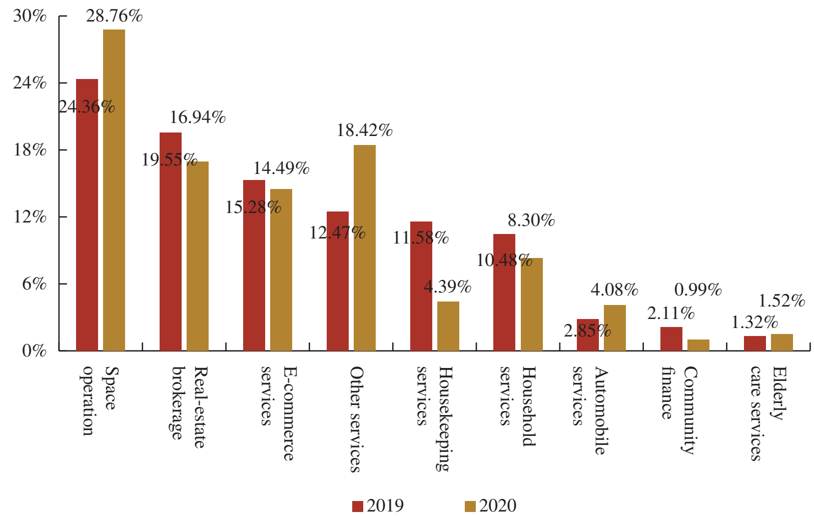


Source: China Index Academy

Diversifying Revenue Sources and Managed Property Types

With the widespread adoption of the Internet, mobile applications, cloud computing, artificial intelligence, and other related technologies, along with policy support from the PRC government, property management companies increasingly engage in developing intelligent and smart management systems. Integrating online and offline information and resources, they aim to digitalize, automate, modernize and connect their various services and provide a one-stop service platform to property owners, residents and tenants. Property management companies also keep diversifying their revenue streams by offering various value-added services with a higher profitability. These mainly include pre-delivery services and consultancy services to property developers and community value-added service to property owners and residents, such as community space operations services, e-commerce services, real estate brokerage services and other various bespoke services. In addition, leveraging further urbanization and favorable policies in the PRC, property management companies have begun to offer municipal services leveraging their professional property management experience and well-developed service capabilities. Moreover, property management companies are also increasingly diversifying the types of managed non-residential properties as management of such properties generally has a higher profit margin as compared to residential properties.

The following chart sets forth the value-added service revenues of the Top 100 Property Management Companies by service type for the years indicated:



Source: China Index Academy

Professionalized Staff and Enhanced Service Quality

To enhance service quality and reduce labor costs, most of the Top 100 Property Management Companies have set up their own internal standardized operating procedures and are increasingly adopting information technologies in their daily operations. They are also increasingly outsourcing labor-intensive aspects of their operations to subcontractors while placing greater emphasis on recruiting and training professionalized and skilled employees to facilitate the implementation of smart management and information technologies and promote innovations to maintain their leading market positions.

Marketization

In the past, the property management services had long been provided by the affiliates of property development companies. In recent years, due to the increasingly higher level of marketization of the PRC property management industry, property management companies have been exploring new projects and developing various value-added services so as to enhance their respective competitiveness and meet market demand.

The PRC government also published regulations for enhanced marketization in both the real estate and property management markets. For example, in July 2021, the MOHURD, along with other governmental agencies, jointly published the Notice on the Continuous Rectification and Regulation of the Real Estate Market (《住房和城鄉建設部等8部門關於持續整治規範房地產市場秩序的通知》). The Notice addresses issues such as illegal construction activities, illegal advertising in property development activities, failure to deliver agreed-on and quality property management services and illegal use of common areas. For details, see "Regulations — Legal Supervision Over Property Management Services". According to China Index Academy, the Notice represents the continuous efforts of the PRC government to regulate the property management services market and the requirements imposed therein were not new to the property management service providers in the PRC, but rather a reiteration of the existing laws and regulations. With support of the Notice, the real estate industry and the property management industry are expected to become more transparent. Market players that provide quality services are expected to show strong development potentials.

Standardization of Services as the Basis for Expansion and Efficient Operation

One critical step of market expansion of property management companies is to provide standardized services, which is also one of the trends of the PRC property management industry. It allows property management companies to improve their service quality, and is the foundation for the sustainable expansion of business operation across regions. An increasing number of leading property management companies are making efforts to enhance the standardization of property management services, such as intelligent system in communities, including access control system and parking system.

INDUSTRY RISKS AND CHALLENGES

According to China Index Academy, the risks faced by the property management industry in the PRC mainly include:

- *Competition*. Property management industry in the PRC is increasingly competitive. As a result, property owners have more choices and are placing greater emphasis on professional and standardized services.

- *Cost control.* Property management companies in the PRC charge property management fees primarily on a lump sum basis. They charge fees at a predetermined fixed price per sq.m. per month, representing all-inclusive fees for the property management services provided. As a result, when total costs and expenses incurred exceed the amount of property management fees they receive, the property management companies will bear the shortfall and may not charge additional fees from property developers, property owners or residents during the agreement terms.

- *Limited sources of property management agreements.* The top property management companies in the PRC are typically either subsidiaries or affiliated companies of property development companies. In the event that the related property development companies stop engaging the property management companies as their property management service providers, the performance of the property management companies may be adversely affected.

- *Increasing labor costs*. The property management industry in the PRC is labor-intensive. Staff costs as a percentage of cost of sales of the Top 100 Property Management Companies was 57.8%, 59.1% and 58.3% for the years ended 31 December 2018, 2019 and 2020, respectively, according to China Index Academy. The minimum wage in various regions has increased in recent years. Given the increasing market concentration, the Top 100 Property Management Companies need to recruit more staff to expand their property management scale and thus are expected to pay increasing staff salaries and benefits, as well as relevant training and management expenses.

- *Shortage of talent*. The property management industry is in need of a large number of talent to improve service quality and to expand property management scale. Development of property management companies may be hindered if they are not able to recruit a sufficient number of suitable talent.

- *Risks from mergers and acquisitions.* Many property management companies in the PRC expanded their business scales through mergers and acquisitions. However, mergers and acquisitions may subject them to various risks due to the complexity and size of their business operations, unfamiliarity in corporate cultures and the inability to retain key personnel.

- *Legal risks.* As a property management service provider, we are exposed to risks in relation to work safety, including but not limited to claims for injuries, fatal or otherwise, sustained by our employees or sub-contractors. We are also exposed to claims that may arise due to employees' or third-party sub-contractors' negligence or recklessness when performing our services and we may be held jointly liable for the losses incurred by our residents, tenants or property owners under PRC laws.

For more information on industry related risks, see "Risk Factors — Risks Relating to Our Business and Industry".

COMPETITION

Competition Landscape

The property management industry is fragmented and competitive in the PRC with approximately 200,000 participants in the property management industry in 2020, according to China Index Academy. As an upscale property management and city operation service provider with a diversified property management portfolio, we primarily compete against large national and regional property management companies in the PRC in terms of our property management services. For value-added services, we compete against other property management companies as well as relevant industry participants providing similar services.

The following tables set forth top five market players among the Top 100 Property Management Companies in terms of GFA under management and total revenue in 2020. As we have not obtained consent from these market players to disclose their identities in this prospectus and, as advised by China Index Academy, it is subject to confidentiality obligations to these market players with respect to the underlying data and information used to calculate the market share of each market player, we set forth below a description of their background information instead.

Ranking	Name	Market Share in terms of GFA under management
1.	Company A	1.79%
2.	Company B	1.47%
3.	Company C	1.45%
4.	Company D	1.39%
5.	Company E	1.16%

Ranking	Name	Market Share in terms of total revenue
1.	Company A	2.50%
2.	Company E	1.69%
3.	Company F	1.62%
4.	Company C	1.61%
5.	Company B	1.29%

Source: China Index Academy

Notes:

1. Company A is a property management service provider founded in 1992 and principally engaged in property management services for residential, commercial and public properties in more than 350 cities in China. Company A is listed on the Main Board of the Stock Exchange.

2. Company B is a property management service provider and principally engaged in comprehensive property management services in more than 190 cities in China. Company B is listed on the Main Board of the Stock Exchange.

3. Company C is a property management service provider founded in 1992, which owns more than 20 property management brands and is principally engaged in property management services, community services, public and city services in approximately 200 cities in China. Company C is listed on the Main Board of the Stock Exchange.

4. Company D is a company which provides property management services, intelligent building services and community services in more than 270 cities in China. Company D is listed on the Main Board of the Stock Exchange.

5. Company E is a property management service provider founded in 1997 and principally engaged in provides services for residential properties, office buildings, theme parks, industrial parks and public properties in more than 310 cities in China. Company E is listed on the Main Board of the Stock Exchange.

6. Company F is a residential property management service provider founded in 1998 which provides services in more than 180 cities in China. Company F is listed on the Main Board of the Stock Exchange.

According to China Index Academy, the property management industry in China is highly competitive and fragmented. Our market share in terms of GFA under management and total revenue in 2020 was approximately 0.07% and 0.15%, respectively. We were deeply rooted in the eastern region and northern region in China. According to China Index Academy, our market share in the eastern and northern regions in China in terms of GFA under management in 2020 was approximately 0.09% and 0.11%, respectively. We were ranked the 5th in terms of revenue per sq.m. among the Top 100 Property Management Companies headquartered in the Beijing-Tianjin-Hebei Region in 2020. We were ranked the second in terms of GFA under management for upscale property management service projects among the Top 100 Property Management Companies in Beijing in 2020.

We intend to expand our business scale through strategic acquisitions or investments. According to China Index Academy, there are more than 4,000 players among the property management companies in the PRC with a GFA under management of at least 1.0 million sq.m. in 2020, and amongst these companies, around 600 of them are not affiliated with property developers in China. Such property management companies may be more receptive to our acquisition or investment efforts, as support from us as a listed property management company and Jinmao Group may enhance their ability to compete.

In spite of the large number of potential acquisition or investment targets meeting certain aspects of our selection criteria, we are facing competition with industry peers, in particular those listed on the Stock Exchange which are actively looking for acquisition or investment opportunities in the market, and there is no assurance that we could eventually identify suitable targets. Our future acquisitions are also subject to other uncertainties and risks, including, without limitation, potential ongoing financial obligations and unforeseen or hidden liabilities, failure to achieve the intended objectives, benefits or revenue-enhancing opportunities, and diversion of resources and management attention. For details, see "Risk Factors — Risks Relating to Our Business and Industry — Our mergers and acquisitions may not achieve the desired benefits. We may face difficulties in integrating acquired operations with our existing business".

Not many participants in the upscale property management and city operation service market in China are able to successfully manage a diversified portfolio of properties, including residential properties, commercial properties such as office buildings and shopping malls, industrial parks and public properties, and realize synergies across different property types. Since 1995, we have established the high-end residential property service brand represented by Jin Mao Mansion, the large-scale commercial complex property management brand represented by Lanxiu City, and the high-end office property management brand represented by Kaichen World Trade Center. In 2021, we ranked the 1st among the top 10 companies on CRIC Research's short list of "China's Property Service Force High-End Service Brand" ("中國物業服務力高端服務品牌"). We were also honored as "Leading Upscale Property Management Service Enterprise in China" ("中國高端物業服務領先企業") and "Leading Specialized Operation Brand Enterprise in China" ("中國物業服務專業化運營領先品牌企業") in 2020. According to China Index Academy, we ranked 17th among "2021 Top 100 Property Management Companies in China" ("2021年中國物業服務百強企業") by overall strength. China Index Academy ranks the overall strength of property management companies by evaluating the following aspects: (i) property management scale, taking into account total assets, number of properties under management, GFA under management and number of cities where the company operates; (ii) operational performance, taking into account the total revenue, gross profit, net profit, revenue per employee and operating costs as a percentage to total revenue; (iii) service quality, taking into account customer satisfaction rate, property management fee collection rate, property management contract renewal rate and number of star-level communities; (iv) growth potential, taking into account revenue growth, growth of GFA under management, reserved GFA and number and composition of employees; and (v) social responsibility, taking into account amount of tax paid, number of job opportunities created, total GFA under management of affordable housing and amount of enterprise donation.

Many participants in this market typically focus on providing property management services, while only a few service providers successfully integrated property management services and city operation services, and achieved a balanced and upscale quality in each segment. Property management services are further divided into traditional property management services and other services. Traditional property management services typically include security, repair and maintenance, cleaning and sanitation, and greening. Other services include value-added services to property developers and community value-added services. We were honored as "China's Leading Specialized Property Management Service Enterprise — MOCO Service System" ("中國特色物業服務領先企業—MOCO 服務體系"), "Leading Technology Empowered Property Management Enterprise in China" ("中國物業科技賦能領先企業") and "Leading Smart City Service Provider in China" ("中國智慧城市服務領先企業") in 2021.

Entry Barriers

According to China Index Academy, entry barriers for the property management industry in the PRC mainly include:

- *Brand.* Brand reputation is key to the development and expansion of property management companies. As consumers are demanding higher quality property management services and the players in the property management industry are growing, it is critical for property management companies to offer services of superior quality. Brand reputation therefore increasingly becomes an entry barrier in the industry. We and other top property management companies have built a brand reputation in the PRC through decades of services and operations. In contrast, newer entrants without an established brand and cultivated business relationships with industry participants face a greater challenge when penetrating into the market.

- *Experience*. Urban city services usually require service providers to have rich project experience. During bidding process, bidders are required to show past business performance and other relevant supporting materials. Service providers need to formulate comprehensive solutions that tailor to individual needs of end customers, including front-end design, mid-end project implementation, and follow-up operation and maintenance services. It is difficult for new entrants to establish such comprehensive service capabilities within a short period of time.

- *Technical barriers and capital threshold.* The property management industry involves different service areas, and the technical standards and requirements vary greatly. For example, urban city services involve new facilities and equipment maintenance scenarios covering underground integrated pipe corridors, ground pipeline maintenance, traffic governance, river water quality, etc. In addition, due to expansion of business scale, property management companies are increasingly inclined to adopt automated and intelligent technologies, such as network interoperability, information fusion, intelligent building management, communication automation, big data and cloud computing. Companies are replacing intensive manual labor tasks with intelligent management systems and equipment, introducing corporate information management systems, and promoting the idea of a smart community. Management efficiency has improved and the industry is moving towards a technology driven industry. This will further increase the capital threshold for new entrants in the property management industry.

- *Operations and management*. As the property management industry becomes increasingly competitive, experience and capabilities of core management members of industry players play a critical role in maintaining core competitiveness. Established property management companies typically have developed their unique management competencies in terms of property management procedures, application of information systems, and financial management, and are therefore better positioned to manage large properties.

- *Professional talent*. Property management depends on manual labor, not only for the performance of property management services but also for implementing and innovating technological solutions such as big data and internet technologies. Furthermore, the innovation of property management business models, especially the launch of value-added services to property owners and property developers, requires significant support from talented employees. In addition to professional technical capabilities, they must also have an in-depth understanding of the business processes, management standards, related technologies and application scenarios, and be able to provide reasonable design based on regional characteristics. It is increasingly difficult for property management companies to recruit and retain talented individuals who are up to date with the technological advances in the industry to help achieve the above-mentioned goals.

IMPACT OF THE OUTBREAK OF COVID-19

The outbreak of COVID-19 has affected China's macro economy and certain industries such as tourism, public transportation and catering during January and February 2020. However, according to the China Index Academy, the COVID-19 outbreak has only had short-term impact on property development industry and property management industry and is expected to have limited impact on these industries in the medium- and long-term.

According to China Index Academy, the total GDP of the PRC for the first half of 2021 was RMB53,216.7 billion, representing an increase of 12.7% from the same period of 2020. The real estate investment in the PRC amounted to RMB7,200 billion in the first half of 2021, representing an increase of 15.0% from the same period of 2020, according to China Index Academy. According to the China Index Academy, the nationwide cumulative GFA of contracted sales of commodity residential properties and GFA of newly constructed commodity residential properties both demonstrated significant improvement in the first quarter of 2021 compared to the same period of 2020. As the COVID-19 outbreak has been brought under control in China and economic activities have gradually resumed, the property development industry and property management industry are also on track to recovery as purchase demand for commodity housing continues to resume.

The short-term impact of the COVID-19 outbreak on the property management industry in China would be primarily on increased costs of sales and management efforts. Given that property management companies were at the front line of the battle against the COVID-19 outbreak in China, they had to bear the financial burden of additional procurement costs for protective supplies such as masks, gloves and disinfectant for property management staff and for performing additional sanitization procedures. In addition, property management companies also incurred increasing labor costs primarily attributable to the overtime compensation paid to property management staff during the extended Lunar New Year holidays. The COVID-19 outbreak had also posed challenges to property management services due to the insufficient protective supplies and difficulties in implementing infection prevention and control measures among a group of properties in proximity. As a result, there was also disruption to sales and marketing activities such as new business development and promotion of value-added services.

Despite the abovementioned short-term impact on the property management industry in China. According to China Index Academy, the COVID-19 outbreak has limited impact on the PRC property management industry in the medium- and long-term because (i) the existing GFA under management and respective property management fees of the Top 100 Property Management Companies remained stable during the COVID-19 outbreak; (ii) the property construction and investment activities have been gradually resumed operation and the property management projects are expected to be delivered thereafter; and (iii) the PRC Government implemented various favorable policies such as the tax reliefs and government grant to property management industries. Moreover, the COVID-19 outbreak has presented opportunities for property management companies, according to China Index Academy:

- *Accelerated adoption of smart management and digitization.* Since the COVID-19 outbreak, property management companies have actively employed technologies such as "Internet +", cloud platforms, smart access control and smart car park management systems to improve the efficiency of infection prevention and control. The increasing demand for technology in property management industry is expected to accelerate the IT system upgrades as well as the adoption of smart management and digitization by property management companies.

- *Development of new community value-added services*. The fact that most property owners and residents were home-bound during the COVID-19 outbreak has presented opportunities for property management companies to provide more community living services. For example, more property owners and residents have subscribed to the existing value-added services provided by property management companies such as the last-mile delivery service through their online service platforms. Property management companies have also started to offer new value-added services to improve home living experience of property owners and residents, thereby expanding revenue sources.

- *Enhanced brand value and reputation*. Property management companies have played a critical role in infection prevention and control since the COVID-19 outbreak, and their services have been widely recognized by the public. As a result, the brand value and reputation of property management companies which delivered high-quality services during the COVID-19 outbreak have been significantly enhanced. Such positive impact may cultivate stronger customer loyalty and facilitate marketing for future property management projects.

- *Improved property management standards*. As property management companies become more risk averse after the COVID-19 outbreak, it is expected that many of them will enhance their risk resistance capabilities by strengthening internal policies and improving risk management systems.

- *Increased government support*. PRC government continuously introduces favorable policies to alleviate the short-term adverse impact resulted from the COVID-19 outbreak. Such policies have not only directly alleviated the cost pressure caused by the outbreak to property management companies, but may also support the sustainable development of the property management industry in the long run.

- *Favorable momentum in capital market*. During the COVID-19 outbreak and the resulting downturn in the global stock market in March 2020, property management companies have proved their countercyclical and risk resistance capabilities through outperforming stock prices. This has driven investment momentum in the property management industry and is expected to continue to enable property management companies to access the capital market in the near future.

DIRECTORS' CONFIRMATION

The Directors confirm that, after due enquiry, there is no material adverse change in the market information since the issue date of the above-mentioned sources which may qualify, contradict with or adversely impact the information contained in this section.

Our business operations are subject to extensive supervision and regulation by the People's Republic of China (the "**PRC**") Government. This section sets out a summary of the material laws, regulations and policies to which we are subject. Unless otherwise stated, the laws, regulations and policies mentioned in this section apply nationwide.

LEGAL SUPERVISION OVER FOREIGN INVESTMENT

According to the Provisions on Guiding the Orientation of Foreign Investment (《指導外商投資方向規定》), which was promulgated by the State Council on February 11, 2002 and came into effect on April 1, 2002, foreign investment projects are divided into four categories, namely "encouraged", "permitted", "restricted" and "prohibited" categories. Foreign investment projects of the encouraged, restricted and prohibited categories are listed in the Catalogue of Industries for Guiding Foreign Investment (《外商投資產業指導目錄》). Foreign investment projects that are not of the encouraged, restricted and prohibited categories belong to the permitted foreign investment projects which are not listed in the Catalogue of Industries for Guiding Foreign Investment.

On March 15, 2019, the National People's Congress (the "**NPC**") approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which came into effect on January 1, 2020 and replaced the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-Invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), and became the legal foundation for foreign investment in the PRC.

The Foreign Investment Law sets out the basic regulatory framework for foreign investments and proposes to implement a system of pre-entry national treatment with a negative list for foreign investments, pursuant to which (i) foreign natural persons, enterprises or other organizations (collectively, the "**foreign investors**") shall not invest in any sector forbidden by the negative list for access of foreign investment, (ii) for any sector restricted by the negative list, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list shall be managed under the principle of treating domestic investments and foreign investments equally. The Foreign Investment Law also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information report system in which foreign investors or foreign-funded enterprises shall submit the investment information to competent departments of commerce through the enterprise registration system and the enterprise credit information publicity system.

The Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, provides implementing measures and detailed rules to ensure the effective implementation of the Foreign Investment Law. The Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which was promulgated by the Ministry of Commerce (the "**MOFCOM**") and State Administration for

Market Regulation (the "**SAMR**") on December 30, 2019 and came into effect on January 1, 2020, sets out the details of the foreign investment information report system. According to the Provisions Regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), which was promulgated by MOFCOM on August 8, 2006 and became effective on September 8, 2006, and was later amended on June 22, 2009, which provided that the scenarios qualify as an acquisition of a domestic enterprise by a foreign investor.

The Catalogue of Industries for Encouraged Foreign Investment (2020 Edition) (《鼓勵外商投資產業目錄(2020年版)》) (the "**Catalogue**") was promulgated by the National Development and Reform Commission (the "**NDRC**") and MOFCOM on December 27, 2020 and came into effect on January 27, 2021. Catalogue of Industries for Encouraged Foreign Investment (2019 Revision) (《鼓勵外商投資產業目錄(2019年修訂)》) released on June 30, 2019 was repealed simultaneously.

According to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (Edition 2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》) and Special Administrative Measures (Negative List) for the Access of Foreign Investment in Pilot Free Trade Zones (Edition 2021) (《自由貿易試驗區外商投資准入特別管理措施(負面清單)(2021年版)》), both promulgated by the NDRC and the MOFCOM on December 27, 2021 and taking effect on January 1, 2022, the property management service does not fall into such categories which foreign investment is restricted or prohibited.

LEGAL SUPERVISION OVER PROPERTY MANAGEMENT SERVICES

On December 25, 2020, ten departments including the Ministry of Housing and Urban-Rural Development (the "**MOHURD**") jointly issued the Notice on Strengthening and Improving the Residential Property Management (《關於加強和改進住宅物業管理工作的通知》, the "**Notice 10**"), which emphasized the areas including (i) improving the governance structure of the owners' committee; (ii) improving and strengthening the property management; (iii) regulating the use and management of maintenance funds; (iv) reinforcing supervision and management of property management services, including establishing a property service information disclosure system and a property service enterprise credit management system, and improving the property management bidding system and withdrawal system.

On July 13, 2021, the MOHURD and other seven departments jointly promulgated the Notice on the Continuous Rectification and Regulation of the Real Estate Market Order (《關於持續整治規範房地產市場秩序的通知》, the "**Notice 55**"), which mainly focuses on addressing and correcting outstanding issues that exist in areas such as real property development, sales and purchase of realty service, house leasing and property management services. Such outstanding issues include: (i) constructions violating laws and regulations, constructions disobeying the drawing design documents and late delivery of real property in violation of the housing sales contract in the process of real property development, etc.; (ii) releasing illegal and fraudulent advertisements and false information of housing resources, hoarding housing resources in the sales and purchase of real property, etc.; (iii) illegally carrying out business operation and submission of incomplete leasing information as required in house leasing, etc.; (iv) failure to provide services in compliance with the contents and standards specified in the property management service contract; failure to publish the information related to fees of property service; overcharge of fees in excess of the provisions in the contract or the published charging items; carrying out business activities with properties commonly-held by owners without their consent, embezzling or misappropriating the operating income common to the owner; refusal of withdrawal from property service projects without due reasons when the property service contract has been legally cancelled or terminated, etc. Real property development corporations, brokers, leasing companies and property management service providers which have engaged in illegal activities shall be warned, suspended to conduct business operations and revoked business licenses and certificates, and such companies shall be made public; if their activities are suspected to be criminal, the case shall be referred to the public security and judicial departments for investigation and punishment according to the laws. After the promulgation of the notice abovementioned, the relevant governmental authorities of multiple provincial administrative units nationwide (such as Jiangsu, Hunan, Yunnan, Hebei and Fujian) have made detailed plan on the basis of principles established in the notice to urge the implementation and improvement of relative rules.

Qualification of Property Management Enterprises

According to the Regulations on Property Management (《物業管理條例》) promulgated by the State Council on June 8, 2003, taking effect on September 1, 2003 and amended on August 26, 2007, February 6, 2016 and March 19, 2018, a qualification system for companies engaging in property management activities has been adopted.

In accordance with the Measures for the Administration on Qualifications of Property Management Enterprises (《物業服務企業資質管理辦法》) (formerly known as《物業管理企業資質管理辦法》), which was promulgated by the Ministry of Construction (has been abolished) on March 17, 2004, came into effect on May 1, 2004, was amended on November 26, 2007 and May 4, 2015 and was abolished by the MOHURD on March 8, 2018, property management enterprises shall be classified into Level 1, Level 2 and Level 3 by qualifications based on relevant specific conditions.

On November 19, 2015, the General Office of the State Council promulgated the Guiding Opinions of the General Office of the State Council on Accelerating the Development of the Personal Service Industry to Promote the Upgrading of Consumption Structure (《國務院辦公廳關於加快發展生活性服務業促進消費結構升級的指導意見》), which sets out the general requirements, the main tasks and the policy measures to accelerate the development of personal services and upgrade consumption structures. Such main tasks focus on the development of the living services that are closely related to the people's livelihood with vast demand potential and strong driving forces, among others, to promote the standardisation developments of the real estate intermediary, house leasing, property management, moving and cleaning, household vehicles maintenance and other personal services.

In accordance with the Decision of the State Council on Canceling the Third Batch of Administrative Licencing Items Designated by the Central Government for Implementation by Local Governments (《國務院關於第三批取消中央指定地方實施行政許可事項的決定》) promulgated by the State Council on January 12, 2017 and taking effect on the same day, the examination and approval of Level 2 and Level 3 qualifications of property management enterprises were cancelled.

According to the Decision of the State Council on Canceling a Group of Administrative Licencing Items (《國務院關於取消一批行政許可事項的決定》), which was promulgated by the State Council on September 22, 2017 and came into effect on the same day, the examination and approval of Level 1 qualification of property management enterprises were cancelled.

In accordance with the Notice of the General Office of the MOHURD on Effectively Implementing the Work of Canceling the Qualification Accreditation for Property Management Enterprises (《住房城鄉建設部辦公廳關於做好取消物業服務企業資質核定相關工作的通知》), which was promulgated on December 15, 2017 by the MOHURD and became effective on the same day, the application, change, renewal or re-application of the qualifications of property management enterprises shall no longer be accepted, and the qualifications obtained already shall not be a requirement in any way for property management enterprises to undertake new property management projects.

On March 19, 2018, the State Council promulgated the Decision of the State Council to Amend and Repeal Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》), according to which the Regulations on Property Management (《物業管理條例》) was amended. The Regulations on Property Management (2018 Revision) (《物業管理條例》) (2018年修訂) has removed the qualification accreditation of the property management enterprises.

Establishment of Owners' Assembly and Owners' Association

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**") which was promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, the owners may establish the owners' assembly and elect the members of the owners' association; the specific conditions of and procedures for the establishment of the owners' assembly and the owners' association shall be in compliance with laws and regulations. The relevant departments under the local people's governments and the residents' committees shall provide guidance to and assistance in the establishment of the owners' assembly and the election of the members of the owners' association.

Under the Regulation on Property Management (2018 Revision) (《物業管理條例》) (2018年修訂), the owners in a same property management area shall, under the guidance of the administrative department of real estate of the people's government of the district or county where the property is located, or under the guidance of sub-district office or township people's government, form the owners' assembly and elect the owners' association. However, where there is only one owner, or where there are few owners and they all agree not to establish an owners' assembly, the owner(s) shall (jointly) perform the duties of the owners' assembly and the owners' association.

Under the Notice on Publication of Guidance Rules on the Owners' Assembly and the Owners' association (《關於印發<業主大會和業主委員會指導規則>的通知》), (1) one owners' assembly shall be established in one property management area; where there is only one owner, or where there are few owners and they all agree not to establish an owners' assembly, the owner(s) shall (jointly) burden the duty of owners' assembly and owners' association; (2) in a property management area, where the area of exclusive section delivered exceeds 50% of the total area of the building, the construction entity should submit the relevant documents necessary for the first session of the owners' assembly meeting, as required by the administrative department of real estate of the people's government of the district or county where the property is located, or sub-district office or township people' government; (3) if the requirements of forming owners' assembly have been satisfied, within 60 days after the written application of forming owners' assembly submitted by the owners, the administrative department of real estate of the people's government of the district or county where the property is located, or sub-district office or township people' government shall be responsible for organizing and guiding the establishment of a preparatory group to organize and convene the first session of the owners' assembly meeting.

With respect to the properties for which relevant property management service agreements entered into by the Group during the Track Record Period, the provincial administrative authorities such as Beijing, Jiangsu, Zhejiang, Shanghai, Hunan and Shandong in which such major properties are located have promulgated the detailed requirements concerning the establishment of the owners' assembly and the owners' association.

Appointment of Property Management Enterprises

According to the Regulations on Property Management (2018 Revision) (《物業管理條例》) (2018年修訂) and the Interim Measures for Bid-Inviting and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》) promulgated by the Ministry of Construction (has been abolished) on June 26, 2003 and taking effect on September 1, 2003, the developers of residential buildings and non-residential buildings in the same property management area shall engage property management enterprises by inviting bid. In case where there are less than three bidders or for small-scale properties, the developers can hire property management enterprises by signing an agreement with the approval of the real estate administrative department of the local government of the place where the properties are located.

According to the Civil Code, the preliminary property management service contract concluded by a developer and a property management service provider pursuant to law and the property management service contract concluded by the property owners' committee and the property management service provider selected by the property owners' congress pursuant to law shall be legally binding on the property owners.

According to the Civil Code, selecting or dismissing a property management service provider or any other manager shall be voted on by two-thirds or more of all the property owners who own two-thirds or more of the total GFA of the exclusive area, and shall be subject to the consent of over a half of the owners participating in the voting who own more than half of the total GFA of the exclusive area owned by all the owners participating in the voting. Where, prior to the expiration of the service term stipulated in the preliminary property management service contract entered into between a developer and a property management service provider according to the law, the property management service contract entered into by the property owners' committee or property owners and a new property management service provider becomes effective, the preliminary property management service contract shall be terminated. Upon expiration of the term of property management services, where the property owners have not decided on renewal of employment or engagement of a new property management service provider and the property management service provider continues to provide property management services, the original property management service contract shall continue to be valid, but the term of service shall be non-fixed.

Fees Charged by Property Management Service Provider

According to the Administrative Measures for Property Service Charges (《物業服務收費管理辦法》) (the "**Administrative Measures**"), which was jointly promulgated by the NDRC and the Ministry of Construction on November 13, 2003 and came into effect on January 1, 2004, the fees charged for property management service can be either subject to the government guidance price or market-based price depending on the basis of the nature and features of relevant properties. If the fees charged are subject to the government guidance price, the specific pricing principles shall be determined by the competent price administration departments and property administration departments of the people's governments of each province, autonomous region and municipality directly under the central government of the PRC. In accordance with the Administrative Measures, except for the circumstance where the government guidance price shall be implemented, the market-based price applies to the property management fees. The standard of such fees is determined by the property management enterprise and the developer or property owners through negotiation. Dependent on the agreement between the property owners and property management enterprises, the fees for the property management services can be charged either on a lump sum basis or a commission basis. The lump sum basis refers to the charging mode requiring property owners to undertake the fixed property management expenses to property management companies who shall enjoy or assume the surplus or deficit. The commission basis refers that property management companies may collect its service fee in the proportion or amount as agreed from the property management income in advance, the rest of which shall be exclusively used on the items as stipulated in the property management contract, and property owners shall enjoy or assume the surplus or deficit.

According to the Regulation on Property Management Service Charges with Clear Price Tag (《物業服務收費明碼標價規定》), which was jointly promulgated by the NDRC and the Ministry of Construction (has been abolished) on July 19, 2004 and came into effect on October 1, 2004, property management enterprises shall clearly mark the price, as well as state service items and standards and relevant information on services (including the property management services as stipulated in the property management service agreement as well as other services requested by property owners) provided to the owners. If the charging standard changes, property management enterprises shall adjust all relevant information one month before implementing the new standard and indicate the date of implementing the new standard. Property management enterprises shall neither use any false or misleading price items or mark prices in a false or misleading manner to commit price fraud, nor charge any fees not clearly specified, other than those expressly marked.

According to the Measures on Supervision and Examination over Pricing Cost of Property Management Services (Trial) (《物業服務定價成本監審辦法(試行)》) which was jointly promulgated by the NDRC and the Ministry of Construction (has been abolished) on September 10, 2007 and came into effect on October 1, 2007, the pricing costs of property management services should be the social average costs of community property services as verified by the competent price administration department of the people's government. With the assistance of competent real estate administrative department, competent pricing department is responsible to organize the implementation of the property management pricing costs supervision and examination work. Property management service pricing costs shall include staff costs, expenses for daily operation and maintenance on public facilities and equipment, green conservation costs, sanitation fees, order maintenance costs, public facilities and equipment as well as public liability insurance costs, office expenses, shared administration fees, fixed assets depreciation and other fees approved by property owners.

At present, no uniform standard for the government guidance price of fees for property management services has been established at the national level. In accordance with the Notice of the NDRC on the Opinions for Relaxing Price Controls of Certain Services (《國家發展和改革委員會關於放開部分服務價格意見的通知》), which was promulgated by NDRC on December 17, 2014 and became effective on the same day, the competent price authorities of all provinces, autonomous regions and municipalities directly under the central government of the PRC shall complete the relevant procedures without any efforts spared to decontrol the prices of non-government-supported houses and parking services within the residential areas which have possessed competitive conditions. The provincial price authorities shall, jointly with the housing and urban-rural development administrative authorities, decide to implement government guidance prices for property management fees for government-supported houses,

houses under housing reform, old residence communities and preliminary property management service in light of the actual situation. The benchmark and floating range of these government guidance prices vary from region to region.

According to the Notice on Strengthening and Improving the Administration of Residential Property (《關於加強和改進住宅物業管理工作的通知》) (jointly promulgated by MOHURD and other nine departments on December 25, 2020 and came into effect on the same day), the service price for the residential property shall be mainly formed through market competition and agreed upon by the property owners and the property service company in the property service contract, and can be dynamically adjusted according to factors such as service standard and price indices. The billing method of charging on a commission basis is promoted. The urban housing and urban-rural development departments shall publish a property services list and clarify the content and standards of property services. The property industry association shall monitor and regularly publish property service cost information and pricing rules for property owners and property service companies to refer to when they negotiate property service price. The price adjustment method of property services is suggested to be agreed though contracts by the property owners and the property service company. If the government guidance price is implemented, the price department, the housing and urban-rural construction departments with pricing authority shall formulate and announce the benchmark price and fluctuation range, and establish a dynamic adjustment mechanism.

Property Management Service Outsourcing

In accordance with the Civil Code and the Regulations on Property Management (2018 Revision), a property management service provider may outsource some specific services within the property management area to a specialized service enterprise, but it shall not outsource all the property management services within such area to third parties or outsource to third parties separately upon splitting up all the property management services.

Parking Service

According to the Guidance on the Planning, Construction and Management of Urban Parking Facilities (《關於城市停車設施規劃建設及管理的指導意見》) jointly promulgated by the MOHURD, the NDRC and the Ministry of Public Security of the PRC and came into effect on 19 May 2010, a licensed management system shall be adopted with market access and exit standards and open, fair and equitable selection of professional urban parking service enterprises.

Pursuant to Guidance on Further Improving Charging Policies for Motor Vehicle Parking Service (《關於進一步完善機動車停放服務收費政策的指導意見》) jointly promulgated by NDRC, MOHURD and Ministry of Transport on 15 December 2015 and came into effect on the same day, the fees charged in parking service shall be determined mainly by the market, and the scope of government guidance prices in parking services shall be gradually reduced.

According to the Notice of NDRC on the Opinions for Relaxing Price Controls of Certain Services (《關於放開部分服務價格意見的通知》) promulgated by NDRC on 17 December 2014 and came into effect on the same day, price control on parking services in residence communities was cancelled.

Fire Management Service

Pursuant to the Fire Protection Law of the PRC (《中華人民共和國消防法》), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on April 29, 1998, and was amended on October 28, 2008, April 23, 2019 and April 29, 2021, property management enterprises of residential districts shall carry out maintenance and administration of common firefighting facilities within the area under their management, and provide fire safety prevention services.

Security and Guarding Service

According to the Regulation on the Administration of Security and Guarding Services (《保安服務管理條例》), which was promulgated by the State Council on 13 October 2009 and became effective on 1 January 2010, and was amended on November 29, 2020, the guarding, patrolling, order maintenance and other services in a property management area conducted by the personnel who are recruited by a property service provider shall, within 30 days after the start of providing security and guarding services, file with the public security organ of the people's government of the local districted city.

Real Estate Brokerage Business

On July 5, 1994, the SCNPC promulgated the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》) (the "**Urban Real Estate Administration Law**"), which came into effect on January 1, 1995 and was respectively amended on August 30, 2007, August 27, 2009 and August 26, 2019. According to the Urban Real Estate Administration Law, real estate intermediate service agencies include real estate consultants, real estate evaluation agencies, real estate brokerage agencies, etc. Real estate intermediate agencies shall meet the following conditions: (i) have their own names and organizations; (ii) have fixed business sites; (iii) have the necessary assets and funds; (iv) have sufficient number of professionals; and (v) other conditions specified by laws and administrative regulations.

According to the Administrative Measures for Real Estate Brokerage (《房地產經紀管理辦法》), which was promulgated by the MOHURD, NDRC and Ministry of Human Resources and Social Security (the "**MOHRSS**") on January 20, 2011, came into effect on April 1, 2011 and was amended on March 1, 2016, real estate brokerage refers to the acts of providing intermediary and agency services to and collecting commissions from clients by real estate brokerage institutions and real estate brokers for the purpose of promoting real estate transactions. Sufficient real estate agents are required to establish real estate brokerage agencies and their branches. Real estate brokerage agencies and their branches shall file with the competent housing and urban-rural development (real estate) authority within 30 days from the date of obtaining their business licenses.

Catering Service

In accordance with the Food Safety Law of the PRC (《中華人民共和國食品安全法》) (issued by the SCNPC on February 28, 2009, came into effect on June 1, 2009, and amended on April 24, 2015, December 29, 2018 and April 29, 2021) and the Administrative Measures for Food Operation Licensing (《食品經營許可管理辦法》) (issued by the China Food and Drug Administration, taking effect on 1 October 2015 and amended on 7 November 2017), food sales and catering business in the PRC are subject to obtaining the food operation license in accordance with the laws. The principle of one license for one place shall apply to the licensing for food operation, that is, a food business operator shall obtain a food operation license for each operation site at which it carries out the food business. Food business operator failing to obtain a food operation license may be subject to: (i) confiscation of illegal gains, food illegally produced for sale and tools, facilities and raw materials used for illegal production; and (ii) fines ranged from RMB50,000 to RMB100,000 if the value of food illegally produced is less than RMB10,000 or fines equal to 10 to 20 times of the value of food if such value is equal to or more than RMB10,000.

Community Value-Added Service

Notice 10 provides guidance on improving and strengthening the property management, including: (1) strengthening the development of smart property management service capacity: Property management service enterprises shall be encouraged to apply technologies such as Internet of Things, cloud computing, big data, block chain and artificial intelligence, build smart property management service platforms, and improve the level of smart property management services. It is required to collect data on housing, facilities and equipment, owners' association and property management service enterprises, share urban management data, collect data on shopping, housekeeping, caring for the elderly and other life service data, and ensure that such data is not divulged or abused. It is also advocated to achieve data sharing and application with the relevant departments according to laws and regulations; (2) enhancing the intelligent management level of facilities and equipment: Property management service enterprises shall be encouraged to rely on the smart property management service platform as the support, and achieve real-time data collection by laying sensors in important facilities and equipment such as elevators, fire control, water supply and drainage, etc; and (3) promoting the integrated development of online and offline services: Qualified property management service enterprises shall be encouraged to extend to the fields of caring for the elderly, nursery, housekeeping, culture, health, housing brokerage, and express delivery, and explore the model of "property service + living service", so as to meet the diversified and multi-level living needs of residents. Property management service enterprises shall be guided to provide customized products and personalized services through the smart property management service platform.

Under the Law on the Protection of Rights and Interests of Consumers of the PRC (《中華人民共和國消費者權益保護法》) which was promulgated by the SCNPC on October 25, 2013 and became effective on March 15, 2014, business operators engaging in provision of goods or services to consumers shall protect the legitimate rights and interests of consumers, shall not set unfair and unreasonable trading conditions and compel transactions by using standard terms or technical means, and shall label prices clearly and provide true and complete information of services and products without misleading or fraudulent advertisements.

LEGAL SUPERVISION OVER THE INTERNET INFORMATION SERVICES

Internet Information Services

According to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) issued by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, respectively, value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructures and are subject to licenses prior to commencement of operations, and according to the Catalog of Telecommunications Business (2015 Edition) (《電信業務分類目錄(2015年版)》) attached to the Telecommunications Regulations of the PRC, which was last amended by the Ministry of Industry and Information Technology of the PRC (the "**MIIT**") on June 6, 2019, value-added telecommunications services are divided into two categories. Category I value-added telecommunications services include internet data center services, content delivery network services, domestic internet protocol virtual private network services and internet access services. Category II value-added telecommunications services include online data processing and transaction processing services, domestic multiparty communication services, store-and-forward-type services, call center services, information services and code and regulation conversion services. Online data processing and transaction processing services refer to the services of online data processing and transaction/affair processing provided for users through public communication networks or the Internet, by utilizing various kinds of data and affair/transaction processing application platforms that are connected to public communication networks or the Internet. Information services refer to the information services provided for users via the public communication network or the internet and by the information collection, development, processing and construction of information platforms.

According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), which was promulgated by the State Council on September 25, 2000, became effective on the same day and was amended on January 8, 2011, internet information service refers to the provision of information through internet to web users, and includes two categories: commercial and non-commercial. Commercial internet information service refers to the service activities of compensated provision to online subscribers through the internet of information or website production. Non-commercial internet service refers to the provision free of charge of public, commonly shared information through the internet to web users. An entity engaged in providing commercial internet information service shall apply for a license for value-added telecommunication services of internet information services. As for the operation of non-commercial internet information services, a record-filing is required. Internet information service providers shall provide services within the scope of their licenses or filings. Non-commercial internet information service providers shall not provide services with charge of payment. In case an internet information service provider changes its services, website address, etc., it shall apply to submit such changes within 30 days in advance at the relevant government department.

Where an entity provides commercial Internet information services without a license or provides services beyond the scope of the license, provincial telecommunication administrative department shall order it to make correction within a prescribed time limit. Where there are illegal gains, such gains shall be confiscated; and a fine more than three times but less than five times of such gains shall be imposed. Where there is no illegal gain or the gain is less than RMB50,000, a fine of RMB100,000 to RMB1 million shall be imposed. Where the circumstance is serious, the website shall be ordered to shut down. Where an entity provides non-commercial Internet information services without a filing, provincial telecommunication administrative department shall order it to make corrections within a prescribed time limit and to shut down the website if it refused to make corrections.

According to the Provisions on the Administration of Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》), which was promulgated by the CAC on June 28, 2016 and came into effect on August 1, 2016, entities providing information services through mobile internet applications shall obtain relevant qualifications according to law. Mobile internet application providers shall not use mobile internet application programs to carry out activities prohibited by laws and regulations, such as endangering national security, disturbing public orders, and infringing other's legal rights and interests, or use mobile internet applications to produce, copy, publish and spread illegal information prohibited by laws and regulations. The CAC shall be responsible for the supervision and administration and law enforcement with regard to the nationwide mobile internet applications information contents. The local cyberspace administrations shall be responsible for the supervision and administration and law enforcement in terms of the mobile internet applications information contents within their respective jurisdiction.

Chuangmao Technology, a limited liability company incorporated in the PRC, completed the filing on November 6, 2020 for its non-commercial internet services and obtained the Value-added Telecommunication Business Operation License, which was issued by MIIT on January 7, 2021 and updated on December 10, 2021 in relation to its online data processing and transaction processing services.

Information Security

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, network operators shall comply with laws and regulations and fulfill their obligations to ensure the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities committed on the network, and maintain the integrity, confidentiality, and availability of network data. In addition, the network operators shall neither collect the personal information irrelevant to the services provided by them nor collect or use the personal information in violation of the provisions of any law or administrative regulation or the agreement between both parties.

On January 4, 2022, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures which came into effect on February 15, 2022. The Measures for Cybersecurity Review(《網絡安全審查辦法》) which took effect on June 1, 2020 was abolished at the same time. The Measures requires that if a CIIO anticipates that its procurement of network products and services affect or may affect national security after the network products and services being put into use, it shall apply for cybersecurity review to the Cybersecurity Review Office. In addition, Network Platform Operators possessing personal information of more than 1 million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office.

On November 14, 2021, the CAC published a discussion draft of Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft Regulations**"), which regulates the specific requirements in respect of the data processing activities conducted by data processors through internet in the view of personal data protection, important data safety, data cross-broader safety management and obligations of internet platform operators. For example, in one of the following situations, data processors shall delete or anonymise personal information within fifteen business days: (i) the purpose of processing personal information has been achieved or the purpose of processing is no longer needed; (ii) the storage term agreed with the users or specified in the personal information processing rules has expired; (iii) the service has been terminated or the account has been cancelled by the individual; and (iv) unnecessary personal information or personal information which was collected inevitably due to the use of automatic data collection technology without the consent of the individual. Any failure to comply with such requirements may subject data processors to, among others, suspension of services, fines, confiscation of illegal earnings, revoking relevant business permits or business licenses and penalties.

The Draft Regulations also requires that data processors conducting the following activities shall apply for cybersecurity review: (i) merger, reorganization or division of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests affects or may affect national security; (ii) overseas listings of data processors processing over one million persons' personal information; (iii) listings in Hong Kong which affects or may affect national security; or (iv) other data processing activities that affect or may affect national security. There have been no clarifications from the authorities as of the Latest Practicable Date as to the standards for determining such activities that "affects or may affect national security". If the data processing activities of a Hong Kong listed company or a company that is in the process of applying for listing in Hong Kong are deemed as "affects or may affect national security" and such company has failed to conduct cybersecurity review according to the relevant laws and regulations, such company will be requested to take rectification actions, subject to disciplinary warning, and/or imposed an administrative penalty ranging from RMB50,000 to RMB500,000 for a single violation incident. Furthermore, if such violation causes material impact or such company refuses to rectify the violation, such company may be subject to more severe penalties, such as revocation of relevant business licenses and permits. Since the Draft Regulations has not been adopted yet, the final content of the Draft Regulations (especially its operative provisions) and its anticipated adoption or effective date are subject to further changes with substantial uncertainty.

Privacy Protection

According to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain and ensure the security of the personal information of others when it's necessary to obtain such personal information, and shall not illegally collect, use, process or transmit the personal information, or illegally buy or sell, provide or make the personal information of others public. Processing personal information shall be subject to the principles of legality, rightfulness and necessity, with no excessive processing. An information processor shall take technical measures and other necessary measures to ensure the security of the personal information collected and stored and to prevent the information from being divulged, tampered with or lost.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) which was promulgated by the SCNPC on June 10, 2021 and came into effect on September 1, 2021 specifies that the scope of the data almost includes all information records generated from every aspect of production, operation and management during the process of digital transformation of government affairs and enterprises, and requires that data shall be collected legally and properly and shall not be acquired by theft or other illegal means. An entity conducting data processing activities shall establish a sound data security management system throughout the whole process, organize data security education and training and take technical measures and other necessary measures to ensure the security of the information. In addition, data processing activities carried out through the Internet or any other information network shall be conducted on the basis of the graded protection system for cyber security. Risk monitoring shall be strengthened when data processing activities are conducted, and remedial measures shall be taken immediately upon discovery of any data security defect or bug. In case of data security incidents, disposal measures shall be taken immediately, users shall be timely notified in accordance with the relevant provisions and reports shall be made to the relevant competent authorities.

On August 20, 2021, the Personal Information Protection Law (《個人信息保護法》) was passed by the SCNPC and took effect on November 1, 2021. The Personal Information Protection Law requires, among others, that the processing of personal information should have a clear and reasonable purpose, and should be limited to the minimum scope necessary to achieve the processing purpose, adopt a method that has the least impact on personal rights and interests, and shall not process personal information that is not related to the processing purpose.

On December 28, 2012, the SCNPC promulgated the Decision on Strengthening Information Protection on Networks (《關於加強網絡信息保護的決定》) to enhance the protection of information security and privacy on the Internet. Accordingly, the state protects the electronic information that can be used to identify a citizen and involves a citizen's privacy. No organization or individual may steal or otherwise illegally acquire a citizen's personal electronic information, or sell or illegally provide a citizen's personal electronic information to others.

On July 16, 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and the Internet Users (《電信和互聯網用戶個人信息保護規定》), which became effective on September 1, 2013, to regulate the collection and use of personal information of users in the provision of telecommunication service and the Internet information service. Such provisions regulate the collection, use, disclosure and security of the personal information of users including user's name, birth date, identity number, address, phone number, account number and pass code, etc, which is collected by the telecommunication business operators and the Internet service providers and can reveal the identity of the users solely or in combination with other information. To be more detailed, the providers shall: (i) not collect the personal information without the consent of users; (ii) not use users' personal information for any purpose other than providing services; (iii) strictly keep the personal information in confidentiality; and (iv) take a series of protective measures to prevent users' personal information from being divulged, tampered with or lost.

According to the Several Provisions on Regulating the Market Order of the Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which promulgated by the MIIT on December 29, 2011, and came into effect on 15 March 2012, without the consent of users, the Internet information service providers shall not collect information which is relevant to users and can serve to identify users solely or in combination with other information (the "**personal information of users**"), shall clearly notify users about the means, content and purpose of collecting and processing their personal information with collecting information limited to the minimum scope of providing services, and shall not provide personal information of users to others, unless otherwise provided by laws and administrative regulations.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the "**Interpretations**"), effective from June 1, 2017. The Interpretations clarify several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》), including "citizens' personal information", "provision of citizens' personal information" and "illegally obtaining any citizen's personal information by other methods." In addition, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

According to the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Civil Cases Relating to the Use of Facial Recognition Technologies to Process Personal Information (《最高人民法院關於審理使用人臉識別技術處理個人信息相關民事案件適用法律若干問題的規定》) which was promulgated on July 27, 2021 and became effective on August 1, 2021, property management service providers shall bear tort liability where using facial recognition technologies infringes the personality rights and interests of a natural person. Where a property management service provider uses facial recognition as the only means of authentication for owners or property users to enter or exit from the property service area, and an owner or property user who disagrees on such means may require it to provide other reasonable means of authentication. In the event that an information processor enters into a contract containing standard terms with a natural person, which requires the natural person to grant it unlimited, irrevocable rights or rights to delegate at will to process facial information, such standard terms will be invalid.

LEGAL SUPERVISIONS OVER LABOR PROTECTION IN THE PRC

The Labor Contract Law

According to Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, came into effect on January 1, 1995 and was amended on August 27, 2009 and December 29, 2018, employers shall develop and improve their rules and regulations in accordance with the law to ensure that workers enjoy their labor rights and perform their labor obligations. Employers shall develop and improve the system of labor safety and sanitation, strictly implement the national protocols and procedures on labor safety, guard against labor safety accidents and reduce occupational hazards. Labor safety and sanitation facilities shall meet the relevant national standards. Employers must provide workers with the necessary labor protection equipment that meets the safety and hygiene conditions stipulated under national regulations by the State and conduct regular health checks for workers who engage in operations with occupational hazards. Laborers engaging in special operations must have received specialized training and obtained the pertinent qualifications.

According to Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007, came into effect on January 1, 2008, and was amended on December 28, 2012, and the Implementation Regulations on Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated and became effective on September 18, 2008 by the State Council, employers and employees shall enter into written labor contracts to establish their employment relationship. The labor contracts shall set forth the terms, duties, remunerations, disciplinary rules of the employment and conditions to terminate the labor contracts. With respect to a circumstance where a labor relationship has already been established but no formal contract has been made, a written labor contracts shall be entered into within one month from the date when the employee begins to work. Meanwhile, it is stipulated that labor contracts must be concluded in written forms, upon reaching an agreement after due negotiation, an employer and an employee may enter into a fixed-term labor contract, a non-fixed-term labor contract or a labor contract that concludes upon the completion of certain work assignments. After reaching an agreement upon due negotiation with employees or by fulfilling other circumstances in line with legal conditions, an employer may legally terminate a labor contract and dismiss its employees.

Social Insurance and Housing Fund

According to Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, came into effect since July 1, 2011, and was amended on December 29, 2018, and other relevant PRC laws and regulations such as the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), Regulations on Work-Related Injury Insurance (《工傷保險條例》), Regulations on Unemployment Insurance (《失業保險條例》) and Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), the employer shall register with the social insurance authorities and contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while work injury insurance and maternity insurance contributions shall be paid only by employers, and employers who fail to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

According to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國稅地稅徵管體制改革方案》), which was promulgated by the General Office of the Communist Party of China and the General Office of the State Council of the PRC on July 20, 2018, from January 1, 2019, all the social insurance premiums, including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, will be collected by the tax authorities. According to the Notice by the General Office of the State Administration of Taxation on Conducing the

Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly, and Effective Manner (《國家稅務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》), which was promulgated on September 13, 2018, and the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Insurance Premiums (《人力資源和社會保障部關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》), which was promulgated on September 21, 2018, all the local authorities responsible for the collection of social insurance premiums are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. In addition, the Notice of the State Administration of Taxation on Implementing Measures on Further Support and Serve the Development of Private Economy (《國家稅務總局關於實施進一步支援和服務民營經濟發展若干措施的通知》), which was promulgated on November16, 2018, repeats that tax authorities at all levels shall not organize self-collection of arrears of taxpayers including private enterprises in the previous years.

According to Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999, and became effective on the same day, and was amended on March 24, 2002 and March 24, 2019, employers shall undertake registration at the competent administrative center of housing fund and then, upon the verification by such administrative center of housing fund, go to a commissioned bank to go through the formalities of opening housing provident fund accounts on behalf of its employees. The employer shall timely pay up and deposit housing provident fund contributions in full amount and late or insufficient payments shall be prohibited. The employer shall process housing provident fund payment and deposit registrations with the housing provident fund administration center. With respect to companies who fail to process housing provident fund registrations or open housing provident fund accounts for their employees, such companies shall be ordered by the housing provident fund administration center to complete such procedures within a prescribed time limit; where failing to do so by the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. When an employer fails to pay up housing provident fund contributions in full amount as due, the housing provident fund administration center shall order it to pay up within a prescribed time limit; where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

Labor Dispatch

According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the MOHRSS on January 24, 2014, and came into effect on March 1, 2014, employers may only employ dispatched workers in temporary, auxiliary or substitutable positions, and shall strictly control the number of dispatched workers which shall not exceed 10% of the total number of the employees.

LEGAL SUPERVISIONS OVER INTELLECTUAL PROPERTY

Trademark

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**") promulgated by the SCNPC on August 23, 1982, taking effect on March 1, 1983 and respectively amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019, and the Regulation for the Implementation of Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002, amended on April 29, 2014, and went into effect on May 1, 2014. The trademark office under the SAMR handles trademark registration and grants registered trademarks for a validity period of 10 years. Trademarks may be renewable every ten years where a registered trademark needs to be used after the expiration of its validity period. Trademark registrants may license, authorize others to use their registered trademark by signing up a trademark license contract. For trademarks, the Trademark Law adopts the principle of "prior application" with respect to trademark registration. Where a trademark under registration application is identical with or similar to another trademark that has, in respect of the same or similar commodities or services, been registered or, after preliminary examination and approval, this application for such trademark registration may be rejected. Anyone applying for trademark registration shall not prejudice the existing right first obtained by anyone else, or forestall others by improper means in registering a trademark which others have already begun to use and enjoyed certain degree of influence.

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, came into effect on April 1, 1985, and was amended on September 4, 1992, August 25, 2000, December 27, 2008 and October 17, 2020, and came into effect on June 1, 2021, the State Intellectual Property Office is responsible for managing patent work of the whole nation. The patent management departments of the people's governments of each province, autonomous region and municipality directly under the central government of the PRC are responsible for the patent management in their respective administrative regions. Chinese patent system adopts the principle of "prior application", i.e. where two or more applicants file applications for patent for the identical invention or creation respectively, the patent right shall be granted to the applicant whose application was filed first. If one wishes to file application for patent for invention or utility models, the following three standards must be met: novelty, creativity and practicability. The validity period of a patent for invention is 20 years, while the validity period of utility models and design is 10 years. Others may use the patent after obtaining the permit or proper authorization of the patent holder, otherwise such behavior will constitute an infringing act of the patent right.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, came into effect on June 1, 1991 and was respectively amended on October 27, 2001, February 26, 2010 and November 11, 2020, and came into effect on June 1, 2021, specifies that Chinese citizens, legal persons or other organizations whose works including literature, art, natural sciences, social sciences, engineering technologies and computer software created in writing or oral or other forms have been published or not, shall enjoy the copyright in such works. Copyright holders can enjoy multiple rights, including the right of publication, the right of authorship and the right of reproduction.

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated by the National Copyright Administration on February 20, 2002, and came into effect on the same day, regulates the registration of software copyright, the exclusive licensing contract and transfer contracts of software copyright. The National Copyright Administration is mainly responsible for the registration and management of national software copyright and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center will grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulations on Protection of Computers Software (《計算機軟件保護條例》) which was promulgated by the State Council on December 20, 2001, came into effect on January 1, 2002 and was amended on January 8, 2011 and January 30, 2013.

Domain Name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the MIIT is responsible for managing internet network domain names of PRC. The principle of "first to-file" is adopted for domain name registration services. The applicant of domain name registration shall provide the agency of domain name registration with the true, accurate and complete information about the domain name holder's identity for the registration purpose and sign the registration agreements. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

LEGAL SUPERVISIONS OVER TAXATION IN THE PRC

Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), which was promulgated by the NPC on March 16, 2007 and came into effect on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, and the Regulation on the Implementation of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the "**Implementing Regulations of the EIT Law**") which was issued by the State Council on December 6, 2007, came into effect on January 1, 2008, and was amended on April 23, 2019, the tax rate of 25% will be applied to the income related to all PRC enterprises, foreign-invested enterprises and foreign enterprises which have established production and operation facilities in the PRC. These enterprises are classified into as either resident enterprises or non-resident enterprises. Enterprises which are established in accordance with the law of the foreign country or region, but whose actual administration institutions (referring to the institutions conducting substantive and all-around management and control over the enterprises production, operation, personnel, accounting matters, finance, etc.) are in PRC, are deemed as resident enterprise. Thus, the tax rate of 25% applies to their income originating from both inside and outside PRC.

According to the EIT Law and the Implementing Regulations of the EIT Law, for dividends payable to investors that are non-resident enterprises (who do not have institutions or places of business in the PRC, or that have institutions and places of business in PRC but to whom the relevant income tax is not effectively connected), 10% of the PRC withholding tax shall be paid, unless there are any applicable tax treaties are reached between the jurisdictions of non-resident enterprises and the PRC which may reduce or provide exemption to the relevant tax. Similarly, any gain derived from the transfer of shares by such investor, if such gain is regarded as income derived from sources within the PRC, shall be subject to 10% PRC income tax rate or a lower tax treaty rate (if applicable).

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Arrangement**") on August 21, 2006 and implemented the Arrangement since December 8, 2006. If the beneficiary of the dividends is a Hong Kong resident enterprise, which directly holds no less than 25% equity interests in a PRC company, the tax levied shall be 5% of the distributed dividends. The 10% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident if such Hong Kong resident holds less than 25% of the equity interests in the PRC company.

In accordance with the Measures for Administration of Non-Resident Taxpayers' Enjoyment of Treaty Benefits (《非居民納稅人享受協定待遇管理辦法》) which was promulgated by the State Administration of Taxation (the "**SAT**") on October 14, 2019, and came into effect on January 1, 2020, if non-resident taxpayers consider they are eligible for treatments under the tax treaties through self-assessment, they may, at the time of filing tax returns or making withholding tax filings through withholding agents, enjoy the treatments under the tax treaties, and shall concurrently collect and retain the relevant documents for inspection according to relevant regulations, and accept tax authorities' post-filing administration.

Value-added Tax

According to the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated on December 13, 1993 by the State Council, came into effect on January 1, 1994 and was respectively amended on November 10, 2008 and February 6, 2016 and November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance (the "**MOF**") on December 25, 1993, became effective on the same day and was amended on December 15, 2008 and October 28, 2011 (collectively, the "**VAT Law**"), taxpayers who engaged in the sale of goods, the provision of processing, repairing and replacement services, leasing service of tangible movable property or import goods within the territory of the PRC shall pay value-added tax. Except those specified listed in the VAT law, tax rate for selling services or intangible assets is 6%.

Furthermore, in accordance with the Notice on Fully Launch of the Pilot Scheme for the Conversion of Business Tax to Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》), promulgated by the MOF and the SAT on March 23, 2016 and taking effect on May 1, 2016, the state started to fully implement the pilot program from business tax to value-added tax on May 1, 2016. All taxpayers of business tax in construction industry, real estate industry, financial industry and living service industry have been included in the scope of the pilot and should pay value-added tax instead of business tax.

City Maintenance and Construction Tax and Educational Surcharges

According to the Notice on Unifying the System of Urban Maintenance and Construction Tax and Education Surcharge Paid by Domestic and Foreign-invested Enterprises and Individuals (《關於統一內外資企業和個人城市維護建設稅和教育費附加制度的通知》), which was promulgated by the State Council on October 18, 2010 and came into effect on December 1, 2010, since December 1, 2010, the Interim Regulation on Urban Maintenance and Construction Tax of the PRC (《中華人民共和國城市維護建設稅暫行條例》) which was promulgated in 1985 and the Interim Provisions on the Collection of Educational Surcharges (《徵收教育費附加的暫行規定》) which was promulgated in 1986 and other rules and regulations promulgated by the State Council and other competent departments in charge of relevant financial and tax authorities shall apply to foreign-invested enterprises, foreign enterprises and foreign individuals.

According to the Interim Regulation on Urban Maintenance and Construction Tax of the PRC (《中華人民共和國城市維護建設稅暫行條例》), which was promulgated by the State Council on February 8, 1985, retroactive to January 1, 1985 and was amended on January 8, 2011, entities and individuals who pay consumption tax, value-added tax and business tax shall pay city maintenance and construction tax. The payment of city maintenance and construction tax is based on the actual amount of consumption tax, value-added tax and business tax paid by the entities and individuals and shall be paid at the same time along with the above taxes.

If the location of the taxpayer is in city downtown area, the tax rate shall be 7%; if the location of the taxpayer is in a county or town, the tax rate shall be 5%; the tax rate shall be 1% for taxpayer located out of city downtown area, country or town.

According to the Interim Provisions on the Collection of Educational Surcharges (《徵收教育費附加的暫行規定》), which was promulgated by the State Council on April 28, 1986, came into effect on July 1, 1986 and was respectively amended on June 7, 1990, August 20, 2005 and January 8, 2011, the tax rate of education surcharges shall be 3% of the actual amount of consumption tax, value-added tax and business tax paid by the entities and individuals and paid at the same time along with the above taxes.

LEGAL SUPERVISIONS OVER FOREIGN EXCHANGE

According to the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, taking effect on April 1, 1996 and amended on January 14, 1997 and August 5, 2008, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange (the "**SAFE**") is obtained.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Notice**") which was promulgated by the SAFE on June 9, 2016 and came into effect on the same day, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign exchange capital, external debts and funds recovered from overseas listing, etc.) may convert from foreign currency into RMB on self-discretionary basis. The RMB funds obtained by a domestic entity from its discretionary settlement of foreign exchange receipts under the capital account shall be included in the account pending for foreign exchange settlement and payment. The Notice reiterates the principle that RMB converted from foreign currency capital may not directly or indirectly used for the purpose beyond the business scope of the domestic entity and investments in securities with the exception of banks' principal-secured products. The ratio of the discretionary exchange rate of foreign exchange receipts under domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due time according to the balance of payment status.

In accordance with the Notice by the State Administration of Foreign Exchange on Facilitating Promoting Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated by the SAFE on October 23, 2019, and became effective on the same day, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to law under the condition that the current Special Administrative Measures (Negative List) for Foreign Investment Access are not violated and the relevant domestic investment projects are true and compliant.

LEGAL SUPERVISIONS OVER PROPERTY DEVELOPERS

Borrowing Criteria for Property Developers and Management of Individual Housing Credit

On August 20, 2020, the MOHURD and the People's Bank of China (the "**PBOC**") convened a meeting, which points out that, in order to further implement the real estate long-term mechanism, implement the real estate financial prudential management system, and to enhance the marketization, regularization and transparency of financing for real estate companies, the MOHURD and the PBOC formed certain rules on capital monitoring and financing management for key real estate enterprises based on extensive consultation with other relevant authorities, but such rules were not officially made public.

On December 28, 2020, the PBOC and the CBIRC jointly promulgated the Joint Notice to establish a concentration management system for real estate loans of financial institutions in the banking industry, which requires the ratio of the balance of real estate loans of a financial institution in the banking industry (excluding overseas branches) to the balance of all types of Renminbi-denominated loans of the institution (the "**ratio of real estate loans**") and the ratio of the balance of personal housing loans to the balance of all types of Renminbi-denominated loans of the institution (the "**ratio of personal housing loans**") shall not exceed the upper limit of the ratio of real estate loans or the upper limit of the ratio of personal housing loans determined by the PBOC and the CBIRC, and the development banks and policy banks shall implement this requirements mutatis mutandis. Financial institutions in the banking industry whose concentration of real estate loans exceeds the management requirements shall have an adjustment plan to progressively attain the management requirements within the business adjustment transitional period.

Measures on Stabilizing Housing Prices and Facilitating a Stable and Healthy Development in the Real Estate Market

On May 19, 2018, MOHURD issued the Notice on Further Improving the Management and Control of the Real Estate Market (《關於進一步做好房地產市場調控工作有關問題的通知》), requiring that all regions shall achieve the targets of stabilizing housing prices, controlling rents, reducing leverage, preventing risks, adjusting structure, and guaranteeing expectations, supporting rigid housing demands, and resolutely curbing property speculation. The proportion of ordinary commodity housing at medium and low prices and medium and small-sized in the supply of newly-built commodity housing shall be pragmatically raised. The land supply method for commodity housing shall be improved, a linkage mechanism between housing and land prices shall be established, and land prices pushing up housing prices shall be prevented. In key cities, the proportion of land for residential use shall be enhanced and it is suggested that the proportion of residential land to the urban construction land shall be no less than 25%.

On March 12, 2021, the NPC issued the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Vision 2035 of the PRC (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) which took effective on the same day, requiring to adhere to the principle that housing is for living rather than for speculation, and accelerate the establishment of a housing system with diverse suppliers, multiple channels of support, and combined renting and purchase, ensure access to housing and balanced job and housing provisions for all people, implement a host of measures based on local conditions, consolidate the main responsibilities of urban governments, and stabilize land prices, housing prices and expectations.

The Notice 55 requires that all regions increase the efforts to rectify the order of the real estate market. The focus of rectification includes problems in the following four areas: (i) real estate development; (ii) sales of property; (iii) lease of property; (iv) property services. All regions shall take measures of warning, conducting interview, suspension of business and rectification, revocation of business licenses and qualification certificates and others in accordance with the law against the real estate development enterprises, intermediaries, property leasing enterprises, property service enterprises, financial institutions, network media and practitioners in the administration region which are in violation of the law, and expose them publicly; those which are suspected of crime shall be transferred to the public security or judicial departments in accordance with the law for investigation and punishment.

Policies on Centralized Land Transfer

Since February 2021, the competent government departments of several provinces and municipalities across the country have successively issued the relevant requirements for the implementation of the system of synchronized transfer through "two concentrations" for residential land, specifically:

On February 23, 2021, the Tianjin Municipal Bureau of Planning and Natural Resources promulgated the Circular on Properly Handling the Centralized Transfer of Residential Land in 2021 (《關於做好2021年住宅用地集中出讓有關工作的通知》, applicable to Tianjin), which requires that residential land in 2021 shall be transferred in a synchronized and public manner through "two concentrations": the first is to release the transfer announcement in a centralized manner, which shall be no more than three times in the whole year in principle; the second is to organize the transfer activities in a centralized manner.

On February 24, 2021, the Qingdao Municipal Bureau of Natural Resources and Urban Planning promulgated the Resolutely Implementing Relevant Requirements from Higher Authorities and Arranging for the Supply of Residential Land in 2021 (《堅決落實上級有關要求部署2021年住宅用地供應工作的通知》, applicable to Qingdao) which requires to strictly implement the synchronized public transfer of residential land through "two concentrations", that is, to issue transfer announcements in a centralized manner and organize transfer activities in a centralized manner. Announcements on the bidding, auction and listing of residential land will be issued in a centralized and unified manner in three batches throughout the year, and transfer activities will be carried out through bidding, auction and listing in order to guide rational market competition.

Recent Changes in Real Estate Tax Reform

In 2011, upon the approval of the State Council, Shanghai and Chongqing carried out the pilot reform of real estate tax on individual residential houses. The real estate tax in Shanghai and Chongqing has been levied for ten years, but its scope and tax rate are very limited. On October 23, 2021, the 31st Session of the SCNPC adopted the Real Estate Tax Reform Policy, authorizing the State Council to carry out a pilot program of real estate tax reform in certain areas. The Real Estate Tax Reform Policy clarifies that the taxation objects of real estate tax are various types of real estate for residential use and non-residential use in urban areas, and that the holders of land use rights and owners of houses are taxpayers of the real estate tax. The Real Estate Tax Reform Policy authorizes the State Council to formulate specific measures for the real estate tax pilot program and determine the list of cities for the pilot program and file the record with the SCNPC. The Real Estate Tax Reform Policy also authorizes the people's governments of pilot areas to formulate specific implementing rules. According to the Real Estate Tax Reform Policy, the period for the real estate tax pilot program shall be five years from the date when the measures for the pilot program are officially issued by the State Council. As of the Latest Practicable Date, the Real Estate Tax Reform Policy had not yet specified the pilot cities or regions, tax base or rate or other details of the proposed real estate tax, and the specific measures and implementing rules for the pilot program have not been promulgated yet.

HISTORY AND DEVELOPMENT

Overview

Our history can be traced back to 1993 when Sinochem Hotel was established as a subsidiary of Sinochem Group to provide property management services in Beijing, the PRC for properties developed by the predecessor of China Jinmao, our Controlling Shareholder, and its subsidiaries.

Our Group has maintained a close and cooperative relationship with Jinmao Group over the years. Leveraging our long-term and stable relationship with Jinmao Group and benefiting from Jinmao Group's rapid expansion, we have successfully provided various property management services to projects developed by Jinmao Group and its joint ventures and associates and further extended our services to projects developed by Independent Third Parties. Over our years of operation, apart from our property management services, we also offer a variety of value-added services, including community value-added services and value-added services to non-property owners.

As of September 30, 2021, our contracted GFA reached 45.7 million sq.m., covering 47 cities in 22 provinces, autonomous regions and municipalities in the PRC, with a geographic focus on first-tier and second-tier cities in the PRC. As of the same date, the total GFA under our management was 23.2 million sq.m. across 35 cities in 20 provinces, autonomous regions and municipalities in the PRC, encompassing 96 residential projects and 41 non-residential projects.

The quality of our services has been well recognized, evidenced by various awards and rankings detailed below.

Key business development milestones

The following is a summary of the key milestones and achievements in the business development of our Group:

Year	Event
1993	Sinochem Hotel was established to provide property management services for Sinochem Tower, an office building in Beijing, the PRC developed by the predecessor of Jinmao Group
1999	We started to provide property management services for Shanghai Jin Mao Tower, an office and commercial complex in Shanghai, the PRC developed by the predecessor of Jinmao Group, through Jinmao Shanghai

Year	Event
2007	Jinmao PM was established in the PRC and took over the property management business from Sinochem Hotel with respect to Sinochem Tower and started to provide property management services for Beijing Chemsunny World Trade Centre, an office building in Beijing, the PRC developed by Jinmao Group
2011	We diversified the types of properties under our management and started to provide property management services for residential properties developed by Jinmao Group
	We were first named as one of the Top 10 Property Management Companies in China in terms of service quality (中國物業服務百強企業服務質量Top 10), according to China Index Academy
2013	We were first named as one of the Top 100 Property Management Companies in China (中國物業服務百強企業), according to China Index Academy
2015	We expanded our business coverage to other cities in the PRC, including Changsha, Qingdao, Nanjing and Ningbo
2016	We pushed forward our national layout by setting up five regional centers in Beijing, Shanghai, Guangzhou, Changsha and Chongqing
	We were first included in the list of Blue-Chip Property Companies in China (中國藍籌物業榜) by The Economic Observer (經濟觀察報)
2018	Our customer satisfaction rate reached 92%, ranking 2nd among the 81 industry-leading property management services enterprises, according to a survey conducted by FG Consulting, an independent professional consultancy
2019	We launched the “Home” (回家) APP, thereby building a close-loop smart life ecosystem and integrating online and offline services to serve property owners and residents

Year	Event
2020	The GFA under our management exceeded 15 million sq.m.
	We started to manage residential properties developed by independent third-party property developers
	We were named as one of the Top 100 Leading High Quality Property Management Service Enterprises in China (中國物業服務百強服務質量領先企業), an Outstanding Enterprise in Office Building Management in China (中國辦公物業管理優秀企業) and a Leading Upscale Property Management Service Enterprise in China (中國高端物業服務領軍企業), according to China Index Academy
2021	We started to provide city operation services to Independent Third Parties
	We were ranked 17th among the Top 100 Property Management Companies in China (中國物業服務百強企業) by overall strength, and were recognized as a Leading Enterprise in Property Technology Empowerment in China (中國物業科技賦能領先企業) and a Leading Enterprise in Smart City Services in China (中國智慧城市服務領先企業), according to China Index Academy. We were ranked first in the Top 10 High-End Property Service Force Enterprises in China (高端物業服務力TOP10企業), according to CRIC Research

CORPORATE DEVELOPMENT OF OUR GROUP

Our Company

Our Company was incorporated in Hong Kong under the Companies Ordinance on September 14, 2020 as a company with limited liability and a wholly-owned subsidiary of China Jinmao, and became the holding company and listing vehicle of our Group upon completion of the Reorganization. See "— Reorganization" below for details.

Our Subsidiaries

We carry out our business through various subsidiaries in the PRC. Our principal operating subsidiaries which contributed a substantial amount of our Group's revenue and profit during the Track Record Period are Jinmao PM and Jinmao Shanghai. Details of their respective major corporate development including major shareholding changes are set forth below.

Jinmao PM

Jinmao PM was established in the PRC on January 16, 2007 with an initial registered capital of RMB5,000,000, and commenced its business upon establishment. It is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners. Upon its establishment, Jinmao PM was owned as to 60% by Sino-Ocean Land Limited (遠洋地產有限公司, an Independent Third Party, at the time known as COSCO Real Estate Development Company Limited (中遠房地產開發有限公司)) ("**Sino-Ocean**"), 25% by China Jinmao (at the time known as Franshion Properties (China) Limited (方興地產(中國)有限公司)) and 15% by Beijing Chemsunny Property Co., Ltd. (北京凱晨置業有限公司) ("**Beijing Chemsunny**"), a wholly-owned subsidiary of China Jinmao.

On September 21, 2007, China Jinmao acquired 60% equity interest in Jinmao PM from Sino-Ocean at a consideration of RMB3,200,000, which was determined with reference to the then registered capital of Jinmao PM paid up by Sino-Ocean and the profit after tax of Jinmao PM for the six months ended June 30, 2007, and was fully settled in cash on November 20, 2007.

As part of the Reorganization, China Jinmao transferred 85% of the equity interest in Jinmao PM to our Company in the form of a capital injection and Beijing Chemsunny transferred the remaining 15% equity interest in Jinmao PM to our Company on May 25, 2021. Upon completion of such capital injection and transfer, Jinmao PM became a wholly-owned subsidiary of our Company. See "— Reorganization" for details.

Jinmao Shanghai

Jinmao Shanghai was established in the PRC on September 18, 1995 with an initial registered capital of US$200,000, and commenced its business in 1999. It is principally engaged in the provision of property management services. Upon its establishment, Jinmao Shanghai was owned as to 60% by China Jin Mao Group Co., Ltd. (中國金茂(集團)有限公司) (at the time known as China Shanghai Foreign Trade Center Co., Ltd. (中國上海對外貿易中心股份有限公司)) ("**China Jin Mao Group Co**"), a wholly-owned subsidiary of China Jinmao, and 40% by Savills (Hong Kong) Limited (第一太平戴維斯(香港)有限公司) (at the time known as First Pacific Davies Property Management Limited (第一太平戴維斯物業管理有限公司)), an Independent Third Party.

Subsequent to a series of equity transfers and an increase in registered capital, Jinmao Shanghai became wholly owned by China Jin Mao Group Co on January 31, 2011, with a registered capital of RMB5,000,000. On March 16, 2021, the registered capital of Jinmao Shanghai was increased to RMB6,630,000.

As part of the Reorganization, China Jin Mao Group Co transferred the entire equity interest in Jinmao Shanghai to Jinmao PM on April 26, 2021, following which Jinmao Shanghai became an indirect wholly-owned subsidiary of our Company. See "— Reorganization" for details.

Other Subsidiaries

In addition to Jinmao PM and Jinmao Shanghai, the following table sets forth the detailed information of our other subsidiaries upon completion of the Reorganization and as of the Latest Practicable Date:

No.	Name of subsidiary	Place and date of establishment	Registered capital	Equity holding of our Group	Principal business activities
1.	Nanjing Ninggao	April 23, 2004, the PRC	RMB5,000,000	100% by Jinmao PM	Property management
2.	Chuangmao Technology	February 14, 2020, the PRC	RMB10,000,000	100% by Jinmao PM	Value-added services and technology development
3.	Yuelin Hangzhou	July 29, 2020, the PRC	RMB1,000,000	100% by Chuangmao Technology	Value-added services
4.	Jiashan Jiamao	February 9, 2021, the PRC	RMB5,000,000	49% by Jinmao PM(1)	Property management and city operation services
5.	Huimao Building	March 5, 2021, the PRC	RMB20,000,000	100% by Jinmao PM	Smart community management
6.	Maotong PM	March 8, 2021, the PRC	RMB2,000,000	100% by Jinmao PM	Property management
7.	Zhoushan Dongda Jinmao	July 19, 2021, the PRC	RMB5,000,000	49% by Jinmao Shanghai(2)	Property management and city operation services
8.	Zhonglan Xinmao	August 19, 2021, the PRC	RMB10,000,000	51% by Jinmao Shanghai(3)	Property management and city operation services
9.	Zijin Xinmao	September 30, 2021, the PRC	RMB1,000,000	51% by Jinmao PM(4)	Property management
10.	Guangdong Tumao	December 6, 2021, the PRC	RMB5,000,000	70% by Jinmao PM(5)	Property management
11.	Nanjing Xinmao	December 13, 2021, the PRC	RMB5,000,000	90% by Jinmao PM(6)	Property management and city operation services

Notes:

1. Jiashan Jiamao is directly held as to 49% by Jinmao PM and 51% by Jiashan Economic Development Zone Property Management Co., Ltd. (嘉善經濟開發區物業管理有限公司), an Independent Third Party. Based on the articles of association of Jiashan Jiamao, save for certain reserved matters which require affirmative votes of shareholders holding at least two-thirds of the voting rights, all decisions regarding the day-to-day operation and management of Jiashan Jiamao shall be resolved by its board of directors whose decisions would require a simple majority of votes. Jinmao PM, having a 49% shareholding in Jiashan Jiamao, effectively has a veto power over the reserved matters at the shareholders level. Furthermore, based on the articles of association of Jiashan Jiamao, Jinmao PM has the right to appoint two out of the three directors of Jiashan Jiamao, and therefore also has the right to exercise control at the board level. On such basis, Jiashan Jiamao is accounted for as a non-wholly-owned subsidiary of Jinmao PM.

2. Zhoushan Dongda Jinmao is directly held as to 49% by Jinmao Shanghai and 51% by Zhejiang Zhoushan Dongda Assets Operation and Management Co., Ltd. (浙江舟山東大資產經營管理有限公司), an Independent Third Party. Based on the articles of association of Zhoushan Dongda Jinmao, save for certain reserved matters which require affirmative votes of shareholders holding at least two-thirds of the voting rights, all decisions regarding the day-to-day operation and management of Zhoushan Dongda Jinmao shall be resolved by its board of directors whose decisions would require a simple majority of votes. Jinmao Shanghai, having a 49% shareholding in Zhoushan Dongda Jinmao, effectively has a veto power over the reserved matters at the shareholders level. Furthermore, based on the articles of association of Zhoushan Dongda Jinmao, Jinmao Shanghai has the right to appoint two out of the three directors of Zhoushan Dongda Jinmao, and therefore also has the right to exercise control at the board level. On such basis, Zhoushan Dongda Jinmao is accounted for as a non-wholly-owned subsidiary of Jinmao Shanghai.

3. Zhonglan Xinmao is directly held as to 51% by Jinmao Shanghai and 49% by Zhejiang Hualong Industrial Group Co., Ltd. (浙江省華龍實業集團有限公司), a wholly-owned subsidiary of Sinochem Lantian.

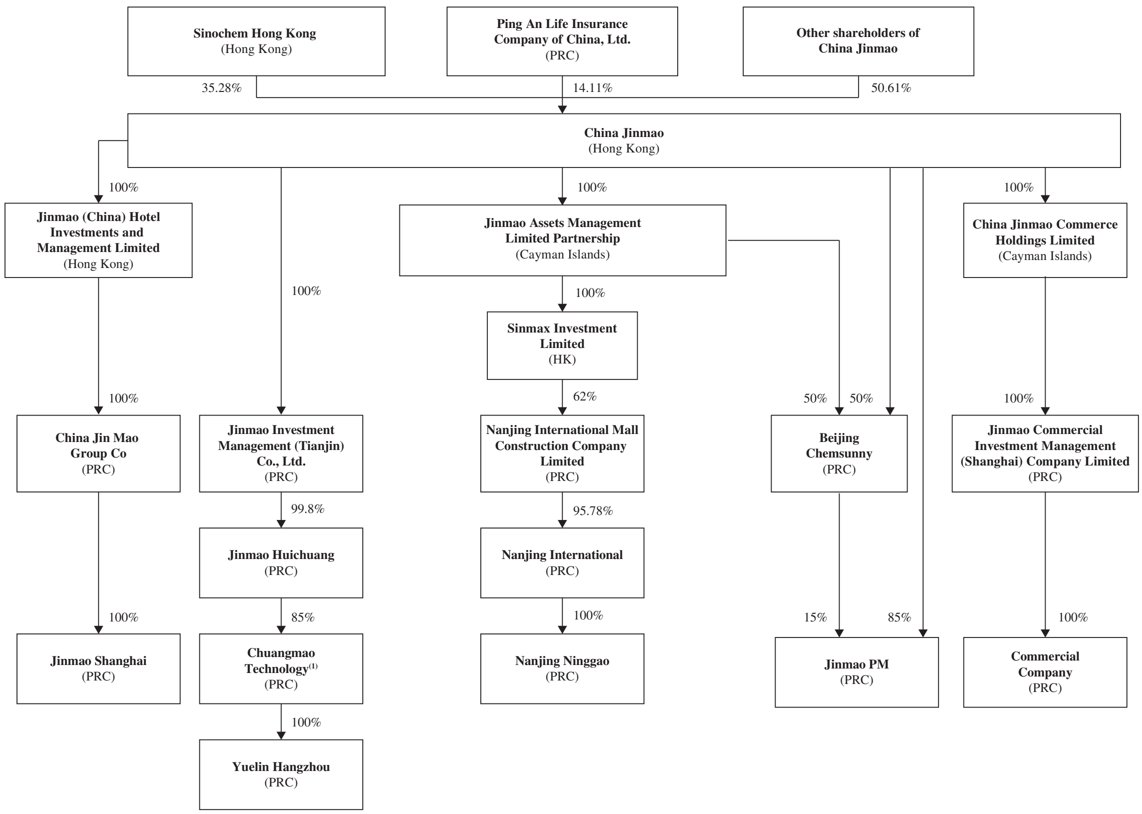
4. Zijin Xinmao is directly held as to 51% by Jinmao PM and 49% by Beijing Zhongguancun Science City Construction Holding Co., Ltd. (北京中關村科學城建設股份有限公司), an Independent Third Party.

5. Guangdong Tumao is directly held as to 70% by Jinmao PM and 30% by Ningbo Tutu Commercial Management Co., Ltd. (寧波途途商業管理有限公司), an Independent Third Party.

6. Nanjing Xinmao is directly held as to 90% by Jinmao PM and 10% by Nanjing Dongbubaoju Investment and Development Co., Ltd. (南京東部寶聚投資發展有限公司), an Independent Third Party.

REORGANIZATION

The following diagram illustrates the corporate and shareholding structure of our Group immediately before the Reorganization:



Note:

1. The remaining 15% equity interest in Chuangmao Technology was held by Beijing Chuangmao (as defined below under the paragraphs headed "5. Acquisition of Chuangmao Technology"), a limited partnership established by founders and key employees of Chuangmao Technology. Zhang Shukuan (張書寬), a director of Chuangmao Technology, is interested in 85% of the limited partnership interest of Beijing Chuangmao, and the remaining 15% interests in Beijing Chuangmao are held by Independent Third Parties.

In preparation for the Listing, the following steps were implemented to establish our Group:

1. Incorporation of our Company and capital injection by China Jinmao

On September 14, 2020, our Company was incorporated in Hong Kong under the Companies Ordinance as a company with limited liability and a wholly-owned subsidiary of China Jinmao. As of the date of incorporation, one fully-paid Share was issued to China Jinmao at HK$1.

On January 26, 2022, China Jinmao made a capital injection of HK$125,000,000 to our Company, and our share capital was increased by the same amount without allotment and issuance of any new Shares.

2. Acquisition of Jinmao PM

On April 13, 2021, our Company entered into an equity transfer agreement with China Jinmao, pursuant to which our Company agreed to acquire 85% of the equity interest in Jinmao PM from China Jinmao, which was settled by way of allotment and issuance of one Share, credit as fully paid, to China Jinmao on the same day. As a result, the share capital of our Company was increased by an amount of HK$10,966,719.8, which was equal to 85% of the net assets value of Jinmao PM as assessed on November 30, 2020.

On April 12, 2021, our Company entered into an equity transfer agreement with Beijing Chemsunny, pursuant to which our Company agreed to acquire 15% of the equity interest in Jinmao PM from Beijing Chemsunny at a consideration of RMB1,629,585, which was equal to 15% of the net assets value of Jinmao PM as assessed on November 30, 2020. Such consideration will be fully settled in cash before the completion of the Spin-off. The records and filings reflecting such equity transfer were approved by the relevant PRC authority on May 25, 2021.

Upon completion of such capital injection and transfer, Jinmao PM became a wholly-owned subsidiary of our Company.

3. Acquisition of Nanjing Ninggao

On April 19, 2021, Jinmao PM entered into an equity transfer agreement with Nanjing International Group Company Limited (南京國際集團股份有限公司) ("**Nanjing International**"), the sole direct shareholder of Nanjing Ninggao prior to the Reorganization and an indirect non-wholly-owned subsidiary of China Jinmao, pursuant to which Jinmao PM agreed to acquire the entire equity interest in Nanjing Ninggao from Nanjing International at nil consideration, which was determined after taking into consideration the net liabilities of Nanjing Ninggao as assessed on November 30, 2020. The records and filings reflecting such equity transfer were approved by the relevant PRC authority on April 25, 2021. Upon completion of such transfer, Nanjing Ninggao became a direct wholly-owned subsidiary of Jinmao PM.

4. Acquisition of Jinmao Shanghai

On April 22, 2021, Jinmao PM entered into an equity transfer agreement with China Jin Mao Group Co, pursuant to which Jinmao PM agreed to acquire the entire equity interest in Jinmao Shanghai from China Jin Mao Group Co at a consideration of RMB7,889,787.06, which was determined with reference to the book net assets value of Jinmao Shanghai as of November 30, 2020. Such consideration was fully settled in cash on May 7, 2021, and the records and filings reflecting such equity transfer were approved by the relevant PRC authority on April 26, 2021. Upon completion of such transfer, Jinmao Shanghai became a direct wholly-owned subsidiary of Jinmao PM.

5. Acquisition of Chuangmao Technology

On April 30, 2021, Jinmao PM entered into an equity transfer agreement with Jinmao Huichuang Enterprise Management (Tianjin) Partnership (Limited Partnership) (金茂慧創企業管理(天津)合夥企業(有限合夥)) ("**Jinmao Huichuang**"), an indirect non-wholly-owned subsidiary of China Jinmao, pursuant to which Jinmao PM agreed to acquire 85% of the equity interest in Chuangmao Technology from Jinmao Huichuang at a consideration of RMB10,169,230, which was equal to 85% of the net assets value of Jinmao Huichuang as assessed on December 31, 2020. Such consideration was fully settled in cash on May 17, 2021, and the records and filings reflecting such equity transfer were approved by the relevant PRC authority on April 30, 2021.

On April 28, 2021, Jinmao PM entered into an equity transfer agreement with Beijing Chuangmao Future Information Service Center (Limited Partnership) (北京創茂未來信息服務中心(有限合夥)) ("**Beijing Chuangmao**"), a limited partnership established by founders and key employees of Chuangmao Technology, pursuant to which Jinmao PM agreed to acquire 15% of the equity interest in Chuangmao Technology from Beijing Chuangmao at a consideration of RMB1,794,570, which was equal to 15% of the net assets value of Chuangmao Technology as assessed on December 31, 2020. Such consideration was fully settled in cash on April 28, 2021, and the records and filings reflecting such equity transfer were approved by the relevant PRC authority on April 30, 2021.

Upon completion of such transfers, Chuangmao Technology became a direct wholly-owned subsidiary of Jinmao PM.

6. Acquisition of commercial property management business from Commercial Company

Jinmao Commercial Real Estate (Shanghai) Company Limited (金茂商業房地產(上海)有限公司) ("**Commercial Company**"), a wholly-owned subsidiary of China Jinmao, is engaged in the business of leasing of commercial spaces in the Changsha Jinmao Mall of Splendor (長沙金茂覽秀城), the Nanjing Jinmao Place (南京金茂滙) and the Qingdao Jinmao Harbour Shopping Mall (青島金茂灣購物中心, excluding Block D1). As part of the leasing arrangement between Commercial Company and its tenants, prior to the Reorganization, the branch companies of Commercial Company also provided property management services with respect to such commercial properties (the "**Commercial Property Management Business**").

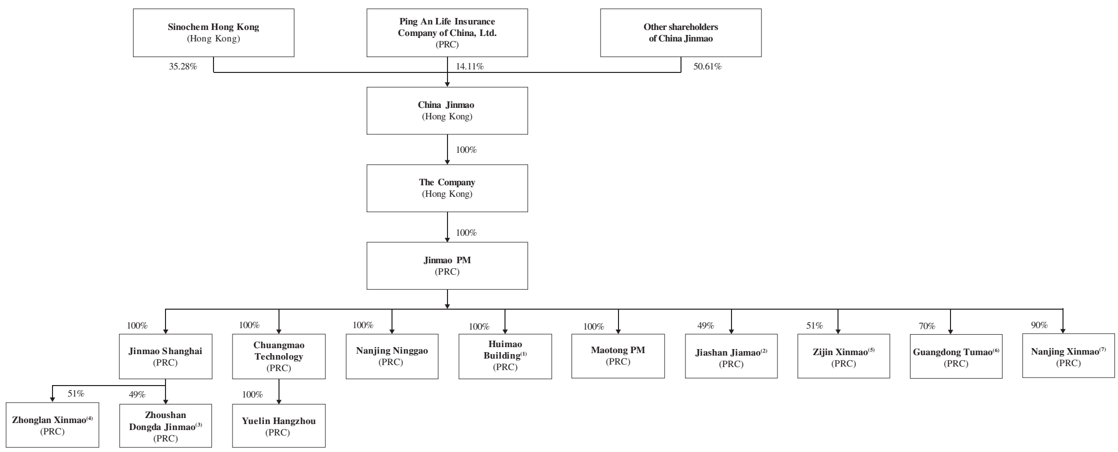
As Commercial Company is mainly engaged in the business of leasing of commercial spaces, an equity transfer of Commercial Company to our Group would not be in line with our business focus as a property management service provider. As such, instead of an equity transfer, on March 25, 2021, Jinmao PM entered into a reorganization framework agreement with Commercial Company (the "**Reorganization Framework Agreement**") to acquire the Commercial Property Management Business (including without limitation all relevant personnel, contracts with suppliers, equipment and other resources) from Commercial Company at nil consideration. On March 8, 2021, Maotong PM was established in the PRC as a direct wholly-owned subsidiary of Jinmao PM to undertake the Commercial Property Management Business. Maotong PM will discharge the obligations of Commercial Company and its branch companies in respect of the Commercial Property Management Business under the terms of the Reorganization Framework Agreement.

Our PRC Legal Advisors have confirmed that all requisite government approvals under the PRC laws and regulations in relation to the equity and business transfers as described above have been obtained and all necessary filings and registrations with the governmental authorities in relation to such equity and business transfers have been effected.

For details on the reasons underlying the exclusion from our Group of the property management business with respect to Zhuhai Every Garden Project (珠海每一間花園項目) which will continue to be provided by the Zhuhai Branch of Sinochem Hotel upon Listing, please refer to the section headed "Relationship with China Jinmao — Delineation of Business — Business delineation between our Group and Jinmao Group — (a) Property management services with respect to the Zhuhai Project" of this prospectus.

CORPORATE STRUCTURE OF OUR GROUP AFTER THE REORGANIZATION

The following diagram sets out the corporate and shareholding structure of our Group immediately after completion of the Reorganization but before completion of the Bonus Issue, the Distribution and the Global Offering:



Notes:

1. The incorporation of Huimao Building is not part of the Reorganization.

2. The remaining 51% equity interest in Jiashan Jiamao is held by Jiashan Economic Development Zone Property Management Co., Ltd. (嘉善經濟開發區物業管理有限公司), an Independent Third Party. The incorporation of Jiashan Jiamao is not part of the Reorganization.

3. The remaining 51% equity interest in Zhoushan Dongda Jinmao is held by Zhejiang Zhoushan Dongda Assets Operation and Management Co., Ltd. (浙江舟山東大資產經營管理有限公司), an Independent Third Party. The incorporation of Zhoushan Dongda Jinmao is not part of the Reorganization.

4. The remaining 49% equity interest in Zhonglan Xinmao is held by Zhejiang Hualong Industrial Group Co., Ltd. (浙江省華龍實業集團有限公司), a wholly-owned subsidiary of Sinochem Lantian. The incorporation of Zhonglan Xinmao is not part of the Reorganization.

5. The remaining 49% equity interest in Zijin Xinmao is held by Beijing Zhongguancun Science City Construction Holding Co., Ltd. (北京中關村科學城建設股份有限公司), an Independent Third Party. The incorporation of Zijin Xinmao is not part of the Reorganization.

6. The remaining 30% equity interest in Guangdong Tumao is held by Ningbo Tutu Commercial Management Co., Ltd. (寧波途途商業管理有限公司), an Independent Third Party. The incorporation of Guangdong Tumao is not part of the Reorganization.

7. The remaining 10% equity interest in Nanjing Xinmao is held by Nanjing Dongbubaoju Investment and Development Co., Ltd. (南京東部寶聚投資發展有限公司), an Independent Third Party. The incorporation of Nanjing Xinmao is not part of the Reorganization.

BONUS ISSUE

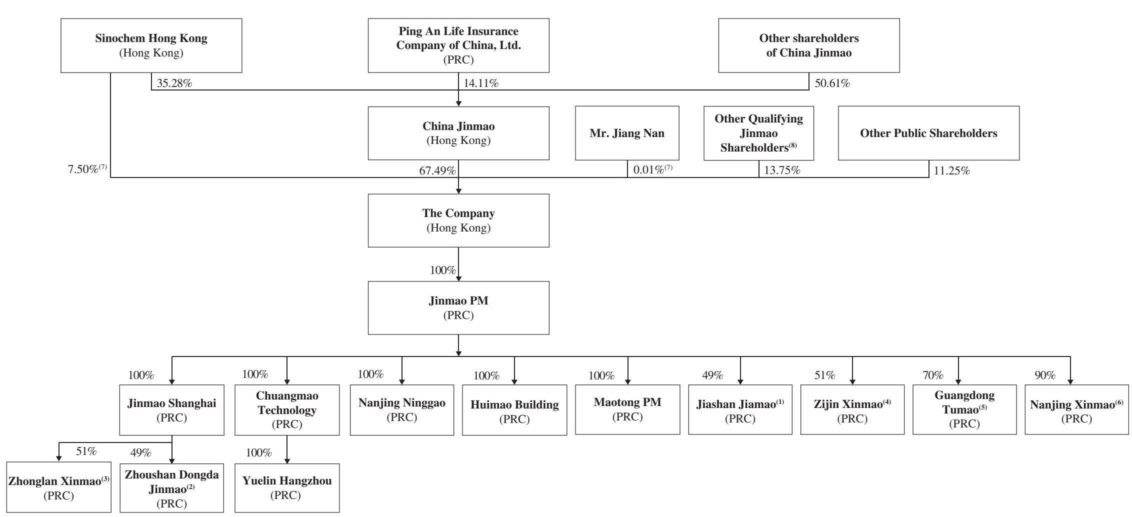
Pursuant to the resolutions of our sole Shareholder passed on February 18, 2022, subject to the Global Offering becoming unconditional in all respects, our Directors were authorized to allot and issue 799,999,998 Shares at nil consideration under the Bonus Issue prior to completion of the Global Offering to China Jinmao, being the only holder of Shares whose name appears on the register of members of our Company on the date of passing such resolution, of which 191,680,031 Shares (subject to the Distribution Adjustment) shall be allotted and issued, at the direction of China Jinmao, to the Qualifying Jinmao Shareholders in proportion to their shareholdings in China Jinmao pursuant to the Distribution. The Shares to be issued and allotted pursuant to the Bonus Issue shall carry the same rights in all respects with the existing issued Shares.

THE SPIN-OFF AND DISTRIBUTION

Pursuant to the Listing Rules and in accordance with the corporate structure and ownership of our Company, the Listing of our Company will constitute a Spin-off from China Jinmao, which will be effected by way of the Distribution and the Global Offering. For details, see "The Spin-off and Distribution".

CORPORATE STRUCTURE OF OUR GROUP IMMEDIATELY AFTER THE GLOBAL OFFERING

The following diagram illustrates the corporate and shareholding structure of our Group immediately following completion of the Bonus Issue, the Distribution and the Global Offering (without taking into account the Distribution Adjustment and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised):



Notes:

1. The remaining 51% equity interest in Jiashan Jiamao is held by Jiashan Economic Development Zone Property Management Co., Ltd. (嘉善經濟開發區物業管理有限公司), an Independent Third Party.

2. The remaining 51% equity interest in Zhoushan Dongda Jinmao is held by Zhejiang Zhoushan Dongda Assets Operation and Management Co., Ltd. (浙江舟山東大資產經營管理有限公司), an Independent Third Party.

3. The remaining 49% equity interest in Zhonglan Xinmao is held by Zhejiang Hualong Industrial Group Co., Ltd. (浙江省華龍實業集團有限公司), a wholly-owned subsidiary of Sinochem Lantian.

4. The remaining 49% equity interest in Zijin Xinmao is held by Beijing Zhongguancun Science City Construction Holding Co., Ltd. (北京中關村科學城建設股份有限公司), an Independent Third Party.

5. The remaining 30% equity interest in Guangdong Tumao is held by Ningbo Tutu Commercial Management Co., Ltd. (寧波途途商業管理有限公司), an Independent Third Party.

6. The remaining 10% equity interest in Nanjing Xinmao is held by Nanjing Dongbubaoju Investment and Development Co., Ltd. (南京東部寶聚投資發展有限公司), an Independent Third Party.

7. These Shares represent the Shares received by Sinochem Hong Kong and Mr. Jiang Nan as Qualifying Jinmao Shareholders under the Distribution.

8. The Shares held by these Shareholders will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules.

OVERVIEW

We are a fast-growing upscale property management and city operation service provider in China. According to China Index Academy, the average property management fee for properties under our management was significantly higher than the industry average of the Top 100 Property Management Companies in 2018, 2019 and 2020. According to China Index Academy, we are an industry-leading company in terms of multiple indicators in the three dimensions of scope of service, service standards and service fees. China Jinmao, our Controlling Shareholder, is a top tier property developer in China. We provide a full range of high-quality property management and value-added services to one of the fastest-growing portfolios of high-end residential properties, according to China Index Academy. We also manage and operate a diversified and growing portfolio of commercial properties primarily comprising office buildings and shopping malls, as well as public properties such as schools, government facilities and other public spaces. As of September 30, 2021, the total GFA under our property management services was approximately 23.2 million sq.m.

Capitalizing on our leading brand reputation, extensive resources and experience, and comprehensive technological capabilities, together with our business partners, we are committed to developing a lifestyle service platform that is centered around living and working activities of property users. Through our platform, we seek to synergize different pillars of our services to deliver an integrated and elevated living experience, improve property users' quality of life and vitalize property management for owners.

We are engaged in three business lines, namely (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services. We also provide city operation services, the scope of which spans across our three business lines. We were established over 25 years ago to focus on the provision of property management services in China. In addition to property management services, we offer value-added services to non-property owners (such as sales assistance, consultancy and other value-added services). We also offer a variety of community value-added services, which are provided mainly to the owners and residents of the properties we manage.

Our contracted GFA reached 45.7 million sq.m. as of September 30, 2021, covering 47 cities in 22 provinces, autonomous regions and municipalities in China, 67.8% of which are in first-tier and second-tier cities in China. Our contracted GFA covers core cities of key economic zones, including Yangtze River Delta, Beijing-Tianjin-Hebei Region, Pearl River Delta, Midwest Region, and Chengdu Chongqing Economic Zone. As of the Latest Practicable Date, our property management portfolio covered residential properties and a wide range of non-residential properties, including commercial properties (such as office buildings and shopping malls) and public and other properties (such as schools, government facilities and other public spaces). Our total GFA under management as of September 30, 2021 was 23.2 million sq.m. across 35 cities in 20 provinces, autonomous regions and municipalities in China, encompassing 96 residential projects and 41 non-residential projects. As of September 30, 2021, our GFA under management for residential properties and non-residential properties was approximately 19.7 million sq.m., and 3.5 million sq.m., representing 85.0% and 15.0% of our total GFA under management, respectively.

We experienced rapid growth during the Track Record Period. Our revenue increased from RMB574.5 million in 2018 to RMB788.3 million in 2019 and further to RMB944.2 million in 2020, representing a CAGR of 28.2% from 2018 to 2020. Our revenue in the nine months ended September 30, 2020 and 2021 was RMB665.3 million and RMB1,048.7 million, respectively. Meanwhile, our profit for the year increased from RMB17.5 million in 2018 to RMB22.6 million in 2019 and further to RMB77.1 million in 2020, representing a CAGR of 110.0% from 2018 to 2020. Our profit for the nine months ended September 30, 2020 and 2021 was RMB53.3 million and RMB109.4 million, respectively.

COMPETITIVE STRENGTHS

We are a fast-growing upscale property management and city operation service provider in China. According to China Index Academy, we are an upscale property management company in terms of multiple indicators in the three dimensions of scope of service, service standards and service fees. Our contracted GFA increased from 21.9 million sq.m. as of December 31, 2018 to 40.5 million sq.m. as of December 31, 2020, representing a CAGR of 36.0%, which was higher than the industry-average CAGR of 18.9% for the same period. Our total GFA under management grew from 10.2 million sq.m. as of December 31, 2018 to 17.7 million sq.m. as of December 31, 2020, representing a CAGR of 31.7%, which was higher than the industry-average CAGR of 14.6% for the same period. Our competitive strengths include comprehensive service offerings with a strong focus on core cities, full support from our Controlling Shareholder, China Jinmao, premium services and high-end positioning, outstanding city operation service capabilities, advanced technology and digitalization and highly experienced management team. These competitive strengths are the foundation from which we seek to expand market share, improve business performance and develop into one of the most competitive upscale comprehensive property management and city operation service providers in China.

We are a leading and well-recognized comprehensive property management service provider in China with a strong focus on core cities

Our nationwide coverage with a focus on core cities

Over the years, we have established a nationwide business in China, with a strong focus on high-end properties in core cities. As of December 31, 2020, we had 17.7 million sq.m. of GFA under management, 84.2% of which was located in first-tier and second-tier cities, in contrast with the industry average of 63.8%, according to China Index Academy. Moreover, as of September 30, 2021, our contracted GFA in first-tier and second-tier cities was 31.0 million sq.m., accounting for 67.8% of our total contracted GFA, with a total of 166 contracted projects in these locations. Our strong presence in higher-tier cities provides us with first-mover advantage in many of these markets which we believe are poised for growth. We are able to explore more opportunities to expand our value-added services to cater to the rapidly increasing consumption power and increasingly complex consumption habits of citizens in higher-tier cities, thereby generating more revenue and achieving higher margins.

Our diverse property profile and comprehensive service offerings

We provide a full spectrum of property management services to a broad range of properties. We provide premium services to one of the fastest-growing portfolios of high-end residential properties in China. Our diversified property management portfolio also extends to an increasing variety of commercial properties such as office buildings and shopping malls, industrial parks such as Shangyu and Taicang industrial parks, and public properties such as central government facilities, international schools and other public spaces. Our all-inclusive property profile maximizes synergies across different property types under our management, and enhances the vitality of our multi-dimensional service offerings, thus creating value for our customers and improving their satisfaction and loyalty.

For instance, we manage a large portfolio of office buildings including skyscrapers. As of September 30, 2021, the total GFA of the office buildings under our management amounted to 1.7 million sq.m. We maintain a sophisticated operation and management system and industry-leading safety management standards customized for skyscrapers. We have been actively involved by various industrial organizations in formulating industry standards for commercial office property management services and are a member of China Property Management Institute (中國物業管理協會). Behind these achievements is our relentless commitment for over a decade to offer best-in-class property management and operational services to high-end skyscrapers, including the 421-meter Shanghai Jinmao Tower, one of the ten tallest skyscrapers in the world at the time of completion, the 313-meter Lanzhou Asia-Europe International Building, the tallest skyscraper in China's northwestern region, and the 250-meter Meixi Lake Twin Towers in Changsha. Our expertise in office building and skyscraper management is further demonstrated by our 13 consulting projects from Independent Third Parties, mainly for office buildings and hotels, with a total area of 2.0 million square meters.

Driven by our premium service quality, we have received industry-wide recognitions. We received the title of "Beijing Model Management Project (Building) — Five-star" ("北京示範管理項目(大廈)—五星級") from Beijing Municipal Commission of Housing and Rural and Urban Construction in 2010, the National Three-Star Green Architecture Label Certification (國家三星級綠色建築標識認證證書) from Ministry of Housing and Rural and Urban Construction of the PRC in 2014, the "Five-Star Quality Management System Certificate" from Shanghai Institute of Quality Inspection and Technical Research (SQI) (上海質量技術認證中心) in 2017, the title of "AAA Integrity Commitment Enterprise in Shanghai's Property Management Industry" from the Shanghai Property Management Association in February 2020, and the "Five-Star Service Certification" from the Shanghai Quality and Technology Certification Center in August 2020. We were named among "Shanghai Most Beautiful Property Service Enterprises" from the Shanghai Property Management Industry Association in September 2020, and we were named "Outstanding Specialized Property Management Service Enterprise" in the area of office building management by China Index Academy in 2020. Moreover, Kaichen World Trade Tower was the first office building in mainland China that was awarded LEED-EB Platinum certification in 2013. We were also one of the first property management companies in China to pass the "Commercial Office Building Rating Standard" ("商務寫字樓等級評價標準") and obtained a Five-Star Certification by China Real Estate Association in 2014.

Excellent management capability has enabled us to command a high premium in property management fees. In 2020, the average property management fee for office buildings under our management amounted to RMB27.3 per sq.m., which was higher than the average for the Top 100 Property Management Companies of RMB6.93 per sq.m., according to China Index Academy. In addition to conventional property management services, we strive to become the trusted partner and one-stop solution provider to both our landlord customers and the tenants in the office buildings under our management, many of whom are Fortune 500 companies. We have developed one-stop integrated commercial property management and operational solutions under our "Yue Business Services (悅商服務)" brand, which consist of shared reception services, shared administrative services, shared accounting services, shared cleaning services, customized conference services and more. Our one-stop integrated commercial property management and operational services have received wide customer demands. For example, as of September 30, 2021, 12 of our 17 tenants in Kaichen World Trade Tower (Central Tower) had purchased such services.

Our diverse property profile has increased demands for our value-added services, thereby enriching our service offerings, expanding our sources of income and improving profitability. This has enhanced the resilience of our business and enabled us to manage our growth through economic cycles.

Leveraging the support from our Controlling Shareholder, China Jinmao, we have achieved a strong project pipeline and will continue to capitalize on highly visible and sustainable growth opportunities

We benefit from our long-standing business cooperation with our Controlling Shareholder, China Jinmao, which is a leading and fast-growing property developer in China with a brand value of RMB42.1 billion in 2021, according to World Brand Lab. As of December 31, 2020, Jinmao Group held land reserves of 95.1 million sq.m., representing a CAGR of 21.7% from 2018, according to China Index Academy. The contracted sales of Jinmao Group reached RMB231.1 billion in 2020, ranking 14th among the Top 100 Property Companies in China, and representing a CAGR of 34.4% from 2018, which was significantly higher than the industry-average CAGR of 14.2%, according to China Index Academy. The average selling price of the properties developed by Jinmao Group was RMB20,468 per sq.m. in 2020, which was significantly higher than the industry average of RMB15,755 per sq.m., according to China Index Academy. Jinmao Group has ranked first on the Top List of the Typical Real Estate Products Brand Index issued by Yihan Zhiku for eight consecutive quarters.

Our long-term and stable cooperation with Jinmao Group has driven our continuous growth since our inception and we believe it will pave the way for our long-term growth. During the Track Record Period, we provided property management services to most of the properties developed by Jinmao Group and its joint ventures and associates. We also provided a wide variety of community value-added services for properties developed by Jinmao Group and its joint ventures and associates. Moreover, we provide various value-added services to Jinmao Group and such cooperation with Jinmao Group has helped us gain in-depth understanding of Jinmao Group's environmental and sustainability initiatives and relevant technological knowhow, which further empowers us to offer environmentally-friendly property management services for smart energy and construction technology projects promoted by Jinmao Group. Leveraging our privileged position as the only property management service provider within Jinmao Group, we believe we will continue to benefit from Jinmao Group's land reserves and project pipeline to continue to grow our GFA under management and business scale after the completion of the Spin-off.

Besides the support from Jinmao Group, we have further solidified our market position and business expansion through our relationship with China Jinmao's controlling shareholder, Sinochem Group, a Fortune 500 company. Sinochem Group is a world-leading chemical and petroleum engineering enterprise under the supervision of the SASAC. In March 2021, the PRC government granted approval for the business combination of Sinochem Group and China National Chemical Corporation Limited (中國化工集團有限公司) (″ChemChina″), which is expected to create a globally competitive powerhouse in the global chemical industry engaging in eight business lines, namely life science, materials science, basic chemicals, environmental science, rubber and tire, machinery and equipment, city operation, and industrial finance. We expect our relationship with Sinochem Group to help drive highly visible and sustainable growth opportunities. As Jinmao Group is the platform enterprise of Sinochem Group in the development of real estate business and we are the only property management company within Jinmao Group, we are well positioned to capitalize on the pipeline of Sinochem Group and future opportunities to be derived from its potential business combination with ChemChina. For example, we recently partnered with Sinochem Lantian, a fluorine chemical engineering arm of Sinochem Group, to establish a joint venture which specializes in property management services for the high-quality industrial parks and office buildings held by Sinochem Group, including the core research and production base, Shangyu industrial park, and the core fluorine chemical engineering base, Taicang industrial park.

We are a leader in the high-end property management services market and provide premium property management services

Our high-end and premium services

We focus on providing premium services to our customers and have established a strong brand image. This is partly attributable to the fact that most of the properties under our management are high-end properties. The average selling prices of the properties under our management were generally higher than the industry average during the Track Record Period, according to China Index Academy. Capitalizing on the strong brand image and reputation of "Jinmao", we have positioned ourselves as a quality living services provider and have established a proprietary MOCO high-quality services system. For instance, we provide specialized one-stop property care services, including real estate brokerage, examination, repair and maintenance services, which cover the full life cycle of properties under our management; we organize residents to participate in various outdoor activities to appreciate the sceneries of different seasons; in addition to property management capability, our butlers typically possess special skills in order to provide personalized services to our residents, such as pet care, clutter-cleaning, parenting, cooking, photographing, painting and music; we promote friendly culture in our diversified communities by connecting our property owners through a variety of social events and environmental protection activities.

In 2021, we were recognized as an upscale property management company by China Index Academy in terms of multiple indicators in the three dimensions of scope of service, service standards and service fees. In recognition of our high-end and premium services, we were awarded "China's Top 100 Leading High Quality Property Management Service Enterprise" ("中國物業服務百強服務質量領先企業") in 2020 and 2021 and "China's Leading Specialized Property Management Service Enterprise — MOCO Service System" ("中國特色物業服務領先企業—MOCO服務體系") in 2021. We ranked first among the top 10 companies on CRIC Research's short list of "China's Property Service Force High-End Service Brand" ("中國物業服務力高端服務品牌") in 2021. We were honored as "China Service Property Industry Leading Group" ("中國服務物業行業領軍集團") at the 2020 China Golden Key 25th Anniversary Brand Service Conference. Further,we obtained the First-class Property Management Enterprise Certification ("一級資質物業管理企業認證") in 2013, and have held ISO9001:2015 Quality Management System Certification, ISO14001:2015 Environment Management System Certification and ISO45001:2018 Occupational Health and Safety Management System Certification for ten consecutive years.

We have and will continue to benefit from our premium property management services and brand recognition, evidenced by our high property management fees, high customer satisfaction, significant potential for value-added services and increased opportunities offered by third parties:

High property management fees

- The average property management fee for properties under our management was approximately RMB6.2, RMB5.9 and RMB5.4 per sq.m. as of December 31, 2018, 2019 and 2020, which was significantly higher than the industry average of the Top 100 Property Management Companies, being RMB4.2, RMB3.9 and RMB3.8 per sq.m. as of the same dates, according to China Index Academy.

- Our average property management fee charged for residential properties was approximately RMB3.6, RMB3.7 and RMB3.6 per sq.m. as of December 31, 2018, 2019 and 2020, respectively, which was above the industry average of RMB2.3, RMB2.1 and RMB2.1 per sq.m. as of the same dates, according to China Index Academy.

- Our average property management fee charged for non-residential properties was approximately RMB20.7, RMB20.0 and RMB19.7 per sq.m. as of December 31, 2018, 2019 and 2020, which was significantly higher than the industry average of RMB5.9, RMB5.2 and RMB5.0 per sq.m. as of the same dates, according to China Index Academy.

High customer satisfaction, client retention and collection rates

Our premium quality service enables us to maintain high customer satisfaction, client retention and collection rates. According to a survey conducted by FG Consulting, our customer satisfaction rate remained at approximately 90% throughout 2018, 2019 and 2020. Other than two projects that did not match with our profitability criteria which we terminated on a voluntary basis in 2019 and the nine months ended September 30, 2021, we had renewed all of our property management contracts during the Track Record Period. Our collection rate of property management fees was 98.5%, 96.8% and 94.1% for the years ended December 31, 2018, 2019 and 2020, respectively.

Significant potential for value-added services

High levels of customer trust and satisfaction rate have empowered us to expand our community value-added services. Residents of mid- to high- end properties in first-tier and second-tier cities generally have higher disposable income, thereby driving demand for community value-added services and creating opportunities for us to expand and diversify our service portfolio.

We started to expand our community value-added services and offer services such as real estate brokerage services, platform services for interior decoration and new retail services from the second quarter of 2020. Since then, our revenue from community value-added services has increased by 73.9% to RMB98.8 million in the nine months ended September 30, 2021 from RMB56.8 million in the same period in 2020. We have a dedicated team focused on improving the overall business development and management capabilities for our community value-added products and solutions, while our professional customer research team focuses on studying customers' needs and continuously expanding our diversified service portfolio. We expect our diversified service offerings to lay a solid foundation for highly visible and sustainable business growth as well as our profit growth.

Opportunities from third-party properties

Leveraging our strong brand recognition and years of experience, we expect to expand our business to third-party projects in the areas surrounding our existing projects. We believe that our leading brand and premium services will enhance our overall competitiveness and help us acquire more management contracts from Independent Third Parties in a cost-effective manner, thereby achieving a competitive edge in high-tier cities which we believe are poised for growth. Since 2020, we have been actively expanding our business into properties developed by Independent Third Parties. As of September 30, 2021, we had entered into 40 management contracts for properties developed by Independent Third Parties, and our contracted GFA and GFA under management for properties developed by Independent Third Parties were 4.4 million sq.m. and 3.1 million sq.m., respectively.

As a pioneer in city operation service sector in China, we are well positioned to rapidly scale up and further diversify our city operation property portfolio and service offerings

City operation services refer to the integration, optimization, transformation and distribution of urban resources by governments and enterprises and the delivery of value-added public services to citizens, which underpin the seamless operation of modern urban areas. China Jinmao, as a leading city operator in China, has taken a coordinated and synergistic approach to city operation, combining economic interest and long-term social benefit, to better serve the interests of citizens and regional development.

Leveraging its advantages as a state-owned enterprise, Jinmao Group continues to scale its city operation and has established itself as a developer of city operation projects through joint ventures with local governments and business partners. As of July 31, 2021, Jinmao Group had successfully contracted for 30 city operation projects nationwide. These projects span new urban zones, city complexes and charismatic towns, covering a wide array of property types, including hotels, commercial properties, office buildings, schools, health care centers, theaters and smart energy stations, with various construction forms, including urban skyscrapers, complex underground spaces, and integrated urban corridors.

To better align Jinmao Group's city operation strategy with our own, and leveraging our solid property management and customer service capabilities, we step beyond traditional property management services to provide specialized, standardized and digital city operation solutions for customers from all walks of life. Our well-rounded capabilities and deep-rooted connection with Jinmao Group have enabled us to continuously capitalize on Jinmao Group's strong project pipeline in the city operation sector. As of the Latest Practicable Date, we had entered into preliminary property management contracts for 22 city operation projects of Jinmao Group, representing a diverse portfolio of office building complexes, new towns, cultural towns and smart cities in Shanghai, Changsha, Lijiang, Qingdao, Nanjing, Sanya, Wenzhou, Tianjin and more, among which 12 projects were in operation.

City operation has high barriers to entry in terms of technology and experience due to the scope and complexity of services involved. As the upscale property management arm of Jinmao Group, and benefiting from our extensive experience in multi-format and premium-grade city operation services, we believe we are well positioned to capitalize on future market opportunities from Independent Third Parties in the city operation service sector by expanding our management scale and diversifying our city operation portfolio and service offerings. We typically seek to enter into strategic cooperation agreements with government authorities and state-owned enterprises, optimize the allocation of social resources, and have built a multi-dimensional management mechanism for city operation services. For example:

- In February 2021, we established a joint venture with Jiashan Economic Development Zone Property Management Co., Ltd. (嘉善經濟開發區物業管理有限公司) to provide city operation services for Jiashan's 60 sq.km. economic development zone encompassing municipal gardens, parks, roads, river course and underground pipes and provide greening, security, cleaning, repair and maintenance services. By integrating the property management concept into the comprehensive management of urban areas, we provide city operation services including maintenance and operation of urban equipment and facilities, property management of public properties, industrial parks, residential properties and commercial properties, property management preliminary consulting and human resources services. We strive to establish management service benchmarks in different areas of the Jiashan development zone and improve the overall service quality.

- In May 2021, we signed a cooperation agreement with Zhoushan government to provide city operation services for Zhoushan's 12 sq.km. economic development zone. We strive to transform the traditional decentralized approach to urban management to a centralized approach to improve efficiency, offering one-stop management services for the urban environment, public architectures, city squares and industrial communities in the Zhoushan economic development zone.

We are also in negotiations with other local governments for providing similar city operation services. In recognition of our long-established excellence in city operation services, we were awarded "China's Leading Smart City Services Enterprise" ("中國智慧城市服務領先企業") in 2021 by China Index Academy.

Our advanced technology and digitalization have enabled us to deliver smart property management

We employ advanced technologies to create smart communities, improve living experience and optimize resource allocation, thereby improving customer satisfaction and achieving operational leverage. Our independent digital research and development team consists of 30 personnel, with an average of nine years of experience. Through technology innovations, we have established a comprehensive smart property service system and formulated service standards for smart community, smart office building and smart city. Our smart community service consists of three key pillars: smart community, smart operation, and smart life.

Smart community

We employ technologies such as IoT, AI, big data analytics and cloud computing to establish a smart community encompassing various application scenarios including security, cleaning, parking, billing and more, providing our residents a secure, convenient and comfortable living environment. For example, we deploy facial recognition or QR code technology to enable an automatic lift call and intelligent management system, improving residents' ride experience. We use AI technology to provide location tracking to improve security management. Our IBA IoT technology allows for 24-hour monitoring of major equipment and facilities in our communities, enabling efficient operations, early detection of critical conditions and timely maintenance. Furthermore, our smart parking lots have greatly improved traffic flow for vehicles of property owners and visitors.

Smart operation

At the core of our smart community service is our digitalization of property management, which has significantly enhanced our operational efficiency and space utility and improved our ability to respond to residents' demands. For example, we began to operate a centralized parking management platform and provide unattended parking services in 2021, which reduced our parking attendant headcount by over 50% and is expected to reduce cost of revenues by approximately RMB6 million per year. The application of IBA IoT technology has also improved efficiency in equipment and facility management in one of our projects in Beijing by reducing the number of staff for this task by approximately 20% from September 30, 2020 to September 30, 2021. Moreover, our employees use "Jin Xiaomao" (金小茂) APP, an online platform for our internal resources management, to access their task checklists in real time, which has greatly improved their work efficiency. Jinmao OA is a platform which enables our employees to perform smart office work such as document review, order approval, email sending and receiving and internal communications through mobile phone. We developed Client Relationship Management ("CRM") System to help collect basic information relating to our properties, car park spaces and residents. Our customers can make repair and maintenance requests and settle the bills through the CRM System. We have developed a financial operating system to streamline the process of expense reimbursement, receipt certification and account auditing. Our big data analytics technology has enabled us to perform multi-dimensional analysis of operational data, including user behaviors and customer complaints, and provide data support for front-line operations, which enhanced our digital operation management capacity.

Smart life

We operate our proprietary online customer portal, "Home" (回家) APP, as an aftermarket service platform to build a closed-loop smart life ecosystem for property owners and residents and improve their digital living experience in a vibrant and interactive community. The "Home" APP connects with intelligent IoT devices in apartments and features the seamless integration of online and offline services to serve property owners and residents. Through this platform, we analyze online data in order to introduce offline services that address the needs of our property owners and residents more precisely. Meanwhile, our offline services create opportunities to direct user traffic to our online platform, enabling our online platform to introduce our new service offerings to our customers more effectively. In addition, property owners and residents can also use the "Home" (回家) APP to pay utilities, send repair requests, view visitors, reserve parking space and participate in a variety of community activities at ease. Our users have increasingly subscribed for the paid services we offer on our "Home" (回家) APP. We also provide smart delivery services which include a digital file of the property at the time of offline delivery. The digital file includes information relating to the structure of each room and parameters of facilities, enabling us to obtain information and prepare for repair and maintenance work when residents make a request on the "Home" (回家) APP. Such information also helps our cleaning staff to preview the structure of the property and plan the best route for cleaning services. It also digitalizes the size of the interior environment and matches it with suitable furniture and home appliances, which greatly enhanced efficiency in our platform services for interior decoration.

Our continuous technology and service innovations have enabled us to incubate a variety of community value-added services led by our newly established subsidiary, Chuangmao Technology (創茂科技), including new retail services and last-mile delivery services through our online to offline model. Since inception, Chuangmao Technology has obtained 15 software copyrights. We were awarded "Leading Special Property Management Service Enterprise in China — High-end Butler Smart Services" in 2020. Moreover, we have adopted energy-saving operations guidelines to support our sustainable growth, aiming to reduce energy consumption of our managed properties by a specified percentage each year. Through upgrading water spraying equipment, optimizing illumination systems and improving water and energy saving technologies, the overall energy costs of our managed properties decreased by 9.2% in 2020.

We have an experienced, visionary and pragmatic management team and a comprehensive talent development system

Our experienced management team and employees are crucial to our success. Our senior management team has extensive experience in the property management and related industries, with an average of 14 years of experience. Moreover, our senior management possesses in-depth knowledge of the industry and shares the strategic vision of our Company. Mr. Xie Wei, our Executive Director and chief executive officer, has more than 20 years of experience in property development and management. He has been responsible for the operations and executive responsibilities of Jinmao Group since 2015 and has accumulated extensive experience in the customer relations and property management departments of Jinmao Group. He is also in charge of formulating strategic development plans and overseeing the overall operations of our Company.

We regularly host comprehensive internal staff training programs to improve and enhance their technical and service skills, as well as to provide them with the knowledge of industry quality standards and work place safety standards which are tailored to the needs of different positions, from entry-level staff to senior management, with different skill requirements and career aspirations. We also have competitive compensation plans and incentive schemes to attract external talents as well as retaining employees and management for our business expansion.

We have adopted market-oriented talent retention mechanisms, including a multi-dimensional, comprehensive talent development system which caters to employees of different positions and at different stages of development, to foster their continuous growth and enable them to address the evolving needs of our rapidly developing business. We have established "Dianjin Program" (點金計劃) and "Zhujin Program" (鑄金計劃), which aim to select, and nurture excellent, high-caliber candidates with a strong sense of identity to become our future key management. We believe that our effective human resource system will enable us to retain competent employees who are essential to our ability to provide quality and diversified services, enhance our market position and achieve sustainable growth.

BUSINESS STRATEGIES

We will continue to focus on selecting major cities for our further growth and development. We will strive to develop and enhance our systemic capability of providing premium services and to enhance our branding in the industry. Moving towards lean management and technology empowerment, we aim to further expand our community value-added services and promote our city operation services. We strive to become one of the most competitive upscale comprehensive property management and city operation service providers in China.

Further expand and diversify our portfolio under management through various channels, achieving economies of scale

We will continue to leverage the abundant land and project reserves held by Jinmao Group. We plan to actively secure projects to be developed by Jinmao Group in the future to scale rapidly. Leveraging our premium services and brand, we also seek to obtain more engagements from Independent Third Party property developers. We have established professional market development teams at both our headquarters and regional subsidiaries and plan to further refine the organizational structure of our business development team to encourage cooperation and improve the skills and professionalism of business development team members, which we believe will improve our tender success rate for future property management service agreements.

China's fragmented property management industry is in the early stages of consolidation. As such, we plan to explore strategic investment and acquisition opportunities with companies engaging in property management and/or community operations, and we currently intend to allocate a portion of the net proceeds of the Global Offering to the execution of this plan. We believe there is a pool of suitable target companies not affiliated with other property developers for this purpose, as well as a number of property management companies affiliated with relatively small property developers that represent additional potential opportunities for investments or acquisitions. We also intend to allocate a portion of the proceeds of the Global Offering to investments in and acquisitions of companies that provide community value-added services which are complementary to ours. As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of net proceeds from the Global Offering. For further information on the types of strategic investment and acquisition opportunities that we plan to explore in the areas of property management, city operation and/or community operations, see "Future Plans and Use of Proceeds." We believe that such investments and acquisitions will enrich our service offerings and enable us to offer services that cover a greater portion of the value chain.

We plan to diversify the types of properties under our management and to expand our business scale by obtaining more engagements from non-residential properties, including commercial properties, government and public facilities, educational institutions, airport lounges, elderly-care facilities, hospitals, museums and industrial parks.

Leveraging our status as a state-owned enterprise, we seek to further expand our city operation services by deepening our cooperation with local governments and large companies in space management, public resources operation and comprehensive services with multiple use case scenarios including greening and cleaning, infrastructure and facility maintenance, social governance, public space operation, urban ecology management, social and livelihood services, auxiliary public services and urban planning. We plan to establish long-term relationships with them by entering into strategic cooperation agreements and setting up more joint ventures with them. We also plan to expand our local community management services by implementing a mediation mechanism in connection with dispute resolutions for residents.

Continue to focus on select major cities with high growth potential, optimize our premium services and further improve our brand recognition and influence

We intend to continue to grow our presence in major cities with relatively high population density and per-capita income. We plan to continue focusing on quality residential communities in select major cities and to increase the number of managed projects to capitalize on our geographic focus and economies of scale.

We have also established a strong brand and reputation among our customers, and will continue to adhere to our service philosophy and seek to further enhance our comprehensive system capabilities, including the "Home (回家)" APP service system, quality control standardization system, and employee training, assessment and incentives system. By offering premium services to create a pleasant and comfortable living experience, we intend to reinforce and increase our brand influence and customer satisfaction. We believe this will enhance customer loyalty, attract new customers and allow us to increase market share and explore additional value-added services. Moreover, we strive to pursue additional project opportunities for commercial properties and public properties. We intend to cooperate with more local government investment vehicles that are usually not equipped with property management experience. We expect these efforts to help us further expand our business scale in those areas as an upscale comprehensive property management and city operation service provider, and further enhance our overall strengths, market position, brand recognition and influence in the property management industry.

Further develop a wide variety of distinguished new value-added services to diversify our sources of income and to increase our customer loyalty

Value-added services are an increasingly important aspect of property management services for modern communities. In particular, the high-end communities in our select major cities show strong demand for diversified and distinguished new value-added services. We intend to continue enhancing our service diversity and value creation capability by deepening and broadening our value-added services provided to property owners and residents as well as property developers in order to satisfy the diversifying needs of customers and to build a personalized community ecosphere. We plan to introduce services that satisfy both daily living needs, as well as customized needs for parent-child bonding, healthcare, education, recreation and real estate brokerage services, thereby creating an ecosystem comprising individuals, families and communities.

Leveraging our professional property management team and our various service platforms, we plan to make life more convenient for property owners and residents and enhance their well-being by further developing community value-added services. In order to optimize the living experience and satisfaction of property owners and residents, we intend to diversify our revenue stream of community value-added services by expanding our real estate brokerage services and car park space sales agency services as well as community space operation services such as the management of advertising spaces and common facilities. We seek to increase the number of service points in the residential communities under our management and organize a series of marketing activities to attract more property owners and residents so as to expand the coverage of our real estate brokerage services. Moreover, we will continue to enhance our existing community living services such as interior decoration, new retail and housekeeping and cleaning services as well as expanding the coverage of our community living services based on the feedback from property owners and residents.

For property developers, we intend to provide full-lifecycle value-added services to non-property owners addressing their needs from preliminary consultancy for property development to post-delivery management. Leveraging our extensive customer base and our know-how and experience in smart management, we intend to strengthen our pre-delivery services and consultancy services provided to the non-property owners and further expand our business scale. In particular, we seek to customize and expand our consultancy services to include consultation on project planning, design and management, construction management and marketing management. In addition, we plan to improve our pre-delivery services by strengthening our cleaning, security inspection, maintenance and concierge reception provided at the property sales site, so as to attract more collaboration with third-party property developers. We believe the provision of such value-added services to property developers will help us obtain additional property management engagements.

Continue to enhance our technological capabilities, thereby increasing service quality and operational efficiency

Property management is a labor-intensive industry. In light of the rapid expansion of our scale, we not only have to develop sophisticated capability in managing our high-quality services system, but also have to continue to control costs and improve operational efficiency. Meanwhile, continuous investment in smart technology will remain crucial for the property management industry. We therefore intend to continue to enhance our standardized management system and adhere to the approach of lean management. We seek to ensure effective implementation of high-quality business standards and satisfactory user experience among customers, and to effectively identify inefficient operations, minimize wastage and control costs reasonably. We plan to upgrade the features and functionalities of our data middle office, and to strengthen our data analytics and application capabilities. We plan to introduce features that allow us to predict collection rates, expected costs and customer satisfaction rates in connection with new mandates, which will offer meaningful support and insight to our decision-making processes.

We expect to enhance our capabilities in city operation services. We intend to foster our investment and team building in city operation sector, with a focus on the application of IoT and AI technologies in different use case scenarios. We aim to develop a centralized smart city management platform that embraces urban cleaning, energy management, landscape maintenance, facility maintenance and government services. We also plan to further invest in smart facilities and research and development in management platforms in our existing city operation projects to build a leading brand of smart city operations.

We also intend to increase the use of technology to enhance user experience and satisfaction, effectively reduce the amount of manual work which is subject to greater deviations in service quality, enhance operational efficiency and results, and strengthen on-site quality control. We also plan to leverage big data to analyze customer preferences and offer more targeted services.

Continue to improve our talent training and incentive mechanisms to support sustainable and rapid growth of our business

We intend to maintain effective talent training and incentive mechanisms to identify, select and cultivate employees across our organization. Through systematic training and development mechanisms, we plan to nurture teams of competent employees at various levels. We intend to formulate and continually adjust targeted performance assessment and promotion mechanisms, based on the development stage and the specific nature of the business, with a view to promoting positive competition internally. We will continue to stimulate employee creativity and value by performance evaluation and assessment system to achieve our performance sharing culture. For key employees, we may provide them with long-term incentive opportunities through our share option scheme to ensure the stability of talents. We will enhance the introduction of professional talents through recruitment and referral to maintain high-quality talent reserves for our business development, in particular, our value-added services. We will continue to build our human resources management system to create a good corporate culture and working atmosphere.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we had received numerous awards and recognitions for the quality of our services. Representative awards and recognitions are set forth below:

We were recognized as "Leading Technology Empowered Property Management Enterprise in China" ("中國物業科技賦能領先企業") and "Leading Smart City Service Provider in China" ("中國智慧城市服務領先企業") in 2021. We ranked the 1st among the top 10 companies on CRIC Research's short list of "China's Property Service Force High-End Service Brand" ("中國物業服務力高端服務品牌") in 2021. We were awarded "Leading Upscale Property Management Service Enterprise in China" ("中國高端物業服務領先企業") in 2020 and "Leading Specialized Operation Brand Enterprise in China" ("中國物業服務專業化運營領先品牌企業") in 2020. Our brand, which is built on high-quality services, was valued at RMB2.5 billion by China Index Academy as of December 31, 2020. According to China Index Academy, we ranked 17th among "2021 Top 100 Property Management Companies in China" ("2021年中國物業服務百強企業") by overall strength.

BUSINESS MODEL

Our business includes the following three business lines:

- **Property management services**. We provide a range of property management services to property owners and residents, as well as property developers, including, among others, security, cleaning, greening, gardening and repair and maintenance services for the operation of common area facilities. Our property management portfolio covers residential properties, in particular, high-end ones, and a wide range of non-residential properties, including (i) commercial properties, such as office buildings and shopping malls, and (ii) public and other properties, such as schools, government facilities and other public spaces. During the Track Record Period, we charged substantially all of our property management fees on a lump sum basis, with the remaining portion charged on a commission basis.

- **Value-added services to non-property owners**. We provide value-added services to non-property owners, including (i) sales assistance services to property developers to assist with their sales and marketing activities at property sales venues and display units, and (ii) consultancy and other value-added services such as pre-delivery and consultancy services, mainly to property developers.

- **Community value-added services**. We provide community value-added services mainly to property owners and residents of our managed properties to address their daily lifestyle needs, which mainly consist of: (i) platform services for interior decoration, (ii) community living services such as housekeeping, new retail and catering services, (iii) community space operation services such as elevator advertising services and car park space management services, and (iv) real estate brokerage services.

Additionally, we provide city operation services, the service scope of which spans across our three business lines. We provide city operation services in different forms. For example, we establish joint ventures with local governments to provide city operation services. In February 2021, we established a joint venture with Jiashan government to provide city operation services for Jiashan's 60 sq.km. economic development zone encompassing municipal gardens, parks, roads, river course and underground pipes and provide greening, security, cleaning, repair and maintenance services thereof. In addition, in May 2021, we entered into a cooperation agreement with Zhoushan government to provide city operation services for Zhoushan's 12 sq.km. economic development zone. We are also in negotiations with other local governments for providing similar city operation services.

The following table sets out the breakdown of our revenue by business line for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Revenue										
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Residential properties	164,568	28.6	201,501	25.6	276,914	29.3	199,400	30.0	335,210	32.0
— Non-residential properties	170,549	29.7	260,776	33.0	290,567	30.8	210,098	31.6	243,028	23.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
Community value-added services(1)	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
Total revenue	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

Note:

(1) Includes gross rental income from investment properties operating leases.

The following table sets out the breakdown of our revenue by source of projects for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	308,277	53.6	431,282	54.7	524,854	55.6	380,716	57.3	534,714	51.0
— Properties developed by Independent Third Parties	26,840	4.7	30,995	3.9	42,627	4.5	28,782	4.3	43,524	4.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	176,539	30.7	247,956	31.4	284,019	30.1	192,601	28.9	360,499	34.4
— Properties developed by Independent Third Parties	2,074	0.4	2,882	0.4	10,382	1.1	6,381	1.0	11,125	1.0
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	59,921	10.5	74,547	9.5	81,604	8.6	56,702	8.5	97,347	9.3
— Properties developed by Independent Third Parties	852	0.1	661	0.1	724	0.1	140	0.0	1,476	0.1
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

The following table sets out the breakdown of gross profit and gross profit margin by source of projects for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	37,105	11.1	54,868	11.9	100,978	17.8	77,831	19.0	101,163	17.5
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	38,548	12.5	54,557	12.6	97,375	18.6	75,386	19.8	97,410	18.2
— Properties developed by Independent Third Parties	-1,443	-5.4	311	1.0	3,603	8.5	2,445	8.5	3,753	8.6
Value-added services to non-property owners	48,373	27.1	68,558	27.3	101,170	34.4	64,231	32.3	171,157	46.1
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	47,149	26.7	67,115	27.1	97,266	34.2	61,852	32.1	169,429	47.0
— Properties developed by Independent Third Parties	1,224	59.0	1,443	50.1	3,904	37.6	2,379	37.3	1,728	15.5
Community value-added services	29,556	48.6	28,097	37.4	32,641	39.6	21,739	38.2	38,575	39.0
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	29,650	49.5	28,043	37.6	32,551	39.9	21,661	38.2	38,177	39.2
— Properties developed by Independent Third Parties	-94[(1)]	-11.0	54	8.2	90	12.4	78	55.7	398	27.0
Total	**115,034**	**20.0**	**151,523**	**19.2**	**234,789**	**24.9**	**163,801**	**24.6**	**310,895**	**29.6**

Note:

(1) This is attributable to our one-off and non-recurring cleaning services provided to a government facility and not representative of our revenue model for community value-added services.

The following table sets out the breakdowns of our Group's (i) contracted GFA, (ii) undelivered GFA, and (iii) number of properties for contracted GFA by source of projects as of the dates indicated:

	As of December 31,			As of September 30,
	2018	2019	2020	2021
Contracted GFA ('000 sq.m.)	21,861.2	30,788.4	40,525.5	45,730.2
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	20,823.2	29,950.5	37,835.9	41,379.0
— Properties developed by Independent Third Parties	1,038.0	837.9	2,689.6	4,351.2
Undelivered GFA ('000 sq.m.)	11,638.1	18,127.8	22,874.0	22,489.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	11,638.1	18,026.9	22,343.1	21,260.3
— Properties developed by Independent Third Parties	–	100.9	530.9	1,229.1
Number of properties for contracted GFA	107	148	190	228
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	99	137	164	188
— Properties developed by Independent Third Parties	8	11	26	40

The following table sets out the breakdown of our revenue by type of properties for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Residential properties	164,568	28.6	201,501	25.6	276,914	29.3	199,400	30.0	335,210	32.0
— Non-residential properties	170,549	29.7	260,776	33.0	290,567	30.8	210,098	31.6	243,028	23.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Residential properties	167,972	29.2	236,522	30.0	280,418	29.7	187,567	28.2	352,463	33.6
— Non-residential properties	10,641	1.9	14,316	1.8	13,983	1.5	11,415	1.7	19,161	1.8
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Residential properties	28,813	5.0	31,861	4.0	40,342	4.3	30,957	4.7	62,785	6.0
— Non-residential properties	31,960	5.6	43,347	5.6	41,986	4.4	25,885	3.8	36,038	3.4
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

The following table sets out the breakdown of gross profit and gross profit margin by type of properties for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
		(%)		(%)		(%)		(%)		(%)
	(RMB in thousands, except percentages)									
Property management services	37,105	11.1	54,868	11.9	100,978	17.8	77,831	19.0	101,163	17.5
— Residential properties	2,712	1.6	5,301	2.6	36,788	13.3	33,729	16.9	54,159	16.2
— Non-residential properties	34,393	20.2	49,567	19.0	64,190	22.1	44,102	21.0	47,004	19.3
Value-added services to non-property owners	48,373	27.1	68,558	27.3	101,170	34.4	64,231	32.3	171,157	46.1
— Residential properties	44,758	26.6	63,136	26.7	93,647	33.4	57,656	30.7	159,366	45.2
— Non-residential properties	3,615	34.0	5,422	37.9	7,523	53.8	6,575	57.6	11,791	61.5
Community value-added services	29,556	48.6	28,097	37.4	32,641	39.6	21,739	38.2	38,575	39.0
— Residential properties	12,031	41.8	3,581	11.2	14,524	36.0	12,155	39.3	24,819	39.5
— Non-residential properties	17,525	54.8	24,516	56.6	18,117	43.2	9,584	37.0	13,756	38.2
Total	**115,034**	**20.0**	**151,523**	**19.2**	**234,789**	**24.9**	**163,801**	**24.6**	**310,895**	**29.6**

The following table sets out the breakdowns of our Group's (i) contracted GFA, (ii) undelivered GFA, and (iii) number of properties for contracted GFA by type of properties as of the dates indicated:

	As of December 31,			As of September 30,
	2018	2019	2020	2021
Contracted GFA ('000 sq.m.)	21,861.2	30,788.4	40,525.5	45,730.2
— Residential properties	19,461.8	27,559.4	36,444.9	41,355.4
— Non-residential properties	2,399.4	3,229.0	4,080.6	4,374.8
Undelivered GFA ('000 sq.m.)	11,638.1	18,127.8	22,874.0	22,489.4
— Residential properties	11,591.8	17,129.5	21,989.1	21,592.1
— Non-residential properties	46.3	998.3	884.9	897.3
Number of properties for contracted GFA	107	148	190	228
— Residential properties	85	118	152	182
— Non-residential properties	22	30	38	46

The following table sets out the breakdown of our revenue by types of ultimate paying customers for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	95,020	16.5	90,509	11.5	102,611	10.9	78,009	11.7	105,609	10.1
— Independent Third Parties	240,097	41.8	371,768	47.1	464,870	49.2	331,489	49.9	472,629	45.1
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	164,457	28.6	232,210	29.5	279,610	29.6	190,796	28.7	353,669	33.7
— Independent Third Parties	14,156	2.5	18,628	2.3	14,791	1.6	8,186	1.2	17,955	1.7
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	20,540	3.6	28,546	3.6	28,568	3.0	19,661	3.0	24,527	2.3
— Independent Third Parties	40,233	7.0	46,662	6.0	53,760	5.7	37,181	5.5	74,296	7.1
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

The following table sets out the number of projects that were successfully awarded to us through tenders and the number of projects that were successfully renewed for the periods indicated:

	For the year ended December 31,						For nine months ended September 30,	
	2018		2019		2020		2021	
	Number of successful tenders	Number of successful project renewals	Number of successful tenders	Number of successful project renewals	Number of successful tenders	Number of successful project renewals	Number of successful tenders	Number of successful project renewals
To Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	41	13	34	9	25	6	16	6
To Independent Third Party developers	3	9	2	8	12	11	10	8
Total	**44**	**22**	**36**	**17**	**37**	**17**	**26**	**14**

The following table sets out the details of our tender success rates and project renewal rates for property management service engagements for the periods indicated:

	For the year ended December 31,						For nine months ended September 30,	
	2018		2019		2020		2021	
	Tender success rate	Project renewal rate	Tender success rate	Project renewal rate	Tender success rate	Project renewal rate	Tender success rate	Project renewal rate
To Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
To Independent Third Party developers	100.0	100.0	50.0	88.9	44.4	100.0	58.8	88.9
Total	**100.0**	**100.0**	**94.7**	**94.4**	**71.2**	**100.0**	**78.8**	**93.3**

Our tender success rates for property management service engagements from Independent Third Party developers decreased from 2018 to 2020 mainly because we started to actively expand our business into properties developed by Independent Third Parties from 2020, which resulted in a significant increase in the number of bids submitted by us for Independent Third Party projects and a decrease in successful tenders as a percentage of the total number of bids submitted in 2020.

Our project renewal rate for property management service engagements from Independent Third Party developers fluctuated during the Track Record Period because we terminated two property management service contracts which did not match with our profitability and other relevant criteria on a voluntary basis. Typically, with respect to projects developed by Independent Third Party developers, we aim to achieve a profit margin before income tax of no less than 4% for projects charged on a lump sum basis or a commission of no less than 8% of the total costs for projects charged on a commission basis. In addition, we also take into account the nature and background of the Independent Third Parties, strategic relationship, future cooperation opportunities and potential for turnaround in profitability when we determine whether to terminate the relevant projects.

PROPERTY MANAGEMENT SERVICES

We were established over 25 years ago to focus on the provision of property management services in China. As of September 30, 2021, our contracted GFA was 45.7 million sq.m., and we managed 228 properties in total, including 182 residential properties and 46 non-residential properties, with an aggregate GFA under management of 23.2 million sq.m. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, revenue generated from property management services amounted to RMB335.1 million, RMB462.3 million, RMB567.5 million, RMB409.5 million and RMB578.2 million, respectively, representing 58.3%, 58.6%, 60.1%, 61.6% and 55.2% of our total revenue during the same periods, respectively.

The following table sets out the breakdowns of our Group's (i) contracted GFA, (ii) GFA under management, (iii) number of properties for contracted GFA, and (iv) number of properties for GFA under management as of the dates indicated:

	As of December 31,			As of September 30,
	2018	2019	2020	2021
Contracted GFA ('000 sq.m.)	21,861.2	30,788.4	40,525.5	45,730.2
GFA under management ('000 sq.m.)	10,223.1	12,660.6	17,651.5	23,240.8
Number of properties for contracted GFA	107	148	190	228
Number of properties for GFA under management	51	66	97	137

General Scope of Property Management Services

The property management services we provide can be grouped into the following categories. In order to deliver an elevated home experience, we provide personalized home services to residents. Our dedicated team of butlers is at residents' service and offers a full spectrum of services including doorstep delivery, laundry management and home concierge:

- **Security services**. We seek to ensure that the properties we manage are safe and in good order, and we endeavor to enhance the quality of our security services through equipment upgrades and smart management. The security services that we provide primarily consist of preserving general order, patrolling, electronic access control, video surveillance, car park security, visitor management, fire safety management and emergency response. We staff our security services with both our own employees and third-party sub-contractors.

- **Cleaning, greening and gardening services**. We provide general cleaning, garbage collection, pest control, greening and gardening services to the common areas of the properties we manage, mostly through sub-contractors. Such common areas may include, among others, staircases, railings, hallways, basements and gardens.

- **Repair and maintenance services**. The scope of our property repair and maintenance services typically includes (i) common area equipment and facilities, such as elevators, air conditioning and lighting systems, (ii) fire and safety facilities, (iii) utility facilities, such as power supply and distribution, water supply and drainage systems, and (iv) security facilities, such as surveillance equipment and entrance gate control. During the Track Record Period, we outsourced to sub-contractors a substantial portion of the specialized repair and maintenance services in relation to elevators and fire protection facilities.

Geographic Coverage

The following table sets out the breakdowns of our (i) GFA under management, and (ii) number of properties under management by geographic region, as of the dates indicated. As of December 31, 2020, we had 17.7 million sq.m. of GFA under management, 84.2% of which was located in first-tier and second-tier cities, in contrast with the industry average of 63.8%, according to China Index Academy.

	As of December 31,									As of September 30,		
	2018			2019			2020			2021		
	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management
	('000 sq.m.)	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*	
Eastern region(1)	3,034.4	29.7	22	4,304.1	34.0	28	8,048.2	45.6	45	12,690.3	54.6	76
Northern region(2)	2,649.8	25.9	16	2,640.8	20.9	20	3,109.4	17.6	25	3,362.0	14.5	27
Central region(3)	2,013.5	19.7	7	2,581.1	20.4	9	2,834.1	16.0	12	3,130.3	13.5	13
Southern region(4)	1,131.8	11.1	2	1,735.4	13.7	4	1,971.8	11.2	6	2,022.1	8.7	8
Southwestern region(5)	1,393.6	13.6	4	1,399.2	11.0	5	1,587.1	9.0	8	1,776.6	7.6	11
Northwestern region(6)	–	–	–	–	–	–	100.9	0.6	1	259.5	1.1	2
Total	**10,223.1**	**100.0**	**51**	**12,660.6**	**100.0**	**66**	**17,651.5**	**100.0**	**97**	**23,240.8**	**100.0**	**137**

Notes:

(1) "Eastern region" refers to Shanghai, Zhejiang province, Jiangsu province, Jiangxi province, Shandong province, Fujian province and Anhui province;

(2) "Northern region" refers to Beijing, Tianjin, Shanxi province, Hebei province and the central area of Inner Mongolia (Hohhot, Baotou and Ulanqab);

(3) "Central region" refers to Hubei province, Hunan province and Henan province;

(4) "Southern region" refers to Guangxi Zhuang autonomous region, Guangdong province and Hainan province;

(5) "Southwestern region" refers to Chongqing, Sichuan province, Yunnan province, Guizhou province and Tibet;

(6) "Northwestern region" refers to Gansu province, Ningxia Hui autonomous region, Shaanxi province, Xinjiang Uygur autonomous region and the western area of Inner Mongolia autonomous region (Alxa League, Bayannur, Wuhai and Ordos).

Types of Properties under Management

We manage a diverse portfolio of properties covering residential properties, in particular, high-end ones, and non-residential properties, including (i) commercial properties, such as office buildings, skyscrapers and shopping malls, and (ii) public and other properties, such as schools, government facilities and other public spaces. The following tables set out the breakdowns of our (i) revenue from property management services by property type, (ii) GFA under management, and (iii) number of properties under management by property type, for the periods or as of the dates indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Residential properties	164,568	49.1	201,501	43.6	276,914	48.8	199,400	48.7	335,210	58.0
Non-residential properties	170,549	50.9	260,776	56.4	290,567	51.2	210,098	51.3	243,028	42.0
Total	**335,117**	**100.0**	**462,277**	**100.0**	**567,481**	**100.0**	**409,498**	**100.0**	**578,238**	**100.0**

	As of December 31,									As of September 30,		
	2018			2019			2020			2021		
	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management
	('000 sq.m.)	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*	
Residential properties	7,870.0	77.0	29	10,429.8	82.4	40	14,455.7	81.9	62	19,763.3	85.0	96
Non-residential properties	2,353.1	23.0	22	2,230.8	17.6	26	3,195.8	18.1	35	3,477.5	15.0	41
Total	**10,223.1**	**100.0**	**51**	**12,660.6**	**100.0**	**66**	**17,651.5**	**100.0**	**97**	**23,240.8**	**100.0**	**137**

Sources of Projects

During the Track Record Period, the properties under our management were principally developed by Jinmao Group and Sinochem Group and their joint ventures and associates while the rest were developed or owned by other independent-third-party property developers. For details about our relationship with China Jinmao and Sinochem Group, see "Relationship with China Jinmao". For information concerning the business delineation between Jinmao Group and us, see "Relationship with China Jinmao — Delineation of Business".

The following tables set out the breakdowns of our (i) revenue from property management services by source of projects, (ii) GFA under management and number of properties under management by source of projects for the periods or as of the dates indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)(1)	308,277	92.0	431,282	93.3	524,854	92.5	380,716	93.0	534,714	92.5
Projects developed by Independent Third Parties(2)	26,840	8.0	30,995	6.7	42,627	7.5	28,782	7.0	43,524	7.5
Total	**335,117**	**100.0**	**462,277**	**100.0**	**567,481**	**100.0**	**409,498**	**100.0**	**578,238**	**100.0**

Notes:

(1) "Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)" refers to properties solely developed by Jinmao Group or Sinochem Group or jointly developed by Jinmao Group or Sinochem Group and other parties.

(2) "Properties developed by Independent Third Parties" refers to properties that were not developed by Jinmao Group or Sinochem Group, either solely or jointly with other parties.

	As of December 31,									As of September 30,		
	2018			2019			2020			2021		
	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management	GFA under management		Number of properties under management
	('000 sq.m.)	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*		*('000 sq.m.)*	*(%)*	
Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)(1)	9,185.1	89.8	43	11,923.7	94.2	56	15,492.8	87.8	76	20,118.7	86.6	105
Properties developed by Independent Third Parties(2)	1,038.0	10.2	8	736.9	5.8	10	2,158.7	12.2	21	3,122.1	13.4	32
Total	**10,223.1**	**100.0**	**51**	**12,660.6**	**100.0**	**66**	**17,651.5**	**100.0**	**97**	**23,240.8**	**100.0**	**137**

Notes:

(1) "Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)" refers to properties solely developed by Jinmao Group or Sinochem Group or jointly developed by Jinmao Group or Sinochem Group and other parties.

(2) "Properties developed by Independent Third Parties" refers to projects not developed by Jinmao Group or Sinochem Group, either solely or jointly with other parties.

Based on information available to us, as of December 31, 2018, 2019 and 2020 and June 30, 2021, we managed approximately 91.0%, 93.0%, 89.0% and 89.0% of the total GFA of the properties developed by Jinmao Group and its joint ventures and associates. To the best of our knowledge, as the properties developed by Sinochem Group and its joint ventures and associates are mainly for self-use purposes, Sinochem Group does not maintain GFA data for such properties, and therefore our managed GFA as a percentage of the total GFA of the properties developed by Sinochem Group and its joint ventures and associates is not available.

Starting from 2020, we proactively reinforced our efforts to seek property management engagements for projects developed by property developers that are Independent Third Parties, in order to benefit more from economies of scale, gain additional revenue sources, diversify our property management portfolio, and reduce reliance on our Controlling Shareholder, Jinmao Group. As of September 30, 2021, our contracted GFA from properties developed by Independent Third Parties was 4.4 million sq.m.

We typically obtain or renew our projects for property management services through tender bidding process or commercial negotiation. The following table sets forth a breakdown of our projects for property management services by types of project sourcing process as of the dates indicated.

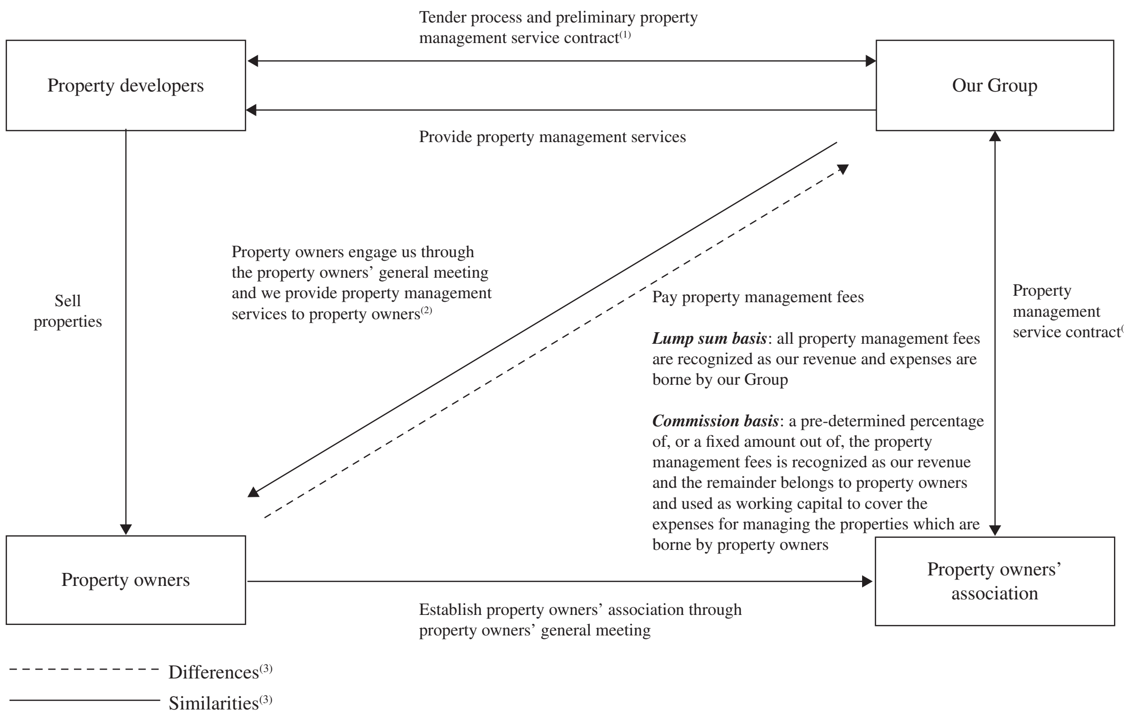
	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
Tender and bidding	26	38	64	94
Commercial negotiation	25	28	33	43
Total	**51**	**66**	**97**	**137**

Revenue Model of Property Management Services

During the Track Record Period, we charged a substantial portion of our property management fees on a lump sum basis, with the remaining portion charged on a commission basis. Our property management revenue generated from services charged on a lump sum basis accounted for 96.8%, 98.7%, 98.5% and 98.7% of our total revenue from property management services for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, respectively.

We take into account a number of factors in determining whether to charge property management fees on a lump sum basis or a commission basis, including the nature and requirements of property owners, the local regulations and market conditions and the preliminary property management service contract. At other times property owners or management associations may specify their preferred payment methods and we would consider whether to accommodate such request taking into account the specific circumstances. We conduct assessments of our prospective customers by evaluating key factors such as the estimated costs of managing the property, historical property management fee collection rate, projected profitability, fee rates charged by competitors.

The following diagram illustrates the contractual relationships under our management service contracts for residential projects and the distinction between the revenue collection models thereof:



Notes:

(1) The property developer can enter into a preliminary property management service contract with us and such contract is legally binding on the property owners.

(2) The property owners can select to engage us through the property owners' general meeting. Once we are selected, the property owners' general meeting can authorize the property owners' association to enter into a property management service contract with us on behalf of the property owners and such contract is legally binding on all the property owners. We provide property management services to property owners post property delivery but before the property owners' general meeting.

(3) These lines are to show the differences and similarities between the lump sum basis and the commission basis.

The differences between lump sum basis and commission basis are explained in more details below:

Property management fees charged on a lump sum basis

On a lump sum basis, we generally charge a pre-determined property management fee based on GFA under management with varying payment terms which represents "all-inclusive" fees for all of the property management services we provide in accordance with the property management service contract we entered into. We are entitled to retain as our revenue the full amount of property management fees receivable from customers such as property owners, property developers and residents, as the case maybe. According to China Index Academy, the lump sum basis revenue model is the dominant method of collecting property management fees in China, especially in relation to residential properties.

On a lump sum basis, we bear the costs of managing properties, and recognize such costs as our cost of sales. These costs generally include expenses associated with our staff directly providing property management services, as well as our sub-contracting costs for third-party services. As a result, reducing the costs incurred in the provision of management services to a property on a lump sum basis has a direct impact on our profitability. Prior to negotiating and entering into our property management service contracts, we seek to form as accurate-as-possible an estimate of our cost of sales. If the amount of property management fees we are entitled to collect during the term of a contract is not sufficient to cover all the expenses incurred, we are not entitled to request customers to pay us the shortfall. As of December 31, 2018, 2019 and 2020 and September 30, 2021, we had 8, 11, 14 and 15 property management projects managed on a lump sum basis for which we incurred losses during the Track Record Period and such projects had an aggregate GFA under management of 1.7 million sq.m., 2.3 million sq.m., 3.0 million sq.m. and 3.0 million sq.m. as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively. Based on our accounting records, the loss-making projects had incurred losses amounting to RMB8.6 million, RMB12.4 million, RMB11.9 million and RMB10.5 million for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, respectively, and property management service revenue from such projects accounted for 2.6%, 2.6%, 2.1% and 1.8% of our total revenue for the respective periods.

Losses incurred for these projects were due to various reasons that affected the profitability level of the relevant projects.

- We were unable to adjust the property management fee rates for four, five, five and five projects in 2018, 2019 and 2020 and the nine months ended September 30, 2021, respectively, to keep up with the increased costs, which was primarily attributable to the price controls imposed by local government authorities over residential property management fees. The total GFA under management for these projects was 1.2 million sq.m., 1.3 million sq.m., 1.3 million sq.m. and 1.3 million sq.m., as of December 31, 2018, 2019, 2020 and September 30, 2021. Based on our accounting records, the total revenue we recorded from these projects accounted for

0.9%, 1.0%, 0.5%, 0.8% and 0.7% of the total revenue in 2018, 2019 and 2020 and nine months ended September 30, 2020 and 2021. We incurred net losses of RMB2.9 million, RMB4.6 million, RMB2.9 million, RMB3.2 million and RMB3.8 million for these projects in the same periods.

- We had increased cost of sales for four, six, nine and ten projects in 2018, 2019 and 2020 and the nine months ended September 30, 2021, respectively, which was primarily due to (i) lack of economies of scale in smaller projects, (ii) high costs related to the hot water supply system and (iii) high upfront invariable costs incurred for projects that are not completely delivered, which are expected to generate more revenue in the future. The total GFA under management for these projects was 0.7 million sq.m., 1.1 million sq.m., 1.7 million sq.m. and 1.7 million sq.m., as of December 31, 2018, 2019 and 2020 and September 30, 2021. Based on our accounting records, the total revenue we recorded from these projects accounted for 1.7%, 1.6%, 1.6%, 1.7% and 1.2% of the total revenue in 2018, 2019 and 2020 and nine months ended September 30, 2020 and 2021. We incurred net losses of RMB5.7 million, RMB7.8 million, RMB9.0 million, RMB6.8 million and RMB6.8 million for these projects in the same periods.

We continue to manage these projects and we believe that we would gradually improve their profitability and reduce losses in the future by diversifying our community value-added service offerings to create new revenue streams, and implementing various cost-saving measures. In particular, with respect to cost-saving measures, we have enhanced cost control and management at a granular level by implementing digitalization initiatives and further standardizing service processes to reduce labor costs. We are analyzing the correlations between cost of revenues and customer satisfaction rate to improve resource allocation and maintain efficiency in our operations. We continue to evaluate the effectiveness of our cost control measures on a regular basis. In addition, with respect to projects that are not subject to government price control, we will negotiate with customers to increase property management fees. Our Directors are of the view that with a combination of the cost-saving and revenue generation through fee-increment measures we will be effective in reducing losses of our loss-making projects. For example, two of our projects to which we charged a package price incurred less loss during the nine months ended September 30, 2021 compared to the same period of 2020. We currently aim to turn around the loss-making projects in 2024 with our combination of the cost-saving and revenue generating measures. For details, see "— Property Management Fees — Pricing of Property Management Fees."

For more details, see "Risk Factors — Risks relating to Our Business and Industry — We may be subject to losses and our profit margins may decrease if we fail to control costs or raise the property management fee in performing our property management services on a lump sum basis". To maintain the profitability of our managed properties, we have undertaken various cost-saving measures. For details, see "— Standardization and Smart Management". Our management believes that lump sum basis will continue to be the predominant revenue collection model in the near future.

Property management fees charged on a commission basis

During the Track Record Period, we derived property management services revenue from a limited number of property management projects on a commission basis, representing 3.2%, 1.3%, 1.5% and 1.3% of our revenue from property management services for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, respectively. On a commission basis, we charged a pre-determined property management commission fee at a fixed percentage, which typically ranged from 6% to 10% of, or a fixed amount out of, the property management fees during the Track Record Period while the remainder of such property management fees are used as working capital to cover the expenses we incur for managing such properties.

When we are contracted to manage communities on a commission basis, we essentially act as an agent of our customers. On a commission basis, we are not entitled to any excess of the property management fees paid by property owners, residents or property developers (after deducting the fees receivable by us as the property manager) over the costs and expenses associated with the provision of services to the property. Therefore, we do not recognize any direct cost under property management service contracts charged on a commission basis in general. Such costs are borne by our customers, such as property owners, property developers and residents, as the case maybe. As at the end of a reporting period, if the working capital of a management office accumulated in our treasury is insufficient to cover the expenses incurred by the management office in arranging for property management services, we would recognize the shortfall as other receivables subject to impairment. For more information, see "Risk Factors — Risks Relating to Our Business and Industry — We may fail to recover payments on behalf of property owners of the properties managed on a commission basis".

The following table sets out the breakdown of our revenue generated from property management by project stage according to the management account for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)									
Property management services										
— Preliminary stage	286,327	85.4%	409,824	88.7%	507,638	89.5%	372,312	90.9%	531,442	91.9%
— property owners' association stage	48,790	14.6%	52,453	11.3%	59,843	10.5%	37,186	9.1%	46,796	8.1%
Total	**335,117**	**100%**	**462,277**	**100%**	**567,481**	**100%**	**409,498**	**100%**	**578,238**	**100%**

The following table sets out the breakdowns of our Group's (i) number of projects and (ii) GFA under management by project stage as of the dates indicated:

	As of December 31			As of September 30
	2018	**2019**	**2020**	**2021**
Number of projects	51	66	97	137
— Preliminary stage	44	59	87	125
— Property owners' association stage	7	7	10	12
GFA under management ('000 sq.m.)	10,223.1	12,660.6	17,651.5	23,240.8
— Preliminary stage	9,929.0	12,366.5	16821.1	21,959.1
— Property owners' association stage	294.1	294.1	830.4	1,281.7

Property Management Fees

Pricing of Property Management Fees

We generally price our property management services based on a number of factors, including (i) the types and geographic locations of the properties, (ii) the scope and requirements of the services to be provided, (iii) the expected costs, (iv) reasonable target profit margins, (v) years of operating history of the projects and profiles of the property owners and residents, (vi) the local government's guidance price or limit on property management fees (where applicable), and (vii) competition from peer companies (including the pricing of property management services provided to comparable properties). In addition, we consider the potential cost savings and optimized allocation of resources we can achieve through standardization and smart management, which allow us to propose property management fees acceptable to customers.

We regularly evaluate our financial information to assess whether we are collecting sufficient property management fees to sustain our profit margins. We may propose to raise our property management fee rates during renewal negotiations for our property management service contracts or otherwise as approved by a requisite number of property owners under applicable PRC laws and regulations.

In the PRC, property management fees charged for certain properties, such as residential communities, are regulated and supervised by the relevant PRC authorities. The relevant price administration department and construction administration department of the State Council are jointly responsible for the supervision over and administration of fees charged in relation to property management services for preliminary property management service contracts and such fees may need to follow PRC government guidance prices in different regions in China. Among the services we provided, the property management services for residential projects in certain cities are subject to government price control. During the Track Record Period, the maximum guidance price for property management services in certain cities where we provided services ranged from RMB1.4 per sq.m. per month to RMB4.0 per sq.m. per month. For further information, see "Regulations — Legal Supervision over Property Management Service — Fees Charged by Property Management Service Provider". As of December 31, 2018, 2019 and 2020 and September 30, 2021, the number of projects that were subject to government guidance price was 7, 10, 15 and 30, respectively, with an aggregate GFA under management of 2.9 million sq.m., 4.0 million sq.m., 5.5 million sq.m. and 7.9 million sq.m., respectively, contributing to aggregate revenue of RMB52.9 million, RMB66.2 million, RMB81.5 million, RMB50.3 million and RMB105.8 million in 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively, which accounted for 15.8%, 14.1%, 14.3%, 12.3% and 18.3% of our revenue from property management service during the same periods, according to the management account, respectively. All of these projects are residential properties located in cities such as Hefei, Ningbo, Nanjing and Qingdao. According to China Index Academy, the property management fee charged by us during the Track Record Period was in line with the market trends with reference to the location, quality and other characteristics of the properties under our management. During the Track Record Period and up to the Latest Practicable Date, based on the advice from our PRC Legal Advisers, our Directors confirm that the property management fees charged by us complied with the relevant PRC laws and regulations in all material aspects in relation to such government price controls.

Our ability to increase property management fees for a project is generally subject to negotiations upon contract renewal and a number of factors such as pricing of comparable projects and market conditions. There can be no guarantee that we will be able to increase property management fees for any of the aforementioned properties as estimated.

For certain of the properties we manage, including non-residential properties such as schools, government facilities and other public spaces, we charge a package price of property management fees on a per project basis without reference to any GFA. Such package price is determined by taking into account factors such as the nature and scope of the specific property management services to be provided, our cost expected to be incurred, reasonable target profit margins and competition from peer companies (including pricing of property management services provided to comparable properties). We took the same set of factors into consideration when determining the package price for projects developed by Sinochem Group and its associates and joint ventures and Independent Third Parties. During the Track Record Period, we charged 4, 5, 11 and 19 projects a package price of property management fees as of December 31, 2018, 2019 and 2020 and September 30, 2021. All of these projects were developed by Independent Third Parties other than Shanghai Jinmao School which we began to manage in 2021. During the Track Record Period, the package price we charged ranged from approximately RMB30,000 per month to RMB650,000 per month per project for projects developed by Independent Third Parties. The package price of Shanghai Jinmao School project was higher than that of projects developed by Independent Third Parties primarily due to the higher costs that were expected to incur in connection with the Shanghai Jinmao School project at the price negotiation stage. The following table sets forth the revenue, gross profit and gross profit margin of the package price projects during the Track Record Period.

According to the management account, we incurred gross losses of RMB3.6 million, RMB3.0 million, RMB2.1 million and RMB1.7 million in 2018, 2019, 2020 and the nine months ended September 30, 2021, respectively, for these projects. In 2018, 2019, 2020 and the nine months ended September 30, 2021, one, one, one and two projects to which we charged a package price incurred losses of RMB4.9 million, RMB4.1 million, RMB3.8 million, RMB2.5 million, respectively. We incurred losses for such projects primarily because of our strategic decision to source certain projects which require higher costs and our pricing strategies to charge a package price to these projects in order to build business relationships with these customers.

The following table sets forth (i) the number of projects to which we charged a package price, (ii) the number of projects to which we charged a package price and incurred losses, and (iii) losses incurred by such loss-making projects during the Track Record Period.

	For the year ended December 31,			For the nine months ended September 30,
	2018	2019	2020	2021
The number of projects to which we charged a package price	4	5	11	19
The number of projects to which we charged a package price and incurred losses	1	1	1	2
Losses incurred by such loss-making projects (RMB million)	4.9	4.1	3.8	2.5

We believe that we will be able to gradually improve the profitability of these projects. As commonly encountered in expansion to new businesses, the initial higher upfront costs are likely to be mitigated over time as we continue to streamline the management of such package projects more efficiently and build a successful track record which will enable us to charge a better price for such package projects. Specifically, we are gradually improving the profitability of projects to which we charge a package price by implementing various digitalization and standardization measures to enhance our cost structure. For details of these measures, see "— Property Management Services — Revenue Model of Property Management Services — Property management fees charged on a lump sum basis." As a result of these efforts, we have improved the profitability of projects to which we charge a package price. For example, we managed to improved the profitability of a project where we provide services to a strategic government customer. Such project incurred less losses during the nine months ended September 30, 2021 compared to the same period of 2020.

	For the year ended/ As of December 31,			For the nine months/ As of September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
Revenue (RMB'000)	16,407	11,753	17,549	12,256	20,910
Gross profit (RMB'000)	(3,570)	(2,994)	(2,078)	(1,745)	2,100
Gross profit margin (%)	(21.8)%	(25.5)%	(11.8)%	(14.2)%	10.0%

Our overall average property management fee was approximately RMB6.2, RMB5.9, RMB5.4 and RMB4.9 per sq.m. per month as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively. The property management fees we charged during the Track Record Period were determined in accordance with normal commercial terms.

Our average property management fee charged for residential properties was approximately RMB3.6, RMB3.7 and RMB3.6 per sq.m. per month as of December 31, 2018, 2019 and 2020, respectively, which is above the industry-average property management fees charged for residential properties of RMB2.3, RMB2.1 and RMB2.1 per sq.m. per month as of December 31, 2018, 2019 and 2020, respectively, according to China Index Academy. Our average property management fee charged for residential properties was approximately RMB3.5 sq.m. per month as of September 30, 2021.

Our average property management fee charged for non-residential properties was approximately RMB20.7, RMB20.0, RMB19.7 and RMB19.7 per sq.m. per month as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively.

Under our property management service contracts, we can negotiate with property owners to raise the property management fees upon contract renewal or through obtaining approval from the requisite number of property owners under applicable PRC laws and regulations. In practice, as it takes time to communicate with the property owners and to go through the necessary procedures to obtain their requisite approval, we would evaluate the situation on a case-by-case basis and generally would propose to adjust the property management fees when we consider it necessary in conducting our business and in accordance with our internal policies and procedures. Our business department for the management of residential properties would be in charge of a fee raise evaluation, together with our finance department and the relevant regional offices, and determine to proceed with a fee raise process after considering factors including without limitation: (i) the guidance prices or limits set by the local authorities, if applicable, and local policies regarding property management fee adjustment, (ii) the fee level of comparable neighboring projects in the local market, and (iii) the operating status of our projects and whether our fee level corresponds with our scope of services (taking into account any modifications required by owners as applicable). Despite our efforts to adjust our property management fees, there is no assurance that we would succeed in achieving such fee increases when needed. For further details, see "Risk Factors — Risks relating to Our Business and Industry — We may be subject to losses and our profit margins may decrease if we fail to control costs or raise the property management fee in performing our property management services on a lump sum basis".

We also settle property management fees with property developers. Property developers provide vouchers to property owners for promotional purposes, and property owners will use the vouchers to purchase our property management services. We will then present the vouchers to, and settle property management fees with, property developers directly. For property management services settled through vouchers, our revenue recognition method is the same as property management services settled through other measures. For property management services, we bill a fixed amount for services provided on a monthly basis and recognize as revenue the amount which we have a right to invoice and that corresponds directly with the value of performance completed. For details, see "Financial Information — Critical Accounting Policies and Estimates — Revenue Recognition".

Taking into account the property management fees charged to our customers and the time and procedures it takes to adjust such fees from time to time, we continuously monitor our costs to maintain profitability or cut loss to the extent possible. In this regard, we have undertaken various internal measures to reduce cost and maintain profitability for our property management services. For instance, to reduce our operational costs, we have outsourced certain labor intensive services such as cleaning and security to third-party sub-contractors whose service standards meet our requirements. Moreover, we also focus on implementing standardization and smart management measures to reduce our reliance on manual labor and enhance our operational efficiency. For details, see "— Standardization and Smart Management". Furthermore, to reduce labor costs, we have implemented an internal policy providing instructions on, among other things, negotiation with suppliers, establishing of price ceilings in bid invitations, enhancing supplier evaluation and enforcing the strategic centralized purchase plan.

The following table sets out the average property management fee charged by our Group and the Top 100 Property Management Companies by type of properties as of December 31, 2018, 2019 and 2020:

	As of December 31,		
	2018	**2019**	**2020**
	(RMB per square meter per month)		
Overall average property management fees			
Top 100 Property Management Companies	4.2	3.9	3.8
Our Group	6.2	5.9	5.4
Average property management fees for residential properties			
Top 100 Property Management Companies	2.3	2.1	2.1
Our Group	3.6	3.7	3.6
Average property management fees for non-residential properties			
Top 100 Property Management Companies	5.9	5.2	5.0
Our Group	20.7	20.0	19.7

Notes:

(i) Source: China Index Academy

(ii) According to China Index Academy, the non-residential properties of the Top 100 Property Management Companies in China in 2018, 2019 and 2020 comprise commercial properties, office buildings, industrial parks, public properties, schools and hospitals.

Average property management fee charged by our Group for each type of properties is higher than that charged by the Top 100 Property Management Companies mainly because (i) 65.2% of the properties developed by Jinmao Group or its joint ventures and associates were delivered post 2018, and we typically charge higher property management fees for newly delivered properties; (ii) according to China Index Academy, 84.2% of our GFA under management as of December 31, 2020 was located in first-tier and second-tier cities, compared to the industry average of 63.8% as of the same date; (iii) as of December 31, 2020, the majority of properties under our management were developed by Jinmao Group and its joint ventures and associates, which primarily consisted of high-end residential properties, commercial properties and office buildings with premium quality above industry average, according to China Index Academy; and (iv) there is a wide range of property management fees for different types of non-residential properties and for non-residential properties located in different cities, and therefore different composition of non-residential properties leads to significant difference between our average property management fees for non-residential properties and that for the Top 100 Property Management Companies.

For example, as of December 31, 2020, approximately 83.1% of the non-residential properties under our management (excluding properties to which we charged a package price which does not form a significant part of our management of non-residential properties) were commercial properties and office buildings which typically contribute to higher gross profit margin, whereas on average only approximately 42.2% of the non-residential properties managed by the Top 100 Property Management Companies were commercial properties and office buildings, according to China Index Academy. Further, unlike other Top 100 Property Management Companies, all of the non-residential properties under our management (excluding properties to which we charged a package price) were located in first-tier and second-tier cities, which typically charge higher average property management fees for non-residential properties, according to China Index Academy. According to China Index Academy, the average property management fees charged by us for residential and non-residential properties, respectively, in first-tier and second-tier cities are in line with those charged by our industry peers for residential and non-residential properties with similar attributes. For example, our average property management fee for high-end residential properties in Beijing ranged from RMB4.2 to RMB13.0 as of December 31, 2020, compared to the average property management fee of RMB4.5 to RMB9.5 charged by another Top 100 Property Management Company for residential properties with similar attributes. The slightly higher end of our fee range was mainly attributable to a new high-end villa property delivered post 2018. Excluding the impact of this new villa property, our average property management fee for high-end residential properties in Beijing would have ranged from RMB4.2 to RMB11.8 as of December 31, 2020.

The following table sets out the average property management fee charged to each type of property developed by Jinmao Group, Sinochem Group and their respective joint ventures and associates and Independent Third Party developers as of the dates indicated:

	As of December 31,			**As of September 30,**
	2018	**2019**	**2020**	**2021**
Residential properties	3.6	3.7	3.6	3.5
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	3.6	3.7	3.7	3.5
— Independent Third Party property developers	–	–	2.6	3.4
Non-residential properties	20.7	20.0	19.7	19.7
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	20.9	20.1	20.5	20.5
— Independent Third Party property developers	18.7	18.9	14.1	14.1

The average property management fee for properties developed by Independent Third Party developers are relatively lower compared to those developed by Jinmao Group, Sinochem Group and their respective joint ventures and associates. This is primarily because (i) the residential properties developed by Jinmao Group and its joint ventures and associates comprise more high-end properties compared to residential properties developed by Independent Third Parties; (ii) the non-residential property portfolio developed by Jinmao Group and its joint ventures and associates comprised more high-end commercial properties and office buildings. In particular, Shanghai Jinmao Tower, one of the landmark high-end office buildings in China, was the key driver of the high average monthly property management fee of the non-residential properties of Jinmao Group and its joint ventures and associates during the Track Record Period. Excluding the impact of Shanghai Jinmao Tower, the average monthly property management fee of the non-residential properties developed by Jinmao Group and its joint ventures and associates would have been RMB15.6 per sq.m. during the Track Record Period. In contrast, the non-residential property portfolio developed by Independent Third Parties included a spacious office building in a second-tier city in China's northwestern region. Its relatively low property management fee contributed to the lower average monthly property management fee of the non-residential properties of Independent Third Parties. Excluding the impact of this office building, the average monthly property management fee of the non-residential properties developed by Independent Third Parties would have been RMB16.3 per sq.m. during the Track Record Period; and (iii) we made a strategic decision to adjust pricing based on project quality and profitability requirement in order to build scale at our early stage of expansion into properties developed by Independent Third Party property developers. The average property management fees charged by us for high-end residential and non-residential properties, respectively, in first-tier and second-tier cities which were developed by Jinmao Group, Sinochem Group and their respective joint ventures and associates are in line with those charged by us for properties with similar attributes developed by Independent Third Parties. For example, our average property management fees for two high-end residential properties in Shanghai developed by Jinmao Group were RMB5.8 and RMB6.3, respectively, in 2020, compared to the average property management fee of RMB5.6 charged by us for a residential property with similar attributes developed by an Independent Third Party and delivered in 2021.

Collection of Property Management Fees

When properties to be managed by us become deliverable in accordance with the property management service contracts or otherwise agreed in writing with the customers, we would begin to charge property management fees from customers, such as property owners, residents and property developers. For residential properties, we charge property management fees directly from residents. For office buildings, shopping malls and public facilities, we charge property management fees from property owners and lessees. We generally charge property management fees on a semi-annual or annual basis and while we accept advance payments, we typically do not grant credit terms to customers for the property management fees we charge. For further details on our trade receivables, see "Financial Information — Description of Selected Consolidated Statement of Financial Position — Trade Receivables".

During the Track Record Period, we charged property management fees from property developers, primarily Jinmao Group (and its joint ventures and associates), for completed but unsold property units as well as sold and completed property units prior to the delivery date as agreed between property developers and property purchasers (the "**vacant properties**"). Unless required by the applicable local PRC authorities, we generally do not offer a discount to the property developers for the property management fees charged for such property units. We primarily accept payments for property management fees through offline payment methods such as cash, credit card, third party payment platforms, bank transfers, check, commercial draft, which are linked to our online service platform, "Home (回家)" mobile application. We also accept payments for property management fees through prepayment rewards activities. We reward customers who choose to make prepayments for property management fees with gifts such as cooking oil, rice and other groceries. We will not recognize revenue for services provided to such customers until the requirements for revenue recognition are met. For details about our revenue recognition methods, see "Financial Information — Critical Accounting Policies and Estimates — Revenue Recognition".

According to the Administrative Measures for Non-commercial Institutions Payment Service (《非金融機構支付服務管理辦法》), online payment service providers who provide fund transfer services as an intermediary between payees and payers are required to obtain payment licenses. During the Track Record Period and up to the Latest Practicable date, (i) we use third party online payment service provider on our online service platform and such online payment service provider has obtained the requisite payment licenses; and (ii) we did not develop and do not have our own electronic payment tools for the provision of fund transfer services on our online service platform. Base on the above, our PRC Legal Advisers are of the view that no licenses for us are required for our collection of fees on our online service platform through third party online payment service providers.

We have undertaken various measures to enhance the timeliness of the collection of property management fees. When property management fees become overdue, we will send overdue payment notices to customers by phone, messages, through our online service platform or delivery in person or to the mailboxes of the property owners and residents and follow up by frequent payment reminders. Our butlers will collect overdue payments from residents from door to door. We may also offer incentive rewards to encourage residents and property owners to pay property management fees in advance on a timely basis. In the event of significant payment delays after repeatedly failed collection attempts, we may initiate legal proceedings to collect the property management fees.

Our collection rate of property management fees was 98.5%, 96.8% and 94.1% for the years ended December 31, 2018, 2019 and 2020, respectively. Our collection rate is in line with industry norm, according to China Index Academy. Our Directors believe that, benefiting from the satisfactory services provided to customers coupled with our continual fee collection efforts, we had maintained a reasonable property management fee collection level during the Track Record Period.

Property Management Service Contracts

The following table sets out the breakdowns of the number of our property management service contracts by source of project and project stage, respectively, as of the dates indicated:

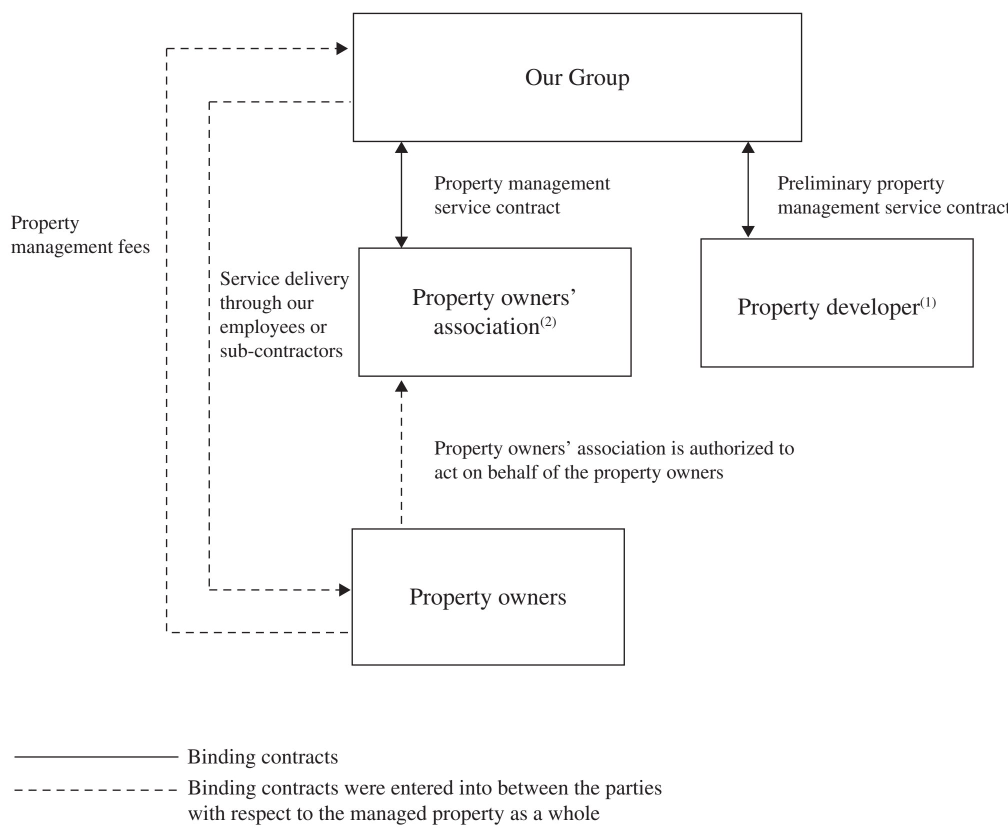
	As of December 31, 2018	2019	2020	As of September 30, 2021
Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)				
Residential properties				
— preliminary property management service contracts	99	140	175	193
— property management service contracts with property owners' associations	6	6	6	6
Non-residential properties				
— property management service contracts of non-residential properties	18	25	26	28
Sub-total	123	171	207	227
Properties developed by Independent Third Parties				
Residential properties				
— preliminary property management service contracts	0	0	5	12
— property management service contracts with property owners' associations	0	0	3	5
Non-residential properties				
— property management service contracts of non-residential properties	8	11	18	23
Sub-total	8	11	26	40
Total	**131**	**182**	**233**	**267**

The key terms of our property management service agreements with Jinmao Group, Sinochem Group and their respective joint ventures and associates are similar to those with Independent Third Party property developers, whereas fee rates may vary depending on project location, property type and scope of work, etc. According to China Index Academy, our property management service agreements with Jinmao Group, Sinochem Group and their respective joint ventures and associates are in line with industry norm.

Property management service contracts for residential communities

For the provision of our property management services of residential communities, we enter into (i) preliminary property management service contracts with property developers at the construction or pre-sale stage of property development projects, or (ii) property management service contracts with property owners' associations (on behalf of the property owners) after formation thereof.

The diagram below illustrates our relationships with various contracting parties under our property management service contracts for residential communities:



Notes:

(1) Property developer enters into the preliminary property management service contract with us. Such contracts are legally binding on future property owners in accordance with PRC laws.

(2) Property owners' association enters into property management service contract with us on behalf of property owners and such contracts are legally binding on all property owners in accordance with PRC laws.

Property developers typically engage property management service providers through a tender and bidding process or in other manners as allowed under applicable PRC laws and regulations. Property developers would contract directly with property management service providers before newly developed properties are sold to property owners. The tender and bidding process to select a property management company for a property development project would generally be initiated by a property developer after it has obtained the state-owned land use certificates, construction land use permits, planning permits for construction engineering and construction permits for that project. Property developers, within a prescribed period upon the confirmation of the winning bidder for property management services, are required to file such bidding results with the relevant local PRC authorities where the property project is located and such filing, as required by the local PRC authorities, generally has to be made prior to the approval of property pre-sale permits for the property developers by the local PRC authorities.

Upon engagement by the property developers, property management companies will generally need to make registration of the preliminary property management service contracts (together with the proposed property management fees) with the local PRC authorities. The aforementioned process for obtaining property management services engagements applies to projects developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates) and independent third party property developers alike.

Under PRC laws, although neither the property owners' associations nor property owners are parties to the preliminary property management service contracts, these contracts are nonetheless legally binding on the future property owners as the property sale and purchase agreements that property owners enter into with property developers shall incorporate the content of the preliminary property management service contracts. Accordingly, property owners are obligated to pay property management fees directly to us under these contracts.

After delivery of the projects by property developers to the property owners, property owners may form and operate property owners' associations to manage the projects. According to Article 10 of the Regulations on Property Management (2018 Revision) (《物業管理條例》), property owners of a same property shall have a property owners' meeting and elect a property owners' association. The PRC Civil Code, which became effective on January 1, 2021, stipulates that property owners can establish property owners' meeting and elect property's association in accordance with procedures stipulated by laws and regulations.

According to the PRC Civil Code, a preliminary property management service agreement entered into between a property developer and a property management service company in accordance with the PRC laws and regulations is legally binding on the relevant property owners. According to the Regulations on Property Management (2018 revision), a sales contract concluded by a property developer and a property buyer shall include the content stipulated in the relevant preliminary property management service agreement. Therefore, as advised by our PRC Legal Advisors, the preliminary residential property management service agreements entered into with property developers in compliance with the aforementioned regulations are legally binding on the relevant future property owners as the property sale and purchase agreements that property owners enter into with property developers shall include the content of the preliminary property management service contracts. Once our preliminary property management service agreements have expired, we may negotiate with the newly-formed property owners' associations on terms of new property management service agreements. Property owners' associations are independent from us. In order to secure and continue to secure property management service agreements, we strive to consistently provide quality services at competitive prices.

At times, the fixed terms of preliminary property management service contracts may have expired before the relevant property owners' general meetings of such properties are convened, or before the relevant property owners' associations are formed to renew our property management service contracts or to select a replacement property management service provider, or at other times, we may be in the negotiation process with the property owners' association for the renewal of our engagement. Under such circumstances, so long as we continue to provide property management services to the relevant properties, we are entitled to receive the property management fees for the continued services we provide despite the expired contract terms of the preliminary property management service contracts or the pending renewal of our property management contracts.

Under PRC laws, property owners' associations represent the interests of property owners in matters concerning property management. Decisions of the property owners' association are binding on all property owners. Contracts between property owners' associations and property management service providers are valid and legally binding on all property owners concerned, irrespective of whether or not the property owners are individual parties to such contracts. Thus, we have legal claim rights against all property owners for outstanding property management fees.

For residential properties under our management which have established property owners' associations, it typically took an average of approximately two to three years for them to form property owners' associations. As of December 31, 2018, 2019 and 2020 and September 30, 2021, 5.7%, 4.1%, 3.2% and 2.8% of the preliminary property management services contracts of residential properties had turned into property management service contracts with property owners' associations, respectively. Except for the foregoing, property owners of the residential properties under our management have not yet established property owners' associations. Establishment of property owners' association is rare for residential properties primarily due to (i) lack of incentives for property owners to establish the associations, and (ii) obstacles to allocate costs incurred during the process among property owners. There are also few property owners' associations for non-residential properties primarily because such properties are normally owned by one owner. According to China Index Academy, only less than 10% of the local communities in China have established property owners' associations for residential and non-residential properties. According to China Index Academy, for residential properties delivered post 2018 in first-tier and second-tier cities in China which have established property owners' associations, it typically took an average of approximately three to five years for them to form such property owners' associations.

The key terms and arrangements of our preliminary property management service contracts entered into with property developers for residential communities typically include the following:

- **Scope of services**. We provide standard property management services including security, cleaning, greening, gardening, repair and maintenance of the operation of common area facilities. We may also be responsible for providing other auxiliary property management services such as services in relation to the usage of car park spaces.

- **Performance standards**. The contract sets out the quality standards required for providing the property management services, as well as the requirement for regular examination and maintenance of equipment and facilities in the common areas.

- **Property developer's obligations**. The property developer is primarily responsible for, among other things, (i) ensuring that its property purchasers understand and commit to their obligations under the preliminary property management service contract, (ii) providing a readily available office space for us to use as our on-site property management office, (iii) ensuring the quality of the common area equipment and facilities delivered to a property and assuming warranty responsibility within the warranty period as required under PRC laws, (iv) providing us with blueprints, other construction design documents and completion inspection and warranty documents, and (v) providing other support necessary for carrying out our contractual obligations and reviewing plans and budgets that we may draw up in relation to our services.

- **Property management fees**. The contract sets out the property management fee to be collected which generally begin to accrue when the purchased property becomes deliverable as agreed under the property management service contracts. The property developer is generally responsible for paying the property management fees for completed but unsold property units as well as sold and completed property units prior to the delivery date as agreed between the property developer and property purchaser.

- **Sub-contracting**. We are allowed to outsource individual components of the property management services to specialized third-party sub-contractors. For example, we may choose to outsource services such as security, cleaning, greening, gardening and repair and maintenance services for elevators and fire protection systems to third-party sub-contractors and only conduct the overall coordination and planning ourselves for these outsourced services. We may need to post notices in the communities to inform the property owners and residents of the third-party sub-contractors we engage and we remain responsible for the services they provide under the terms of our property management contracts. For arrangements with our third-party sub-contractors, see "— Our Suppliers — Sub-contracting".

- **Term of service**. Our preliminary property management service contracts generally have a fixed term which is no more than three years, or do not have a fix term and can be terminated when the property owners' association is formed and select another property management service provider and a replacement property management service contract entered into by the property owners' association takes effect.

The key terms and arrangements of our property management service contracts entered into with property owners' associations for residential communities typically include the following:

- **Scope of services**. We provide standard property management services including security, cleaning, greening, gardening, repair and maintenance of the operation of common area facilities. We may also be responsible for providing other auxiliary property management services such as services in relation to the usage of car park spaces.

- **Performance standards**. The contract sets out the quality standards required for providing the property management services, as well as the requirement for regular examination and maintenance of equipment and facilities in the common areas.

- **Property owners' association's obligations**. The property owners' association is primarily responsible for, among other things, (i) procuring that the property owners and residents understand and commit to their obligations under the property management service contract, (ii) daily communication with the property management service provider on behalf of the property owners and residents, (iii) providing a readily available office space for us to use as our on-site property management office, and (iv) providing other support necessary for carrying out our contractual obligations and reviewing plans and budgets that we may draw up in relation to our services.

- **Property management fees**. The contract sets out the property management fee rates to be collected which generally begin to accrue upon delivery of the purchased property as agreed under the property management service contracts. We may also impose late fees on overdue property management fees and have the right to initiate legal proceedings against customers to collect the fees.

- **Sub-contracting**. We are allowed to outsource individual components of the property management services to specialized third-party sub-contractors and only conduct the overall coordination and planning ourselves for these outsourced services and we remain responsible for the services they provide under the terms of our property management contracts. For arrangements with our third-party sub-contractors, see "— Our Suppliers — Sub-contracting".

- **Term of service**. Property owners' associations are generally authorized by the property owners to enter into property management service contracts with us on behalf of the property owners which typically have fixed terms of no more than three years.

Property management service contracts for non-residential properties

We enter into property management service contracts with customers, such as property owners, property owners' associations or property developers, for the management of non-residential properties, including (i) commercial properties, such as office buildings, skyscrapers and shopping malls, and (ii) public and other properties, such as schools, government facilities and other public spaces. In practice, it is not common in the PRC for owners of non-residential properties to form property owners' association. The following summarizes the general terms of our property management service contracts for non-residential properties:

- **Scope of services**. We provide standard property management services including security, cleaning, greening, gardening, repair and maintenance of the operation of common area facilities. We may also provide other auxiliary property management services, such as conference services for office buildings. We have also developed and offer customized operation and management system and industry-leading safety management standards for skyscrapers.

- **Performance standards**. The contract sets out the quality standards required for providing the property management services, as well as the requirement for regular examination and maintenance of equipment and facilities of the managed properties.

- **Customers' obligations**. The customers of our property management service contracts for non-residential properties are primarily responsible for, among other things, (i) payment, or procuring lessees to make payment, of property management fees in the agreed manner, (ii) providing a readily available office space for us to use, (iii) ensuring the quality of the common area equipment and facilities; and (iv) providing other support necessary for carrying out our contractual obligations and reviewing plans and budgets that we may draw up in relation to our services.

- **Property management fees**. The contract sets out the property management fees generally payable on a quarterly, semi-annual or annual basis. Apart from some of the non-residential properties for which we charge the property management fees based on the revenue-bearing GFA, we may also charge a package price of property management fees without reference to revenue-bearing GFA, in particular, for non-residential properties such as schools and government facilities. We may also impose late fees on overdue property management fees and have the right to initiate legal proceedings against the customers to collect the fees.

- **Sub-contracting**. We are allowed to outsource individual components of the property management services, such as cleaning services, to third-party sub-contractors and only conduct the overall coordination and planning ourselves for these outsourced services. We remain responsible for the services they provide under the terms of our property management contracts.

- **Term of service**. Our property management service contracts for non-residential properties generally have a fixed contract term of one to three years, or as the case may be, can be terminated when the property owners general meeting selects another property management service provider.

Expiration schedule of property management service contracts

The following table sets out the expiration schedule of our preliminary property management service contracts for residential properties as of September 30, 2021:

	Preliminary property management service contracts for residential properties			
	Contracted GFA		Number of contracts	
	('000 sq.m.)	*(%)*		*(%)*
Property management service contracts without fixed term[1]	25,048.7	62.5	138	67.3
Property management service contracts under which we provided services beyond contract expiration[2]	4,385.4	10.9	19	9.3
Property management service contracts with fixed terms expiring in				
— Year ending December 31, 2021	261.5	0.6	3	1.5
— Year ending December 31, 2022	679.0	1.7	4	1.9
— Year ending December 31, 2023 and beyond	9,730.3	24.3	41	20.0
Sub-total	10,670.8	26.6	48	23.4
Total	**40,104.9**	**100.0**	**205**	**100.0**

Notes:

(1) A property management service contract without fixed term primarily refers to a preliminary property management service contract entered into with the property developer which does not have a fixed term and can be terminated when the property owners' association is formed and the property owners select the property service provider with a replacement property management service contract entered into by the property owners' association.

(2) We continued to provide services under these property management service contracts despite their expired contract terms as of September 30, 2021. This was mainly because the relevant property owners' general meetings of such properties are yet to be convened or the property owners' associations are yet to be formed to renew our property management service contracts or to select a replacing property management service provider, or that we are still in the negotiation process with the property owners' associations for the renewal of our engagement.

During the Track Record Period, none of our preliminary property management service contracts entered into with developers was terminated by developers or by property owners through the property owners' general meeting.

The following table sets out the expiration schedule of our property management service contracts for residential properties entered into with property owners' associations as of September 30, 2021:

	Property management service contracts for residential properties entered into with property owner's associations			
	Contracted GFA		**Number of contracts**	
	('000 sq.m.)	*(%)*		*(%)*
Property management service contracts without fixed term	—	—	—	—
Property management service contracts under which we provided services beyond contract expiration	103.3	8.3	4	36.4
Property management service contracts with fixed terms expiring in				
— Year ending December 31, 2021	106.2	8.5	1	9.1
— Year ending December 31, 2022	182.0	14.5	1	9.1
— Year ending December 31, 2023 and beyond	858.9	68.7	5	45.4
Sub-total	1,147.1	91.7	7	63.6
Total	**1,250.4**	**100.0**	**11**	**100.0**

The following table sets out the expiration schedule of our property management service contracts for non-residential properties as of September 30, 2021:

	Property management service contracts for non-residential properties			
	Contracted GFA		Number of contracts	
	('000 sq.m.)	*(%)*		*(%)*
Property management service contracts without fixed term	1,172.3	26.8	10	19.6
Property management service contracts under which we provided services beyond contract expiration	189.0	4.3	3	5.9
Property management service contracts with fixed terms expiring in				
— Year ending December 31, 2021	1,255.0	28.7	10	19.6
— Year ending December 31, 2022	574.4	13.1	12	23.5
— Year ending December 31, 2023 and beyond	1,184.1	27.1	16	31.4
Sub-total	3,013.5	68.9	38	74.5
Total	**4,374.8**	**100.0**	**51**	**100.0**

During the Track Record Period, we terminated two property management service contracts which did not match with our profitability criteria on a voluntary basis. As of September 30, 2021, all of the property management service contracts without fixed contract terms as of September 30, 2021 were still operating without being terminated or otherwise renewed.

Under PRC laws, the property owners' general meeting of a residential community has the right to change property management companies pursuant to certain procedures. We believe property owners will continue to engage our Group as the property management service provider after the delivery of residential properties developed by Jinmao Group, Sinochem Group and their respective joint ventures and associates due to our high-end, premium and personalized services as well as our smart property management. For instance, we were honored as "China's Leading Specialized Property Management Service Enterprise – MOCO Service System" ("中國特色物業服務領先企業—MOCO服務體系"), "Leading Technology Empowered Property Management Enterprise in China" ("中國物業科技賦能領先企業") and "Leading Smart City Service Provider in China" ("中國智慧城市服務領先企業") in 2021. Our property management service contracts for non-residential properties are also subject to renewal or can be terminated pursuant to the relevant contract clauses. In the event of termination or non-renewal of property management service contracts, we may be adversely affected. See "Risk Factors — Risks relating to Our Business and Industry — Termination or non-renewal of our property management service contracts for a significant number of properties could have a material adverse effect on our business, financial position and results of operations".

Growth of Our Property Management Project Portfolio

We have been expanding our property management services business in the past primarily through obtaining new service engagements from property developers.

Under the Regulations on Property Management (2018 Revision) (《物業管理條例》) (2018年修訂) and the Interim Measures for Bid-Inviting and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》), property developers are typically required to select property management service providers and enter into preliminary property management service contracts for residential properties and non-residential properties in the same property management area through a tender and bidding process. In circumstances where there are less than three bidders or the size of the managed property is small, property developers are permitted under PRC laws to select property management service providers by entering into agreements, subject to approval by the competent PRC authorities. For details, see "Regulations — Legal Supervision over the Property Management Service".

A typical tender and bidding process for the aforementioned engagement of a property management service provider primarily involves the following stages:

- **Invitation**. The property developer may publish an announcement to invite potential bidders or issue private invitations to at least three qualified bidders setting out the specifications and requirements for the tendered property management project. Tender invitation related documents and governmental approvals in relation to the property project are required to be submitted and filed in advance with the competent local real estate administration department in the PRC.

- **Tender submission**. Bidders submit tender documents to the property developer which generally contain proposed pricing, proposal and plan for property management and other information as specified by the tender invitation. Bidders may be required to provide pre-qualification documents for vetting before the formal tender documents are submitted.

- **Evaluation**. The property developer will establish a tender evaluation committee to review and rank the submitted tenders. The tender evaluation process and the composition of the tender evaluation committee must comply with the requirements of relevant PRC laws and regulations. The tender evaluation committee generally takes into account factors such as credentials, service quality, availability of capital and proposed fee levels when it evaluates the proposals.

- **Selection**. Based on its evaluation, the tender evaluation committee recommends no more than three bidders as qualified candidates with ranking to the property developer. The property developer will generally confirm the top one bidder as the winner and proceed to arrange for necessary notification.

- **Award and contract signing**. The property developer must file the result of the tender with the relevant local authorities within 15 days upon confirmation of the award. The property management contract so awarded to the winner is expected to be signed within 30 days upon issuing the notification of the award.

A public tender process may also be required under PRC laws and regulations for PRC government, public institutions and bodies with public fiscal funds to engage property management service providers for properties, such as government buildings and public service facilities.

The number of property management service contracts awarded to us by Jinmao Group, Sinochem Group and their respective joint ventures and associates through tender process accounted for 78.0%, 80.1%, 82.6% and 83.7% of the total number of property management contracts awarded to us by Jinmao Group, Sinochem Group and their respective joint ventures and associates as of December 31, 2018, 2019 and 2020 and September 30, 2021.

As of the Latest Practicable Date, we were not aware of any administrative penalties or any notice of potential administrative penalties from the relevant competent authorities on us in relation to any required tender and bidding process for our preliminary property management service contracts.

VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

Leveraging our front-line property management expertise, we maintain close relationship with customers through provision of property management services and value-added services and manage useful data that covers the full life cycle of properties under our management. We have developed in-depth knowledge of customer preferences and accumulated extensive experience in property planning and design and facility maintenance. We offer value-added services to satisfy the varied needs of non-property owners. For instance, we provide value-added services to property developers to address their incidental needs arising throughout various stages of property development and management. Our services cover aspects such as planning and design, construction, selling and marketing, project delivery, and repair and maintenance.

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, our revenue from value-added services to non-property owners amounted to RMB178.6 million, RMB250.8 million, RMB294.4 million, RMB199.0 million and RMB371.6 million, respectively, accounting for 31.1%, 31.8%, 31.2%, 29.9% and 35.4% of our total revenue for the respective periods. We typically give a credit term of 90 days to 180 days to customers of our value-added services to non-property owners.

The following table sets out the breakdown of our revenue from value-added services to non-property owners by service type for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Sales assistance services	139,425	78.1	204,392	81.5	228,446	77.6	166,566	83.7	174,911	47.1
Consultancy and other value-added services to non-property owners	39,188	21.9	46,446	18.5	65,955	22.4	32,416	16.3	196,713	52.9
Total	**178,613**	**100.0**	**250,838**	**100.0**	**294,401**	**100.0**	**198,982**	**100.0**	**371,624**	**100.0**

During the Track Record Period, we obtained contracts for value-added services to non-property owners primarily through direct appointments by property developers as a natural extension of our property management services.

Value-added services to non-property owners attributable to properties developed by Jinmao Group, Sinochem Group and their respective joint ventures and associates accounted for 98.8%, 98.9%, 96.5% and 97.2% of our total revenue generated from value-added services to non-property owners in 2018, 2019, 2020 and the nine months ended September 30, 2021, respectively.

Sales Assistance Services

We provided value-added services to non-property owners mainly through the provision of sales assistance services to property developers to assist with their sales and marketing activities at property sales venues and display units so as to create premium customer experience appealing to potential property purchasers. As of September 30, 2021, we offer sales assistance services to 105 projects, covering 50 cities in 19 provinces, autonomous regions and municipalities in China. During the Track Record Period, sales assistance services contributed to over 45% of the revenue generated from our value-added services to non-property owners.

We deploy on-site staff at the property sales venues and display units to provide sales assistance services generally. These include operating the visitor reception, and management, cleaning, greening, gardening, security inspection, maintenance and operation of facilities, presentation of display apartments, marketing and other customer related services for potential property purchasers. Under our sales assistance service contracts, we are obligated to follow the service standards specified by our customers, while our customers are obligated to provide us with the facilities and equipment necessary to provide our services. We provide our sales assistance services through our own employees and sub-contractors. We have implemented quality standards for our sales assistance services and regularly assess the quality of such services. We provide sales assistance services to Jinmao Group (and its joint ventures and associates) as well as to independent-third-party property developers. Our high-quality sales assistance services are well recognized among Independent-third-party property developers who have engaged us to assist in high-end projects such as Beijing Zijinshuyuan (北京紫金書院) and Chang'an Mao Fu (長安茂府) in first-tier and second-tier cities.

Our sales assistance service contracts generally have a term of no more than one year and can be renewed by our customers depending on sales conditions. We typically charge a fixed rate commission for the provision of sales assistance services for the contract term which is payable by customers on a monthly or quarterly basis. Such fee is determined on a cost plus basis by taking into consideration factors such as the nature and scope of the services, the headcount and positions of the staff we deploy and the size, location and positioning of the properties involved.

Consultancy and Other Value-added Services to Non-property Owners

We provide consultancy and other value-added services to non-property owners to assist in site selection, brand positioning, preliminary planning and design, construction, delivery, and repair and maintenance through the life cycle of projects during the Track Record Period. Our services cover the following stages of property development projects:

- **Planning and design**. We help property developers improve design and performance of projects from the perspective of end users. Leveraging on our first-hand experience gained from property management, property developers design and tailor their projects to residents' needs.

- **Construction**. We provide on-site consultancy and conduct inspections from time to time. We follow up on quality issues that are discovered in these inspections from the perspective of property management. We also provide consultancy services with respect to selection of construction materials, adjustment to the parameters of facilities and other ancillary requirements.

- **Pre-delivery**. We conduct evaluation of properties, including common areas, facilities and landscapes, prior to delivery to make sure the properties meet the quality standard and functional requirements as agreed between property developers and residents. We also help property developers prepare for the delivery of properties, such as procuring facilities and equipment.

- **Post-delivery**. We provide post-delivery services to property developers, mainly comprising repair and maintenance services during the post-delivery warranty periods which typically last two years from the delivery of such properties.

In addition, we provide sales agency services to property developers, sourcing potential purchasers and providing assistance in entering into sales contracts with buyers, with respect to newly developed properties and car park spaces developed by such developers. With respect to sales agency services for newly developed properties, we charge commissions calculated at a fixed percentage of the sales price of the relevant properties. With respect to sales agency services for car park spaces, we plan to charge either (i) a commission calculated at a fixed percentage of the sales price of the relevant car park spaces or a fixed amount on top of the sales price of the relevant car park spaces, or (ii) the difference between the actual sales price paid by the purchaser and the pre-determined minimum sales price, determined between us and the property developer on a case-by-case basis.

In addition to Jinmao Group, we also provide consultancy services to office buildings and skyscrapers developed by Independent Third Parties such as Jiangsu Guangdian City (江蘇廣電城) and Wuhan Guohua Financial Center (武漢國華金融中心). We generally charge a fixed fee rate per sq.m. of GFA for the consultancy services and other value-added services provided to non-property owners calculated based on the unit price and areas of each project. We also take into account the nature and scope of the specific project and the services provided. The fees are determined on a case by case basis.

COMMUNITY VALUE-ADDED SERVICES

As an extension of our property management services business, we provide community value-added services mainly to property owners and residents of our managed properties to address their lifestyle and daily needs, enhance customer experience, satisfaction and loyalty, and to create a more convenient community environment for our customers. These services are provided primarily through our daily contact and interaction with our customers during the process of providing traditional property management services, as well as through our online service platform. During the Track Record Period, we obtained contracts for our community value-added services primarily through direct appointments by property owners as a natural extension of our property management services. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, revenue generated from our community value-added services amounted to RMB60.8 million, RMB75.2 million, RMB82.3 million, RMB56.8 million and RMB98.8 million, respectively, accounting for 10.6%, 9.6%, 8.7%, 8.5% and 9.4% of our total revenue for the respective years.

The following table sets out the breakdown of our revenue from community value-added services by service type for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Community space operation services[(1)]	45,198	74.4	57,348	76.3	61,101	74.3	43,164	75.9	72,552	73.4
Community living services	15,108	24.9	17,696	23.5	16,401	19.9	12,187	21.4	17,597	17.8
Platform services for interior decoration	439	0.7	164	0.2	3,802	4.6	797	1.4	5,594	5.7
Real estate brokerage services	28	–	–	–	1,024	1.2	694	1.3	3,080	3.1
Total	**60,773**	**100.0**	**75,208**	**100.0**	**82,328**	**100.0**	**56,842**	**100.0**	**98,823**	**100.0**

Note:

(1) Includes gross rental income from investment properties operating leases.

Community value-added services attributable to properties developed by Jinmao Group, Sinochem Group and their respective joint ventures and associates accounted for 98.6%, 99.1%, 99.1%, 98.9% of our total revenue generated from community value-added services in 2018, 2019, 2020 and the nine months ended September 30, 2021, respectively.

Community Space Operation Services

We are devoted to increasing our income from the operation of common area resources of the properties under our management, including (i) publishing advertisement in the common area, such as exterior wall, lobby, elevator room, light box and parking lot entry, for which we charge fees per billboards, (ii) leasing common areas for third-party commercial activities, and (iii) car park space management services which includes rental, cleaning, security and facilities management services for owners of car park spaces in the properties under our management, as well as sub-leasing operations in connection with our leased car park spaces. We also provide vehicle parking services within the area of properties under our management. We implement a smart car park management system to record all the entries and exits of vehicles. We generally charge a monthly or quarterly service fee for our car park management services.

For community space operation services, we are authorized under the property management service contracts or under property owners' consents of a certain scale as required by the PRC laws to lease out the common areas on behalf of the property owners. The income generated from such services is shared between us and the property owners generally in a proportion (i) calculated in accordance with applicable local regulations, (ii) agreed in the property management service contracts or (iii) otherwise consented to by the property owners.

Real Estate Brokerage Services

We provide sales agency services to customers, as well as real estate brokerage services to property owners and residents for secondary sales or rental transactions of properties. Upon the closing of a secondary sale of a property for which we provide brokerage services, we charge a commission fee equal to a pre-determined percentage of the purchase price, which is typically borne by both the purchaser and the seller. Similarly, upon the closing of a rental transaction, we typically charge an agency fee equal to one month's rent from either the landlord or the tenant. We explore opportunities to provide brokerage services through our daily property management operations. Most of our brokerage services target communities close to the properties under our management.

Platform Services for Interior Decoration

Through our in-house designers based in our headquarters, and through cooperation with third-party decoration companies, we provide property owners and residents of our managed properties with interior home design, decoration and turnkey furnishing services to create a move-in ready residence, for which we act as an agent. We assist the property owners and residents of our managed properties in identifying suitable third-party decoration companies to decorate and furnish the property units and purchasing furniture, home appliances and accessories. We enter into agreements with large interior decoration service providers. We typically charge to service providers a commission representing a pre-negotiated percentage on the contract amount such interior decoration service providers charge our property owners and residents if such contract amount exceeds a pre-negotiated threshold. Most of the contracts with interior decoration service providers require a minimum amount of brand promotion service fees to be paid by such providers in advance. For the convenience of our residents, residents can make orders and payments with respect to interior decorations directly to us through our "Home" (回家) mobile application. We typically transfer 80% of the amount of the order payment, extracting our commission fee, to the suppliers and typically will not transfer the remaining 20% of the amount of the order payment until the suppliers complete the contracts. As a marketing strategy, we invite potential customers to view our display apartment on opening days.

Community Living Services

Leveraging our long-term experience and professional teams for property management services, we provide a variety of community living services to property owners and residents of the communities we manage focusing on their daily needs, which mainly include: (i) housekeeping, cleaning, air purification, and formaldehyde removal services to property units, and (ii) new retail services through our "Home" (回家) mobile application with third-party merchants of groceries. For housekeeping, cleaning, air purification, and formaldehyde removal services to property units and new retail services, we facilitate transactions between our residents and third-party service providers. We provide the last-mile delivery services for the products purchased on our mobile application through our butlers under our new retail services. We also provide catering services to tenants in certain of the office buildings under our management.

Third-party Merchants for Community Value-added Services

For the provision of community value-added services by third-party merchants, we screen and select suitable merchants based on a number of factors including, amongst others, price competitiveness, quality of products or services and responsiveness to demands of customers. We may select various third-party merchants to provide certain products or services to communities under our management within the same region, considering, among others, the nature of the product or service in question and the operating scale and capability of the merchant to cater to the different needs and preferences of the residents in such communities. We adopt strict entry threshold and quality control measures to ensure the quality of products or services provided by third-party merchants. We typically enter into written collaboration agreements with merchants, setting forth, among other things, the content of the supplied products or services, terms, fees or commissions we charge, payment method, obligations and rights of both parties, settlement mechanisms, logistics for deliveries of products or services and liability for compensation. We may replace a third-party merchant prior to agreed contract expiry dates in the event of suboptimal performance.

City Operation Services

City operation services refer to the integration, optimization, transformation and distribution of urban resources by governments and enterprises and the delivery of value-added public services to citizens, which underpin the seamless operation of modern urban areas. China Jinmao, as a leading city operator in China, has taken a coordinated and synergistic approach to city operation, combining economic interest and long-term social benefit, to better serve the interests of citizens and regional development.

Leveraging its advantages as a state-owned enterprise, Jinmao Group continues to scale its city operation and has established itself as a developer of city operation projects through joint ventures with local governments and business partners. As of July 31, 2021, Jinmao Group had successfully contracted for 30 city operation projects nationwide. These projects span new urban zones, city complexes and charismatic towns, covering a wide array of property types, including hotels, commercial properties, office buildings, schools, health care centers, theaters and smart energy stations, with various construction forms, including urban skyscrapers, complex underground spaces, and integrated urban corridors.

To better align Jinmao Group's city operation strategy with our own, and leveraging our solid property management and customer service capabilities, we step beyond traditional property management services to provide specialized, standardized and digital city operation solutions for customers from all walks of life. Our well-rounded capabilities and deep-rooted connection with Jinmao Group have enabled us to continuously capitalize on Jinmao Group's strong project pipeline in the city operation sector. As of the Latest Practicable Date, we had entered into preliminary property management contracts for 22 city operation projects of Jinmao Group, representing a diverse portfolio of office building complexes, new towns, cultural towns and smart cities in Shanghai, Changsha, Lijiang, Qingdao, Nanjing, Sanya, Wenzhou, Tianjin and more, among which 12 projects were in operation.

We provide full life-cycle city operation services which cover a wide variety of properties and use case scenarios in urban areas. Our city operation services cover all types of properties located in a city or region, including residential and commercial properties, public properties, industrial parks and villages. Our city operation services encompass the full life-cycle of the development of an urban development zone, including preliminary services to areas under construction, daily city operations and municipal maintenance, and renovation of old residential projects and villages.

We offer the following services in our city operation service portfolio:

- *City operation planning*. We help local governments to identify pain points in certain city operation use case scenarios and provide solutions. We assist with garbage collection and disposal, parking management, street vendor management and safety production.

- *Coordination and implementation*. Based on city operation planning, we integrate available resources and coordinate professional suppliers including ourselves to provide city operation services and solutions.

- *Property management services*. We provide property management services in residential and non-residential properties, such as resettlement estates, industrial parks and commercial streets. We also provide auxiliary services such as greening and cleaning and public facility maintenance.

- *Value-added services*. We also provide value-added services to non-property owners and community value services in properties under our management in city operation projects. For details of services we provide, see "Value-Added Services to Non-property Owners" and "Community Value-Added Services".

As we further expand our city operation services, we intend to provide the following services:

- setting up smart city operation platforms such as intelligent fire station, intelligent lighting systems and security and control platforms leveraging the AI and IoT technologies;
- engaging in urban cultural activities and rural vitalization initiatives, such as providing information related to education, healthcare, cultural activities and tourism through integrated platforms; and
- expanding the scope of our property management services to engage in village management services and management of underground pipelines.

We typically enter into cooperation agreements with regional governments to provide city operation services, such as property management services to residential and non-residential properties and other municipal management services.

The following table sets forth the number of projects, GFA under management and average property management fee for our city operation service business during the Track Record Period. According to China Index Academy, the average property management fee for our city operation services is in line with industry norm.

	For the year ended/ As of December 31,			For the nine months ended/As of September 30,
	2018	**2019**	**2020**	**2021**
City operation services				
Number of projects	16	17	19	33
Average property management fee (RMB per sq.m. per month)	5.1	4.7	4.4	4.0
GFA under management ('000 sq.m.)	2,790.6	3,323.1	4,232.8	5,874.1

City operation has high barriers to entry in terms of technology and experience due to the scope and complexity of services involved. As the upscale property management arm of Jinmao Group, and benefiting from our extensive experience in multi-format and premium-grade city operation services, we believe we are well positioned to capitalize on future market opportunities from Independent Third Parties in the city operation service sector by expanding our management scale and diversifying our city operation portfolio and service offerings. We typically seek to enter into strategic cooperation agreements with government authorities and state-owned enterprises, optimize the allocation of social resources, and have built a multi-dimensional management mechanism for city operation services. For example:

- In February 2021, we established a joint venture with Jiashan Economic Development Zone Property Management Co., Ltd. (嘉善經濟開發區物業管理有限公司) to provide city operation services for Jiashan's 60 sq.km. economic development zone encompassing municipal gardens, parks, roads, river course and underground pipes and provide greening, security, cleaning, repair and maintenance services. By integrating the property management concept into the comprehensive management of urban areas, we provide city operation services including maintenance and operation of urban equipment and facilities, property management of public properties, industrial parks, residential properties and commercial properties, property management preliminary consulting and human resources services. We strive to establish management service benchmarks in different areas of the Jiashan development zone and improve the overall service quality.

- In May 2021, we signed a cooperation agreement with Zhoushan government to provide city operation services for Zhoushan's 12 sq.km. economic development zone. We strive to transform the traditional decentralized approach to urban management to a centralized approach to improve efficiency, offering one-stop management services for the urban environment, public architectures, city squares and industrial communities in the Zhoushan economic development zone.

We are also in negotiations with other local governments for providing similar city operation services. In recognition of our long-established excellence in city operation services, we were awarded "China's Leading Smart City Services Enterprise" ("中國智慧城市服務領先企業") in 2021 by China Index Academy.

The launch of city operation services contributes to the growth of our business scale, as it allows us to gain a foothold in the city operation service sector as a pioneer, according to China Index Academy. We are committed to building our "Jinmao Property Management Service" (金茂服務) brand to be an industry-leading city operation service brand in China. We believe city operation service offerings will allow us to improve our market reputation and expand our sources of revenues, which in turn will contribute to our sustainable long-term growth.

Further, we are well positioned to capitalize on the pipeline of Sinochem Group and future opportunities to be derived from its potential business combination with ChemChina. For example, we recently partnered with Sinochem Lantian, a fluorine chemical engineering arm of Sinochem Group, to establish a joint venture which specializes in property management services for the high-quality industrial parks and office buildings held by Sinochem Group, including the core research and production base, Shangyu industrial park, and the core fluorine chemical engineering base, Taicang industrial park.

STANDARDIZATION AND SMART MANAGEMENT

We have been implementing upgrades of information technology to strengthen our competitiveness and to reduce operational costs and reliance on manual labor. Our professional team has been focusing on implementing standardization and smart management to continuously improve operation procedures, maximize operation efficiency and optimize customers' experience for the management of smart communities.

Standardization

We have standardized and optimized our service procedures and strengthened our ability at headquarters, regional offices and branch offices levels to manage our projects based on a comprehensive quality management system. With the improvement of our service ability, we continuously issue and update internal standards to meet the ever changing requirements of customers. We have formulated a series of internal guidelines and rules laying out detailed guidance on key standards and procedures for property management and related services, supervision of service procedures and project evaluation, so as to ensure consistent and high-quality services covering a wide spectrum of property types and targeting various types of customers along the value chain of property development and management. We also established and implemented a set of control and supervision measures to coordinate our standard operating procedures for property management services to further enhance operation and management efficiency and improve service quality. We provide systematic training to our property management staff as well as subcontractors to help them understand and comply with our service standards and procedures. In addition, we have implemented standards and procedures to conduct comprehensive evaluation of our projects to identify problems and improve service quality. We believe such standards and procedures enable us to improve our management efficiency while ensuring high service quality.

Online Service Platform

We utilize our online service platform, mainly comprising our "Home" (回家)) mobile application, together with WeChat mini program, as the gateway for users to access our services both online and offline with a view to enhancing customer experience and loyalty, as well as our brand recognition. Registered users can access our services through our online service platform, primarily including: (i) reporting repair and housekeeping requests and arranging for such services, (ii) contacting our property management customer service staff for assistance and complaints, (iii) paying property management fees, parking fees and utility fees, reviewing and tracking property management fee statements and receiving payment reminders from us, (iv) accessing notices about community activities, (v) browsing community value-added services and products information, and (vi) placing orders for and arranging deliveries of daily necessity products and goods we sourced from third party suppliers and sold on such online service platform.

According to the Administrative Measures on Internet Information Services (互聯網信息服務管理辦法), which were issued by the State Council and became effective on 25 September 2000, as amended on 8 January 2011, the provision of information to web users through the Internet is classified into commercial and non-commercial Internet information services. Commercial Internet information services refer to paid services for providing information to or creating web pages for web users through the Internet. Non-commercial Internet information services refer to free services for providing public, commonly-shared information to web users through the Internet. Whether an Internet information service is regarded as commercial or non-commercial depends on whether the provision of Internet information is free or charged. We have completed the requisite filings of non-commercial Internet information services for the "Home" (回家) mobile application, in respect of the relevant services, given that during the Track Record Period the business conducted by our online service platform was regarded as non-commercial Internet information services because we used our online service platform as a tool to facilitate the provision of the relevant services and we did not generate any revenue directly from such online service platform in the form of paid Internet information services. Besides, we have obtained the Value-added Telecommunication Business Operation License (增值電信業務經營許可證) for online data processing and transaction processing in respect of the service for selling daily necessity products and goods we sourced from third party suppliers on our online service platform. Based on the foregoing, our PRC Legal Advisers are of the view that we are not required to obtain any licenses, permits or approvals for the operation of our online service platform other than the filings of non-commercial Internet information services and the Value-added Telecommunication Business Operation License for online data processing and transaction processing.

On January 4, 2022, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated Measures for Cybersecurity Review (網絡安全審查辦法) the ("**Measures**") which came into effect on February 15, 2022. Pursuant to the Measures, the procurement of network products and services by critical information infrastructure operators and any data processing activities by network platform operators that affects or may affect national security shall be subject to the cybersecurity review. In addition, network platform operators possessing personal information of more than one million users must apply to the Cybersecurity Review Office for cybersecurity review when they go public in a foreign country (國外上市). According to the Critical Information Infrastructure Security Protection Regulations, protection work departments are responsible for organizing the identification of CII within their industries and sectors and notifying operators about the identification results. As of the date of this Prospectus, we have not received any notification from relevant regulatory authorities regarding our identification as a CIIO. Therefore, the obligation for CIIO to apply for cybersecurity review shall not be applicable to us as of the date of this Prospectus. As of the Latest Practicable Date, we possessed personal information of less than one million users. However, the Measures provides no further explanation or interpretation for "listing in a foreign country." As advised by our PRC legal advisors, Article 13 of the Draft Regulations by the CAC differentiates between listing in a foreign country and a listing in Hong Kong. The obligations under the Measures to proactively apply for cybersecurity review by network platform operators seeking listing in a foreign country shall not be applicable to the proposed listing in Hong Kong. As advised by our PRC legal advisors, except voluntary filings, regulatory authorities may initiate cybersecurity reviews if it is of the opinion that the network products and services as well as data processing activities affect or may affect national security. Since there remain uncertainties with respect to the interpretation and applicability of the criteria for determining the risks that "affect or may affect national security" based on the factors (v)-(vii) set out in Article 10 of the Measures, we cannot preclude the possibility that the risk factors may apply to us as network platform operators and we may be subject to cybersecurity review. In addition, on November 14, 2021, the CAC published a discussion draft of Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "Draft Regulations"), which reiterates that a data processor which processes personal information of more than one million persons and is going to list in foreign countries should apply for the cybersecurity review but still does not explicitly clarify whether this requirement will be applicable to the listing in Hong Kong; moreover, the Draft Regulations also specifically requires that if the listing in Hong Kong by a data processing operator affects or may affect the national security, the data processor shall apply for cybersecurity review in accordance with the relevant provisions of the state. As to the risks that "affect or may affect national security", Article 10 of the Measures outlines the security risks which should be taken into consideration when the cybersecurity review assesses the potential national security risks, which mainly include the following seven factors: (i) the risk that the use of products and services could bring about the illegal control of, interference with, or destruction of Critical Information Infrastructure (the "CII"); (ii) the harm to CII business continuity of product and service supply disruptions; (iii) the security, openness, transparency, and diversity of sources of products and services, the reliability of supply channels, as well as the risk of supply disruptions due to political, diplomatic, and trade factors; (iv) product and service providers' compliance with Chinese laws, regulations, and department rules; (v) the risk that core data, important data or large amount of personal information being stolen, leaked, damaged, illegally used or illegally exported; (vi) the risk of CII, core data, important data, or large amount of personal information being affected, controlled, or maliciously used by foreign governments, as well as the risk of network information security, if a company goes public; and (vii) other factors that could harm CII security, cybersecurity and data security.

Scenarios (i)-(iv) mainly focus on security risks associated with CIIOs purchasing specific network products and services. As advised by our PRC Legal Advisors, according to the Critical Information Infrastructure Security Protection Regulations, protection work departments are responsible for organizing the identification of CII within their industries and sectors and notifying operators about the identification results. As of the date of this Prospectus, we have not received any notification from relevant regulatory authorities regarding its identification as CIIO. Therefore, scenarios (i)-(iv) are not applicable to us as of the date of this Prospectus.

In terms of scenario (v), during the Track Record Period and up to the date of this Prospectus, the user data collected by us within the territory of mainland China during our business operations has been stored within the territory of mainland China. We have not experienced any material cybersecurity and data privacy incident including without limitation, data or personal information theft, leakage, damage, tampering, loss and illegal use, or any claim from any infringement upon any third parties' right to data privacy. We have taken appropriate backup, encryption, access control and other necessary technical and organizational measures and set up overall cybersecurity and data protection policies to protect data from unauthorized access, disclosure, theft, tampering, destruction, loss, illegal use, or other serious incidents and breaches. We are of the view that it is not likely to trigger scenario (v). We will keep abreast and conform to the legislative and regulatory requirement to prevent the related risks that may trigger scenario (v).

Scenario (vi) applies to the risks when a company goes public. We are not likely to trigger scenario (vi) with respect to the proposed Listing in Hong Kong, on the basis that: (i) we have not been identified as CIIO by relevant regulatory authorities; (ii) the user data collected by us within the territory of mainland China as part of our business operations has been stored within the territory of mainland China; and (iii) we have set up appropriate technical and organizational measures and will continually make great effort to prevent the related risks that may trigger scenario (vi). However, as advised by our PRC legal adviser, the interpretation and applicability of "network information security" remains uncertain and subject to further clarification by the CAC or relevant regulatory authorities, we cannot preclude the possibility that this scenario may apply.

As to scenario (vii), our PRC Legal Advisors are of the view that the interpretation and applicability of it may be subject to uncertainty and further elaboration by the CAC or relevant regulatory authorities. We cannot preclude the possibility that this scenario may apply.

Subject to the above uncertainties, if we need to apply for the cybersecurity review according to applicable regulations, we will apply for the cybersecurity review in due course.

Due to the lack of further clarifications or detailed rules and regulations, there are uncertainties on how to determine whether a proposed listing by a company like us in Hong Kong affects or may affect national security or not, the PRC government authorities may have wide discretion in the interpretation and enforcement of these measures and regulations. As of the Latest Practicable Date, the Draft Regulations have not been formally adopted. We will conduct a review to determine whether we are subject to relevant national security review when the Draft Regulations take effect. If the Draft Regulations become effective in the current form, we do not foresee any material impediments for us to comply with the Draft Regulations in all material respects, on the basis that (i) as of the date of this prospectus, we have not been subject to any material administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to cybersecurity, data and personal information protection; (ii) as of the date of this Prospectus, there has been no material cybersecurity, data and personal information protection incidents or infringement upon any third parties, or other administrative or legal proceedings, pending or, to the best of the knowledge of us, threatened against or relating to us; (iii) we have taken appropriate and necessary measures, policies and procedures that include legal controls involved in our cybersecurity, data and personal information risk management processes, such as documentation requirements, access control, security, and emergency response mechanism and preventive measures; and (iv) we will closely monitor the legislative and regulatory development in cybersecurity, data and personal information protection, and the we will implement, maintain and continually improve our compliance practices to comply with regulatory and legal requirements in such respects, including, among others, the Draft Regulations, if implemented in their current form. Base on the foregoing and the fact that we have not received any objection to the proposed Listing from relevant regulatory authorities, nor have we been involved in any investigation, official inquiry, examination, warning, or similar notice in such respect as of the date of this Prospectus, our Directors are of the view that the Draft Regulations would not have an adverse and material impact on our business operations or the proposed Listing, assuming the Draft Regulations are implemented in the current form.

Deployment of Intelligent Devices for Smart Community Management

As part of our smart community establishment and operation, we are dedicated to deploying intelligent devices as well as Internet of Things (物聯網) equipment to reduce labor costs, improving property management efficiency and creating better and safer living environments for property owners and residents. Our smart community service consists of three key pillars: smart community, smart operation, and smart life.

Smart Community

For instance, we equip our car park entrances and exits with automatic license plate detection and recognition systems which identify and allow entry of vehicles that have their license plate details stored in our system. Our community and building entry-exit system is upgraded with face recognition systems, contactless entrance system and QR code scanners. Property owners and residents who have stored facial images in our system can enter the community and apartment building without stopping at the gate. We install cameras above main roads, public activity areas and elevators in communities, where smart sensors and cameras operate to enable real-time operating data monitoring and automatic inspection for significant equipment and facilities. We deploy a centralized system for the smart management of equipment and facilities in our managed communities, which enables us to collect equipment operating information, detect errors and abnormalities of our equipment and facilities in a timely manner and promptly dispatch our staff to deal with the issues. For the seven smart community application scenarios in Beijing Asian Olympics Jinmao Yue (北京亞奧金茂悅) project, we have further established unattended car parking systems, automatic road lamps, and the application scenario for objects thrown from the higher floors of the building. We plan to continue expanding the use of smart devices in properties under our management.

We have established a subsidiary specializing in smart mansion management which is focused on the design, installation, construction, renovation and maintenance services of intelligent security equipment and light current systems. We employ technologies such as IoT and IBA to establish a smart community encompassing various application scenarios including security, cleaning, parking, bill payment and more, providing our residents a secured, convenient and comfortable living environment.

Smart Operation

We began to operate a centralized parking management platform and provide unattended parking services in 2021, which has reduced our parking attendant headcount by over 50% and is expected to reduce cost of revenues by approximately RMB6 million per year. The application of IBA IoT technology has also improved efficiency in equipment and facility management in our communities by reducing the frequency of manual inspections.

Our employees can utilize comprehensive systems to improve work efficiency. For example, Jinmao OA is a platform which enables our employees to perform smart office work such as document review, order approval, email sending and receiving and internal communications through mobile phone. We developed Client Relationship Management ("CRM") System to assist collection of basic information relating to our properties, car park spaces and residents. Our customers can make repair and maintenance requests and settle the bills through the CRM System. We developed a financial operating system to streamline the process of expense reimbursement, receipt certification and account auditing.

Our "Jinxiaomao" (金小茂) system was implemented to enable our employees to carry out smart management conveniently and effectively. Our on-site staff have online access to status information of properties under management, equipment or facilities within their scope of duty, their working tasks and new orders to be dealt with through "Jinxiaomao" (金小茂) system. Our systems can effectively reduce labor costs and optimize maintenance and management of our utility facilities and equipment. We believe these measures effectively help further improve our operational efficiency and ensure the delivery of consistent and high-quality services.

As a comprehensive enterprise with business operations covering various geographic locations, we take full advantage of information technologies to integrate resources and realize efficient and smart management and create better living environment for property owners and residents. For example, staff in our headquarter can learn about key operating indicators such as national fee collection rates and progress of different projects to better coordinate with front-line employees. We have deployed and are continuously upgrading our systems which aims to support not only the efficient operations of our on-site staff but also the remote management and coordination of our project managers, regional offices and the headquarters.

Smart Life

We operate our proprietary online customer portal, "Home" (回家) mobile application, as an aftermarket service platform to build a close-loop smart life ecosystem for property owners and residents and improve their digital living experience in a vibrant and interactive community. The "Home" mobile application connects with intelligent IoT devices in apartments and features the seamless integration of online and offline services to serve property owners and residents. Through this platform, we analyze online data in order to introduce offline services that address the needs of our property owners and residents more precisely. Meanwhile, our offline services create opportunities to direct user traffic to our online platform, enabling our online platform to introduce our new service offerings to our customers more effectively. In addition, property owners and residents can also use "Home" (回家) mobile application to pay utilities, send repair requests, view visitors, reserve parking space and participate in a variety of community activities at ease.

We also provide smart delivery services which include a digital file of the property at the time of the offline delivery. The digital file includes information relating to the structure of each room and parameters of facilities, enabling us to obtain information and prepare for repair and maintenance work when residents make a request on the "Home" (回家) APP. Such information also helps our cleaning staff to preview the structure of the property and plan the best route for providing cleaning services. It also digitalizes the size of the interior environment and matches it with suitable furniture and home appliances, which greatly enhanced efficiency in our platform services for interior decoration.

Privacy and Data Security Protection

To effectively provide our services and manage our customers, we may request basic user data such as name, gender, ID information and mobile number and some optional personal data which can be collected only upon users' authorization such as real-time location. For example, users need to provide name, gender, birthday, phone number and home address in order to register an account through our "Home" (回家) APP. We obtain users' consent to collect and use their personal information by requesting them to read and click to confirm the acceptance of the service agreement and privacy policy of our "Home" (回家) APP when they log into the mobile application.

We will not share, transfer or publicly disclose user data (including data collected from "Home" (回家) APP) without prior consent or authorization from the users with or to other entities. We keep user data for no longer than what is necessary for providing our services to them, unless otherwise permitted by relevant laws and regulations or authorized by customers. For example, as long as our customers have set up accounts with us on our "Home" (回家) APP and continue to permit us to access their user data and enjoy the services we provide, we will be able to retain their data in our information technology system. Our customers have the rights to close their accounts and we would immediately remove all the personal information and data saved once the accounts were closed. We inspect our employees' access to customer data collected through our "Home" (回家) APP periodically. Only data necessary to provide relevant services are permitted to be disclosed to the relevant employees and such employees are required to follow detailed procedures to safeguard customer data.

We have adopted following internal control measures to protect data stored in the internal information system and network from different types of threats, interference and destruction, and ensure the availability, confidentiality and reliability of the data:

- We have established an anti-Trojan virus system consisting of anti-Trojan software, firewall anti-virus interception, intrusion prevention system, and host auditing system to keep servers from unstable operation, and protect the data from modification, destruction or loss;

- We conduct server-side patch management to ensure IT security, which includes purchasing patches, downloading, testing and installing patches by server administrators, and prioritizing patch installation according to risk levels and value levels;

- We formulate different control strategies for system access with different risk levels and restrict access to important systems. We classify our staff based on their positions and responsibilities and grant them different access rights and adopt password control and other technical means to IT system so that only necessary staff could access certain confidential information. We grant the minimum level of access to employees only to the extent necessary to provide services. We approve application to access information in accordance with our internal rules of access control. Staff need to apply for a designated account when working remotely and can only access limited systems;

- We record all the data and information processing activities and monitor account permissions, networks, servers and emails of important systems. Our data operation and maintenance personnel regularly check our system logs to further improve information security of our systems;

- We choose the most suitable database to store information collected in the ordinary course of our business. We encrypt and back up essential information such as identity number, phone number and login credentials and desensitize certain data to safeguard data privacy;

- We grade and classify emergencies and information security events in accordance with the internal security standards and report to different levels of management to ensure timely action to minimize damages; and

- We have established internal rules such as rules governing the security of information systems and rules governing our data processing activities, which provide the obligations and responsibilities of employees in specified positions.

Our PRC Legal Advisers have reviewed our information security policies, service agreement and privacy policies for our "Home" (回家) APP and other internal control measures in relation to the data privacy and are of the view that we are compliant with the applicable data privacy laws and regulations in all material aspects regarding the collection, use and disclosure of information or protection of personal data in the PRC up to the Latest Practicable Date. The public information search results demonstrated that we had not been subject to any administrative penalties related to data privacy protection matters as of the Latest Practicable Date, which was confirmed by our Directors.

OUR CUSTOMERS

We have a large, growing and loyal customer base primarily consisting of (i) property owners and residents for our property management and community value-added services, (ii) property developers for our value-added services to non-property owners and property management service, and (iii) other customers such as advertising companies for our community value-added services. We typically do not grant a credit term to individual customers for our property management services and other customers for our community value-added services. We typically grant a credit term of 90 days to 180 days to property developers.

Major Customers

China Jinmao is the Controlling Shareholder of our Company for the purpose of the Listing Rules. Sinochem Group is an indirect controlling shareholder of China Jinmao and consolidated the accounts of China Jinmao and its subsidiaries during the Track Record Period. When calculating our five largest customers for the Track Record Period, we aggregated revenue contribution from customers under common control and their subsidiaries, joint ventures and associates. As a result, our single largest customer during the Track Record Period was Sinochem Group and its subsidiaries, joint ventures and associates, which include China Jinmao and its subsidiaries (excluding our Group), joint ventures and associates. We provided property management services and value-added services to non-property owners to Sinochem Group during the Track Record Period. For further details, see "Connected Transactions" and Note 29 of the Accountants' Report in Appendix I to this prospectus. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, revenue from our single largest customer in each year/period for the Track Record Period amounted to RMB280.0 million, RMB351.3 million, RMB410.8 million and RMB483.8 million, representing 48.7%, 44.6%, 43.5% and 46.1% of our total revenue, respectively. For the same periods, revenue from our five largest customers in each year/period for the Track Record Period, in aggregate amounted to RMB336.6 million, RMB405.6 million, RMB461.8 million and RMB528.4 million, representing 58.5%, 51.5%, 48.8% and 50.4% of our total revenue, respectively. All of our five largest customers for the Track Record Period were Independent Third Parties except for Sinochem Group and its subsidiaries, joint ventures and associates. We have established ongoing business relationships and co-operations with our five largest customers for the Track Record Period for more than seven years on average. We generally grant Sinochem Group and its subsidiaries, joint ventures and associates credit terms ranging from 90 days to 180 days. We generally grant our five largest customers other than Sinochem Group and its subsidiaries, joint ventures and associates credit terms of no more than 90 days. The following tables set out certain details of our five largest customers for the Track Record Period. Due to our confidentiality obligations under the agreements with our customers, we set forth below the business nature, instead of specific identities, of our five largest customers during the Track Record Period.

For the nine months ended September 30, 2021

Rank	Customer	Business nature	Listing status	Length of business relationship with us	Services provided by us	Revenue	Percentage of total revenue
						(RMB'000)	*(%)*
1.	Sinochem Group and its subsidiaries, joint ventures and associates	Large-scale conglomerate under the supervision of the SASAC covering a range of sectors including energy, chemical, agriculture, real estate and finance	Not listed	14 years	Property management services, value- added services to non-property owners	483,805	46.1
2.	Customer A	Policy bank which implements economic policies of the government and provides policy financial support so as to promote the export of Chinese products and services	Not listed	14 years	Property management services	27,446	2.7
3.	Customer G	State-owned enterprise which provides city operation services	Not listed	1 year	Property management services	6,485	0.6
4.	Customer B	Government agency which administrates commerce matters	Not listed	3 years	Property management services	6,228	0.6
5.	Customer C	Bank, one of the leading banks in the PRC which offers comprehensive commercial banking services with net profit exceeding RMB216.4 billion in 2020	Listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange	14 years	Property management services	4,420	0.4
						528,384	**50.4**

For the year ended December 31, 2020

Rank	Customer	Business nature	Listing status	Length of business relationship with us	Services provided by us	Revenue	Percentage of total revenue
						(RMB'000)	*(%)*
1.	Sinochem Group and its subsidiaries, joint ventures and associates	Large-scale conglomerate under the supervision of the SASAC covering a range of sectors including energy, chemical, agriculture, real estate and finance	Not listed	14 years	Property management services, value- added services to non-property owners	410,789	43.5
2.	Customer A	Policy bank which implements economic policies of the government and provides policy financial support so as to promote the export of Chinese products and services	Not listed	14 years	Property management services	33,260	3.5
3.	Customer B	Government agency which administrates commerce matters	Not listed	3 years	Property management services	7,968	0.8
4.	Customer C	Bank, one of the leading banks in the PRC which offers comprehensive commercial banking services with net profit exceeding RMB216.4 billion in 2020	Listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange	14 years	Property management services	5,553	0.6
5.	Customer E	Government agency which administrates matters within one of the provincial development zones	Not listed	6 years	Property management services	4,194	0.4
						461,764	**48.8**

For the year ended December 31, 2019

Rank	Customer	Business nature	Listing status	Length of business relationship with us	Services provided by us	Revenue *(RMB'000)*	Percentage of total revenue *(%)*
1.	Sinochem Group and its subsidiaries, joint ventures and associates	Large-scale conglomerate under the supervision of the SASAC covering a range of sectors including energy, chemical, agriculture, real estate and finance	Not listed	14 years	Property management services, value- added services to non-property owners	351,265	44.6
2.	Customer A	Policy bank which implements economic policies of the government and provides policy financial support so as to promote the export of Chinese products and services	Not listed	14 years	Property management services	36,311	4.6
3.	Customer B	Government agency which administrates commerce matters	Not listed	3 years	Property management services	7,619	1.0
4.	Customer C	Bank, one of the leading banks in the PRC which offers commercial banking services with net profit exceeding RMB216.4 billion in 2020	Listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange	14 years	Property management services	5,572	0.7
5.	Customer F	Public school which is located in Beijing	Not listed	11 years	Property management services	4,796	0.6
						405,563	**51.5**

For the year ended December 31, 2018

Rank	Customer	Business nature	Listing status	Length of business relationship with us	Services provided by us	Revenue	Percentage of total revenue
						(RMB'000)	*(%)*
1.	Sinochem Group and its subsidiaries, joint ventures and associates	Large-scale conglomerate under the supervision of the SASAC, covering a range of sectors including energy, chemical, agriculture, real estate and finance	Not listed	14 years	Property management services, value- added services to non-property owners	280,017	48.7
2.	Customer A	Policy bank which implements economic policies of the government and provides policy financial support so as to promote the export of Chinese products and services	Not listed	14 years	Property management services	34,247	6.0
3.	Customer F	Public school which is located in Beijing	Not listed	11 years	Property management services	9,275	1.6
4.	Customer B	Government agency which administrates commerce matters	Not listed	3 years	Property management services	7,603	1.3
5.	Customer C	Bank, one of the leading banks in the PRC which offers commercial banking services with net profit exceeding RMB216.4 billion in 2020	Listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange	14 years	Property management services	5,455	0.9
						336,597	**58.5**

As of the Latest Practicable Date, we were not aware of any information or arrangements which would lead to cessation or termination of our relationships with any of our five largest customers for the Track Record Period. As of the Latest Practicable Date, save as otherwise disclosed in this prospectus, none of our Directors, their close associates or any Shareholders which, to the knowledge of our Directors, owns more than 5% of the number of issued shares of our Company, had any interest in any of our five largest customers (other than Sinochem Group) during the Track Record Period.

Starting from 2020, we proactively reinforced our efforts to seek property management engagements for projects developed by property developers that are Independent Third Parties, in order to benefit more from economies of scale, gain additional revenue sources, diversify our property management portfolio, and reduce reliance on our single largest customer, Sinochem Group and its subsidiaries, joint ventures and associates. As of September 30, 2021, our contracted GFA from properties developed by Independent Third Parties was 4.4 million sq.m.

Customer Relationship Management

According to a survey conducted by FG Consulting, our customer satisfaction rate was maintained at approximately 90% throughout 2018, 2019 and 2020. When conducting the survey, FG Consulting interviewed 6,430, 8,908 and 18,911 tenants or property owners of residential properties under our management in 2018, 2019 and 2020, respectively. FG Consulting also interviewed 1,469, 1,469 and 1,469 tenants or customers of the non-residential properties under our management in 2018, 2019 and 2020, respectively. During the interviews, interviewees are asked to assess our services from a scale of one to five. Our customer relationship management aims to build and maintain sustainable customer relationships by focusing on delivering superior customer value and satisfaction, which we believe are critical to the long-term success of our businesses. We aim to build long-term relationships with our customers. We regularly conduct surveys of the satisfaction level among the property owners and residents of our managed properties to proactively identify issues through telephone inquiries. We prepare annual and quarterly property management work reports, which are accessible to all property owners of the communities we manage. We have developed multiple customer communication channels to better access and address customers' needs and requests and to maximize customer experience and loyalty, including our information service platform and toll-free customer service hotline serving property owners and residents on a 24-hour basis.

Feedback and Complaint Management

During the ordinary course of our business operations, we receive feedback, suggestions and complaints from property owners and residents from time to time regarding our services. We encourage property owners or residents to reach out to our property management staff face-to-face or through telephone. For complaints received, our property management team is generally required to respond within 24 hours for business complaints and one business day for network complaints. Depending on the nature and seriousness of the complaint, the responsible staff will attend the concerned property to resolve the issue when necessary. Pursuant to our internal control policies, all complaints are recorded in the CRM System and the handling progress is reviewed and monitored by our project management team regularly. These procedures help ensure that all complaints are handled and resolved in a timely manner in order to uphold the quality of our service.

MARKET DEVELOPMENT

Our management is responsible for, amongst others, planning and developing our overall market expansion plan, marketing strategies and coordinating our market development activities to acquire new customers for us to maintain and strengthen relationships with existing customers, as well as to explore and develop further business opportunities. Our headquarters manage our overall market development strategies, while our regional subsidiaries and branches oversee the implementation of our market development activities within their respective regions. We have implemented market development systems, business operational guidelines and employee incentive measures to support our market development efforts in relation to obtaining property management and value-added service engagements, as well as seeking opportunities for acquisition and investment in suitable companies along the value chain of our industry.

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, revenue generated from our property management services attributable to projects developed by Jinmao Group and Sinochem Group and their joint ventures and associates accounted for approximately 92.0%, 93.3%, 92.5% and 92.5% of our total revenue generated from property management services, respectively. As of December 31, 2018, 2019 and 2020 and September 30, 2021, our GFA under management from projects developed by Jinmao Group and Sinochem Group and their joint ventures and associates amounted to approximately 9.2 million sq.m., 11.9 million sq.m., 15.5 million sq.m. and 20.1 million sq.m., respectively, representing approximately 89.8%, 94.2%, 87.8% and 86.6% of our total GFA under management, respectively. We maintain a long-term cooperative relationship with Jinmao Group and expect the management of properties developed by Jinmao Group will continue to be our stable source of revenue in the foreseeable future.

Since 2020, we have been actively exploring potential business opportunities to obtain and manage projects from other sources. As a result, the total GFA under our management for projects developed by independent third-party property developers increased substantially from approximately 0.7 million sq.m. as of December 31, 2019 to approximately 2.2 million sq.m. as of December 31, 2020, and our revenue from property management services attributable to projects developed by independent third-party property developers also increased from approximately RMB31.0 million for the year ended December 31, 2019 to approximately RMB42.6 million for the year ended December 31, 2020. As of September 30, 2021, we managed a total of 32 projects developed by independent third-party property developers with an aggregate GFA under management of approximately 3.1 million sq.m., representing approximately 13.4% of our total GFA under management as of the same date. We have also made remarkable achievements in our extension of value-added services to

Independent Third Parties. We have successfully acquired seven engagements in 2020 with a total contract amount of approximately RMB20.6 million and secured 11 engagements during the nine months ended September 30, 2021 with a total contract amount of approximately RMB23.3 million for the provision of value-added services to non-property owners who are Independent Third Parties.

Since 2021, we have also been actively pursuing cooperation opportunities and exploring acquisitions of quality targets with considerable business scale, diversified property management portfolio and regional competitive strength. In this regard, we have adopted a series of measures to proactively seek new project engagements and acquisition opportunities. We have established a system to promote business development at the group, regional platform and project levels, which includes the formulation of a comprehensive performance appraisal system, particularly a systematic and attractive commission fee incentive system, in preparation for rapid business development. We collect information from multiple channels and sources to extensively explore potential target projects, while strictly overseeing the risks and requirements for returns for the projects at the same time. In particular, we has set up a functional department which is responsible for exploring potential new projects through establishing contacts with property developers, property owners' associations or property owners by site visits or setting up meetings with them through industry referrals and introduction from other customers.

Leveraging our status as a state owned enterprise, we seek to establish strategic alliance with other state owned enterprises which need property management services for their properties and other private enterprises. Leveraging our relationship with Sinochem Group, we seek to provide services to their properties including their industrial parks and surrounding properties, as well as the chemistry museum. As a state-owned enterprise, we are in a strong position to seek to cooperate with various local governments to provide broader city operation services. We endeavor to further enhance our market development capability and explore opportunities for suitable acquisition targets by leveraging our quality services, customer loyalty, operational capabilities of a diversified types of properties and service offerings, as well as professional employees and incentive systems. Moreover, we utilize our various customer communication channels, such as our service hotline and mobile application, to seek feedback and suggestions from customers which help us have a better understanding of customer needs and explore more opportunities to provide a wider range of community value-added services. We also organize community events utilizing outdoor open spaces in our managed communities to increase our engagement level with the property owners and residents and expand our access to consumer activities of the residents at the same time. We continually seek business cooperation opportunities from third-party merchants to enhance the width and depth of our community value-added services.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily were (i) sub-contractors providing cleaning, greening, maintenance, security and housekeeping services, and (ii) suppliers of products, equipment and materials.

During the Track Record Period and up to the Latest Practicable Date, save as otherwise disclosed in this prospectus, all of our suppliers were Independent Third Parties and we did not experience any material delay, supply shortages or disruptions in our operations relating to our suppliers, or any material product claims arising from and/or attributable to our suppliers.

We generally do not enter into long-term contracts with our suppliers. Our suppliers grant us credit terms generally ranging from 30 to 90 days, and payment to our suppliers is typically made by bank transfers.

Selection of Suppliers

To ensure the consistency of the overall quality of services provided to our customers, we have maintained a list of qualified suppliers, the selection of which is primarily based on their product or service quality, necessary industry and regulatory licenses and professional qualifications, past performance and customer feedback, as well as price competitiveness. Our list of qualified suppliers is subject to periodic review in order to ensure consistently high-quality services provided to our customers.

We typically engage our suppliers through competitive biddings, which is administered by internal committees comprising members of the relevant business department and our procurement department, as well as finance personnel. We first select a number of competent suppliers (generally more than three) from the list of qualified suppliers and invited them to submit a fee quote and other bidding documents. The internal committees then assess the submitted bids and consider a number of factors, such as the bidders' price competitiveness, product or service quality, professional qualifications, industry reputation and financial strength, in selecting the bid awardee. We may also procure materials in relatively small amounts through the requests for fee quotes from and commercial negotiation with shortlisted vendors. When there are fewer than three bidders, we engage our suppliers through price comparison. Our negotiation team will be responsible for the negotiation with suppliers that satisfy the qualification or technology requirements. For certain business, our procurement department will select designated brands or designated suppliers who are then required to provide certificates with respect to their qualifications.

Once a selected supplier commences to provide products or services, we will periodically monitor and evaluate its performance in accordance with the supplier contracts we entered into. Evaluations generally focus on the suppliers' product or service quality, cooperation with our staff, results of problem rectification and handling of customer complaints. In the event of repeated sub-standard performance or other failures, the suppliers may be terminated and removed from our list of qualified suppliers.

Sub-contracting

To utilize our own workforce more efficiently, we delegate certain services to qualified sub-contractors, mainly (i) labor-intensive services such as cleaning, greening and security services, and (ii) specialized services such as repair and maintenance of elevator and fire systems. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, our sub-contracting costs (representing security, maintenance, cleaning and greening cost) amounted to RMB128.8 million, RMB189.3 million, RMB226.0 million, RMB154.2 million and RMB220.4 million, accounting for 28.0%, 29.7%, 31.9%, 30.8% and 29.9% of our total cost of sales, respectively. All of our sub-contractors for the Track Record Period were located in China.

We believe such sub-contracting arrangements allow us to leverage the human resources and technical expertise of the sub-contractors, reduce our operational costs, improve service quality, contribute more resources to our core businesses and enhance the overall profitability of our operations. To ensure that the sub-contractors meet our requirements and standards of services, we implement a score-base system to monitor and evaluate their performance from time to time. We aim to create and maintain a quality-oriented, effective and comprehensive system for sub-contractor management. Based on our experience in the property management industry in the PRC, we believe that there are readily available alternative sub-contractors that could replace any of our existing sub-contractors if necessary. Therefore, we do not consider our business operations to be reliant on the services provided by any of our sub-contractors.

Key terms of sub-contracting contracts

We enter into sub-contracting contracts with sub-contractors on normal commercial terms. The key terms of our typical sub-contracting contracts are as follows:

- *Term of service.* Our sub-contracting contracts typically have a term of one to two years and may be renewed upon mutual consent.

- *Our responsibilities.* We are typically responsible for providing on-site sub-contractors with necessary working spaces, facilities and utilities.

- *Obligations of sub-contractors.* The sub-contractors are responsible for providing services in accordance with the scope and standards prescribed in the subcontracting contracts and in compliance with all applicable laws and regulations. In the event of sub-standard performance, the sub-contractors are required to take necessary rectification measures within the period required by us. Sub-contractors are also required to manage their staff who provide the contracted services and there is no employment relationship between us and the staff of our sub-contractors.

- *Risk allocation.* The sub-contractors are responsible for indemnifying us for any damages to property or personal injury caused by the fault or gross negligence of the sub-contractors in the course of providing the sub-contracting services. We typically require sub-contractors to indemnify us for any damages they cause to our customers which have been paid by us. Sub-contractors are also required to pay all social insurance and housing provident fund contributions for their staff in accordance with the applicable PRC laws and be held liable in the event of any non-compliance with the applicable PRC laws or industry standards.

- *Sub-contracting fees.* Sub-contracting fees are typically payable monthly or quarterly and are generally determined with reference to the labor costs, procurement costs of raw materials and other miscellaneous costs incurred by the sub-contractors. We may conduct evaluations with respect to the quality of services provided by our sub-contractors and adjust the sub-contracting fees based on the results of the evaluations.

- *No assignment.* Sub-contractors are not allowed to assign or sub-contract their obligations under the sub-contracting contracts to any other party except with our prior consent.

- *Termination and renewal.* We have the right to claim damages or unilaterally terminate the sub-contracting agreements if the sub-contractors fail to adhere to their obligations, or fail to take necessary rectification measures within the period required by us in the event of suboptimal performance. Sub-contracting agreements are generally renewed in writing 30 days prior to expiry.

Major Suppliers

During the Track Record Period, most of our five largest suppliers were sub-contractors providing cleaning, product purchasing and security services. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, purchase from our single largest supplier in each year/period for the Track Record Period amounted to RMB22.4 million, RMB52.9 million, RMB63.0 million and RMB125.1 million, representing 10.7%, 16.7%, 15.6% and 23.9% of our total purchase amount, respectively. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, purchase from our five largest suppliers in each year/period for the Track Record Period, amounted to in aggregate RMB76.3 million, RMB121.8 million, RMB148.5 million and RMB193.9 million, representing 36.4%, 38.4%, 36.9% and 37.1% of our total purchase amount, respectively. We have maintained business relationship with our five largest suppliers for the Track Record Period for approximately five years on average. We typically enter into supplier contracts with our five largest suppliers during the Track Record Period and such contracts generally have a term of two years. Our five largest suppliers generally do not grant us any credit terms.

The following tables set out certain details of our five largest suppliers for the Track Record Period. Due to our confidentiality obligations under the agreements with our suppliers, we set forth below the business nature, instead of specific identities, of our five largest suppliers during the Track Record Period.

For the nine months ended September 30, 2021

Rank	Supplier	Business nature	Length of business relationship with us	Services provided by the supplier	Purchase amount *(RMB'000)*	Contribution to total purchase *(%)*
1.	Supplier A	Human resources agency company	8 years	Human resources services	125,132	24.0
2.	Supplier F	Electricity provider	14 years	Electricity services	23,249	4.4
3.	Supplier B	Property service provider	6 years	Cleaning services	18,200	3.5
4.	Supplier C	Security services provider	5 years	Security services	14,606	2.8
5.	Supplier D	Environment management company	4 years	Cleaning services	12,698	2.4
					193,885	**37.1**

For the year ended December 31, 2020

Rank	Supplier	Business nature	Length of business relationship with us	Services provided by the supplier	Purchase amount *(RMB'000)*	Contribution to total purchase *(%)*
1.	Supplier A	Human resources agency company	8 years	Human resources services	62,950	15.6
2.	Supplier B	Property service provider	6 years	Cleaning services	32,985	8.2
3.	Supplier F	Electricity provider	14 years	Electricity services	26,844	6.7
4.	Supplier C	Security services provider	5 years	Security services	13,907	3.5
5.	Supplier G	Security services provider	4 years	Security services	11,819	2.9
					148,505	**36.9**

For the year ended December 31, 2019

Rank	Supplier	Business nature	Length of business relationship with us	Services provided by the supplier	Purchase amount	Contribution to total purchase
					(RMB'000)	*(%)*
1.	Supplier A	Human resources agency company	8 years	Human resources services	52,935	16.7
2.	Supplier B	Property service provider	6 years	Cleaning services	30,543	9.6
3.	Supplier F	Electricity provider	14 years	Electricity services	16,922	5.3
4.	Supplier C	Security services provider	5 years	Security services	11,710	3.7
5.	Supplier H	Security services provider	4 years	Security services	9,725	3.1
					121,835	**38.4**

For the year ended December 31, 2018

Rank	Supplier	Business nature	Length of business relationship with us	Services provided by the supplier	Purchase amount	Contribution to total purchase
					(RMB'000)	*(%)*
1.	Supplier B	Property service provider	6 years	Cleaning services	22,435	10.7
2.	Supplier A	Human resources agency company	8 years	Human resources services	19,367	9.2
3.	Supplier F	Electricity provider	14 years	Electricity services	15,676	7.5
4.	Supplier I	Management consultancy agency company	4 years	Maintenance and operation services	9,772	4.7
5.	Supplier D	Environment management company	4 years	Cleaning services	9,004	4.3
					76,254	**36.4**

We did not encounter any acute supply shortages or material delay during the course of business relating to our suppliers, or any material claims attributable to our suppliers. As of the Latest Practicable Date, save as otherwise disclosed in this prospectus, we were not aware of any information or arrangements which would lead to cessation or termination of our relationships with any of our five largest suppliers for the Track Record Period. As of the Latest Practicable Date, save as otherwise disclosed in this prospectus, none of our Directors, their close associates or any Shareholders which, to the knowledge of our Directors, owns more than 5% of the number of issued shares of our Company, had any interest in any of our five largest suppliers for the Track Record Period.

COMPETITION

The property management industry in the PRC is highly competitive and fragmented with a large number of market participants. The industry is becoming more competitive as many property service providers become publicly listed companies which, amongst others, enable them to access greater source of capital to compete. As an upscale property management and city operation service provider with a diversified property management portfolio, we primarily compete against both national and regional property management companies in the PRC. For value-added services, we also compete against other property management companies as well as relevant industry participants providing similar services. For instance, our community value-added services to property owners and residents may compete with vendors and new retail business that provide similar products and services. We believe that the principal competitive factors include, among others, operation scale, service quality and price, customer base, technical capabilities, brand recognition and financial resources. For more details about the industry and markets that we operate in, see "Industry Overview".

QUALITY CONTROL

We regard service quality as the cornerstone of our operation and development, and we believe that quality control is critical to the sustainable growth of our business. We have established a comprehensive quality control system and a dedicated quality control team, who primarily focuses on, among other things, compliance with standardized service procedures, participating in supplier selection, and monitoring the service quality of our employees and suppliers.

Quality Control of Property Management Services

We have obtained ISO9001:2015 Quality Management System Certification which is valid through March 30, 2024. In addition to service quality, we also attach importance to environmental protection, employees' health and safety, information security and asset maintenance and appreciation and have obtained certification of ISO14001:2015 Environment Management System, ISO45001:2018 Occupational Health and Safety Management System and ISO9001:2015 Quality Management System for the set-up of a comprehensive quality management system to provide quality control guidance for our daily operations, while minimizing our operational costs and disruption to the operation that can result from poor service or inconsistent adherence to service quality.

We value and seek to realize dynamic quality control management covering various aspects of our business operations throughout the provision of our services by our staff at different levels. We have set up a strict quality control and automatic inspection system at both project and headquarters levels through the application of IBA IoT technology. We evaluate the performance of property management services taking into account both internal and customers' evaluations. Each project is self-inspected regularly and the inspection results are used to evaluate the performance of relevant staff. Moreover, the headquarters also evaluates the service quality through the information reflected by the CRM System, including but not limited to service data, customer complaints and feedback.

Due to the nature of our business, we receive customer suggestions, appraisals and complaints from time to time during the ordinary course of our business. We record, analyze and evaluate such customer feedback by creating logs on our internal systems and we track the progress in addressing the underlying customer concerns and problems. We also engage third-party consulting firm(s) to conduct customer satisfaction surveys (including "mystery customer" surveys) on a regular basis. We enjoy a relatively high customer satisfaction rate. According to a survey conducted by FG Consulting, our customer satisfaction rate for property management services was maintained at approximately 90% throughout 2018, 2019 and 2020. These performance evaluations further ensure that the services provided by us meet the needs and requirements of our customers. During the Track Record Period and up to the Latest Practicable Date, we did not receive any complaints that may have a material adverse impact on our operations or business reputation from our customers.

Quality Control of Sub-contractors and Other Third-party Vendors

In respect of quality control over outsourced services, we typically include in contracts with sub-contractors detailed quality standards for the services to be provided. We regularly monitor and evaluate the performance of the sub-contractors and may require the sub-contractors to take necessary rectification measures when their services do not meet the agreed standards. We make assessment based on our own on-site examination and the suppliers' self-examination. We may also hire third party consultant to conduct surveys among property owners and residents regarding the quality of services provided by our sub-contractors and to make suggestions for improvement. To the extent as agreed, we may have the contractual right to adjust the sub-contracting fees and to terminate the sub-contracting contracts depending on the outcomes of our evaluation. If sub-contractors repeatedly or seriously fall short of our standards or our customers' expectations, or fail performance reviews conducted by us, they will be excluded from our selected list of qualified sub-contractors.

We implement various measures and policies to ensure the quality of the products and services offered by other third-party vendors, such as screening potential vendors by examining their qualifications and conducting on-site inspection of their business premises, before entering into cooperation agreements with them. We also conduct annual assessment on our vendors in respect of transaction volume, service quality and after-sales services. We also have the right to replace a third-party vendor in the event of suboptimal performance.

Our Cash Management Policy

We have a bank account and cash management system to manage our cash inflows and outflows, applicable to all of our subsidiaries and branch offices in their ordinary course of business. Generally, we encourage our subsidiaries and branch offices to settle their transactions through bank transfers to lower the risks relating to managing cash. Our employees are expressly forbidden from removing and/or using our cash for private or other purposes not in line with our ordinary course of business.

Cash flow transactions	Cash handling policies and internal control measures
Cash inflow in relation to payments of property management fees, deposits, rent or service fees from our customers	We typically have designated customer service personnel specifically responsible for cash collection who verify that the cash collected is the correct amount prior to issuing receipts.
Payment made to suppliers, service providers and subcontractors of our subsidiaries and branches	Payments by our subsidiaries and branches to their suppliers, service providers and subcontractors shall be pre-approved by the responsible senior supervising personnel. Once approved, such payments shall be made directly from the bank accounts of our subsidiaries and branches.
Cash inventories and deposits	Our subsidiaries and branch offices typically keep cash on an as-needed basis for our ongoing projects and the budget is subject to pre-approval. We typically require that excess amounts be deposited into the bank accounts of our subsidiaries and branch offices within the day they are received.
Cash transfers to our centralized bank account or the bank accounts of our subsidiaries and branch offices	We receive cash through methods such as WeChat Pay, Alipay, credit or debit card payments and bank transfers. Our employees are typically required to timely file all proofs of payment.

Opening of and managing bank accounts of our subsidiaries and branch offices	Our subsidiaries and branch offices must adhere to our internal policies and procedures in relation to the opening of bank accounts. They are typically required to complete an application form before opening any bank accounts. Our subsidiaries and branch offices are typically required to reconcile and check bank balances on a monthly basis.

EMPLOYEES

We endeavor to hire the best available employees in the market by offering competitive wages and benefits, systematic training opportunities and internal upward mobility. We have established a series of policies and measures to acquire talent suitable for our business development.

As of September 30, 2021, we had a total of 4,770 employees with whom we had entered into labor contracts. All of our employees are located in China. The following table sets out the breakdown of our employees by function as of September 30, 2021:

	Number of Employees
On-site services	2,507
Engineering and quality control	1,170
Value-added management	132
Human resources, administration, finance, operations, risk management and other personnel	920
Marketing	41
Total	**4,770**

We recruit high-quality talents from multiple channels and we provide our employees with ongoing training and career development opportunities. We enter into individual employment contracts with our full-time employees. Our employees are paid a fixed salary and may be granted other allowances, based on their positions. In addition, discretionary bonuses may also be awarded to our employees based on their annual performance reviews and/or other contributions to our business development to incentivize our employees.

We regularly host comprehensive internal staff training programs for our staff to improve and enhance their technical and service skills, as well as to provide them with the knowledge of industry quality standards and work place safety standards. We provide orientation training to new hires, introducing them to our corporate culture, coaching them on our teamwork model, and teaching them our service standards and procedures. We have established the "Dianjin

Program" (點金計劃), and Zhujin Program" (鑄金計劃), which aims to select, and nurture excellent, high-calibre candidates with a strong sense of identity to become our future key management. We also assign experienced managers to serve as mentors to newly-hired employees, who provide tailored coaching and guidance. We provide training courses and regular seminars on various aspects of our business operations, such as quality control and customer relationship management, to our employees.

Some of our employees form labor unions, and we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, our employees did not negotiate their terms of employment through any labor union or by way of collective bargaining agreements nor did we experience any material labor disputes or shortages that may have a material adverse effect on our business, financial position and results of operations.

Social Insurance and Housing Provident Fund Contributions

Pursuant to applicable PRC laws and regulations, employers are required to make contributions to, and employees are required to participate in, a number of social insurance funds, including pension fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, and the housing provident fund. For details, see "Regulations — Legal Supervisions over Labor Protection in the PRC".

In 2018 and the nine months ended September 30, 2021, we did not make full contributions to the social insurance and housing provident funds for certain employees, mainly because we are not required to make such contributions to certain employees such as interns and employees who are rehired after retirement or we engaged third-party human resources agencies to pay social insurance premium and housing provident funds for some of our employees.

As advised by our PRC Legal Advisers, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated deadline and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments, we may be liable to a fine of one to three times the amount of the outstanding contributions. Our PRC Legal Advisers have also advised us that, under the relevant PRC laws and regulations, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period, and if we fail to make such payments, application may be made to a people's court in the PRC for compulsory enforcement. Furthermore, if we fail to complete the registration of housing provident fund within a prescribed period, we would be subject to an administrative penalty of RMB10,000 to RMB50,000 for each of our entities not complying with such regulations. Based on the unpaid amount of our social insurance contribution of RMB0.8 million in 2018 and the nine months ended September 30, 2021, the potential maximum fine which may be imposed on us if we fail to make required payment within the prescribed period as required by the government equals to three times of the outstanding amount of our social insurance contribution. In respect of the unpaid amount of our housing provident fund contribution of RMB0.1 million in 2018 and the nine months ended September 30, 2021, we may be ordered to make full payment on the unpaid amount within the time period stipulated by relevant authorities.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any notification from relevant government authorities requiring us to pay shortfalls or the penalties with respect to social insurance or housing provident funds; (ii) we had not been subject to any administrative penalties, nor were we aware of any material employee complaints nor involved in any material disputes with our employees with respect to social insurance or housing provident funds; (iii) a majority of our PRC subsidiaries have obtained written confirmations from competent local government authorities which confirmed that no penalties had been imposed on us with respect to social insurance or housing provident funds during the Track Record Period; (iv) we will make full contributions or pay any shortfall within a prescribed time period if demanded by the relevant government authorities and (v) we made provisions for social insurance and housing provident fund contributions of RMB0.5 million and RMB0.4 million in 2018 and the nine months ended September 30, 2021, respectively. We have implemented relevant internal controls to ensure that we make full contributions in relation to the social insurance and housing provident funds, including reviewing the calculation result of social insurance and housing provident funds for all eligible employees and actively communicate with local human resources, social security bureau and housing fund management center on a regular basis, to ensure we acquire the most updated information about the relevant laws and regulations.

In light of the above, our Directors are of the view that our failure to register for and/or make full contributions to the social insurance and housing provident funds for our employees would not have a material adverse effect on our business operations and financial condition. For further details, see "Risk Factors — Risks relating to Our Business and Industry — Failure to pay the social insurance premium and housing provident funds for and on behalf of our employees in accordance with the relevant PRC laws and regulations may have an adverse impact on our financial conditions and results of operation".

Remedial Measures

We expect to make full contribution for the unpaid amount of our social insurance and housing provident fund contributions by November 2022. We have implemented the following internal control measures to monitor the internal work flow and compliance procedures for contributions to social insurance and housing provident funds.

- regularly communicating with relevant government agencies to ensure that our calculation and payment methods are in compliance with relevant laws and regulations;
- regularly consulting with outside counsel to understand whether we are at risk of non-compliance with the relevant laws and regulations;
- keeping regular records of our contribution amounts for review by our Board; and
- conducting internal training for our Directors, members of senior management and certain employees on the relevant laws and regulations.

RESEARCH AND DEVELOPMENT

We have a product/service research and development center responsible for developing various design aspects, focusing on market highlights and pain points of market players in project management, and promotion of innovative solutions in terms of functional refinement, cost-effectiveness, technology update and policy-oriented upgrade of our products and services. Our research and development results can be applied to our management projects with a view to improve the quality, streamline the process and reduce the cost of services. Our independent digital research and development team consists of 30 personnel, with an average of nine years of experience. Most of the research and development personnel in our product research and development center have college degrees.

INTELLECTUAL PROPERTY RIGHTS

Our intellectual property is a key component of our brand and is an integral part of our business. As of the Latest Practicable Date, we had registered 46 trademarks, 7 patents, 19 software copyrights, 1 copyright and 2 domain names in the PRC.

We have been licensed by Jinmao Group to use several of its trademarks for our operation pursuant to which we were entitled to use such trademarks on a non-transferable and royalty-free basis. For further details, see "Connected Transactions".

As of the Latest Practicable Date, we were not aware of any material infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us. For further details of our intellectual property rights, see "Risk Factors — Risks relating to Our Business and Industry — Our failure to protect our intellectual property rights could have a negative impact on our business and competitive position", "Risk Factors — Risks relating to Our Business and Industry — Third parties may assert or claim that we have infringed their intellectual property rights, which may disrupt and affect our business", "Appendix V — Statutory and General Information".

INSURANCE

We maintain certain insurance coverage, primarily public liability insurance to cover liabilities for damages suffered by third parties arising out of our business operations, employer liability insurance, commercial health insurance, property insurance for our business related facilities and vehicle insurance. We require our sub-contractors to purchase accident insurance for their employees who provide services to our Group, and in accordance with our contracts with sub-contractors, the sub-contractors are responsible for all workplace injuries to their employees, except for the injuries directly attributable to us. We believe our insurance coverage is in line with industry practice for similar property management companies in the PRC. However, our insurance coverage may not adequately protect us against certain operating risks and other hazards, which may result in adverse effects on our business. For more details, see "Risk Factors — Risks relating to Our Business and Industry — Our insurance may not sufficiently cover, or may not cover at all, losses and liabilities we may encounter".

IMPACT OF THE OUTBREAK OF COVID-19 ON OUR BUSINESS

According to the China Index Academy, the COVID-19 outbreak, including the recent emergence of the Omicron virus variant, has only had short-term impact on property development industry and property management industry and is expected to have limited impact on these industries in the medium- and long-term. The Omicron virus variant is significantly more infectious than its predecessors. However, according to China Index Academy, based on past experience gained from the previous rounds of Covid-19 outbreak, the PRC government has improved infection control measures, vaccines and drugs to contain the spread of the Omicron virus variant timely and effectively. Based on the forgoing, China Index Academy is of the view that, although the Omicron virus variant may create uncertainties for the macro-economic environment in China and the real estate industry in the short run, it is expected to have limited impact on the real estate industry and property management industry in the medium- and long-term.

Since the outbreak of COVID-19, the PRC government has introduced a series of measures in order to prevent and control the pneumonia epidemic, including but not limited to lock-down measures, travel restrictions, restrictions on enterprises from resuming work, management and control over commencement schedules of construction in new and existing construction sites and mandatory quarantine requirements on infected individual and anyone deemed potentially infected.

Due to PRC governments' measures to contain the spread of the virus such as restrictions on mobility and travel and cancellation of public activities, our operations have, to a certain extent, been impacted by delays in business activities and commercial transactions as well as general uncertainties surrounding the duration of the governments' extended business and travel restrictions. Moreover, we took a series of measures in response to the outbreak to protect our employees, including, among others, temporary closure of our offices, remote working arrangements for our employees, and travel restrictions or suspension.

Impact on Our Business Operation

In relation to the provision of our services in general, our Directors confirm that (i) prior arrangement had been made in ensuring sufficient workforce available for our business operations during and after the outbreak of the disease and that our frontline staff did not experience material disruption in carrying out their responsibilities for the provision of our services; and (ii) our major suppliers are sub-contractors which provide services such as cleaning, maintenance and security services, and the workers assigned by our sub-contractors to our managed properties did not experience material disruption in performing their duties for the sub-contracting services following the outbreak of the disease. Our Directors also confirm that since the outbreak of COVID-19 and up to the Latest Practicable Date, our Group had not encountered and is not expected to experience any shortage in labor or disruption to the supply of sub-contracting services or materials as a result of the outbreak of COVID-19, including the recent emergence of the Omicron virus variant.

As for our property management services relating to residential communities, the negative impact of COVID-19, including the recent emergence of the Omicron virus variant, is expected to be minimal. There has been an increasing demand for high-end property management services. We believe that the outbreak of the disease had created an opportunity for us to establish stronger bonds with the property owners and residents increasing their recognition, trust and satisfaction of our brand and services, as we not only provide daily living-related services but also extensive preventive measures that safeguarded the community and health and well-being of our property owners and residents during the outbreak.

For our property management services relating to non-residential properties, certain property owners and tenants of the relevant business premises, such as office buildings and shopping malls, had to temporarily suspend their operations during the outbreak. As of the Latest Practicable Date, these non-residential properties had resumed operations. After these non-residential properties resumed operations, the demand for high-quality property management gradually increased. As of the Latest Practicable Date, the recent emergence of omicron virus variant has had no material adverse impact on our property management services for non-residential properties.

For our value-added services to non-property owners, due to the delay in construction, sales and marketing activities and delivery of some of the property development projects by our customers caused by temporary lock-down in response to the COVID-19 outbreak in the nine months ended September 30, 2020, we had experienced a relatively slower growth in revenue from our value-added services to non-property owners. However, as the COVID-19 outbreak has been brought under control in China and economic activities have gradually resumed, our revenue from value-added services to non-property owners increased in the nine months ended September 30, 2021 as compared to the same period of 2020. As of the Latest Practicable Date, the recent emergence of omicron virus variant has had no material adverse impact on our value-added services to non-property owners. If the recent emergence of omicron virus variant cannot be effectively contained in the PRC, it may cause a slowdown in property development activities, which may adversely affect our value-added services to non-property owners such as preliminary planning and design and pre-delivery services.

For our community value-added services, we had experienced a slow-down in business for our platform services for interior decoration as a result of the outbreak. However, we also saw a considerable increase in the demand of our community living services, in particular, with respect to purchase and delivery assistance for daily necessities, e-commerce services and community activities, which presents us significant opportunities to expand our related service offerings. As of the Latest Practicable Date, the recent emergence of omicron virus variant has had no material adverse impact on our community value-added services. If the recent emergence of omicron virus variant cannot be effectively contained in the PRC, it may have a mixed impact on our community value-added services. For instance, if local governments issue lockdown orders again, the lockdowns may adversely affect our real estate brokerage services and platform services for interior decoration, while causing property owners or tenants to subscribe for more community space operation services and community living services as they spend more time at home.

During the nine months ended September 30, 2020, we incurred lower selling and marketing expenses since we have been focusing on implementing and enhancing hygiene and precautionary measures across the properties under our management and canceled most of the community events and activities as affected by the outbreak of COVID-19.

As part of our contingency plan due to the outbreak of COVID-19, including the recent emergence of the Omicron virus variant, our Directors confirm that there are sufficient control measures in place. For more details, see "— Impact of the Outbreak of COVID-19 on our Business — Contingency Plan and Control Measures" below. Due to the abovementioned reasons, our Directors confirm that our Group is able to fulfill the obligations under all existing property management service contracts and other business contracts, and therefore the COVID-19 pandemic, including the recent emergence of the Omicron virus variant, has not given rise to financial damage to our Group in any material aspect or adversely impacted our long-term relationship with our customers and business partners.

Impact on Our Pipeline Projects

Our Directors confirm that, as of the Latest Practicable Date, Jinmao Group, our largest customer for the Track Record Period, did not expect the construction schedule and delivery date of the pipeline properties developed by them to be delayed by a large extent as a result of the outbreak of COVID-19, including the recent emergence of the Omicron virus variant, since such pipeline projects had gradually resumed work to steadily catching up on the original development schedule. In light of this, our Directors do not expect the pipeline projects to be materially affected in connection with either of our property management services or our value-added services to non-property owners.

Contingency Plan and Control Measures

In view of the outbreak of COVID-19, we have adopted on January 28, 2020 a contingency plan for pandemic outbreak whereby our employees and sub-contractors shall take a series of practicable steps in the properties under our management to maintain a hygienic environment for all personnel who may be present including property owners, residents, visitors and our employees and sub-contractors.

Our Directors confirm that in light of the severity of COVID-19, we had, in accordance with the contingency plan, taken the following control measures to prevent the transmission of or further exposure to the disease within our managed properties:

- mandatory infrared contactless temperature screening at entry of managed properties on a 24-hour basis and similar body temperature measurements for all our staffs and workers of our sub-contractors each time they enter or leave the working premises; scanning of health QR code at entry of managed properties; intensified and regular disinfection of common areas at least twice a day, covering key areas in a community such as lobby, gate entry, service reception, handrail, door handle, garbage bin, passage way, elevator, basement, sports and leisure facilities and children's playground; provision of disposable face masks, gloves and applicable protective uniforms to employees and requiring relevant employees to wear preventive clothing and accessories distributed to them every day; setting up hand sanitizing stations at key service touch points, placing collection bins especially for used facial masks and gloves and engaging designated personnel for the disinfection and disposal of used disease prevention materials; conducting targeted cleaning, disinfection, and maintenance checks of ventilation and air purifying equipment and facilities at communities; strict quarantine for suspected cases among our residents or our residents otherwise subject to compulsory quarantine at designated locations imposed by the PRC government; designated staff within the community will go to the residence concerned every day for body temperature measurements and will deliver necessities to the residence directly when requested; setting up emergency response team for each community and conducting daily inspection and report on implementation of the contingency plan and control measures.

All our employees and workers of our sub-contractors are required to familiarize themselves with requirements of our contingency plan for pandemic outbreak and ensure that the control measures are properly implemented.

Impact on Our Financial Condition

The ongoing outbreak of COVID-19 has inevitably increased our costs in managing properties and providing other related services. For instance, in 2020 and the nine months ended September 30, 2021, according to the management account, we had to incur an additional expense of RMB6.9 million and RMB1.5 million, respectively, for the disinfection of managed properties and the purchase of personal protective equipment and sanitizing materials. On the other hand, according to the management account, we had received government grants of RMB1.3 million and RMB0.06 million in 2020 and the nine months ended in September 30, 2021, respectively, which were mainly comprised of government subsidies for creating jobs to support local economies and for supporting projects affected by COVID-19 outbreak to ease our financial burden in light of the outbreak of COVID-19 and we had also became entitled to certain social insurance contribution exemptions in 2020, which alleviated our increased operating costs following the outbreak.

In addition, in response to the impact of the Omicron virus variant, the PRC government has actively deployed scientific prevention and control measures. Except for a few indigenous cases in a few provinces, the vast majority of the cases in mainland China were imported from abroad. As all of our business operations are conducted in mainland China, based on the limited information about the Omicron virus variant that is currently available to us, we currently do not expect any material delay in the delivery of properties, or any material delay or difficulty in collecting property management fees, or any material decrease in demand for our property management services, value-added services to non-property owners and community value-added services.

In light of the above, our Directors confirm that the outbreak of COVID-19, including the recent emergence of the Omicron virus variant, has not had a material adverse impact on our continuing business operation and sustainability based on the following reasons: (i) the property management industry is an industry involving essential community services and our employees and workers of our sub-contractors did not experience material disruption in performing their job duty during the outbreak of the disease; (ii) we are able to fulfill our obligations under all existing property management service contracts and other business contracts; (iii) the delivery date of the pipeline properties developed by Jinmao Group was not, or expected to be, materially delayed; and (iv) our Group has sufficient cash and cash equivalents to maintain our operation.

SOCIAL HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

We are subject to PRC laws and regulations in relation to labor, safety and environment protection matters. In addition, we have established occupational safety and sanitation systems, implemented the ISO45001:2018 Occupational Health and Safety Management System, and provided employees with workplace safety trainings on a regular basis to increase their awareness of work safety issues. We also conduct tests on waste water, waste gas or noise in our work places to ensure compliance with applicable environmental protection and employee work safety requirements.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had implemented necessary internal policies and procedures for compliance with PRC laws in relation to workplace safety and we did not have any incidents which had materially and adversely affected our operations.

We consider the protection of the environment to be important and have implemented measures in the operation of our businesses to ensure our compliance with all applicable requirements. Given the nature of our operations, we do not believe we are subject to material environmental liability risk or compliance costs.

Our Directors believe that establishing and implementing sound environmental, social and governance ("**ESG**") principles and practices will provide long-term returns to our stakeholders. To ensure the effectiveness of our ESG measures, our Directors will be responsible for overseeing the formulation and reporting of our ESG strategies and determining the ESG-related risks. We provide employees with training sessions in relation to workplace safety on a regular basis. We have worked intensely to promote health, safety and environmental aspects of our operations: (i) to promote the reduction in emissions, solid wastes and consumption of water, paper, energy and other supplies; (ii) to organize regular training programs to all employees on environmental protection; (iii) to prioritize environment-friendly suppliers in the decision-making process for procurement; (iv) to maintain first-aid kits and fire-fighting equipment and facilities regularly; (v) to provide comfortable office furniture and air cleaner and to regularly sanitize the premises, water dispensers and air-conditioners for a good working and living environment; (vi) to follow the corporate policy on equal opportunities and to hiring, evaluate and promote based on merits; (vii) to provide paid leaves, insurances and allowances for employees and to organize parties and other activities to promote work-life balance and cordial working environment; and (viii) to provide adequate training and supervision for new employees and training programs for employees' career advancement.

Since our inception, we have been dedicated to serving the communities where we operate, and have implemented the following measures to fulfill our social responsibilities.

- *Combat of the COVID-19 pandemic*. Since the outbreak of the COVID-19 pandemic, we have been on the frontline of preventing the spread of the pandemic, with our employees working around the clock in property projects under our management across China to safeguard the health and safety of property owners, residents and visitors. We closely verify the identities and monitor the health status of every person entering properties under our management, and offered comprehensive community living services to residents under quarantine, such as delivery of food, water and medicine. We had incurred additional costs of approximately RMB5 million in 2020 for purchasing protective materials, such as face masks, ethanol hand wash, disinfectants, and infrared thermometers.

- *Employee benefits*. We truly appreciate the services of our employees, and care about their wellbeing. To that end, we offer employee benefits such as housing allowances, meal allowances, vacation packages, group sports, cultural and social events, and holiday and birthday gifts.

Our Directors confirmed that we were not subject to significant health, work safety, social or environmental risks with respect to our business operations during the Track Record Period and up to the Latest Practicable Date. We had not been subject to any material fines or administrative penalties due to non-compliance with or any violation of health, work safety, social or environmental laws and regulations in the PRC during the Track Record Period and up to the Latest Practicable Date.

As advised by our PRC Legal Advisers, based on their due diligence search, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines or administrative penalties due to non-compliance with or any violation of health, work safety, social or environmental laws and regulations in the PRC that would have materially and adversely affected our financial and business operation and the Listing.

PROPERTIES

As of the Latest Practicable Date, we leased 199 properties in the PRC with an aggregate GFA of approximately 25,334.0 sq.m. primarily as dormitories and office premises. As of the Latest Practicable Date, we had not registered the lease agreements for 195 out of our 199 of our aforementioned leased properties with the local housing administration authorities as required under PRC laws. Our PRC Legal Advisers have advised us that although the non-registration of such lease agreements would not affect the validity of such agreements under PRC laws and regulations, we might be ordered to rectify this non-filing by competent authorities and if we fail to rectify within a prescribed period, an administrative penalty of RMB1,000 to RMB10,000 for each non-filed case may be imposed on us as a result of such non-filing. As of the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties as a result of our failure to file the lease agreements described above. Our PRC Legal Advisors have advised us that any failure to file the lease agreements would not affect the validity of the lease agreements. Our Directors are of the view that such non-filing would not have a material impact on our business operations. For further details, see "Risk Factors — Risks relating to Our Business and Industry — Our leased property interests may be defective and our right to lease the properties affected by such defects may be challenged, which could cause significant disruption to our business".

For a total of 62 of our 199 leased properties, the lessors could not provide relevant title certificates or proof of property rights. As advised by our PRC Legal Advisers, if third parties are able to prove that they have valid titles to or valid leasehold interests in these properties and refuse acknowledge our lease of such properties, we may not be able to enforce the lease agreements in relation to these properties. In the event that we are required to relocate from any of these leased properties as a result of the foregoing, given the nature of our operation, we do not believe that any relocation would result in material disruptions to our business. Moreover, replacement premises for the leased properties without title certificates and proofs of property rights, which we are using primarily as employee dormitories and office premises, are readily available. Although we may incur additional relocation costs, our Directors are of the view that this would not have any material impact on our business, financial position and results of operation.

According to section 6(1) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all of our Group's interests in land or buildings, for the reason that, as of September 30, 2021, none of the properties interests has a carrying amount of 15% or more of our total assets. Pursuant to Chapter 5 of the Listing Rules, this prospectus is not required to include valuations of our properties.

INTERNAL CONTROL AND RISK MANAGEMENT

We have implemented various risk management policies and measures to identify, assess and manage risks arising from our operations. Details on risk categories identified by our management, internal and external reporting mechanism, remedial measures and contingency management have been codified in our policies. For details of the major risks identified by our management, see "Risk Factors — Risks Relating to Our Business and Industry". In addition, we face various financial risks, including credit and liquidity risks that arise during our ordinary course of business. See "Financial Information — Quantitative and Qualitative Disclosures About Financial Risks" for a discussion of these financial risks.

Prior to the Listing, we have adopted internal policies and procedures set by Jinmao Group, our Controlling Shareholder and a company listed on the Stock Exchange, on various compliance matters, including the Stock Exchange's requirements on corporate governance and environmental, social and governance matters. We, as a subsidiary of Jinmao Group, have cultivated a compliance culture and will adopt similar policies and procedures as a separate listed company effective upon the Listing. During the process of preparing for the Listing, we also engaged an internal control consultant to perform certain agreed-upon procedures in connection with the internal control of our Company and major operating subsidiaries. As of the Latest Practicable Date, no material issues in relation to the internal controls of our Group were uncovered after such review.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Listing, we have adopted or will adopt, among other things, the following risk management and internal control measures:

- Our risk control department is responsible for supervising the compliance with our internal control and risk management policies and will timely conduct routine inspections and report for any non-compliance to ensure our compliance with relevant laws and regulations;

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems. Our audit committee consists of three members: Chen Jieping, Sincere Wong and Qiao Xiaojie. See "Directors and Senior Management — Directors" and "Directors and Senior Management — Board Committees" for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our audit committee;

- the appointment of Ms. Ho Wing Tsz Wendy as our company secretary to ensure the compliance of our operation with relevant laws and regulations. For the biographical details, see "Directors and Senior Management — Company Secretary";

- the appointment of First Shanghai Capital Limited as our compliance adviser upon the Listing to advise us on compliance with the Listing Rules;

- the engagement of external legal advisers to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary; and

- the implementation of internal policies and procedures formulated to monitor the ongoing continuing connected transactions and to ensure that they do not exceed the relevant annual caps.

In order to comply with applicable anti-corruption and anti-bribery laws and regulations of the PRC and Hong Kong, we have formulated and implemented an anti-corruption and anti-bribery regime. Key anti-corruption and anti-bribery measures include the following:

- authorizing a committee consisting our management team to assume responsibility for daily execution of our anti-corruption and anti-fraud measures, including handling complaints, ensuring protection for the whistleblower and conducting internal investigations;

- providing anti-corruption compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and including relevant policies and express prohibitions against non-compliance in staff handbooks;

- undertaking rectification measures with respect to any identified corrupt or fraudulent activities, evaluating the identified corrupt or fraudulent activities and proposing and establishing preventative measures to avoid future non-compliance; and

- setting rules and policies in relation to anti-bribery and anti-corruption requirements during the tender processes, such as rejecting a tender offer due to the tenderer's fraudulent conducts or attempted bribery and entering into honest cooperation agreements with our business partners to require honest conducts during the tender processes.

Our Directors are of the view that such controls and measures are sufficient and effective to avoid the occurrence of corruption, bribery, or other improper conduct of our employees. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any government investigation or litigation with respect to claims or allegations of monetary and non-monetary bribery activities. Our Directors are of the view that we are compliant with the applicable anti-corruption and anti-bribery laws and regulations of the PRC in all material aspects during the Track Record Period and up to the Latest Practicable Date.

LEGAL PROCEEDINGS AND COMPLIANCE

As advised by our PRC Legal Advisers, as of the Latest Practicable Date, we had obtained all material permits, licenses, registrations and filings necessary to conduct our business operations during the Track Record Period from the relevant government authorities, all of which are valid and in force, and we had been in compliance in all material respects with the applicable PRC laws and regulations. We are required to renew such permits, licenses, registrations and filings from time to time. We currently do not expect our material permits, licenses, registrations and filings to expire or be subject to renewal in the near future. Our Directors confirmed that they do not foresee material obstacles for renewing the relevant permits, licenses, registrations and filings for carrying out our business operations when renewals are required.

As advised by our PRC Legal Advisers, we had not been subject to significant fines or legal or administrative actions involving non-compliance with any PRC laws or regulations relating to our business during the Track Record Period and up to the Latest Practicable Date. Our Directors also confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any non-compliance incidents that had or would reasonably be expected to have a material adverse financial or operational impact on our business.

From time to time we may be involved in legal proceedings or disputes in the ordinary course of business, such as contract disputes with our customers. As of the Latest Practicable Date, there were no litigation or arbitration proceedings or administrative proceedings pending or threatened against us or any of our Directors which would have a material adverse effect on our financial position or results of operations.

NON-COMPLIANCES

Failure to File Certain Brokerage Licenses

According to the Administrative Measures for Real Estate Brokerage (《房地產經紀管理辦法》), real estate brokerage agencies and their branches shall file with the competent housing and urban-rural development (real estate) authority within 30 days from the date of obtaining their business licenses. For details, see "Regulations – Legal Supervision Over Property Management Services – Real Estate Brokerage Business."

During the Track Record Period, branches of Jinmao PM in Chongqing, Shanghai and Dongguan of were engaged by certain property developers to sell car parking spaces without filing their brokerage license to the competent authorities in accordance with the relevant local regulations. Yuelin Hangzhou and its branches in Guangzhou and Chongqing engaged in selling and leasing of second-hand properties (including car parking spaces) in Sanya, Beijing, Wuhan, Qingdao, Hangzhou, Suzhou, Wenzhou, Guangzhou and Chongqing without filing brokerage license to the competent authorities in accordance with the relevant local regulations.

In the event of violation of the regulations requiring filing of brokerage license, the competent governmental authorities would order the violating entity to rectify such violations, make records in the entity's credit files, and/or impose a fine of RMB1,000 to RMB30,000 on each of the entities not complying with such regulations.

We have rectified such non-compliance by ceasing to conduct brokerage service through branches of Jinmao PM in Chongqing, Shanghai and Dongguan and Yuelin Hangzhou and its branches in Guangzhou and Chongqing since April 2021. As of the Latest Practicable Date, we had not received any notice of rectification or administrative penalties in respect of the non-filing of the brokerage license. The revenue generated from real estate brokerage services conducted through branches of Jinmao PM in Chongqing, Shanghai and Dongguan and Yuelin Hanzhou and its branches in Guangzhou and Chongqing accounted for less than 1.0% of our total revenue during the Track Record Period. Based on the above, our Directors are of the view that such non-compliance incidents will not have a material adverse impact on our business, financial condition or results of operations.

Failure to Make Filings for Certain Public Parking Space Management Services

According to the Measures for the Construction and Management of Parking Lots in Nanjing (《南京市停車場建設和管理辦法》), companies which operate public parking space shall make market and tax registration, and file with the competent urban development authority within 15 days from the date of obtaining their business licenses. According to the Interim Measures for the Administration of Parking Lots in Changsha (《長沙市停車場管理暫行辦法》), the constructing parties or operators of public parking space shall file with the traffic administrative department of the police within 15 days from the completion and acceptance.

During the Track Record Period, our Changsha branch and Nanjing Ninggao were engaged to provide public parking space management services without make filings to the competent authorities in accordance with the relevant local regulations.

In the event of violation of the regulations requiring filings for the public parking space management services, the competent authorities would order our Changsha branch to make rectification within a prescribed time and impose a fine of RMB1,000 on it. Nanjing Ninggao is subject to the risk of such non-compliance incidents being recorded in its credit files.

We plan to rectify such non-compliance by making required filings for our Changsha branch and Nanjing Ninggao by the end of 2022. As of the Latest Practicable Date, we had not received any notice of rectification or administrative penalties in respect of the non-filings. The revenue generated from public parking space management services conducted through our Changsha branch and Nanjing Ninggao accounted for less than 2.0% of our total revenue during the Track Record Period. Based on the above, our Directors are of the view that such non-compliance incidents will not have a material adverse impact on our business, financial condition or results of operations.

Failure to Meet Governmental Pricing Standard When Charging Electricity Fees to End Users

In August and September 2021, the relevant local governmental authorities deemed Jinmao PM in violation of the Pricing Law of the PRC (《中華人民共和國價格法》) by failing to charge end users electricity fees according to governmental pricing standard for certain projects under its management from May 2018 to April 2021, and therefore ordered Jinmao PM to rectify such non-compliance and imposed a total fine of RMB3.05 million on Jinmao PM. By the end of September 2021, Jinmao PM had rectified such non-compliance, including, among others, refunding and compensating for the additional electricity fees collected and strictly implementing the governmental pricing mechanism in the collection of electricity fees, and had paid the fine in full.

We have established internal procedures to prevent non-compliance in our pricing activities, including (i) requiring all business units to keep a record of their pricing activities and to ensure the pricing and service charges are in compliance with applicable laws and regulations; (ii) formulating internal policies to standardize the charges for services we provide and monitoring the implementation of such policies; and (iii) providing regular training to our employees on compliance with pricing laws and regulations. In addition, we plan to strengthen our internal control with respect to pricing activities by adopting the additional policies and procedures, including: (i) requiring each pricing activity to be approved through internal systems; (ii) review and improve internal policies from time to time to make sure they stay in line with the most updated laws, regulations and industry standards; and (iii) requiring internal reporting of any pricing incident, penalties and the remedial measures to our senior management team.

RECENT REGULATORY DEVELOPMENT

Recent Changes in Property Management Industry Regulations

The PRC government recently promulgated a series of regulatory notices to regulate the real estate market as well as property management industry, aiming to promote the stable and healthy development of the property management industry.

Notice 10 and Notice 55

These regulatory notices include the Notice 10 and the Notice 55 issued by the MOHURD and other competent departments. These notices are aimed to rectify existing problems in the real estate market, standardize the regulations currently in effect in order to improve the market order, and regulate the areas of real estate development, property sale and purchase, housing leasing and property management services.

The Notice 10 clarifies the price forming mechanism for property management services as well as imposing requirements on the areas of integrating grassroots in the social governance system; improving governance structure of property owners' associations; promoting property management service quality; promoting and developing living services; regulating the use and management of repair fund and reinforcing supervision and management of property management services. According to China Index Academy, the Notice 10 provides a clear path for the development of residential property management as well as releases a positive signal in terms of marketization of property management fees, promotion of the integration of online and offline services, and encouraging property management services providers to explore "property services + living services" model. China Index Academy further advise us that the implementation of Notice 10 is expected to have a positive impact on the property management service industry in the aspects of, among others, management scale, quality of services, development of smart property management, professionalization of management personnel, marketization of prices, value-added services exploration, and standardization of management.

The Notice 55 states that it will strive to improve the real estate market order in three years, including the areas of real estate development, housing sales, housing leasing, and property services. For property management services companies, the key problems set forth in the notice which require standardization measures include (i) failure to provide services in accordance with contractual terms, (ii) failure to disclose information regarding standards for the property service fee items, the common area's operation and income and maintenance funds related information, (iii) collection of fees beyond service contracts, (iv) unauthorized use of common area to carry out business activities, and (v) refusal to exit the property services project without a proper reason upon rescission or termination of the property services contract pursuant to the law. According to China Index Academy, the Notice 55 represents the continuous efforts of the PRC government to regulate the property management services market and the requirements imposed therein are not new to the property management service providers in the PRC, but rather a reiteration of the existing laws and regulations. Nevertheless, the Notice 55 is not expected to have negative impact on the property management companies that offer high quality services, constantly operate in compliance with laws and regulations, and have relevant internal control policies in place to ensure the compliance.

Although the competent authorities have not promulgated any new requirements under the Notice 10 and the Notice 55, we conducted self-inspection and had not been aware of any material violation of the Notice 10 and the Notice 55 as of the Latest Practicable Date. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, (i) our PRC subsidiaries and branches had no material pending litigation or proceeding relating to the performance of property management service contracts and (ii) our PRC subsidiaries and branches were not subject to any material fines or administrative penalties due to non-compliance with or violation of the Notice 10 and/or the Notice 55.

To ensure continuous compliance with the requirements set out in the Notice 10 and the Notice 55, we have already formulated and implemented, and optimized the relevant internal policies and system in accordance with the Notice 10 and the Notice 55, which primarily include (i) providing on-the-job training and lectures to our employees regarding the requirements of Notice 10 and Notice 55 to facilitate bottom-up compliance thereto in our daily operations; (ii) designating legal staff to closely monitor and oversee our compliance status with the requirements of Notice 10 and Notice 55, and report non-compliance matters on a timely basis; (iii) designating legal risk management center to monitor regulatory developments relating to our business; and (vi) consulting with external counsels for professional advice.

Based on the foregoing, and taking into account the above advice from our PRC Legal Advisers, our Directors are of the view, and the Joint Sponsors concur, on the basis of the foregoing and the view of the Joint Sponsors' PRC Legal Advisers, that we did not violate the Notice 10 and Notice 55 in any material aspect.

With respect to the Notice 10, to the best of our Directors' information, knowledge and belief, although we may incur additional costs in communicating with property management committees, based on our past experience in managing projects with established property owners' associations, we will continue to maintain a cooperative relationship with the property owners' association and the newly established property management committee in the relevant projects under management. We therefore do not expect the Notice 10 to have a material adverse impact on our business operation or financial results.

With respect to Jinmao Group, to the best of our Directors' knowledge after consultation with Jinmao Group, since the promulgation of the Notice 55 and up to the Latest Practicable Date, Jinmao Group had not experienced any material delay in property development and construction, which would result in adverse material impact on the overall operations or financial position of Jinmao Group. With respect to our Group, our Directors are of the view that the Notice 55 is unlikely to have a material adverse impact on our Group's business operation and financial performance on the basis that (i) we expect that we would still be able to generate stable revenues and cash flows from our existing GFA under management; (ii) we have been rapidly expanding our cooperation with Independent Third Party property developers to reduce the reliance on Jinmao Group, thereby reducing risks from the potential delay in delivery of properties from Jinmao Group to us; and (iii) we have been expanding our service portfolio, such as expanding our city operation services, under which most of our clients are non-property developers.

The Proposed Regulations on the "Three Red Line"

In August 2020, the MOHURD and the PBOC proposed restrictive rules that limit the growth of real estate companies' interest-bearing debt and financing activities in a symposium jointly held by the agencies. The rules lay out three red line standards on debt-to-asset ratio, net gearing ratio and cash to short-term debt ratio applicable to property developers. For details, see "Industry Overview – Industry Growth Drivers – Proposed Regulations on "Three Red Line" Standards".

According to China Index Academy, the proposed regulations on the "Three Red Line" are primarily for the purpose of restraining the overly aggressive expansion of certain heavily indebted property developers, enhancing the marketization, regulation and transparency of financing of property developers. The proposed regulations on the "Three Red Line" standards are expected to speed up real estate companies' deleveraging process and promote the healthy development of the PRC real estate industry. The short-term investment along with the short-term financings in the real estate industry are expected to decrease. In the long run, the land auction market will become more stable and the cost of long-term financings are expected to decrease.

The Three Red Line standards require that (i) the debt-to-asset ratio (excluding receipts in advance) shall not exceed 70%, (ii) the net gearing ratio shall not exceed 100%, and (iii) the cash to short-term debt ratio shall not be lower than 1.0. Based on the interim results of China Jinmao for the six months ended June 30, 2021, as of June 30, 2021, China Jinmao's debt-to-asset ratio (excluding receipts in advance), net gearing ratio and cash to short-term debt ratio were 69%, 52% and 1.26, respectively, each having met the relevant standard set by the "Three Red Line" regulations. Based on the foregoing, and after due inquiry with China Jinmao, we believe that the "Three Red Line" regulations do not have a material adverse impact on China Jinmao's usual course of business and planned operations.

According to China Index Academy, certain property developers are no longer able to achieve rapid and large-scale expansion through use of financial leverages, which may slow down the growth of the real estate market and have an adverse impact on the property management industry. The proposed regulations are expected to have less negative impact on real estate companies which have advantages in capital sufficiency, such as large property developers and state-owned companies and therefore likely to have less negative impact on the business and financial performance of the property management service providers affiliated to such real estate companies, since many of their projects are sourced from related parties. Property management industry will become attractive due to its light asset mode and property management companies need to enhance their abilities to source projects from independent third parties to diversify its revenue source, provide more comprehensive service offerings and achieve economies of scale.

Based on the foregoing, our Directors are of the view, and the Joint Sponsors concur, that the proposed regulations on the "Three Red Line" would be less likely to have a material adverse impact on our business and financial performance.

The Real Estate Tax Reform

On October 23, 2021, the Standing Committee of NPC passed a resolution to authorize the State Council to carry out pilot projects for the Real Estate Tax Reform in certain regions. According to the Real Estate Tax Reform Policy, real estate tax is proposed to be imposed on land users and property owners of various types of properties, such as residential or non-residential properties, except for rural homestead and buildings. Furthermore, the Real Estate Tax Reform Policy authorizes the State Council to formulate specific measures for the real estate tax pilot program, determine the list of cities for the pilot program, file records with the Standing Committee of NPC and authorize the local governments of pilot cities or regions to formulate specific implementing rules. However, as of the Latest Practicable Date, the Real Estate Tax Reform Policy had not yet specified the pilot cities or regions, tax base or rate or other details of the proposed real estate tax, and the specific measures and implementing rules for the pilot program have not been promulgated yet. The Real Estate Tax Reform Policy is another step taken by the PRC government as its long-term effort to curb overheated real estate market and speculation activities, with a view to promote a healthy and stable real estate market.

According to China Index Academy, the levy of real estate tax is expected to impact the property market of the specified pilot regions, the extent of which hinges on the dependence on property development of this region, and the current market condition and development of the real estate market. In general, the levy of real estate tax on various types of properties is expected to reduce the reliance on new property development and alleviate sharp increase in property prices in the pilot regions. In terms of land supply, according to China Index Academy, the levy of real estate tax will, to certain extent, have the effect of replacing the premium for land use right and widening the source of tax revenue, which would benefit the finance of the local governments by reducing their reliance on land use right transfer as primary revenue source and promote a reasonable demand and supply of land. The increase in cost for holding properties is expected to reshape the preference of property buyers, which would in turn cause property developers to adjust their supply of properties based on real market demand. The levy of real estate tax on various types of properties is expected to increase the supply of second hand properties and promote the liquidity of the real estate property market, in light of which, the demand and supply misalignment in certain large cities will be relieved and property prices will stabilized.

According to China Index Academy, the Real Estate Tax Reform Policy may affect the availability of newly constructed projects for the property management market; however, the Real Estate Tax Reform Policy is not expected to have a material adverse impact on projects under management or change the landscape for property demand and supply in the long run and are viewed as being conducive to the development of a healthy and stable real estate market and thereby promoting a healthy, orderly and quality property management market.

As of the date of this prospectus, based on the review of publicly available sources, our PRC Legal Advisors are unaware of any official announcement from the PRC government in relation to details of the Real Estate Tax Reform Policy such as the specified pilot regions, tax base or rate and any other implementation details of the proposed real estate tax. Based on information from public media, it is speculated that the Real Estate Tax Reform may be launched in certain first- and second-tier cities with relatively vibrant real estate markets. Based on information available in the public domain, amongst the cities where our current projects are located, we expect that Shanghai, Shenzhen, Guangzhou, Nanjing, Hangzhou, Ningbo, Wuhan, Chengdu, Xiamen and Chongqing may fall into the ambit of the regions where the Real Estate Tax Reform may take place. As of September 30, 2021, we had 85 contracted projects in these cities, representing 35.1% of our total contracted GFA. As of September 30, 2021, we had 54 projects under management in these cities, representing 38.5% of our total

GFA under management as of September 30, 2021. Revenue generated from our property management services provided to these projects for the nine months ended September 30, 2021 accounted for 35.8% of our total revenue generated from property management services during the same period.

With respect to properties under our management in these cities, as the Real Estate Tax Reform will primarily have short-term impact on property sales and property transactions and property owners and tenants are obligated to pay property management fees regardless of the Real Estate Tax Reform, according to China Index Academy, we expect that the Real Estate Tax Reform will not have a material adverse impact on projects under our management.

As of September 30, 2021, our contracted but undelivered GFA in these cities accounted for approximately 15.5% of our total contracted GFA. With respect to contracted projects that have not been delivered for our management, the Real Estate Tax Reform may have a short-term impact on the sales progress of these properties, thereby affecting their occupancy rates in the short term. However, according to China Index Academy, in the long run, the real estate market is primarily affected by factors such as population, the supply and demand of land and financial policies instead of the Real Estate Tax Reform. As such, in the long run, the Real Estate Tax Reform is not expected to have a material adverse impact on our GFA under management and property management fee income.

In addition, in line with our business strategy, we strive to obtain more mandates in existing properties developed by Independent Third Parties and capitalize on future market opportunities in non-residential properties through expanding our city operation services and deepening our cooperation with strategic partners, thereby mitigating the potential adverse impact of the Real Estate Tax Reform.

Based on the foregoing, our Directors are of the view, and the Joint Sponsors concur, that the Real Estate Tax Reform is not expected to have imminent material adverse impact on our business operations or financial performance. However, we will continue to monitor regulatory updates in the Real Estate Tax Reform and further assess the impact of the Real Estate Tax Reform as the implementation details about the Real Estate Tax Reform Policy become available.

Recent Changes in Regulations on Real Estate Loans and Personal Housing Loans

Recently, the PRC government continued to implement stringent real estate industry policies, including the "two centralized" land supply policy, and strengthened financial regulations, which include the Joint Notice promulgated by the PBOC and the CBIRC on December 28, 2020 to establish a concentration management system for real estate loans of financial institutions in the banking industry. The Joint Notice requires the ratio of real estate loans and the ratio of personal housing loans shall not exceed the upper limit of the ratio of real estate loans or the upper limit of the ratio of personal housing loans determined by the PBOC and the CBIRC, and the development banks and policy banks shall implement this requirements mutatis mutandis. Financial institutions in the banking industry whose concentration of real estate loans exceeds the management requirements shall have an adjustment plan to progressively attain the management requirements within the business adjustment transitional period. The Joint Notice does not raise the interest rates of individual housing loans, but limits the proportion of individual housing loans of various commercial banks, which, together with the interest rate adjustment of individual housing loans, are control measures taken by the PRC government to curb the overheated real estate market and promote steady and healthy development of the real estate market. According to China Index Academy, the Joint Notice mainly affects residential properties, and in the short term, in light of the Joint Notice, some banks and financial institutions may be reluctant to provide financing to personal housing mortgages, which in turn affects purchasing power of personal housing buyers, residential property sales and the growth of real estate sector. However, according to China Index Academy, in the long run, the overall impact of the Joint Notice on the real estate industry is expected to be neutral and therefore unlikely to have material adverse impact on the property management industry.

Our property management portfolio includes not only residential properties, but also non-residential properties. We also offer a wide range of value-added services to non-property owners and property owners. Therefore, based on the information currently available to us and to the best of our knowledge after due and careful inquiry, as of the Latest Practicable Date, the completion and delivery schedule of the properties developed by Jinmao Group was not, and the property development plan of Jinmao Group in the long run are not expected to be, materially and adversely affected by the relevant regulations on provision of personal housing loans to purchasers of new and second-hand properties. Based on the foregoing, our Directors are of the view that, the property management projects to be awarded by Jinmao Group to our Group and our operations and financial performance are unlikely to be materially and adversely affected solely because of the regulations introduced under the Joint Notice. As of the Latest Practicable Date, nothing has come to the attention of the Joint Sponsors that would cause the Joint Sponsors to disagree with the Directors' view above.

On the supply side, according to China Index Academy, the aforementioned recent regulatory developments are aimed to stabilize the land auction and property market, restrain the overly aggressive expansion of property developers, improve risk resistance capability of the real estate financing system, optimize the credit structure of the banking industry and promote the healthy development of the real estate industry. In the short run, land auction in certain cities are expected to postpone, which may lead to decreasing volume of land transactions. In addition, property developers may face difficulties in refinancing and increasing borrowing costs, and are expected to be more cautious in land acquisitions. Consequently, the growth of the real estate market in the PRC is expected to slow down and the property management industry is likely to be adversely affected due to delay in construction and delivery of new properties as well as decreasing volume of real estate transactions in the short run.

Compared to smaller private real estate companies, the aforementioned recent regulatory developments are likely to have less negative impact on financially sound and large scale state-owned enterprises which have advantages in capital sufficiency. According to China Index Academy, as of June 30, 2021, 22 cities subject to the "two centralized" policies have completed first round of land auction in 2021 and state-owned enterprises accounted for 4 out of the top 10 buyers in terms of both acquisition value and GFA. Correspondingly, business operations and financial performance of the property management service providers affiliated to those financially sound and large scale state-owned enterprises are likely to be subject to less negative impact caused by the aforementioned recent regulatory developments.

As a large scale state-owned enterprise, Jinmao Group continues to achieve growth and maintain sound financial ratios in 2021. In December 2021 alone, due to the tightened regulation on real estate market and the macroeconomic environment, Jinmao Group recorded a contracted sales amount of RMB21,985 million, representing a year-over-over decrease of 28.6%. However, Jinmao Group recorded an accumulative contracted sales amount of RMB235,603 million in the twelve months ended December 31, 2021, representing a year-over-year growth of 2%. As of December 31, 2021, Jinmao Group recorded a subscribed (but not contracted) property sales amount of RMB6,501.15 million. In addition, none of China Jinmao's relevant financial ratios exceeded any of the "Three Red Line" standards as of June 30, 2021, and China Jinmao has been actively expanding a variety of financing channels, including issuance of domestic medium-term notes, offshore senior notes and subordinated perpetual securities since 2021.

On the basis of above, the Directors are of the view, and the Joint Sponsors concur, that taking into account of the views of China Index Academy, the aforementioned recent regulatory developments, including the Joint Notice, would be less likely to have a material adverse impact on the land acquisition, liquidity and cash flow management of Jinmao Group, and therefore less likely to have material adverse impact on the business and financial performance of our Group.

Recent Changes in Cyber and Data Security Regulations

On November 14, 2021, the CAC published Draft Regulations. According to the Article 2 of the Draft Regulations, it applies to the activities relating to the use of networks to carry out data processing activities within the territory of the PRC. As advised by our PRC Legal Advisors, we are of the view that once the Draft Regulations becomes effective in the current form, it will be applicable to our certain PRC domestic entity and the relevant requirements shall be complied.

On January 4, 2022, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures, which came into effect on February 15, 2022. The Measures for Cybersecurity Review (《網絡安全審查辦法》) which took effect on June 1, 2020 was abolished at the same time. According to the Measures, if a CIIO anticipates that its procurement of network products and services affect or may affect national security after the network products and services being put into use, it shall apply for cybersecurity review to the Cybersecurity Review Office. The Measures also requires that network platform operators possessing personal information of more than 1 million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. According to the Critical Information Infrastructure Security Protection Regulations, protection work departments are responsible for organizing the identification of CII within their industries and sectors and notifying operators about the identification results. As of the date of this Prospectus, we have not received any notification from relevant regulatory authorities regarding our identification as a CIIO. Therefore, the obligation for CIIO to proactively apply for cybersecurity review shall not be applicable to us as of the date of this Prospectus. As advised by our PRC legal advisors, given the fact that, the number of users that we process personal information as of the Latest Practical Date was significantly less than "one million users" threshold, as well as the differentiation made by Article 13 of the Draft Regulations by the CAC which clarifies that "listing in a foreign country" does not include "listing in Hong Kong", the obligations under the Measures to proactively apply for cybersecurity review by a network platform operator seeking listing in a foreign country shall not be applicable to the proposed listing in Hong Kong. As advised by our PRC legal advisors, except the above voluntary filings, regulatory authorities may initiate cybersecurity reviews if it is of the opinion that the network products and services as well as data processing activities affect or may affect national security. Since there remain uncertainties with respect to the interpretation and applicability of the criteria for determining the risks that "affect or may affect national security" based on the risk factors set out in Article 10 of the Measures, we cannot preclude the possibility that the risk factors may apply to us as network platform operators, and we may be subject to cybersecurity review.

For details, see "— Standardization and Smart Management — Online Service Platform".

OVERVIEW

Immediately upon completion of the Bonus Issue, the Distribution and the Global Offering (without taking into account the Distribution Adjustment and any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), China Jinmao will directly control approximately 67.5% of the issued share capital of our Company. Hence, upon Listing, China Jinmao constitutes our controlling shareholder under the Listing Rules.

Jinmao Group is a large-scale developer and operator of quality real estate projects in the PRC. As disclosed in the annual report of China Jinmao for the year ended December 31, 2020, Jinmao Group had a saleable/leasable GFA of approximately 82.7 million sq.m. which were yet to be delivered by Jinmao Group as of the publication date of the annual report. Its contracted sales amounted to approximately RMB231,100 million for the year ended December 31, 2020, ranking 14th among the Top 100 Property Companies in China according to China Index Academy. Jinmao Group had a market share of approximately 1.33% in terms of contract sales according to the data released by the National Bureau of Statistics on the contracted sales of commodity housing in China for the year ended December 31, 2020. For the year ended December 31, 2020, Jinmao Group recorded a revenue of approximately RMB60,053.9 million and a profit attributable to its owners of approximately RMB3,881.0 million. For the six months ended June 30, 2021, it recorded a revenue of approximately RMB28,455.6 million and a profit attributable to its owners of approximately RMB4,301.0 million.

China Jinmao is indirectly owned as to approximately 35.3% by Sinochem Group, a large-scale conglomerate under the supervision of the SASAC. Sinochem Group is listed as one of the Fortune 500 companies, ranking 109th in 2020. For the year ended December 31, 2020, Sinochem Group recorded a net profit of approximately RMB15.1 billion. The business of Sinochem Group covers a range of sectors including energy, chemicals, agriculture, real estate and finance. Jinmao Group is the platform enterprise of Sinochem Group in the development of real estate business. To the best knowledge, information and belief of the Directors, there is no material competition between the businesses of Sinochem Group and our Group.

DELINEATION OF BUSINESS

Overview

Jinmao Group is primarily engaged in city operations and property development, commercial leasing and retail operations, as well as hotel operations in the PRC.

The table below sets forth the principal business operations of our Group and Jinmao Group as at the Latest Practicable Date:

	Our Group	Jinmao Group
Business focus	Our Group provides a wide range of property management and related value-added services, forming an integrated service offering to our customers along the value chain of property management. Major scope of business includes: (i) Property management services at community level such as security, cleaning, greening, gardening and repair and maintenance services for the operation of common area facilities, as well as city operation services at municipal level in multiple forms	Jinmao Group primarily engages in city operations and property development, commercial leasing and retail operations, as well as hotel operations: (i) City operations: involving city upgrade and land redevelopment in collaboration with local governments (ii) Property development: involving the development of residential and commercial properties (iii) Commercial leasing and retail operations: involving the leasing of commercial properties and office buildings owned by Jinmao Group

	Our Group	Jinmao Group
	(ii) Value-added services to non-property owners, including sales assistance services to property developers to assist with their sales and marketing activities at property sales venues and display units, consultancy and other value-added services, such as pre-delivery and consultancy services, mainly to property developers (iii) Community value-added services, including platform services for interior decoration, community living services such as housekeeping, new retail and catering services, community space operation services such as elevator advertising services and car park space management services, and real estate brokerage services	(iv) Hotel operations
Customers	Primarily property owners and residents, property developers, and advertising companies	Property buyers, lessees and hotel guests
Key revenue source	Fees from property management services and value-added services	Proceeds from property sales, rent from tenants and hotel booking fees
Suppliers	The main suppliers include subcontractors providing cleaning, greening, maintenance, security and housekeeping services, and suppliers of products, equipment and materials	The main suppliers include engineering and construction companies for the property development business

Business delineation between our Group and Jinmao Group

Upon completion of the Spin-off, the businesses of our Group and Jinmao Group will be clearly delineated. Jinmao Group principally assumes the roles of owner, investor and/or operator in respect of the properties developed or invested by Jinmao Group with the purpose of maximizing Jinmao Group's investment interests and brand value in such self-developed properties; whereas our Group is principally an asset light service provider without holding any ownership interest in its managed properties, with its property management services aimed at keeping the properties under management safe, clean and functional and its other value-added services aimed at facilitating the sales and marketing activities of property developers and addressing the lifestyle needs of existing residents.

While our Group and Jinmao Group operate in the same market segments of residential and commercial properties and are both operating on a national scale, the nature of their operations complements and does not compete with each other. Whilst there exist limited overlapping or similar businesses described below, we believe that these will not materially affect the business delineation between our Group and Jinmao Group.

(a) Property management services with respect to the Zhuhai Project

Upon completion of the Spin-off, Jinmao Group will not engage in the property management business, save for the Zhuhai Every Garden Project (珠海每一間花園項目, the "**Zhuhai Project**"), a residential development project with a GFA of approximately 137,225 sq.m. All units of the Zhuhai Project have been delivered to the property buyers. After the dissolution of the first session of the property owners' association in December 2018, no new session of the property owners' association has been established for the Zhuhai Project. The Zhuhai Project is currently under the management of the Zhuhai Branch (the "**Zhuhai Branch**") of Sinochem Hotel, a wholly-owned subsidiary of China Jinmao, and the existing property management contracts in relation to the Zhuhai Project will expire if and when the property owners' association is established and if it selects to enter into a new property management contract with third party property management company, which is at the independent prerogative of such property owners' association.

For the following reasons (primarily beyond control of our Group and Jinmao Group), the property management services with respect to the Zhuhai Project (the "**Zhuhai Property Management Business**") has not been included in our Group as part of the Reorganisation:

(i) Not feasible for equity transfer of the Zhuhai Branch — the Zhuhai Property Management Business cannot be transferred to our Group via an intra-group equity transfer of the Zhuhai Branch. The Zhuhai Branch is a branch company who does not have a separate legal personality, and is therefore not transferable under applicable PRC laws and regulations.

(ii) Not feasible for equity transfer of Sinochem Hotel — the Zhuhai Branch is a branch company of Sinochem Hotel. The main asset of Sinochem Hotel is the Sinochem Tower, an office building in Beijing. Sinochem Hotel is mainly engaged in the operation and leasing of the Sinochem Tower, but is not involved in any property management business (except for the Zhuhai Property Management Business provided by the Zhuhai Branch). An equity transfer of Sinochem Hotel to our Group is not in line with the asset light business nature of our Group or its business focus as a property management service provider without holding any ownership interest in its managed properties.

(iii) Not feasible for subcontracting the business — according to the Civil Code (《民法典》) of the PRC, a property management service provider shall not subcontract the property management services as a whole to any third party. Due to such legal restriction, there is practical difficulty for Jinmao Group to subcontract or transfer the Zhuhai Property Management Business in entirety to our Group or any third party.

(iv) No control over the change of property management service provider — according to the Civil Code (《民法典》) of the PRC, for residential properties, the change of property management service provider shall be determined by the property owners at a general meeting. A quorum for the general meeting of the property owners shall consist of the property owners who hold more than two-thirds of the total GFA of the exclusive area of the property and who represent more than two-thirds of the total number of property owners. The general meeting of the property owners can change a property management service provider with affirmative votes of property owners who hold more than half of the total GFA of the exclusive area owned by the property owners participating in the voting and who represent more than half of the total number of property owners participating in the voting. The holding of and outcome of any voting at the general meeting of property owners is independent of Jinmao Group as well as our Group. Neither Jinmao Group nor our Group has any power to call the general meeting of the property owners, or procure the holding of the general meeting within any specific period of time, nor is Jinmao Group or our Group able to exert any control over the voting results of the general meeting of the property owners.

According to the Zhuhai Administrative Measures on the Tendering and Bidding for Property Management Services (《珠海市物業管理招標投標管理辦法》) and based on our anonymous consultation with the local real estate administration department (being the competent authority to advise on such matters), after the general meeting of the property owners decides to change the property management service provider, a new property management service provider shall be selected through a public tender process. If two rounds of public tender process have been organized and there are less than three bidders in each round, an alternative method of selection by agreement can be adopted in which case a general meeting of the property owners must be held to approve the method of selection by agreement. Neither Jinmao Group nor our Group has any influence over the process of change of the property management service provider, and there is no assurance that either Jinmao Group or our Group will be selected by the property owners as the new property management service provider of the Zhuhai Project.

Even if any member of our Group is successfully selected as the new property management service provider of the Zhuhai Project, a new property management contract must be signed by the property owners' association according to the Regulation on Property Management of the Zhuhai Special Economic Zone (《珠海經濟特區物業管理條例》). As there is currently no property owners' association in place, a general meeting of the property owners must be held to approve the establishment of the property owners' association or a property management committee acting on behalf of the property owners' association, which is again beyond the control of Jinmao Group or our Group as described above.

As such, it is expected that Jinmao Group will continue to manage the Zhuhai Project according to the terms of the current property management contracts. It is submitted that the retention of the Zhuhai Property Management Business by Jinmao Group is essentially a legacy issue that is not anticipated to have materially negative impact on the business delineation between our Group and Jinmao Group for the following reasons:

(i) Immateriality — if the Zhuhai Property Management Business had been undertaken by our Group, the GFA of the Zhuhai Project would have accounted for only approximately 1.3%, 1.1% and 0.8% of the total GFA under the management of our Group as at December 31, 2018, 2019 and 2020, respectively, and the revenue generated therefrom for each of the three years ended December 31, 2018, 2019 and 2020, being approximately RMB5.11 million, RMB5.34 million and RMB5.88 million, respectively, would have accounted for only approximately 0.9%, 0.7% and 0.6% of the total revenue of our Group for the relevant period. As such, the Zhuhai Property Management Business is insignificant as compared to the overall business of our Group.

(ii) Not the principal business of Jinmao Group — for each of the three years ended December 31, 2018, 2019 and 2020, the Zhuhai Property Management Business accounted for only approximately 0.01% of the total revenue of Jinmao Group for the relevant period. After the Spin-off, Jinmao Group will continue to focus on the business of city operations and property development, commercial leasing and retail operations, as well as hotel operations in the PRC.

(iii) No involvement in any other project — during the Track Record Period and up to the Latest Practicable Date, the Zhuhai Branch did not engage in any property management business except for the Zhuhai Property Management Business, and Jinmao Group has confirmed to our Group that it has no intention to expand the property management business of the Zhuhai Branch to cover any other property after the Spin-off.

(iv) Undertaking from China Jinmao — to protect our Group from potential competition in the future with respect to our provision of property management business, China Jinmao has entered into the Deed of Non-Competition in favour of our Group. In particular, China Jinmao has undertaken to our Group that if the general meeting of the property owners of the Zhuhai Project decides to change the property management service provider and establish the property owners' association, and a public tender process is launched for the selection of service provider for the management of the Zhuhai Project, China Jinmao shall not, and shall procure its close associates not to, participate in the public tender process, and shall provide and procure its close associates to provide necessary assistance to our Group for our participation in the process should our Group choose to do so. For details on the Deed of Non-Competition, please refer to "— Deed of Non-Competition" in this section.

(b) Sales agency services with respect to newly developed residential properties

Our Group commenced providing sales agency services to Jinmao Group in November 2020 and intends to also provide such services to other property developers, by sourcing potential buyers of newly developed residential properties and assisting property developers in entering into sale and purchase agreements with such buyers. Our Group has been providing real estate brokerage services to property owners and residents for secondary sales of properties, and the provision of sales agency services to property developers is considered as a natural extension of the brokerage services of our Group for secondary sales.

Following the Spin-off, Jinmao Group will continue to sell its self-developed properties as a direct vendor. Our Directors do not consider the sales efforts of our Group and Jinmao Group constitute any competition between the parties for the following reasons:

(i) Mutually beneficial in nature:

Need for sales agency services from Jinmao Group's perspective:

- For property developers in the PRC, the ability to quickly and efficiently recoup and recycle capital is critical to achieve sustainable growth. Similar to other property developers in the PRC, to the knowledge of our Group, Jinmao Group has been, during the Track Record Period and up to the Latest Practicable Date, engaging third-party agents to sell its newly developed residential properties as a means to effectively expand its sales channels to enable it to quickly recover their investments which may be used to meet their development and financial needs in other projects. It is common for property developers in the PRC to sell their properties both as direct vendors and through sales agents at the same time. Whilst the property developers would need to pay additional agency fee to such sales agents, this is justified by the ability of the developers to more quickly monetize their investments and is therefore still commercially attractive from the property developers' perspective. The decision on whether to introduce third party agents to help with sales of projects is determined by Jinmao Group on a case by case basis ranging from factors such as initial sales performance, targeted recovery of investment and other reasons more particularly set out below and is independent from concerns of our Group who does not benefit from exclusive arrangements. The engagement of our Group as a sales agent may further expand the sales channels of Jinmao Group and boost its sales volume and amount.

- To the knowledge of our Group, Jinmao Group has a well-established sales team who is responsible for the branding, positioning and sales and marketing of its property developments. It will determine whether to engage any third-party agents for the sale of a particular project after taking into account various factors, including the location and difficulty of sales of the particular project, as well as the sales progress after the opening for sale of the project. Jinmao Group usually engages third-party agents to sell its less attractive properties by taking advantage of the extensive and different customer base of the agents, so as to generate sales proceeds in a most timely manner.

- Aiming to solicit as many potential buyers as possible, to the knowledge of our Group, Jinmao Group treats referrals from the sales agents, including our Group, on similar terms and does not offer preferential terms to any particular agent. The interests of the shareholders of Jinmao Group would not be compromised but rather enhanced as a result of the additional sales avenues from the engagement of our Group. In such cases, even if Jinmao Group was unable to engage our Group as a sales agent, it would engage another third party agent to assist with its sales efforts.

Motivation to provide sales agency services from our Group's perspective:

- Our Group has been providing real estate brokerage services to property owners and residents for secondary sales of properties. Having set up a department and offline stores for the brokerage services for secondary sales, our agency services can be easily expanded to newly developed residential properties, better tap into our existing user data and not require significant capital investment or resource input.

- Leveraging on our established platform for secondary sales of properties and our relationship and familiarity with property owners or residents of the projects under our management, our Group may have first-hand knowledge of the demand of property owners or residents for home purchase, and is therefore well positioned to provide the sales agency services to the property developers, including Jinmao Group.

- The provision of sales agency services by our Group will increase our commission income and promote the development of our value-added services business. Our Group is not reliant on favorable terms from Jinmao Group and has the ability to bring in potential buyers and offer high quality services to facilitate a transaction between Jinmao Group and the potential buyer. From our Group's perspective, the competition in sales agency services is more likely to be with other third-party sales agents, rather than with Jinmao Group.

- Our Group will independently evaluate the newly developed residential property projects, including those developed by Jinmao Group and independent property developers, and the terms of sales agency contracts offered before taking on any specific project.

(ii) Clear delineation of the business

- Different business model — Jinmao Group will continue to sell its self-developed properties as a direct vendor, while our Group will, in addition to our real estate brokerage services to property owners and residents for secondary sales of properties, act as an agent to assist property developers in entering into sale and purchase agreements with potential buyers in exchange for a commission paid by the property developers. Jinmao Group has confirmed to our Group that it has no intention to engage in the business of sales agency services.

- Different business scopes — our Group will provide real estate brokerage services for secondary sales of properties and sales agency services with respect to newly developed residential properties, which are not limited to the properties developed by Jinmao Group, but will also include those developed by Independent Third Parties. By contrast, to the knowledge of our Group, Jinmao Group only sells its self-developed properties as a direct vendor, as an inherent function of a property developer, and will not act as agent to sell any properties developed by other property developers.

- Different purposes — our Group strives to earn commission fees and serve as many different developers as possible to maximize our commission income, while the aim of Jinmao Group is to promote the sales of its self-developed properties and engage suitable agents to maximize its sales volume and expedite its recovery of sales proceeds.

- Different source of customers — potential buyers that may be referred by our Group to Jinmao Group are mainly property owners and residents of residential projects under the management of our Group, whom we maintain close contact with as a result of our provision of property management services. The target customers of Jinmao Group in its direct sales are much broader (potentially wider spectrum of members of the public).

  While we cannot rule out the possibility that potential buyers who are not property owners or tenants of residential projects under our management approach us to buy newly developed properties of Jinmao Group, it is expected that the vast majority of the customers of our Group for the sales agency services will still be our existing customers who are most likely to have downloaded the mobile application of our Group or have otherwise learned from us the information of the new development projects of Jinmao Group. From Jinmao Group's perspective, the engagement of all sales agents, including our Group, is a way to help it acquire potential customers, rather than a competition with the sales agents for potential customers. Since our Group commenced providing sales agency services to Jinmao Group in November 2020 and up to the Latest Practicable Date, all potential buyers referred by our Group to Jinmao Group, whether or not leading to a successful transaction, are property owners or tenants of residential projects under the management of our Group. The customer base of our Group as a property management company is not expected to change materially in a foreseeable future. Given the non-core business nature and immateriality of the sales agency services as further described under (iii) below, we consider that the possibility of overlap in potential customers of the sales agency services will not affect the delineation of business of our Group from Jinmao Group.

- Different sale process — to the knowledge of our Group, Jinmao Group sells its property development projects mainly through its in-house sales team, but depending on the project conditions and targeted customer group, may also engage third party agents to help with sales of projects. The third party agents engaged by Jinmao Group include (i) sales agents who station a team of sale personnel on-site to market the project and assist potential buyers, and (ii) sales agents who are not stationed at the sales venue of the project (the "**Off-site Agents**") but are expected to introduce potential buyers to the sales venue. The sales agency services provided by our Group do not involve stationing of personnel at the sales venue of any project. To the knowledge of our Group, Jinmao Group does not engage any Off-site Sales Agents, such as our Group, at the time of the opening for sale of any project. If it considers an additional sales channel may be required, it usually engages Off-site Sales Agents three to six months after the opening for sale of the project when it has a clear assessment of the sales conditions of the project. Third party sales agents are typically engaged to assist with the selling of less attractive properties.

  In the same manner as any other third party Off-site Agents, if our Group identifies or is approached by a potential buyer who is interested in a new development project of Jinmao Group, our Group will introduce the potential buyer to the sales venue of the project where the sales team of Jinmao Group will receive the potential buyer, show him the display unit, and provide him with detailed information of the project and the available units for sale. Our Group will accompany the potential buyer on meetings with the sales team of Jinmao Group, but it cannot determine the sales price of any particular unit of the project or the scope of units open for sale at any particular time, which are at the sole discretion of Jinmao Group. If the potential buyer decides to buy a unit, the sales team of Jinmao Group will liaise with the potential buyer directly on the contract signing and payment arrangements, and our Group will be informed of the progress of the transaction. Jinmao Group's own sales team will participate and handle the sale process regardless of source of customers (directly obtained or through sales agents, whether third parties or our Group), including assisting buyers in applying for mortgage loans to banks with which Jinmao Group has mortgage arrangements, and completing registrations to obtain ownership certificate and delivering the same to the property buyer.

Set out below is a summary of the key differences of the sales agency services provided by our Group and the direct sales by Jinmao Group:

	Sales agency services provided by our Group	Direct sales of properties by Jinmao Group
Different business model	• Brokerage services for property owners and residents and sales agency services for property developers. • Charging commissions calculated at a fixed percentage of the actual purchase price.	• Direct sales of its self-developed properties as an inherent function of a property developer. • Receiving proceeds based on the actual purchase price.
Different scope	• Intention to provide sales agency services to different property developers and no exclusive tie into Jinmao Group.	• No intention to enter into sales agency business.
Different purposes	• Purpose is to earn commission fees, and to serve as many different developers as possible to maximize our commission income.	• Purpose is to promote sales of its self-developed properties, and to engage suitable agents to maximize its sales volume and expedite its recovery of sales proceeds.
Different source of customers	• Property owners and residents of residential projects under our management as our main source of customers.	• General public.

	Sales agency services provided by our Group	Direct sales of properties by Jinmao Group
Different sale process	• No engagement until a later stage, usually three to six months after the opening for sale of a project. • No discretion on sales price or scope of units open for sale and no involvement in handling mortgage loan arrangement or ownership registration process.	• Participation in the whole process of sales and marketing. • Handling sale process regardless of source of customers (directly obtained or through sales agents).

(iii) Immateriality

- From the perspective of our Group — the sales agency business with respect to newly developed residential properties is an ancillary business which does not and will not form part of the core business of our Group. The estimated revenue of our Group from commissions earned from the sales agency services with respect to newly developed residential properties of Jinmao Group (i.e. the annual cap for such services as set out in the section headed "Connected Transactions — Continuing Connected Transactions Which are Subject to the Reporting, Annual Review, Announcement, Circular and Independent Shareholders' Approval Requirements — Property Agency Services Framework Agreement" in this prospectus) for each of the two years ending December 31, 2022 and 2023 will account for less than 3% of the total revenue of our Group for the year ended December 31, 2020. With the business growth of our Group, it is expected that the percentage of the estimated revenue from such sales agency services to the total revenue of our Group for the two years ending December 31, 2022 and 2023 will decrease substantially.

- From the perspective of Jinmao Group — for each of the three years ended December 31, 2020, selling and marking expenses of Jinmao Group accounted for less than 5% of the revenue of Jinmao Group from its sale of properties in the city and property development segment. As the selling and marketing expenses of Jinmao Group include not only the commissions paid to the Off-site Agents, but also those paid to other agents and all advertising and marketing expenses, the commission payment to the Off-site Agents as a percentage to the revenue of Jinmao Group in the relevant segment would be much lower. The engagement of our Group as a sales agent is not expected to materially change the composition of the selling and marking expenses of Jinmao Group or the percentage of such expenses to the revenue of Jinmao Group. From the perspective of Jinmao Group, if the size of the sales agency services provided by our Group with respect to its newly developed residential properties is to be measured by dividing the estimated commission payment to our Group in each of the two years ending December 31, 2022 and 2023 by the total revenue of Jinmao Group for the year ended December 31, 2020 (similar to a size test in a connected transaction scenario), the percentage ratio would be less than 0.1%.

(c) Sales agency services with respect to unsold car park spaces

Our Group provides sales agency services to Jinmao Group with respect to unsold car park spaces of the projects under our management, by sourcing potential buyers of unsold car park spaces and assisting Jinmao Group in entering into sale and purchase agreements with such buyers. Our Group intends to also provide sales agency services to other property developers with respect to unsold car park spaces.

Following the Spin-off, Jinmao Group will continue to sell its self-developed car park spaces as a direct vendor. Our Directors do not consider the sales efforts of our Group and Jinmao Group constitute any competition between the parties for the following reasons:

(i) Mutually beneficial in nature — after the property developers, including Jinmao Group, substantially deliver the properties to property buyers, it is very common that a number of car park spaces remain unsold. Our Group, as the property management service provider, is well positioned to provide the sales agency services to the property developers with respect to the unsold car park spaces leveraging on our position as the property manager for the development and also our relationship and familiarity with property owners. The provision of sales agency services may facilitate the sale of car park spaces developed by Jinmao Group through an additional sales channel. On the other hand, this will increase the commission income of our Group and promote the development of our value-added services business. Such arrangement would be mutually beneficial to both our Group and Jinmao Group and serves as an effective supplement to the existing sales channel of Jinmao Group.

(ii) Different time of the sales — Jinmao Group, as developer of a project, would initially be responsible for sales of both properties and car park spaces. Upon substantial delivery of property units, Jinmao Group would then negotiate with sales agents, such as our Group, on the scope of services to be engaged with respect to the remaining unsold car park spaces of each individual project taking into account the location and difficulty of sales of the particular project. Once such terms are agreed, our Group will be authorized to sell the specified unsold car park spaces of the particular project, and property developers, including Jinmao Group, will no longer sell the same car park spaces. Jinmao Group has confirmed to our Group that our Group and Jinmao Group will not sell the same car park spaces at the same time.

(iii) Different business scopes — our Group will provide the sales agency services with respect to unsold car park spaces, which are not limited to the car park spaces developed by Jinmao Group, but will also include those developed by Independent Third Parties. By contrast, to the knowledge of our Group, Jinmao Group only sells car park spaces in its self-developed projects as a direct vendor, and will not act as agent to sell any car park spaces in projects developed by other property developers. Jinmao Group has confirmed to our Group that it has no intention to engage in the business of sales agency services.

Based on the foregoing, we believe that (i) there is clear delineation between our business and the business of Jinmao Group; (ii) there will be no direct or material competition between our Group and Jinmao Group upon completion of the Spin-off; and (iii) sufficient arrangements are or will be in place to ensure the clear delineation and minimal competition between Jinmao Group and our Group.

Rule 8.10 of the Listing Rules

Save as disclosed above, as at the Latest Practicable Date, none of China Jinmao and our Directors had any interest in any other business which competes or is likely to compete, either directly or indirectly with our business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM CHINA JINMAO

We believe that we are capable of carrying on our business independently of China Jinmao and its close associates (other than our Group) after the Listing for the following reasons:

Administrative independence

Most, if not all of the essential administrative functions of our Group have been during the Track Record Period, and will be, handled by our own team independently of Jinmao Group without support from Jinmao Group.

Our Group and Jinmao Group have been sharing certain information technology systems and financial management software on a clear cost allocation basis. Notwithstanding any sharing of resources to optimize the administration costs structure of our Group, all essential functions involving any management decision or discretion will be retained and performed by our Group independently of Jinmao Group.

In particular, our Group has established our own finance department with a team of finance staff responsible for financial control, accounting and reporting, group credit, risk management and internal control. Jinmao Group has no access to the financial data of our Group and the finance staff of our Group can operate our financial system independently.

Management independence

Our Board comprises two executive Directors, three non-executive Directors and three independent non-executive Directors. For further details of our Directors, please refer to the section headed "Directors and Senior Management" in this prospectus. The following table sets forth details of the role of our Directors in our Group and in Jinmao Group.

Name of Director	Position(s) in our Company upon Listing	Position(s) in Jinmao Group upon Listing
Mr. Xie Wei	Executive Director and the chief executive officer	None[1]
Ms. Zhou Liye	Executive Director and the chief financial officer	None
Mr. Jiang Nan	Non-executive Director and chairman of the Board	Executive director and the chief financial officer of China Jinmao

Name of Director	Position(s) in our Company upon Listing	Position(s) in Jinmao Group upon Listing
Ms. He Yamin	Non-executive Director	Human resources director of China Jinmao
Ms. Qiao Xiaojie	Non-executive Director	Deputy financial controller of China Jinmao
Dr. Chen Jieping	Independent non-executive director	None
Dr. Han Jian	Independent non-executive Director	None
Mr. Sincere Wong	Independent non-executive Director	None

Note:

1. As at the Latest Practicable Date, Mr. Xie Wei is a vice president of China Jinmao. He will resign from his position in China Jinmao with effect from the Listing Date.

Our Group does not rely on Jinmao Group in terms of directorship and management, and that the day-to-day operations and management functions of our Group, upon Listing, can be managed independently of Jinmao Group, given that:

(i) while Mr. Xie Wei, an executive Director and the chief executive officer of our Company, is also a vice president of China Jinmao, he will resign from his position in China Jinmao with effect from the Listing Date and will focus on the affairs of our Group upon Listing;

(ii) while Mr. Jiang Nan, an executive director and the chief financial officer of China Jinmao, Ms. He Yamin, the human resource director of China Jinmao, and Ms. Qiao Xiaojie, a deputy financial controller of China Jinmao, are non-executive Directors of our Company, they are not and will not be involved in the day-to-day management of our Group and will only contribute from a non-executive capacity at the board level;

(iii) as at the Latest Practicable Date, other than Mr. Xie Wei (as disclosed in (i) above), none of the core management team of our Group with executive functions held any position in Jinmao Group;

(iv) our Group has and will have a sufficient level of independence of directorship and management and a team of full-time senior management and employees focused exclusively on its businesses;

(v) our Company has and will have sufficient number of independent non-executive directors which meets the requirements of the Listing Rules to protect the interests of our Company and the Shareholders as a whole; and

(vi) each of the Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event of any actual or potential conflict of interest between our Group and Jinmao Group, the conflicted directors will be required to abstain from voting on the relevant board resolution and the other directors will vote and decide on the matter.

Nevertheless, to address potential conflict of interests that may arise in the future, our Company has adopted certain corporate governance measures. Please refer to "- Corporate Governance" in this section for details.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from China Jinmao and its close associates following the completion of the Spin-off.

Financial independence

Save as disclosed in the section headed "Financial Information — Related Party Transactions and Balances", as at the Latest Practicable Date, (i) our Group does not have amount of non-trade nature due from and to China Jinmao or its close associates and (ii) our Group had not provided any guarantee in respect of any loans of China Jinmao or its close associates, or vice versa.

Further, our Group is able to finance our own operations. Please refer to the section headed "Financial Information — Liquidity and Capital Resources" for further details.

Accordingly, we believe we are able to maintain financial independence from China Jinmao and its close associates.

Operational independence

We engage in our business independently from China Jinmao and its close associates, with the independent right to make operational decisions and implement such decisions, and we do not have undue reliance on China Jinmao.

Selection process for service provider

(a) Independent tendering and bidding/selection process for property management service provider

(i) Management of residential properties before delivery

Our Group provides property management and related services to the residential projects of Jinmao Group at the pre-sale and pre-delivery stages. Historically, our Group has procured initial property management service engagements from Jinmao Group mainly through standard public tender process regulated by applicable PRC laws and regulations.

In accordance with the Interim Measures on the Tendering and Bidding for Initial Property Management Services (《前期物業管理招標投標管理暫行辦法》) of the PRC, all initial property management services contracts of residential buildings and non-residential buildings in the same development would need to go through a competitive tendering process, which is a common market practice in the property management sector in the PRC, unless (1) the residential building in question is considered by the relevant local real estate administration department as being insignificant and does not warrant a tendering process; or (2) there are less than three bidders for the services and the relevant local real estate administration department allows the engagement of a property management company directly through agreement without going through a tendering process.

Such public tender is a well-established, competitive and fairly structured process. Our Group has been able to successfully win tenders on our own merit of our services and reputation and does not enjoy any preferential treatment in the selection process for properties developed by Jinmao Group and is not granted property management contracts simply due to our intra-group relationship with Jinmao Group. For further details of the tender and bidding process, please refer to the section headed "Business — Property Management Services — Growth of Our Property Management Project Portfolio" in this prospectus.

(ii) Management of residential properties after delivery

After the delivery of residential properties by Jinmao Group to the property buyers, the property management services are provided by our Group directly to the property owners, and the property owners have the right to change the property management service provider.

According to the Civil Code (《民法典》) of the PRC, for residential properties, the engagement or dismissal of property management service provider shall be determined by the property owners at a general meeting. A quorum for the general meeting of the property owners shall consist of the property owners who hold more than two-thirds of the total GFA of the exclusive area of the property and who represent more than two-thirds of the total number of property owners. The general meeting of the property owners can engage or dismiss a property management service provider with affirmative votes of property owners who hold more than half of the total GFA of the exclusive area owned by the property owners participating in the voting and who represent more than half of the total number of property owners participating in the voting.

The property owners are independent of Jinmao Group and our Group and have the right to engage or dismiss the property management service provider at their discretion. Neither Jinmao Group nor our Group has any influence, or can exert any control, over such process of change of the property management service provider. Benefitting from the quality of our Group's property management services and brand recognition, our Group has a proven track record of maintaining a high project renewal rate in respect of our property management business. Other than two projects that did not match with our profitability criteria which we terminated on a voluntary basis in 2019 and the nine months ended September 30, 2021, we had renewed all of our property management contracts during the Track Record Period. This reflects the property management capabilities of our Group and shows that our Group is able to operate independently of Jinmao Group.

(iii) Selection process for property management service provider of commercial properties

While there are no regulatory requirements on the property owners to conduct tendering and bidding process for the procurement and renewal of property management services with respect to commercial properties, our Group still has to go through a selection process in order to obtain the contracts for such services. For commercial properties developed by Jinmao Group, our Group will be invited to submit a proposal on the property management services, and Jinmao Group will review and assess the proposal and determine whether or not to award the contracts to our Group based on various factors including our Group's experience, positioning strategies, pricing standard and brand image.

(b) Selection of community value-added service provider

The community value-added services, as an extension of the property management services, are provided by our Group mainly to the property owners and residents of its managed properties.

Certain community value-added services, including community space operation services such as elevator advertising services and car park space management services, are secured by our Group primarily by leveraging our capacity as the incumbent property management service provider to the relevant property or community. Once our Group is engaged as the property management service provider for the relevant projects, whether or not the projects are developed by Jinmao Group and its joint ventures and associates, our Group will naturally become the service provider of such community value-added services. As the property owners have the right to change the property management service provider at their discretion as described above under the paragraphs headed "Independent tendering and bidding/selection process for property management service provider", our Group has to offer high quality services to build and maintain sustainable customer relationships, and ensure the continuous engagement as a service provider for the property management services as well as such community value-added services.

For other community value-added services, such as platform services for interior decoration, community living services such as housekeeping, new retail and catering services, and real estate brokerage services, customers select service providers based on their lifestyle and daily needs, the scope and quality of services provided and the fee rate charged for providing such services. While the customers of such services may be residents and owners of properties developed by Jinmao Group and its joint ventures and associates, the identity of the property developer has no bearing on such customers' selection of the community value-added service provider. During the Track Record Period and up to the Latest Practicable Date, none of Jinmao Group and our Group had bundled any products or services to their respective customers.

(c) Selection of service provider for value-added services to non-property owners

The value-added services to non-property owners are mainly provided to property developers. During the Track Record Period and up to the Latest Practicable Date, our Group was awarded contracts for such services at market price after arms' length negotiation with property developers, including Jinmao Group. In particular, to the knowledge of our Group, Jinmao Group is required under its internal policy to obtain reference quotations and proposals from independent third parties for its selection of service providers for sales agency services with respect to newly developed properties and car park spaces, and determine whether to engage our Group or independent service providers for such services after taking into account various factors including their experience, customer base, business scale and pricing standards. Our Group's engagement by Jinmao Group for all value-added services have been and will continue to be in line with market standards.

Mutual complementary relationship

Our Group has a well-established and ongoing business relationship with Jinmao Group for over 20 years and has provided principally property management services to Jinmao Group. As confirmed by China Index Academy, such business relationship between our Group and Jinmao Group is common among property management companies and their parent or related companies which are property developers.

During the Track Record Period, we were engaged to manage most of the properties developed by Jinmao Group and its joint ventures and associates. Based on information available to us, as of December 31, 2018, 2019 and 2020 and June 30, 2021, in terms of the total GFA, approximately 91.0%, 93.0%, 89.0% and 89.0% of the properties developed by Jinmao Group and its joint ventures and associates were managed by our Group, respectively. As of June 30, 2021, a total of 29 projects developed by Jinmao Group and its joint ventures and associates with an aggregate GFA of approximately 2.2 million sq.m. were not managed by us, including (i) 14 residential projects with an aggregate GFA of approximately 1.5 million sq.m. and four office buildings with an aggregate GFA of approximately 52,400 sq.m.. Save for the Zhuhai Project, a residential project, which is currently under the management of the Zhuhai Branch of Sinochem Hotel for reasons described under the paragraphs headed "Property management services with respect to the Zhuhai Project" above, all other residential projects and office buildings which were not under our management were projects of Jinmao Group developed through its joint ventures and associates, where Jinmao Group either did not have a controlling or majority interest or had no intention to be involved in the daily operations; (ii) one shopping mall located in Lijiang, Yunnan province with a GFA of approximately 21,900 sq.m., which did not match with our profitability criteria; and (iii) ten hotels with an aggregate GFA of approximately 611,200 sq.m., all of which were managed by hotel managers, being globally renowned operators of hotels appointed by Jinmao Group to manage the day-to-day operations of the hotels. We do not and have no intention to engage in the business of hotel operation and management. Such projects of Jinmao Group and its joint ventures and associates which were not under our management accounted for approximately 9.5% of our total GFA under management as of September 30, 2021.

During the Track Record Period, we also provided property management services for one project developed by a subsidiary of Sinochem Group (not being a member of Jinmao Group and its joint ventures and associates). The project is an office building located in Shanghai with a total GFA under management of approximately 32,180 sq.m, which is mainly used by Sinochem Group and its joint ventures and associates as office premises. As of September 30, 2021, the GFA of this project accounted for approximately 0.1% of our total GFA under management. To the best of our knowledge, as the properties developed by Sinochem Group and its joint ventures and associates are mainly for self-use purposes, Sinochem Group does not maintain GFA data for such properties, and therefore our managed GFA as a percentage of the total GFA of the properties developed by Sinochem Group and its joint ventures and associates is not available.

Over the years, our Group has developed and strengthened our own expertise and branding in the property management services sector. The business relationship between our Group and Jinmao Group has been mutually beneficial and complementary, and our Directors consider that it is unlikely that the relationship will materially adversely change in the foreseeable future on the following grounds:

(i) Jinmao Group's principal businesses of property development and commercial leasing require property management services and various value-added services in its business development and daily operations from time to time. To Jinmao Group, as a leading developer in the PRC, it is critical to ensure the satisfaction of customers, and it is beneficial for Jinmao Group to appoint a quality property management service provider that is consistent with its own branding, marketing positioning and service quality. As disclosed in the annual report of China Jinmao for the year ended December 31, 2020, Jinmao Group strives to consolidate its positioning as a city operator and focuses on the "two-wheel and two-wing driven" strategic update. The "two-wheel" strategy comprises property development and property holding, whereas the "two-wing" strategy comprises technology and services. Jinmao Group attaches great importance to the quality of its products and services and the value of the "Jinmao" brand. Being customer-oriented, Jinmao Group has integrated customer demands into product design from the perspectives of "green health and smart technology", and created a series of high-end and premium products featuring "Jinmao" brand. The service quality, brand recognition, historical experience, expertise and customer satisfaction of our Group are well-recognized in the market and make us a competitive and attractive service provider for Jinmao Group. In particular, our experience in managing high-end residential and non-residential properties, our knowledge of the requirements for managing green buildings, and our capabilities of providing high-end, premium and personalized services as well as smart property management services will assist us in fulfilling Jinmao Group's business needs in a way that will generate synergies and nurture our mutual growth;

(ii) It is beneficial to our Group to tender and accept property management contracts from Jinmao Group and to provide value-added services to Jinmao Group. Jinmao Group has sizeable development nationwide and is able to provide substantial ongoing business opportunities to our Group to continue scaling up our operations and gain greater market recognition. It is a common trend that other listed property management companies receive a large number of new contracts from their affiliated developers on an ongoing basis;

(iii) Considering the long-standing business relationship between our Group and Jinmao Group, and our Group's knowledge on and familiarity with the specific characteristics, requirements and considerations of the properties developed by Jinmao Group, our Group is in a priority position in satisfying Jinmao Group's demand. During the Track Record Period, we won all the bids we submitted for the management of properties developed by Jinmao Group. We believe that this is owed to our long-standing track record to work with Jinmao Group, our involvement for properties developed by Jinmao Group at early stage of property development process and our familiarity with their needs, which enables us to reduce communication costs and provide services tailored to Jinmao Group's stringent requirements. Furthermore, save for two projects that did not match with our profitability criteria which we terminated on a voluntary basis, we had successfully renewed all of our property management contracts during the Track Record Period. Our ability to maintain high project renewal rate with properties under our management also demonstrates the level of client satisfaction for our high quality services, which indicates our important contribution to Jinmao Group's brand image by continuously delivering quality property management services to property owners and residents of its developed properties. Even though a large number of property management service providers are available in the market, our Directors believe that it might not be in the best interest of Jinmao Group to select and engage those other property management service providers, considering the amount of time and relevant experience required for such new service providers to provide services that are of comparable standard and quality to that of our Group;

(iv) Our Group has also entered into various cooperation agreements with Jinmao Group for the provision of a wide range of services, including but not limited to sales assistance services, consultancy services, pre-delivery services, post-delivery services, etc. It is unlikely that Jinmao Group will terminate these agreements without cause, as there may be substantial administrative cost in finding other suppliers in the market to provide such services and may cause disruption to Jinmao Group's operation; and

(v) Our Company is expected to remain as a subsidiary of China Jinmao upon completion of the Spin-off and the Global Offering.

Efforts to extend services to Independent Third Parties

(i) Strategic direction and focus of our Group

Since 2009, our Group has started to manage properties developed by independent third-party property developers (the "**External Projects**"), mainly including schools and government facilities, and starting from 2012, also including office buildings. Although the history of our Group's management of External Projects can be traced back to 2009, the focus of our Group before 2020 was primarily on improving our service quality and customer satisfaction, instead of external business expansion.

Given that the business of our Group was originally established out of the necessity to serve Jinmao Group's business requirements (which is an important after-sales service and is common for property management companies spun off from their parent property developers), it is inevitable that a majority of the revenue and the total GFA under management of our Group during the Track Record Period was derived from projects developed by Jinmao Group and its joint ventures and associates. Through years of services as property management service provider, our Group has successfully established a high quality image for our services, which helps promote and lay a solid foundation for our future market expansion.

Since 2020, our Group has been actively exploring potential business opportunities to manage External Projects and has started to manage residential properties developed by Independent Third Parties.

Since the beginning of 2021, our Group has also been actively pursuing cooperation opportunities and exploring acquisitions of quality targets with considerable business scale, diversified property management portfolio and regional competitive strength.

(ii) Establishment of an organizational and incentive structure for new business development

Our Group has adopted a series of measures to proactively seek new project engagements and acquisition opportunities. We have established a system to promote business development at the group, regional platform and project levels, which includes the formulation of a comprehensive performance appraisal system, particularly a systematic and attractive commission fee incentive system, in preparation for the rapid business development of our Group.

Our Group collects information from multiple channels and sources to extensively explore potential target projects, while strictly overseeing the risks and requirements for returns for the projects at the same time. In particular, in 2020, we established market development teams to develop business with Independent Third Parties, including an investment development department at our headquarters and local market development teams at our regional centers in Beijing, Shanghai, Guangzhou, Changsha, Qingdao, Nanjing and Chongqing. As of the Latest Practicable Date, our market development teams at all levels consist of over 70 persons in total. The investment development department at our headquarters is responsible for managing our overall market development strategies, and guiding, coordinating, supporting and supervising our local market development teams at regional centers. The local market development teams are responsible for implementing and overseeing our market development activities within their respective regions.

Our market development teams are also responsible for exploring potential acquisition targets through referrals sourced from internal staff networks and external marketing events. Once they identify a potential acquisition target, they will work with our finance department to conduct due diligence investigation, commence business negotiations with the sellers of the potential target companies and prepare a proposal for the management to approve.

Property management services

Following the establishment of the market development teams in 2020, we have been actively exploring potential business opportunities to manage External Projects. Our local market development teams have established contacts with property developers, property owners' associations or property owners by site visits or setting up meetings with them through industry referrals and introduction from other customers. During such site visits and meetings, we could typically obtain important information including but not limited to (i) in respect of newly developed properties, the positioning of the properties, expected scale of the projects, details relating to the common area and facilities and regulatory requirements on the pricing of the property management fees; and (ii) in respect of existing properties, the tenure of the existing property management service providers, GFA under management, existing property management fees and whether the property owners are satisfied with the property management services provided by the existing service providers, as well as the reasons thereof. We have set up a database to store such information in order to assess whether to pursue the potential opportunities and/or take follow-up actions such as setting up further meetings for the purpose of pursuing such potential opportunities.

The local market development teams maintain close contact with local governments, state-owned enterprises and other industry players to explore potential cooperation opportunities. For example, we have established joint venture arrangements with local governments to provide city operation services by integrating the property management service concept into the comprehensive management of urban areas. Since the launch of the city operation services in 2021 and up to September 30, 2021, our Group has been engaged to manage properties with a total contracted GFA of approximately 671,600 sq.m. Leveraging our status as a state-owned enterprise and our experience as a pioneer in the city operation service sector, we are in a strong position to seek to cooperate with local governments to provide broader city operation services, and establish strategic alliance with other state-owned enterprises and private enterprises which need property management services for their properties. For example, we have entered into cooperation agreements with two independent third-party property developers to manage their projects, pursuant to which we expect to acquire a total of six property management projects with an estimated contracted GFA of approximately 3.6 million sq.m.. Furthermore, the local market development teams also explore business opportunities through bidding and procurement platforms on which property developers, property owners' associations, stated-owned enterprises and government agencies announce tender opportunities, and actively participating in the tendering and bidding process and commercial negotiation in their respective regions. For the nine months ended September 30, 2021, we have acquired or secured nine External Projects with a total contracted GFA of approximately 1.9 million sq.m.. Our tender success rate also increased from approximately 44.4% for the year ended 31 December 2020 to approximately 58.8% for the nine months ended September 30, 2021.

Going forward, we plan to (i) enter into more cooperation arrangements with regional governments to expand our management scale and diversify our city operation portfolio and service offerings, (ii) establish strategic alliance with other independent third-party developers to fully collaborate and utilize their resources in the field of property management and related services, (iii) leveraging our brand reputation and track record, continue to secure new contracts by participating in the tendering and bidding process and commercial negotiation, and (iv) use approximately 50% of the proceeds from the Global Offering for acquisition and investment in suitable property management companies, details of which are set out in "Future Plans and Use of Proceeds – Use of Proceeds". As a result, it is expected that we will continue to capture new contracts from Independent Third Parties, and our GFA under management in respect of properties developed by Independent Third Parties and revenue generated from services provided to Independent Third Parties will continue to increase.

Value-added services to non-property owners

Our above efforts to establish business relationship with independent third-party property developers can also help us expand our value-added services to non-property owners. Our market development teams collect information on potential business opportunities and seek new engagement of value-added services, such as sales assistance services and consultancy services, by actively participating in the tendering and bidding process and commercial negotiation organized by independent third-party property developers. According to China Index Academy, it is fairly common for the property developers to engage their affiliated property management companies to provide value-added services. Despite so, we have successfully acquired seven engagements in 2020 with a total contract amount of approximately RMB20.6 million and secured 11 engagements for the nine months ended September 30, 2021 with a total contract amount of approximately RMB23.3 million for the provision of value-added services to non-property owners who are Independent Third Parties.

During the Track Record Period, a substantial part of our revenue from value-added services to non-property owners was generated from our services provided to Jinmao Group and its joint ventures and associates, which was mainly due to the rapid business growth of Jinmao Group in recent years, generating significant demand for the sales assistance services, consultancy and pre-delivery services. Along with the completion and delivery of property development projects of Jinmao Group and its joint ventures and associates, the revenue contribution from such value-added services to Jinmao Group and its joint ventures and associates is expected to decrease gradually, and the completion and delivery of such projects may further increase our GFA under management, which will in turn help us expand our customer base for community value-added services.

Meanwhile, we will continue our efforts to identify potential projects through various channels and reach out to independent third-party developers for individual projects and cooperation opportunities. We believe that our capability to provide a wide range of value-added services to non-property owners, as well as our quality services and our brand recognition, will increase our competitiveness to obtain contracts from Independent Third Parties. Further, as detailed in "Future Plans and Use of Proceeds – Use of Proceeds", we plan to use approximately 50% of the net proceeds from the Global Offering for acquisition and investment in suitable property management companies. We believe that our future acquisitions of third-party property management companies would bring us additional sources of projects and more market opportunities in respect of value-added services, especially those with close cooperation or affiliation with independent third-party property developers that are of relatively small scale, as such developers may not have sufficient capability and experience to develop its own team of personnel to provide value-added services.

Community value-added services

We utilize our various customer communication channels, such as our service hotline and mobile application, to seek feedback and suggestions from customers which help us have a better understanding of customer needs and explore more opportunities to provide a wider range of community value-added services. We also organize community events utilizing outdoor open spaces in our managed communities to increase our engagement level with the property owners and residents and expand our access to consumer activities of the residents at the same time.

Going forward, we will continue to seek business cooperation opportunities from third-party merchants to enhance the width and depth of our community value-added services, thereby increasing the proportion of our total revenue generated from services provided to Independent Third Parties. Furthermore, we plan to use (i) approximately 5% of the proceeds from the Global Offering for acquisition and investment in companies which provide community products and services complementary to those of ours, and (ii) approximately 13% of the proceeds from the Global Offering to further develop our community value-added services, including optimizing our existing businesses such as community living services, platform services for interior decoration, real estate brokerage services and community space operation services, and expanding our business outreach to new services, such as community health management services, details of which are set out in "Future Plans and Use of Proceeds – Use of Proceeds".

Along with the anticipated increase of our total GFA under management attributable to External Projects and given our above efforts to promote our community value-added services and diversify our service offering, we believe that the revenue of our community value-added services from independent third-party customers will increase accordingly.

Based on the above and taking into account factors including our notable achievements in business development with Independent Third Parties in each business line as further described below under the paragraphs headed "Achievements in securing External Projects and contracts for providing value-added services to Independent Third Parties", and our competitive strengths, in particular our quality services and customer satisfaction, our diversified property management portfolio and comprehensive management capabilities, and our state-owned background, which laid a solid foundation for our future business development as further described below under the paragraphs headed "Our Group's competitive strengths in securing External Projects and contracts for providing value-added services to Independent Third Parties in the future", our Directors are of the view that our measures to develop business with Independent Third Parties and reduce our reliance on Jinmao Group and its joint ventures and associates are feasible and effective.

(iii) Achievements in securing External Projects and contracts for providing value-added services to Independent Third Parties

Property management services

For the year ended December 31, 2020, our Group has secured 16 External Projects covering residential properties, office buildings and commercial complexes. Due to the increased efforts of our Group in seeking External Projects, the total GFA of External Projects under our management increased substantially from approximately 0.7 million sq.m. as at December 31, 2019 to approximately 2.2 million sq.m. as at December 31, 2020, and the total revenue of our Group attributable to projects developed by Independent Third Parties also increased from approximately RMB31.0 million for the year ended December 31, 2019 to approximately RMB42.6 million for the year ended December 31, 2020.

Beyond the traditional scope of expanding property management services for independent third-party developers, we have established joint venture arrangements with local governments since 2021 to provide city operation services by integrating the property management service concept into the comprehensive management of urban areas. For example, we established Jiashan Jiamao in February 2021 under a cooperation agreement with Jiashan government to provide comprehensive city operation solutions for Jiashan's economic development zone of 60 sq.km., such as maintenance and operation of urban equipment and facilities, and property management services covering a wide array of property types within the region including public properties, industrial parks, residential properties and commercial properties. We also established Zhoushan Dongda Jinmao in July 2021 under a cooperation agreement with Zhoushan government to provide city operation services for Zhoushan's economic development zone of 12 sq.km., and established Nanjing Xinmao in December 2021 under a cooperation agreement with Nanjing government in connection with 17 property management projects with an estimated contracted GFA of approximately 8.7 million sq.m. within the area of Xinyao New Town of Nanjing. We are also in negotiation with other local governments for providing similar city operation services. Our Group and the local governments will enter into individual agreements to confirm the engagement of services for each of the projects within the regions. Where any particular engagement requires a public tender process, our experience in providing comprehensive city operation services in the regions and our ability to manage individual projects in a cost-effective manner by utilizing existing resources devoted to the regions, will enable our Group to have competitive advantages over other service providers in acquiring the projects in the public tender process. Since the launch of the city operation services in 2021 and up to September 30, 2021, our Group has been engaged to manage properties with a total contracted GFA of approximately 671,600 sq.m. within the regions, covering property types including residential properties, office buildings, hospitals and public properties. The launch of city operation services will further increase the revenue of our Group from Independent Third Parties.

We also seek for strategic cooperation with Independent Third Parties. In September 2021, we established Zijin Xinmao under a cooperation agreement with Beijing Zhongguancun Science City Construction Holding Co., Ltd. (北京中關村科學城建設股份有限公司), an independent third-party developer, and entered into a cooperation agreement with Chongqing Dongtie Property Development Co., Ltd. (重慶東鐵房地產開發有限公司), also an independent third-party developer. Pursuant to such agreements, we expect to acquire a total of six property management projects located in Beijing, Nantong, Chengdu and Chongqing with an estimated contracted GFA of approximately 3.6 million sq.m..

We have also been seeking new engagement by actively participating in the tendering and bidding process and commercial negotiation organized by independent third-party developers and property owners' associations. Leveraging our strong brand recognition and solid experience, we are able to expand our business to third-party projects in the surrounding areas of our existing projects. For the nine months ended September 30, 2021, our Group has acquired or secured nine External Projects with a total contracted GFA of approximately 1.9 million sq.m. (without taking into account the projects acquired or secured under the city operation service arrangements or through our strategic cooperation with Independent Third Parties).

As of September 30, 2021, we managed a total of 32 projects developed by independent third-party property developers with an aggregate GFA under management of approximately 3.1 million sq.m., representing approximately 13.4% of our total GFA under management as of the same date.

Value-added services to non-property owners

We have made remarkable achievements in our extension of value-added services to Independent Third Parties.

Despite the industry norm that property developers usually prefer their affiliated property management companies to provide value-added services to non-property owners, our Group has successfully acquired seven engagements in 2020 with a total contract amount of approximately RMB20.6 million and secured 11 engagements for the nine months ended September 30, 2021 with a total contract amount of approximately RMB23.3 million for the provision of value-added services to non-property owners who are Independent Third Parties. Such new engagements mainly involve the provision of sales assistance services and consultancy services to 17 different property developers for their projects in cities including Tianjin, Suzhou, Shanghai, Jinan, Jiaxing, Beijing, Changsha, Nanjing, Zhoushan, Wenzhou and Qingdao in the PRC. With such an encouraging achievement made since 2020 which will serve as good reference to other independent property developers, we are of the view that our Group will be able to identify and capture more business opportunities for the value-added services from independent property developers.

Community value-added services

We have also increased our efforts to provide community value-added services to property owners and residents. We launched the "Home" (回家) mobile application as the gateway for users to access our services both online and offline with a view to enhancing customer experience and loyalty, as well as brand recognition. In addition to the property management services, registered users can also access a variety of the community value-added services and information through such online service platform, such as placing orders for and arranging deliveries of daily necessity products and goods sourced by our Group. It is expected that the community value-added services will contribute to the future growth of our Group, and facilitate increase in the proportion of our total revenue generated from services provided to Independent Third Parties.

(iv) Our Group's competitive strengths in securing External Projects and contracts for providing value-added services to Independent Third Parties in the future

With the business scale, brand recognition and nationwide operating platform of our Group, the comprehensive organizational and incentive structure for new business development as aforementioned, as well as the vast opportunities in the property management market, our Group will be well positioned to capture potential opportunities and further expand our business with Independent Third Parties. In particular:

- Quality services and customer satisfaction — Our Group has been focusing on improving our service quality and customer satisfaction for years, and has established an image of high-quality services and a solid reputation, as well as the core competitiveness for achieving long-term sustainable growth. Among others, our Group was ranked the 17th among the "Top 100 Property Management Companies in China" (中國物業服務百強企業) in 2021 by overall strength, and was recognized as one of the "Top 100 Leading High Quality Property Management Service Enterprises in China" (中國物業服務百強服務質量領先企業) in 2020 and a "Leading Upscale Property Management Service Enterprise in China" (中國高端物業服務領軍企業) in 2020, according to China Index Academy.

- Diversified property management portfolio and comprehensive management capabilities — We have a diversified property management portfolio covering residential properties and non-residential properties such as office buildings, shopping malls, schools, etc. In addition, we provide various value-added services to non-property owners such as sales assistance services and consultancy services, and community value-added services mainly to property owners and residents. Our Directors believe that such diversified property management portfolio and comprehensive management capabilities will support our Group's external business expansion on all fronts, providing a balanced structure for long-term growth. Our Directors are further of the view that the launch of the city operation services by establishing joint ventures with local governments will increase the revenue of our Group from Independent Third Parties, and also allows our Group to improve our market reputation and service capabilities, which in turn will lead to improved and sustainable long-term growth.

- State-owned background — Our Company is a subsidiary of China Jinmao, which is indirectly owned as to approximately 35.3% by Sinochem Group, a large-scale conglomerate under the supervision of the SASAC. The endorsement of such strong state-owned background has reinforced the value and credibility of the brand of our Group, which will place our Group in a better position to compete against our competitors and facilitate our expansion of business with Independent Third Parties.

- Market trend — It is a developing trend in the PRC property management service market for service providers to manage properties developed by independent third-party developers, a trend that is becoming increasingly common. Our Directors believe that our Group will not have difficulty expanding its third party developers' portfolio given that smaller independent property developers will be in need of property management services from reputable property management services providers such as our Group. Our Directors are also confident that our Group will be well positioned to acquire suitable targets given that there are ample acquisition opportunities in the fragmented property management market. Independent property management companies in the PRC with no operational support from their related property developers are interested to team up with property management companies with strong support from top property developer such as our Group. The property management industry has begun to experience a trend of consolidation.

As such, despite the increase in the amount of revenue from projects developed by Jinmao Group and its joint ventures and associates during the Track Record Period, it is expected that the percentage of the relevant revenue contribution to our Group will taper in growth and decrease in the long run.

Independence from Jinmao Group

Further to the aforementioned, our Directors consider that our Group is able to operate independently of Jinmao Group after the Spin-off, given that:

(i) our Group has sufficient capital and a sizeable number of employees necessary to make all decisions on, and to carry out, our business operation independently of Jinmao Group;

(ii) our Group has full rights to hold and enjoy the benefit of all relevant licenses independently from Jinmao Group material to the operation of our business; and

(iii) our Group has a diversified base of customers that are unrelated to Jinmao Group, and has independent access to such customers, our suppliers as well as our other business partners.

Connected transactions of our Group expected to continue after the Spin-off

Details of the continuing connected transactions of our Group, including those with China Jinmao and its associates, which will continue after the Listing are set out in the section headed "Connected Transactions" in this prospectus. All such transactions will be conducted on arm's length and on normal commercial terms in the ordinary and usual course of business of our Group, in accordance with the requirements under Chapter 14A of the Listing Rules and the pricing policy of our Group and our connected persons and not be prejudicial to the interests of any of the parties.

Our Directors are of the view that such continuing connected transactions will not affect our operational independence as a whole.

DEED OF NON-COMPETITION

China Jinmao has irrevocably and unconditionally undertaken to us in the Deed of Non-Competition which will take effect upon completion of the Spin-off, that it will not, and will procure its close associates (save for members of our Group) not to, directly or indirectly carry on, engage, invest, participate or otherwise be interested in any business which is in competition, directly or indirectly, with our business, namely, the provision of property management services, community value-added services and value-added services to non-property owners (the "**Restricted Business**"), except where China Jinmao and/or its close associates hold in aggregate less than 30% of the total issued share capital of any company which is engaged in any business that is or may be in competition with the Restricted Business, and China Jinmao and/or its close associates together do not possess the right to appoint or control the composition of a majority of the board of directors of such company.

The above restrictions do not apply to the Zhuhai Property Management Business as described under the paragraphs headed "Property management services with respect to the Zhuhai Project" above. China Jinmao has undertaken to our Group that if the general meeting of the property owners of the Zhuhai Project decides to change the property management service provider and establish the property owners' association, and a public tender process is launched for the selection of service provider for the management of the Zhuhai Project, China Jinmao shall not, and shall procure its close associates not to, participate in the public tender process, and shall provide and procure its close associates to provide necessary assistance to our Group for our participation in the process should our Group choose to do so.

Further, China Jinmao has also undertaken to us in the Deed of Non-Competition that, if any business opportunity relating to the Restricted Business (the "**Competing Business Opportunity**") is identified by/made available to it or any of its close associates (save for members of our Group), it shall, and shall procure its close associates to, refer such Competing Business Opportunity to our Company on a timely basis by giving written notice (the "**Offer Notice**") to our Company within 30 business days of identifying such Competing Business Opportunity, the nature of the Competing Business Opportunity, the investment or acquisition costs and all other details reasonably necessary for our Company to consider whether to pursue such Competing Business Opportunity.

Upon receiving the Offer Notice, our Company shall seek approval from a board committee comprising only our independent non-executive Directors who do not have an interest in the Competing Business Opportunity (the "**Independent Board Committee**") as to whether to pursue or decline the Competing Business Opportunity. Any Director who has actual or potential interest in the Competing Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the Independent Board Committee) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such Competing Business Opportunity. The Independent Board Committee shall consider the financial impact of pursuing the Competing Business Opportunity offered, whether the Competing Business Opportunity is consistent with our Group's strategies and development plans and the general market conditions of our business. If appropriate, the Independent Board Committee may appoint independent financial advisers and legal advisers to assist in the decision making process in relation to such Competing Business Opportunity. The Independent Board Committee shall, within 30 business days of receipt of the Offer Notice (or such further period of time agreed by our Company and China Jinmao), inform China Jinmao in writing on behalf of our Company its decision whether to pursue or decline the Competing Business Opportunity.

China Jinmao shall be entitled but not obliged to pursue such Competing Business Opportunity if (i) it receives a notice from the Independent Board Committee declining such Competing Business Opportunity, or if the Independent Board Committee fails to respond within 30 business days or such further period of time agreed by our Company and China Jinmao as mentioned above; and (ii) the principal terms on which China Jinmao subsequently carries on, engages, invests, participates or otherwise is interested in such Restricted Business are not more favourable in any material aspect than those offered or made available to our

Company. If there is any material change in the nature, terms or conditions of such Competing Business Opportunity, China Jinmao shall refer or procure the referral of such revised Competing Business Opportunity to our Company as if it were a new Competing Business Opportunity.

The Deed of Non-Competition will lapse automatically if China Jinmao ceases to be our controlling shareholder or our Shares cease to be listed on the Stock Exchange.

China Jinmao has further undertaken to us that it will provide and procure its close associates to provide on best endeavor basis, all information necessary for the annual review by our independent non-executive Directors for the enforcement of the Deed of Non-Competition. Our independent non-executive Directors will make an annual declaration in our annual report on the compliance with the Deed of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report.

In order to promote good corporate governance practices and to improve transparency, the Deed of Non-Competition includes the following provisions:

- our independent non-executive Directors shall review, at least on an annual basis, the compliance with the Deed of Non-Competition by China Jinmao;

- we will disclose the decisions on matters reviewed by the Independent Board Committee (including the reasons for not taking up the Competing Business Opportunity referred to our Company) and the review by our independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-Competition in our annual report or by way of announcement to the public in compliance with the requirements of the Listing Rules; and

- in the event that any of our Directors and/or their respective close associates has material interests in any matter to be deliberated by our Board in relation to the compliance and enforcement of the Deed of Non-Competition, he/she may not vote on the resolutions of our Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles of Association.

Under the Deed of Non-Competition, China Jinmao and its close associates are not allowed to hold a controlling interest in any company which is engaged in business that may be in competition with the Restricted Business, and have no control over the board of directors of such company. As such, they will not be able to exercise meaningful influence over the management and operations of such company. In view of the non-controlling and passive investment nature of the interest, our Directors are of the view and the Joint Sponsors concur, that the Deed of Non-Competition will be effective in managing any potential competition between China Jinmao and its close associates on the one hand, and our Group on the other hand.

CORPORATE GOVERNANCE

China Jinmao has confirmed that it fully comprehends its obligations to act in our Shareholders' best interests as a whole. Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we have implemented the following measures:

(a) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest, and if he/she shall do so his/her vote shall not be counted (nor shall such Director be counted in the quorum for the resolution);

(b) a Director with material interests shall make full disclosure in respect of matters that may have actual or potential conflict with any of our interest and abstain from the board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. We have appointed independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, please refer to "Directors and Senior Management — Directors — Independent non-executive Directors" in this prospectus;

(d) we have appointed First Shanghai Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance;

(e) we have adopted the internal control and corporate governance measures to ensure that the terms of our continuing connected transactions are fair and reasonable and not prejudicial to the interests of our Company and the minority Shareholders, as further described under the section headed "Connected Transactions – Internal Control Measures".

(f) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from Independent Third Parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole;

(g) China Jinmao has undertaken to us in the Deed of Non-Competition that it will not, and will procure its close associates not to, engage in any Restricted Business, save for the exceptions as disclosed under the paragraphs headed "Deed of Non-Competition" above, which will protect our Group from potential competition with respect to our provision of property management services;

(h) on an annual basis, our independent non-executive Directors will review the non-compete undertakings provided by China Jinmao and its compliance with such undertakings; and

(i) our Company will disclose in its annual report each year the compliance status of the Deed of Non-Competition.

OVERVIEW

Pursuant to Chapter 14A of the Listing Rules, our Directors, substantial shareholders and chief executive or those of our subsidiaries (other than the directors, substantial shareholders and chief executive of our insignificant subsidiaries), any person who was a director of our Company or our subsidiaries within 12 months preceding the Listing Date and any of their respective associates will become a connected person of our Company upon Listing. Upon the Listing, our transactions with such connected persons will constitute connected transactions under Chapter 14A of the Listing Rules.

As of the Latest Practicable Date, our Company was wholly owned by China Jinmao. Immediately following completion of the Bonus Issue, the Distribution and the Global Offering (without taking into account the Distribution Adjustment and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), our Company will be owned as to approximately 67.5% by China Jinmao. As such, China Jinmao is a Controlling Shareholder of our Company for the purpose of the Listing Rules. Sinochem Holdings is the ultimate controlling shareholder of China Jinmao. Accordingly, China Jinmao and its associates ("**Jinmao Connected Persons**", excluding, for the avoidance of doubt, our Group) as well as Sinochem Holdings and its associates ("**Sinochem Connected Persons**", excluding, for the avoidance of doubt, the Jinmao Connected Persons) are our connected persons by virtue of Rule 14A.07 of the Listing Rules and for the purposes of connected transactions under Chapter 14A of the Listing Rules.

The following transactions of our Group with the Jinmao Connected Persons and the Sinochem Connected Persons which will continue after the Listing will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WHICH ARE FULLY EXEMPT FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT, CIRCULAR AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

Trademark License Deed

On April 15, 2021, our Company entered into a trademark license deed (the "**Trademark License Deed**") with Shanghai Jinmao Investment, a wholly-owned subsidiary of China Jinmao, pursuant to which Shanghai Jinmao Investment agreed to irrevocably and unconditionally grant a non-exclusive and non-transferable license to our Group to use certain trademarks registered in the PRC and Hong Kong on a royalty-free basis. For details of the licensed trademarks which are material to our business, please refer to "Statutory and General Information — 2. Further Information about our Business — (b) Intellectual Property Rights of the Group" in Appendix V to this prospectus.

The Trademark License Deed, in relation to each of the trademarks licensed thereunder, shall be of a term commencing from April 15, 2021 and ending on the expiry date of the registration of such trademark. The Trademark License Deed shall automatically terminate in the event of and upon our Company ceasing to be accounted for as a subsidiary of China Jinmao and our financial results ceasing to be consolidated in the consolidated accounts of China Jinmao, and may be terminated by written consent of the parties thereto. Our Directors believe that entering into the Trademark License Deed with a term of more than three years will promote the stability of operations of our Group and is beneficial to our Company and our Shareholders as a whole. The Joint Sponsors are of the view that it is normal business practice for agreements of this type to be of such duration.

Shanghai Jinmao Investment is a wholly-owned subsidiary of China Jinmao, and is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Trademark License Deed will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the licensed trademarks is granted to us on a royalty-free basis, the transactions under the Trademark License Deed will be within the *de minimis* threshold under Rule 14A.76(1) of the Listing Rules and will be exempted from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Cost Sharing Services Framework Agreement

On February 21, 2022, our Company entered into a cost sharing services framework agreement (the "**Cost Sharing Services Framework Agreement**") with China Jinmao, pursuant to which our Company (for itself and on behalf of our Group) agreed to share certain non-essential administrative resources with the Jinmao Connected Persons, to optimize the overall administrative cost structure, including certain information technology systems and financial management software, on a clear cost allocation basis with reference to the number of active users of the systems and software (the "**Cost Sharing Arrangements**"). The Cost Sharing Services Framework Agreement shall take effect upon the Listing Date and expire on December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable laws and regulations.

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, the aggregate costs borne by our Group under the Cost Sharing Arrangements amounted to approximately RMB1,562,000, RMB1,417,000, RMB2,528,000 and RMB4,162,000, respectively.

As the Cost Sharing Arrangements between our Group and the Jinmao Connected Persons are on a cost basis, and are identifiable and are allocated to our Group and the Jinmao Connected Persons on a fair and equitable basis, these continuing connected transactions are considered fully exempt continuing connected transactions under Rule 14A.98 of the Listing Rules and will be exempted from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WHICH ARE SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT, CIRCULAR AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

Considering the long-standing business relationship between our Group and Jinmao Group and Sinochem Holdings, and the mutual understanding of the standards, requirements and specific needs of each other, our Group will continue to provides certain property management and related services to the Jinmao Connected Persons and the Sinochem Connected Persons after the Listing.

As the applicable percentage ratios under the Listing Rules in respect of the annual caps for each of the property management and related services are more than 5%, each of such transactions (the "**Non-Exempt Continuing Connected Transactions**") will be subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the Non-Exempt Continuing Connected Transactions are set forth below.

Property Management Services Framework Agreement

Description of the transaction

On February 21, 2022, our Company entered into a property management services framework agreement with China Jinmao (the "**Property Management Services Framework Agreement**"), pursuant to which our Company (for itself and on behalf of our Group) agreed to provide property management services to the Jinmao Connected Persons, in respect of property units developed by the Jinmao Connected Persons which have been sold but not yet been delivered to the buyers of such property units, and properties owned, used or operated by the Jinmao Connected Persons (the "**Property Management Services**").

The Property Management Services Framework Agreement shall take effect upon the Listing Date and expire on December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable laws and regulations.

Pricing policies

The fees payable by the Jinmao Connected Persons to our Group under the Property Management Services Framework Agreement will be determined on arm's length basis with reference to (i) the size and location of the relevant properties, (ii) the scope and standards of the Property Management Services, (iii) our expected operational costs (including, among others, labor costs, material costs and administrative costs) in relation to the provision of the Property Management Services, and (iv) the fees charged by other property management service providers for similar services in respect of similar types of properties in the market. The fees charged by us to the Jinmao Connected Persons shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by us to the Jinmao Connected Persons shall not be less favorable to our Group than the terms offered by us to our independent customers for the same or similar type and scope of property management services.

Historical transaction amounts

The total transaction amounts for the provision of the Property Management Services by our Group to the Jinmao Connected Persons for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021 are set forth below:

	Year ended December 31,			**Nine months ended September 30,**
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Amount of fees charged by our Group for the Property Management Services	63,229	55,940	62,125	73,589

Proposed annual caps and factors taken into account in determining annual caps

It is estimated that the maximum annual amounts of fees chargable by our Group and payable by the Jinmao Connected Persons in relation to the Property Management Services for the two years ending December 31, 2022 and 2023 will not, in aggregate, exceed the amounts set out in the table below:

	Year ending December 31,	
	2022	**2023**
	(RMB'000)	*(RMB'000)*
Maximum aggregate annual amount of fees charged by our Group for the Property Management Services	140,000	182,000

The following factors were considered in arriving at the above annual caps:

○ the historical transaction amounts and growth trend during the Track Record Period;

○ the estimated revenue to be recognized based on the existing signed contracts. As at September 30, 2021, we were contracted to manage 83 properties developed by the Jinmao Connected Persons which were yet to be delivered with a total contracted GFA of approximately 21.3 million sq.m.;

○ the estimated GFA to be delivered by the Jinmao Connected Persons in the two years ending December 31, 2023, taking into consideration the properties under development and land bank held by the Jinmao Connected Persons as at December 31, 2020 as well as their business plan, in particular, the saleable/leasable GFA of approximately 82.7 million sq.m. which were yet to be delivered by Jinmao Group as disclosed in the annual report of China Jinmao for the year ended December 31, 2020 and their estimated delivery schedule;

○ the estimated management fees to be charged in respect of properties owned or used by the Jinmao Connected Persons, with reference to the management fees charged during the Track Record Period as well as the prevailing market rates for similar services in respect of similar types of properties; and

○ the expected increase in demand of the Jinmao Connected Persons for the Property Management Services, taking into account the business growth of Jinmao Group in recent years as well as its development for the next few years. In particular, the contracted sales GFA of Jinmao Group increased from approximately 5.0 million sq.m. for the year ended December 31, 2018 to approximately 11.3 million sq.m. for the year ended December 31, 2020, and further to approximately 13.2 million sq.m. for the year ended December 31, 2021.

Sales Assistance Services Framework Agreement

Description of the transaction

On February 21, 2022, our Company entered into a sales assistance services framework agreement (the "**Sales Assistance Services Framework Agreement**") with China Jinmao, pursuant to which our Company (for itself and on behalf of our Group) agreed to provide sales assistance service to the Jinmao Connected Persons with respect to properties developed by them, to assist with their sales and marketing activities at property sales venues and display units (the "**Sales Assistance Services**"). The Sales Assistance Services Framework Agreement shall take effect upon the Listing Date and expire on December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable laws and regulations.

Pricing policies

The fees payable by the Jinmao Connected Persons to our Group under the Sales Assistance Services Framework Agreement will be determined on arm's length basis with reference to (i) the size and location of the relevant properties, (ii) the scope of the Sales Assistance Services, (iii) our expected operational costs (including, among others, labor costs, material costs and administrative costs) in relation to the provision of the Sales Assistance Services, and (iv) the fees charged by other service providers for similar services in respect of similar types of properties in the market. The terms offered by us to the Jinmao Connected Persons shall not be less favorable to our Group than the terms offered by us to our independent customers for the same or similar type and scope of sales assistance services.

Historical transaction amounts

The total transaction amounts for the provision of the Sales Assistance Services by our Group to the Jinmao Connected Persons for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021 are set forth below:

	Year ended December 31,			Nine months ended September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Amount of fees charged by our Group for the Sales Assistance Services	130,154	188,401	217,785	162,503

Proposed annual caps and factors taken into account in determining annual caps

Our Directors estimate that the maximum annual amounts of fees chargable by our Group and payable by the Jinmao Connected Persons in relation to the Sales Assistance Services for the two years ending December 31, 2022 and 2023 will not, in aggregate, exceed the amounts set out in the table below:

	Year ending December 31,	
	2022	**2023**
	(RMB'000)	*(RMB'000)*
Maximum aggregate annual amount of fees charged by our Group for the Sales Assistance Services	330,000	390,000

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts and growth trend during the Track Record Period;
- the estimated increase in demand for the Sales Assistance Services as a result of the projected growth in sales activities of the Jinmao Connected Persons for the two years ending December 31, 2023, taking into consideration the properties under development and land bank held by the Jinmao Connected Persons as at December 31, 2020 and the estimated time of pre-sale as well as their business plan;
- the estimated service fees to be charged in respect of the Sales Assistance Services, with reference to the service fees charged during the Track Record Period as well as the prevailing market rates for similar services in respect of similar types of properties; and
- the estimated revenue from the Sales Assistance Services as a percentage of the expected contracted sales amount of the Jinmao Connected Persons with reference to the historical percentage ratio of approximately 0.1% for each of the years ended December 31, 2018, 2019 and 2020.

Property Agency Services Framework Agreement

Description of the transaction

On February 21, 2022, our Company entered into a property agency services framework agreement (the "**Property Agency Services Framework Agreement**") with China Jinmao, pursuant to which our Company (for itself and on behalf of our Group) agreed to provide property agency services to the Jinmao Connected Persons, by sourcing potential purchasers and providing assistance in entering into sales contracts with buyers, with respect to newly developed properties and unsold car park spaces developed by the Jinmao Connected Persons (the "**Property Agency Services**"). The Property Agency Services Framework Agreement shall take effect upon the Listing Date and expire on December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable laws and regulations.

Pricing policies

Property Agency Services for newly developed properties

With respect to the Property Agency Services for newly developed properties, our Group will charge a commission calculated at a fixed percentage of the sales price of the relevant properties. The commission to be charged will be determined on arm's length basis with reference to (i) the size and location of the relevant properties, (ii) our expected operational costs (including, among others, labor costs and administrative costs) in relation to the provision of the Property Agency Services, and (iii) the fees charged by other service providers for similar services in respect of similar types of properties in the market. The terms offered by the Jinmao Connected Persons to us shall not be less favorable to our Group than the terms offered to other sales agents for property agency services with respect to the same project.

Property Agency Services for car park spaces

With respect to the Property Agency Services for car park spaces, our Group will charge either (i) a commission calculated at a fixed percentage of the sales price of the relevant car park spaces or a fixed amount on top of the sales price of the relevant car park spaces, or (ii) the difference between the actual sales price paid by the purchaser and the pre-determined minimum sales price. The specific pricing mechanism will be determined by the parties on a case by case basis.

The fees, if charged on a fixed percentage or fixed amount basis, will be determined on arm's length basis with reference to (i) the location of the relevant car park spaces, and the supply and demand of car park spaces in the vicinity of the project, (ii) our expected operational costs (including, among others, labor costs and administrative costs) in relation to the provision of the Property Agency Services, and (iii) the fees charged by other service providers for similar services in respect of similar car park spaces in the market.

If the fees are calculated based on the difference between the actual sales price paid by the purchaser and the pre-determined minimum sales price, our Group may be required to pay to the Jinmao Connected Persons a refundable deposit (the "**Deposit**") up to the total minimum sales price of the car park spaces to be sold under the project. The minimum sales price will be determined on arm's length basis with reference to (i) the location of the relevant car park spaces, and the supply and demand of car park spaces in the vicinity of the project, (ii) the available market data of the indicative price range of similar car park spaces in the vicinity of the project, and (iii) the valuation of the relevant car park spaces determined by an independent valuer (if such valuation is considered necessary and an independent valuer is engaged). Upon the consummation of a sale transaction, our Group will receive the actual sales price of the car park space from the purchaser which will cover the related Deposit in respect of such car park space whereas the remainder thereof will be recognized as our commission from such Property Agency Services. Upon completion or termination of a project, the remaining sum of the Deposit in respect of unsold car park spaces, if any, will be refunded to our Group in full.

Under each of the above pricing mechanisms, the terms offered by the Jinmao Connected Persons to us shall not be less favorable to our Group than the terms offered to other sales agents for property agency services with respect to similar car park spaces.

Historical transaction amounts

Our Group commenced providing the Property Agency Services to the Jinmao Connected Persons with respect to newly developed properties in November 2020. As at September 30, 2021, no revenue was recognized from the provision of the Property Agency Services with respect to newly developed properties.

Our Group commenced providing the Property Agency Services to the Jinmao Connected Persons with respect to car park spaces in March 2021. For the nine months ended September 30, 2021, the revenue of our Group from the provision of the Property Agency Services with respect to car park spaces amounted to approximately RMB18,498,000.

Proposed annual caps and factors taken into account in determining annual caps

It is estimated that the maximum annual amounts of fees chargable by our Group and payable by the Jinmao Connected Persons in relation to the Property Agency Services for the two years ending December 31, 2022 and 2023 will not, in aggregate, exceed the amounts set out in the table below:

	Year ending December 31,	
	2022	**2023**
	(RMB'000)	*(RMB'000)*
Maximum aggregate annual amount of fees charged by our Group for the Property Agency Services		
— For newly developed properties	10,000	20,000
— For car park spaces	150,000	200,000
Total	**160,000**	**220,000**

The following factors were considered in arriving at the above annual caps:

- in respect of newly developed properties:
  - our engagement under the existing signed contracts to provide the Property Agency Services for 11 residential projects developed by the Jinmao Connected Persons;
  - the estimated value of newly developed properties to be sold by the Jinmao Connected Persons, based on their sales plan, existing projects available for sale, projects under development and land bank as at December 31, 2020 and future development, which may require the Property Agency Services for the two years ending December 31, 2023; and
  - the estimated commission of approximately 3% as a percentage of the sales price of the relevant properties for the two years ending December 31, 2023;
- in respect of car park spaces:
  - our engagement under the existing signed contracts to provide the Property Agency Services for over 2,900 car park spaces developed by the Jinmao Connected Persons;
  - the estimated number of unsold car park spaces of the Jinmao Connected Persons which may require the Property Agency Services for the two years ending December 31, 2023 as well as the estimated sell-through rate of such car park spaces; and
  - the arrangement that our Group may charge a commission based on the difference between the actual sales price and the pre-determined minimum sales price of the car park spaces, which, if calculated as a percentage of the estimated sales price of the relevant car park spaces, is expected to be within the range of 15% to 50%.

The provision of the Property Agency Services is a relatively new business of our Group. Despite the low historical transaction amount due to the short history of such business, considering (i) our long-term cooperation relationship with Jinmao Group and our ability to access a vast number of potential buyers leveraging our active engagement and close relationship with the owners and residents of the properties under our management, (ii) our existing engagement for the provision of the Property Agency Services, and the sales plan and business growth trend of the Jinmao Connected Persons, and (iii) our increased efforts and resources devoted to the property agency business, such as increasing the number of service points in the residential communities under our management and organizing marketing activities to attract more property owners and residents, we expect that the transaction amount of the Property Agency Services for the two years ending December 31, 2023 will increase substantially as compared to the historical amounts.

Consultancy and Other Value-added Services Framework Agreement

Description of the transaction

On February 21, 2022, our Company entered into a consultancy and other value-added services framework agreement (the "**Consultancy and Other Value-added Services Framework Agreement**") with China Jinmao, pursuant to which our Company (for itself and on behalf of our Group) agreed to provide certain consultancy and other value-added service to the Jinmao Connected Persons, including but not limited to (i) consultancy services from the perspective of property management with respect to property development site selection, positioning, preliminary planning and design, engineering and construction, (ii) pre-delivery services, such as site clearing, assistance with preparatory work and maintenance of order, and pre-delivery inspection and assessment, (iii) post-delivery services mainly comprising repair and maintenance services during the post-delivery warranty periods, (iv) engineering services for the upgrade of smart management hardware, and (v) community value-added services as may be required by the Jinmao Connected Persons from time to time, such as management and operation services in respect of car park spaces owned by the Jinmao Connected Persons (the "**Value-added Services**"). The Consultancy and Other Value-added Services Framework Agreement shall take effect upon the Listing Date and expire on December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable laws and regulations.

Pricing policies

The fees payable by the Jinmao Connected Persons to our Group under the Consultancy and Other Value-added Services Framework Agreement will be determined on arm's length basis with reference to (i) the size and location of the relevant properties, (ii) the scope of the Value-added Services, (iii) our expected operational costs (including, among others, labor costs, material costs and administrative costs) in relation to the provision of the Value-added Services, and (iv) the fees charged by other service providers for similar services in respect of similar types of properties in the market. The terms offered by us to the Jinmao Connected Persons shall not be less favorable to our Group than the terms offered by us to our independent customers for the same or similar type and scope of value-added services.

Historical transaction amounts

The total transaction amounts for the provision of the Value-added Services by our Group to the Jinmao Connected Persons for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021 are set forth below:

	Year ended December 31,			Nine months ended September 30,
	2018	2019	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Amount of fees charged by our Group for the Value-added Services	53,210	70,519	87,104	195,554

Proposed annual caps and factors taken into account in determining annual caps

It is estimated that the maximum annual amounts of fees chargable by our Group and payable by the Jinmao Connected Persons in relation to the Value-added Services for the two years ending December 31, 2022 and 2023 will not, in aggregate, exceed the amounts set out in the table below:

	Year ending December 31,	
	2022	2023
	(RMB'000)	*(RMB'000)*
Maximum aggregate annual amount of fees charged by our Group for the Value-added Services	536,000	615,000

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts and growth trend during the Track Record Period;
- the estimated size and number of properties to be developed and delivered by the Jinmao Connected Persons in the two years ending December 31, 2023, taking into consideration the properties under development and land bank held by the Jinmao Connected Persons as at December 31, 2020 as well as their business plan;
- the estimated service fees to be charged in respect of the Value-added Services on a per sq.m. basis with reference to the prevailing market rates for the provision of the same type of services; and

- the expected increase in demand of the Jinmao Connected Persons for the Value-added Services, taking into account the following factors:

  ○ the business growth trend of the Jinmao Connected Persons. In particular, the contracted sales GFA of Jinmao Group increased from approximately 5.0 million sq.m. for the year ended December 31, 2018 to approximately 11.3 million sq.m. for the year ended December 31, 2020, and further to approximately 13.2 million sq.m. for the year ended December 31, 2021;

  ○ the delivery schedule of the projects of the Jinmao Connected Persons. The Value-added Services include services provided at different stages of a development cycle, and closely relate to the delivery schedule. Taking into account the substantial increase in the contracted sales GFA of Jinmao Group in recent years and the delivery schedule of properties which is typically two years from pre-sale, a large number of properties developed by Jinmao Group are delivered and to be delivered in 2021 and onwards. This will contribute to the expected increase in revenue from the Value-added Services which cover services before and after delivery of properties;

  ○ the wider scope of services to be rendered by our Group since 2021. Along with the business growth of Jinmao Group, it is expected that Jinmao Group will focus more on its main business of property development, and engage relevant service providers, such as our Group, to provide various services to improve its project design and performance, incorporating more feedback from the end users' perspective to ensure the high quality and customer satisfaction of its properties delivered. In this connection, the Jinmao Connected Persons have engaged our Group to carry out pre-delivery inspection and assessment on its projects delivered in 2021 and assist them in dealing with quality issues identified during the inspection and assessment. The Jinmao Connected Persons have also since 2021 engaged our Group to provide repair and maintenance services for its 36 projects with a GFA of approximately 6.9 million sq.m. during the post-delivery warranty periods which typically last two years. Furthermore, with the increase of the city operation projects of Jinmao Group, the scope of the Value-added Services provided by our Group to the Jinmao Connected Persons has been expanded since 2021 to include the city operation projects and to cover the consultancy services at the early stage of project development, including site selection, positioning, preliminary planning and design, engineering and construction; and

- for the nine months ended September 30, 2021, our Group has already recorded a revenue of approximately RMB195.6 million from the provision of the Value-added Services to the Jinmao Connected Persons, representing approximately 224.5% of the full year amount of 2020. Due to the continued business growth of the Jinmao Connected Persons and the expansion of scope of the Value-added Services as disclosed above, it is expected that our revenue from the Jinmao Connected Persons for the provision of the Value-added Services will continue to increase during the two years ending December 31, 2023.

Sinochem Framework Agreement

Description of the transaction

On February 21, 2022, our Company entered into a framework agreement with Sinochem Holdings (the "**Sinochem Framework Agreement**"), pursuant to which our Company (for itself and on behalf of our Group) agreed to provide certain services to the Sinochem Connected Persons, including (i) property management services in respect of the industrial parks, research institutes and office buildings held by the Sinochem Connected Persons, as well as office spaces used by the Sinochem Connected Persons (the "**Sinochem Property Management Services**"), and (ii) community value-added services as may be required by the Sinochem Connected Persons from time to time, such as management services in respect of car park spaces used by the Sinochem Connected Persons (the "**Sinochem Value-added Services**", together with the Sinochem Property Management Services, the "**Sinochem Services**").

The Sinochem Framework Agreement shall take effect upon the Listing Date and expire on December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable laws and regulations.

Pricing policies

The fees payable by the Sinochem Connected Persons to our Group under the Sinochem Framework Agreement will be determined on arm's length basis with reference to (i) the size and location of the relevant properties, (ii) the scope and standards of the Sinochem Services, (iii) our expected operational costs (including, among others, labor costs, material costs and administrative costs) in relation to the provision of the Sinochem Services, and (iv) the fees charged by other service providers for similar services in the market. The fees charged by us to the Sinochem Connected Persons shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by us to the Sinochem Connected Persons shall not be less favorable to our Group than the terms offered by us to our independent customers for the same or similar type and scope of services.

Historical transaction amounts

The total transaction amounts for the provision of the Sinochem Services by our Group to the Sinochem Connected Persons for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021 are set forth below:

	Year ended December 31,			Nine months ended September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Amount of fees charged by our Group for the Sinochem Services				
– Sinochem Property Management Services	31,791	34,569	40,486	32,020
– Sinochem Value-added Services	1,633	1,574	1,805	1,201
Total	**33,424**	**36,143**	**42,291**	**33,221**

Proposed annual caps and factors taken into account in determining annual caps

It is estimated that the maximum annual amounts of fees chargable by our Group and payable by the Sinochem Connected Persons in relation to the Sinochem Services for the two years ending December 31, 2022 and 2023 will not, in aggregate, exceed the amounts set out in the table below:

	Year ending December 31,	
	2022	**2023**
	(RMB'000)	*(RMB'000)*
Maximum aggregate annual amount of fees charged by our Group for the Sinochem Services		
– Sinochem Property Management Services	60,000	78,000
– Sinochem Value-added Services	4,000	5,000
Total	**64,000**	**83,000**

The following factors were considered in arriving at the above annual caps:

- in respect of the Sinochem Property Management Services:
  - the historical transaction amount and growth trend during the Track Record Period;
  - the scale of industrial parks, research institutes and office buildings held by the Sinochem Connected Persons and office spaces used by the Sinochem Connected Persons, and the estimated management fees for providing services in respect of similar types of properties in the market; and
  - the expected increase in demand of the Sinochem Connected Persons for the Sinochem Property Management Services, taking into accounts the business plan of the Sinochem Connected Persons, in particular their three industrial parks in pipeline, which are expected to be delivered in 2022 and 2023;
- in respect of the Sinochem Value-added Services, which mainly involve the provision of management services for car park spaces used by the Sinochem Connected Persons:
  - the historical transaction amount during the Track Record Period;
  - the number of car park spaces currently used by the Sinochem Connected Persons and in respect of which our Group has been providing management services, and the estimated management fees for providing such services during the two years ending December 31, 2023; and
  - the expected increase in demand of the Sinochem Connected Persons for the Sinochem Value-added Services, including the additional number of car park spaces which may require our management services for the two years ending December 31, 2023, and any additional community value-added services that may be required by the Sinochem Connected Persons from time to time.

INTERNAL CONTROL MEASURES

We have adopted the following internal control and corporate governance measures to ensure that the terms of our transactions with the Jinmao Connected Persons and the Sinochem Connected Persons are fair and reasonable and not prejudicial to the interests of our Company and the minority Shareholders:

- our Board (including our independent non-executive Directors) will be responsible for reviewing and evaluating the terms of the framework agreements for the continuing connected transactions (including any renewal thereof), in particular the pricing principles and annual caps, to ensure that such terms are fair and reasonable to our Group and compliant with relevant laws and regulations, our Group's internal policies and the Listing Rules;

- various internal departments of our Company (including but not limited to our finance department and legal department) will regularly monitor the implementation of the continuing connected transactions and keep track of the aggregate transaction amounts under the relevant framework agreements to ensure that the pricing principles and annual caps contained therein are complied with;

- our Group will independently evaluate the projects developed by the Jinmao Connected Persons and the Sinochem Connected Persons, including the size and location of the relevant projects, the scope and standards of the services required and our expected operational costs for providing such services, before taking on any particular project;

- when determining the fees payable by the Jinmao Connected Persons and the Sinochem Connected Persons to our Group under the framework agreements, our Group will regularly research into prevailing market conditions and practices and make reference to the pricing and terms offered by our Group to Independent Third Parties for similar transactions, to ensure that the terms and conditions offered to the Jinmao Connected Persons and the Sinochem Connected Persons are fair and reasonable and are no less favorable to our Group than those offered to other comparable Independent Third Parties; and

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

APPLICATION FOR WAIVER

Our Directors (including our independent non-executive Directors) consider that disclosure of the Non-Exempt Continuing Connected Transactions in full compliance with the Listing Rules would be impracticable and would add unnecessary administrative costs to our Group. In addition, our Directors (including the independent non-executive Directors) believe that it is in our Group's interests to continue these continuing connected transactions after the Listing.

Pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the Non-Exempt Continuing Connected Transactions, subject to the condition that the aggregate amounts of each of the Non-Exempt Continuing Connected Transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

As required by the Listing Rules, our independent non-executive Directors shall review the continuing connected transactions annually and confirm in the annual report and accounts of our Company that such transactions have been entered into in our Company's ordinary and usual course of business, are either on normal commercial terms or on terms no less favourable to our Group than those available to, or from, independent third parties, and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

DIRECTORS' VIEW

Our Directors (including our independent non-executive Directors) consider that all the Non-Exempt Continuing Connected Transactions have been and will be carried out (i) in the ordinary and usual course of our business, (ii) on normal commercial terms or better, and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the proposed annual caps of the Non-Exempt Continuing Connected Transactions are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

JOINT SPONSORS' VIEW

The Joint Sponsors have reviewed the relevant information and historical figures prepared and provided by our Company relating to the Non-Exempt Continuing Connected Transactions. Based on the Joint Sponsors' due diligence, the Joint Sponsors are of the view (i) that the Non-Exempt Continuing Connected Transactions have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (ii) that the proposed annual caps of the Non-Exempt Continuing Connected Transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

The table below sets forth certain information concerning our Directors:

Name	Age	Date of joining our Group(Note)	Date of appointment as Director	Existing position(s) in our Company	Roles and responsibilities
Executive Directors					
Mr. Xie Wei (謝煒)	47	October 12, 2015	August 26, 2021	Executive Director and the chief executive officer	Responsible for the daily operations, formulation of the overall strategy, business planning and operation decisions of our Group
Ms. Zhou Liye (周立燁)	47	May 13, 2021	August 26, 2021	Executive Director and the chief financial officer	Responsible for the overall financial and cost management, internal audit, tax planning and capital market-related matters of our Group
Non-executive Directors					
Mr. Jiang Nan (江南)	48	August 26, 2021	August 26, 2021	Non-executive Director and chairman of the Board	Responsible for formulation of business strategies and providing guidance for the overall development of our Group
Ms. He Yamin (賀亞敏)	49	February 4, 2013	August 26, 2021	Non-executive Director	Responsible for formulation of business strategies and providing guidance for the overall development of our Group

Name	Age	Date of joining our Group(Note)	Date of appointment as Director	Existing position(s) in our Company	Roles and responsibilities
Ms. Qiao Xiaojie (喬曉潔)	48	August 26, 2021	August 26, 2021	Non-executive Director	Responsible for formulation of business strategies and providing guidance for the overall development of our Group
Independent non-executive Directors					
Dr. Chen Jieping (陳杰平)	68	Listing Date	Listing Date	Independent non-executive Director	Responsible for providing independent advice on the operation and management of our Group
Dr. Han Jian (韓踐)	49	Listing Date	Listing Date	Independent non-executive Director	Responsible for providing independent advice on the operation and management of our Group
Mr. Sincere Wong (黃誠思)	57	Listing Date	Listing Date	Independent non-executive Director	Responsible for providing independent advice on the operation and management of our Group

Note: denotes the time from which the relevant Director first became involved in matters relating to the business of our Group while under the employment of Jinmao Group or our Group (where applicable).

Mr. Xie Wei and Ms. Zhou Liye are each an executive Director and also a member of our senior management team. The senior management team of our Group comprises, in addition to our executive Directors, the following persons listed below:

Name	Age	Date of joining our Group	Date of appointment to current position	Existing position(s) in our Company	Roles and responsibilities
Mr. Wang Yongli (王永利)	58	February 1, 2003	August 26, 2021	Vice president	Responsible for operation and management of consultancy business
Mr. Li Yulong (李玉龍)	35	May 30, 2016	August 26, 2021	Vice president	Responsible for business innovation, strategic planning and technology development, as well as operation and management of business in Beijing and Qingdao regions
Mr. Wei Dong (魏東)	53	August 15, 2013	August 26, 2021	Vice president	Responsible for health, safety and environment management and smart community management
Mr. Cai Yun (蔡雲)	43	December 7, 2016	August 26, 2021	Vice president	Responsible for operation and management of business in Shanghai, Nanjing and Changsha regions
Mr. Zhan Yu (占玉)	39	March 11, 2021	August 26, 2021	Vice president	Responsible for investment and market development

Name	Age	Date of joining our Group	Date of appointment to current position	Existing position(s) in our Company	Roles and responsibilities
Ms. Zhao Meihua (趙美華)	43	June 26, 2015	August 26, 2021	Assistant to president	Responsible for human resource management, as well as operation and management of business in Chongqing, Guangzhou and Fuzhou regions

None of our Directors or members of our senior management are related to other Directors or other members of our senior management.

DIRECTORS

Our Board currently consists of eight Directors, comprising two executive Directors, three non-executive Directors and three independent non-executive Directors. The powers and duties of our Board include convening general meetings and reporting our Board's work at our Shareholders' meetings, determining our business and investment plans, preparing our annual financial budgets and final reports, formulating proposals for profit distributions and exercising other powers, functions and duties as conferred by the Articles of Association.

Executive Directors

Mr. Xie Wei (謝煒)

Mr. Xie Wei, aged 47, is an executive Director and the chief executive officer of our Company. He was appointed as an executive Director in August 2021. He is mainly responsible for the daily operations, formulation of the overall strategy, business planning and operation decisions of our Group.

Mr. Xie Wei graduated with an Executive Master of Business Administration (EMBA) from Nankai University (南開大學) in Tianjin, the PRC in December 2012.

Prior to joining our Group and Jinmao Group, from August 1995 to July 2015, he held various positions such as regional manager, deputy general manager and general manager in Beijing Vanke Real Estate Service Co., Ltd. (北京萬科物業服務有限公司), a real estate service provider in the PRC, where he took charge of the property management business segment.

Mr. Xie Wei joined Jinmao Group in July 2015 and was appointed as a vice president of China Jinmao in October 2015 where he was responsible for customer relations and property management business. He has concurrently served as a director and the chairman of Jinmao PM since October 2015 and the general manager of Jinmao PM since November 2016, where he is responsible for the overall operation and management of property management business. He was appointed as a director of Jinmao Shanghai in April 2021. Mr. Xie Wei will resign from his position as vice president of China Jinmao with effect from the Listing Date.

Mr. Xie Wei has been serving as the vice chairman of the Beijing Property Management Association (北京物業管理行業協會) since December 2015, and the deputy secretary-general of the China Property Management Institute (中國物業管理協會) since April 2016.

Ms. Zhou Liye (周立燁)

Ms. Zhou Liye, aged 47, is an executive Director and the chief financial officer of our Company. She was appointed as an executive Director in August 2021. She is mainly responsible for the overall financial and cost management, internal audit, tax planning and capital market-related matters of our Group.

Ms. Zhou Liye obtained a post-graduate master's degree in accounting from Central University of Finance and Economics (中央財經大學) in Beijing, the PRC in March 2001. She then obtained a post-graduate doctoral degree in accounting also from Central University of Finance and Economics in June 2008. She has been a member (and currently a non-practicing member) of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since August 2002, and obtained the senior accountant qualification from the Beijing Advanced Professional and Technical Qualification Evaluation Committee (北京市高級專業技術資格評審委員會) in February 2008. Ms. Zhou Liye has been a member of the first expert committee of the China Real Estate Finance Association (中國房地產金融會首屆專家委員會) since January 2020, and the vice chairman of the financial professional committee of the China Real Estate Association (中國房地產業協會金融專業委員會) since April 2018.

From April 2001 to October 2006, Ms. Zhou Liye worked in Sinochem Fertilizer Company Limited (中化化肥有限公司), a company principally engaged in fertilizer production and trading in the PRC, in the finance department. From November 2006 to February 2008, she worked in Sinochem Group in the accounting management department.

Ms. Zhou Liye joined Jinmao Group in April 2008. She served in the capital market department of China Jinmao as deputy general manager from April 2008 to February 2011 and as general manager from February 2011 to September 2016. Between September 2014 and September 2016, she concurrently served as the capital market director of China Jinmao. From September 2016 to June 2019, she served as general manager of JM Capital Limited (金茂資本有限公司), a subsidiary of China Jinmao, where she was responsible for its overall operation and management. From June 2019 to May 2021, she was deputy general manager of Jinmao

Capital Holdings Limited (金茂資本控股有限公司), a subsidiary of China Jinmao, where she was responsible for property holding and investment, fund operations and financing and strategic operations. Ms. Zhou Liye joined our Group in May 2021 as the financial controller of Jinmao PM.

Non-executive Directors

Mr. Jiang Nan (江南)

Mr. Jiang Nan, aged 48, is a non-executive Director and the chairman of the Board. He was appointed as a non-executive Director in August 2021. He is mainly responsible for formulation of business strategies and providing guidance for the overall development of our Group.

Mr. Jiang Nan graduated with a bachelor's degree in finance from China Institute of Finance (中國金融學院) (now known as School of Banking and Finance of the University of International Business and Economics (對外經濟貿易大學金融學院)) in Beijing, the PRC in July 1995. He then obtained a master's degree in finance from Central University of Finance and Economics in September 2003. He obtained the Accounting Qualification Certificate from the Ministry of Personnel of the PRC in May 1999, and has been an affiliated member and an associate member of the Association of International Accountants since September 2008 and May 2020, respectively.

From July 1995, Mr. Jiang Nan worked in the finance department of Sinochem Group, as a member of the overseas finance division from July 1995 to September 1999 and as a deputy manager of the finance division from September 1999 to August 2002. From August 2002 to January 2006, he served as the manager of the finance department of Sinochem Hong Kong, the offshore investment platform enterprise of Sinochem Group, where he was responsible for the operation of overseas funds of Sinochem Group.

Mr. Jiang Nan joined Jinmao Group in January 2006 as the chief financial officer of China Jinmao. Mr. Jiang Nan served as an executive director of China Jinmao from 2007 to 2011, and has since August 2015 been re-appointed as an executive director of China Jinmao. He has been in charge of strategic management, accounting and finance, budget assessment, capital market and investor relations of Jinmao Group. He has also been concurrently serving as the general manager of Jinmao Capital Holdings Limited since June 2019, where he is responsible for its overall operation and management. He has also served as a non-executive director of Jinmao (China) Hotel Investments and Management Limited ("**Jinmao Hotel**"), a company whose share stapled units were listed on the Stock Exchange prior to its privatization in October 2020 with the stock code before delisting of 6139, since March 2014.

Ms. He Yamin (賀亞敏)

Ms. He Yamin (with the former name of He Liyuan (賀麗媛)) aged 49, is a non-executive Director. She was appointed as a non-executive Director in August 2021. She is mainly responsible for formulation of business strategies and providing guidance for the overall development of our Group.

Ms. He Yamin obtained a bachelor's degree in education majoring in political education from Beijing Normal University (北京師範大學) in Beijing, the PRC in July 1994. She then completed a postgraduate program in applied psychology also in Beijing Normal University in October 2005.

Prior to joining our Group and Jinmao Group, Ms. He Yamin worked in the Chinese People's Liberation Army from September 1994 to July 1995, in the management bureau of the general staff department. From August 1995 to August 1996, she worked in Hong Kong Wanguo Trade City Company (香港萬國商貿城公司). From September 1996 to September 1997, she worked in Beijing Personal Data Assistant Electronics Group (北京小秘書電子集團). From September 1997 to February 2005, she worked in Lenovo Group Ltd., a multinational technology company whose shares are listed on the Stock Exchange with the stock code of 992, in the human resources department. From February 2005 to December 2010, she worked in the human resources department of the Sinochem Group.

Ms. He Yamin joined Jinmao Group in December 2010, where she served as the general manager of the human resources department of China Jinmao up until September 2014, and has been serving as the human resources director of China Jinmao since September 2014. Ms. He Yamin was appointed as a director of Jinmao PM in February 2013.

Ms. Qiao Xiaojie (喬曉潔)

Ms. Qiao Xiaojie (with the former Chinese name of 喬曉杰), aged 48, is a non-executive Director. She was appointed as a non-executive Director in August 2021. She is mainly responsible for formulation of business strategies and providing guidance for the overall development of our Group.

Ms. Qiao Xiaojie obtained a bachelor's degree in accounting from North China University of Technology (北方工業大學) in Beijing, the PRC in July 1995. She then obtained a master's degree in accounting from Central University of Finance and Economics in December 2006. She obtained the senior accountant qualification from Beijing Senior Specialized Technique Qualification Evaluation Committee of the PRC in February 2007, and has been a member of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since May 1999 and a member of The Institute of Certified Management Accountants of the Institute of Management Accountants United States of America since September 2011.

Prior to joining our Group and Jinmao Group, Ms. Qiao Xiaojie worked in Beijing Three Gorges Economic Development Group (北京三峽經濟開發集團), a company which provides economic and technological support to the development of the Three Gorges, as the accounting head of the finance department, from July 1995 to August 1997. From August 1997 to February 2008, she held accounting head and deputy general manager positions in the finance department of China Resources Land (Beijing) Company Ltd. (華潤置地(北京)股份有限公司), a real estate developer in the PRC.

Ms. Qiao Xiaojie joined Jinmao Group in February 2008, where she served as the general manager of the financial management department of China Jinmao up until January 2013. She then joined Sinochem Group in January 2013, where she served as the deputy general manager of the accounting management department from January 2013 to February 2014, the deputy general manager in charge of daily operations of the analysis and valuation department from February 2014 to May 2015, the general manager of the analysis and valuation department from May 2015 to December 2016 and the deputy director of the strategy implementation department from December 2016 to September 2017. She subsequently rejoined Jinmao Group in September 2017, where she has been serving as the deputy financial controller of China Jinmao.

Independent non-executive Directors

Dr. Chen Jieping (陳杰平)

Dr. Chen Jieping, aged 68, has been appointed as an independent non-executive Director and his appointment will take effect from the Listing Date. He is mainly responsible for providing independent advice on the operation and management of our Group.

Dr. Chen Jieping obtained a bachelor of science majoring in hotel and restaurant management and a master of hospitality management from the University of Houston in Texas, the United States in August 1990. He then obtained a master of business administration and a doctoral degree in business administration also from the University of Houston in May 1992 and August 1995, respectively.

Dr. Chen Jieping has over 20 years of experience in accounting. From September 1995 to August 2008, he was a faculty member of the Department of Accountancy at the City University of Hong Kong, and between November 2005 and August 2008 he served as the Head of the department. He was a professor of accounting at China Europe International Business School from August 2008 to December 2018 and is currently an emeritus professor.

Dr. Chen Jieping has served as an independent non-executive director in Huafa Property Services Group Company Limited (a company listed on the Stock Exchange with the stock code of 982) and Saurer Intelligent Technology Co. Ltd. (a company listed on the Shanghai Stock Exchange with the stock code of 600545), since July 2014 and September 2017, respectively. He also served as an independent non-executive director in each of Shenzhen Worldunion Properties Consultancy Incorporated (a company listed on the Shenzhen Stock

Exchange with the stock code of 2285) from September 2013 to October 2019, Xinjiang La Chapelle Fashion Co., Ltd. ("**La Chapelle**", formerly known as Shanghai La Chapelle Fashion Co., Ltd., a company listed on the Stock Exchange with the stock code of 6116 and on the Shanghai Stock Exchange with the stock code of 603157) from April 2016 to October 2019, and Jinmao Hotel (a company whose share stapled units were listed on the Stock Exchange prior to its privatization in October 2020 with the stock code before delisting of 6139) from March 2014 to October 2020.

In September 2019, the Shanghai Stock Exchange issued a public criticism against La Chapelle and its relevant responsible persons, being several then directors and officers, including Dr. Chen Jieping who was an independent non-executive director and the chairman of the audit committee at the time for the inaccuracy of information disclosed in La Chapelle's profit estimation and the delay in publishing an announcement on the adjustment of its profit estimation (the "**Incident**"). The Shanghai Stock Exchange decided that having initially published a profit warning announcement in January 2019 anticipating a significant reduction in profit for the year 2018, La Chapelle had failed to issue a further profit warning announcement promptly to clarify that it now anticipated a loss, which affected the reasonable expectations of the investors.

Notwithstanding the Incident involving Dr. Chen Jieping, the Directors (other than Dr. Chen Jieping) are of the view that Dr. Chen Jieping has the experience, knowledge and skills required for a director of a listed company and is therefore suitable to be a Director pursuant to Rules 3.08 and 3.09 of the Listing Rules having considered the following reasons:

- According to the decision of the Shanghai Stock Exchange, there is no finding of fraud or dishonesty against Dr. Chen Jieping which would affect his suitability as a director of a listed company. The criticism of the Shanghai Stock Exchange does not by itself disqualify Dr. Chen Jieping as a director of public companies in the PRC.

- Dr. Chen Jieping has extensive experience in serving directorship in various public companies. To the best knowledge of our Company having made all reasonable enquiries, Dr. Chen Jieping does not have any other non-compliance record during his directorship in La Chapelle or any other listed companies except for the Incident above.

- Dr. Chen Jieping is the chairman of the audit committee of each of Huafa Property Services Group Company Limited and Saurer Intelligent Technology Co. Ltd., and was the chairman of the audit committee of Jinmao Hotel until its privatization in October 2020. All such companies where Dr. Chen Jieping served as an independent non-executive director and the chairman of the audit committee at the time of the Incident decided to continue to engage Dr. Chen Jieping after the occurrence of the Incident, which demonstrated his value to those companies and his ability to discharge his duties as an independent non-executive director and the chairman of the audit committee.

- Dr. Chen Jieping has participated in continuous professional development to develop and refresh his knowledge and skills and to keep abreast of the latest development of the regulatory requirements, including attending trainings and reading materials on topics including corporate governance, regulatory updates, finance and accounting, and industry development. Dr. Chen Jieping also attended the training conducted by our Hong Kong legal advisors in August 2021 covering topics including, among other, directors' duties and responsibilities, continuing obligations of listed companies under the Listing Rules, and the consequences for breaching the Listing Rules and the laws of Hong Kong.

Dr. Han Jian (韓踐)

Dr. Han Jian, aged 49, has been appointed as an independent non-executive Director and her appointment will take effect from the Listing Date. She is mainly responsible for providing independent advice on the operation and management of our Group.

Dr. Han Jian obtained a bachelor's degree in English language and literature from Renmin University of China (中國人民大學) in Beijing, the PRC in July 1995. She then obtained the degree of doctor of philosophy majoring in human resources management from the School of Industrial and Labor Relations of Cornell University in New York State, the United States in January 2005.

Dr. Han Jian has been a professor of management at China Europe International Business School since 2008. Dr. Han Jian has been an independent non-executive director of Midea Group Co., Ltd. (美的集團股份有限公司, a company listed on the Shenzhen Stock Exchange with the stock code of 333), since September 2018. She also served as an external director of Shenzhen Jiang & Associates Creative Design Co., Ltd. (深圳市傑恩創意設計股份有限公司, a company listed on the Shenzhen Stock Exchange with the stock code of 300668) from June 2015 to June 2018.

Mr. Sincere Wong (黃誠思)

Mr. Sincere Wong, aged 57, has been appointed as an independent non-executive Director and his appointment will take effect from the Listing Date. He is mainly responsible for providing independent advice on the operation and management of our Group.

Mr. Sincere Wong received his bachelor's degree in social science from The Chinese University of Hong Kong in December 1986. He passed the Common Professional Examination at Wolverhampton Polytechnic (now known as University of Wolverhampton) in the United Kingdom in July 1990, and the Solicitors' Final Examination of the Law Society of England and Wales with first class honours in October 1991. He was then admitted as a solicitor of the High Court of Hong Kong in October 1993 and a solicitor of the Supreme Court of England & Wales in February 1994.

From September 1996 to January 2005, Mr. Sincere Wong served as an in-house legal counsel of Hutchison Whampoa Group (和記黃埔集團), a multinational conglomerate engaging mainly in ports and related services, property and hotels, retail, infrastructure, energy and telecommunications, where he was involved in cross-border acquisitions and day-to-day commercial transactions of a container terminal operator. From February 2005 to November 2006, he served as an in-house legal counsel of China Resources Enterprise, Limited (now known as China Resources Beer (Holdings) Company Limited, whose shares are listed on the Stock Exchange with the stock code of 291 and whose business focus is on the manufacturing, sales and distribution of beer products). From November 2006 to June 2010, he served as the chief legal officer of Shui On Construction and Materials Limited (now known as SOCAM Development Limited, whose shares are listed on the Stock Exchange with the stock code of 983 and whose business focus is on construction and property businesses in the PRC, Hong Kong and Macau). From July 2010 to May 2011, he served as the vice president of the legal department and company secretary of Sateri Holdings Limited (a global specialty cellulose producer subsequently renamed as Bracell Limited, whose shares were listed on the Stock Exchange with the stock code of 1768 prior to its privatization and delisting in October 2016). From August 2011 to April 2016, he worked at the Listing Department of Hong Kong Exchanges and Clearing Limited, and he served as a vice president at the time of his departure, primarily responsible for reviewing IPO applications and making recommendations to the Listing Committee. In May 2016, he became the founding partner of Wong Heung Sum & Lawyers (黃香沈律師事務所) (formerly known as Sincere Wong & Co. (黃誠思律師事務所)).

Mr. Sincere Wong has served as an independent non-executive director of Bank of Gansu Co., Ltd (a company listed on the Stock Exchange with the stock code of 2139), U Banquet Group Holding Limited (now known as Net-a-Go Technology Company Limited, a company listed on the Stock Exchange with the stock code of 1483) and Fulu Holdings Limited (a company listed on the Stock Exchange with the stock code of 2101), since August 2017, September 2018, and August 2020, respectively. From January 2019 to March 2020, he also served as a non-executive director of MOS House Group Limited (a retailer and supplier of overseas manufactured tiles in Hong Kong and Macau, whose shares are listed on the Stock Exchange with the stock code of 1653).

Save as disclosed above, none of our Directors has held any other directorships in listed companies during the three years immediately preceding the date of this prospectus.

Save as disclosed above and in the section headed "Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders" in Appendix V to this prospectus, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matters concerning any Directors that needs to be brought to the attention of our Shareholders as of the Latest Practicable Date.

SENIOR MANAGEMENT

Mr. Wang Yongli (王永利)

Mr. Wang Yongli, aged 58, has been a deputy general manager of Jinmao PM since May 2015 and a vice president of our Company since August 2021. He is primarily responsible for the operation and management of the consultancy business of our Group.

Mr. Wang Yongli graduated from Beijing Finance Management Cadre School (北京財經管理幹部學校) in Beijing, the PRC in July 2005, majoring in corporate management.

Prior to joining our Group, Mr. Wang Yongli worked in Beijing Xiangshan Hotel (北京香山飯店), as the manager of the front office department, from March 1979 to November 2000. From November 2000 to November 2001, he served as the deputy general manager of Haihang Hotel (海航賓館) under Huahai Real Estate Development Company (華海房地產開發有限公司), where he was responsible for the management of the daily operations of Haihang Hotel.

Mr. Wang Yongli joined our Group in February 2003, where he held various positions in Jinmao PM such as project manager, director of the client relations department and deputy general manager, prior to his promotion to his current position.

Mr. Li Yulong (李玉龍)

Mr. Li Yulong, aged 35, has been a deputy general manager of Jinmao PM since May 2016 and a vice president of our Company since August 2021. He is primarily responsible for the business innovation, strategic planning and technology development of our Group, as well as the operation and management of the business of our Group in Beijing and Qingdao regions.

Mr. Li Yulong graduated with bachelor's degrees in computer science and technology and agricultural and forestry economics from Shanxi Agricultural University (山西農業大學) in Shanxi, the PRC in June 2009 and July 2009, respectively. He then obtained a post-graduate master of business administration from Peking University (北京大學) in Beijing, the PRC in July 2021. He obtained the intermediate business management economist qualification from Beijing Municipal Human Resources and Social Security Bureau of the PRC (北京市人力資源和社會保障局) in November 2014.

Prior to joining our Group, Mr. Li Yulong served as the director of the cooperation and development department of Beijing Vanke Real Estate Service Co., Ltd. (北京萬科物業服務有限公司), a property management company in the PRC, from July 2009 to May 2016, where he was responsible for market expansion, investment mergers and acquisitions and equity cooperation.

Mr. Li Yulong joined our Group in May 2016, and has been serving in his current position in Jinmao PM since.

Mr. Wei Dong (魏東)

Mr. Wei Dong, aged 53, has been a deputy general manager of Jinmao PM since May 2017 and a vice president of our Company since August 2021. He is primarily responsible for the health, safety and environment management and smart community management of our Group.

Mr. Wei Dong graduated with a diploma in economics and trade from the Party School of Beijing Municipal Committee of the Chinese Communist Party (中共北京市委黨校) in Beijing, the PRC in July 1999. He then completed a training program in business management from Capital University of Economics and Business (首都經濟貿易大學) in Beijing, the PRC in August 2006.

Prior to joining our Group, Mr. Wei Dong worked in The Great Wall Sheraton Hotel Beijing (北京喜來登長城飯店), as the assistant manager of the housekeeping department, from September 1987 to December 2002. From December 2002 to June 2006, he worked in Scitech Hotel (賽特飯店), as the manager of the housekeeping department. From August 2006 to August 2011, he served as the operations director of Wangfujing Hotel Management Co., Ltd. (王府井飯店管理有限公司), a hospitality company in the PRC. From August 2011 to August 2013, he worked in Beijing Eastern Garden International Conference Co., Ltd. (北京怡生園國際會議中心有限公司), a subsidiary of Sinochem Group engaged in the operation of the accommodation and other facilities within Eastern Garden, a hotel and conference center, as the manager of the room division department.

Mr. Wei Dong joined our Group in August 2013, where he successively served as the assistant to the general manager and deputy general manager in Jinmao PM taking charge of health, safety and environment management and smart community management, prior to his promotion to his current position.

Mr. Cai Yun (蔡雲)

Mr. Cai Yun, aged 43, has been a deputy general manager of Jinmao PM since January 2020 and a vice president of our Company since August 2021. He is primarily responsible for the operation and management of the business of our Group in Shanghai, Nanjing and Changsha regions.

Mr. Cai Yun graduated with a bachelor's degree in modern building electronics (現代建築電氣) from Shanghai University of Engineering Science (上海工程技術大學) in Shanghai, the PRC in July 2001. He then obtained a post-graduate master of business administration from Shanghai International Studies University (上海外國語大學) in Shanghai, the PRC in June 2017.

Prior to joining our Group, from August 2001 to April 2003, Mr. Cai Yun served as the deputy project manager of the project department of Cornell Properties Services (Shanghai) Co., Ltd. (港力物業管理(上海)有限公司), a property management company in the PRC, where he assisted the project manager in the operation and management of property management projects. From April 2003 to May 2004, he served as the deputy project manager of the project department of Shanghai Lianyang Gangli Property Management Co., Ltd. (上海聯洋港力物業管理有限公司), a property management company in the PRC, where he was responsible for the operation and management of property management projects. From May 2004 to May 2005, he served as the project officer of the engineering department of Hutchison Estate Service & Agency (Shanghai) Limited (和記物業服務(上海)有限公司) (now known as Cayley Property Management (Shanghai) Co., Ltd. (家利物業管理(上海)有限公司)), a property management company in the PRC, where he was responsible for the engineering management of properties. From May 2005 to May 2006, he served as the deputy project manager of the engineering department of Shanghai Shimao Real Estate Co., Ltd. (上海世茂房地產有限公司), a real estate company in the PRC, where he was responsible for the management of the engineering business segment of the company. From May 2006 to November 2006, he worked in Savills Property Services (Shanghai) Company Limited (第一太平戴維斯物業顧問(上海)有限公司), an integrated property services provider in the PRC, as the engineering manager. From November 2006 to June 2010, he worked in Shanghai China Merchants Property Management Co., Ltd. (上海招商局物業管理有限公司), a property management company in the PRC, as the engineering manager of the quality management department. From August 2010 to June 2013, he worked in Cheung Kong Holdings (Shanghai) Enterprises Management Company Limited (長江實業(上海)企業管理有限公司), a property management and consultancy company in the PRC, as the engineering manager of the property department. From June 2013 to December 2016, he served as the assistant general manager of Shanghai Vanke Real Estate Service Co., Ltd. (上海萬科物業服務有限公司), a property management company and property services provider in the PRC, as well as the general manager of the commercial and office management centre where he was responsible for the operation and management of the non-residential business.

Mr. Cai Yun joined our Group in December 2016, where he held various positions in Jinmao PM such as regional general manager being responsible for the overall operation and management of the Shanghai region, and assistant to general manager and deputy general manager being responsible for the operation and management of business in the Shanghai, Nanjing and Changsha regions, prior to his promotion to his current position. Since April 2021, he has also served as a director of Jinmao Shanghai where he is responsible for its overall operation and management.

Mr. Zhan Yu (占玉)

Mr. Zhan Yu, aged 39, has been a deputy general manager of Jinmao PM since March 2021 and a vice president of our Company since August 2021. He is primarily responsible for the investment and market development of our Group.

Mr. Zhan Yu graduated with a bachelor's degree in law from North China University of Technology in January 2004. He then obtained a post-graduate master's degree in economic law from Beijing Jiaotong University (北京交通大學) in Beijing, the PRC in July 2007.

Prior to joining our Group, Mr. Zhan Yu worked in Shanxi Securities Co., Ltd. (山西證券股份有限公司), a securities company in the PRC whose shares are listed on the Shenzhen Stock Exchange with the stock code of 002500, in the office of the board of directors, from July 2007 to May 2012, where he was responsible for pushing forward the company's listing and its corporate governance. From May 2012 to April 2016, he worked as the general manager of the investment department in Shanzheng Investment Co., Ltd. (山證投資有限責任公司), a company engaging in investment and asset management in the PRC, where he was responsible for equity investment and fund management. From April 2016 to September 2019, he held executive director and investment director positions of CMIG Futurelife Holdings Group Company Limited (中民未來控股集團有限公司), a community value-added service provider and resource integrator in the property management industry in the PRC, where he was responsible for investment mergers and acquisitions of property companies and community value-added project investment. From September 2019 to March 2021, he worked in Sichuan Languang Justbon Services Group Co., Ltd. (四川藍光嘉寶服務集團股份有限公司), a property management service provider in the PRC whose shares are listed on the Stock Exchange with the stock code of 2606, as the general manager of the investment development centre, where he was responsible for investment mergers and acquisitions of property companies and market expansion.

Mr. Zhan Yu joined our Group in March 2021, and has been serving in his current position in Jinmao PM since.

Ms. Zhao Meihua (趙美華)

Ms. Zhao Meihua, aged 43, has been the assistant to the general manager of Jinmao PM since June 2015 and an assistant to president of our Company since August 2021. She is primarily responsible for the human resource management of our Group, as well as the operation and management of the business of our Group in Chongqing, Guangzhou and Fuzhou regions.

Ms. Zhao Meihua obtained a bachelor's degree in economics, majoring in corporate management from Renmin University of China (中國人民大學) in Beijing, the PRC in July 1999. She then obtained a post-graduate master's degree in management also from Renmin University of China in January 2010. She obtained the intermediate human resources management economist qualification from Beijing Municipal Human Resources and Social Security Bureau of the PRC in November 2010, as well as the level 1 corporate human resource management qualification and the level 1 corporate trainer qualification from Vocational Skills Appraisal Centre of Human Resources and Social Security Bureau of the PRC (人力資源和社會保障部職業技能鑒定中心) in March 2011 and December 2013, respectively.

Prior to joining our Group and Jinmao Group, from July 1999 to July 2002, she worked in Beijing Yanlong Consulting Co., Ltd. (北京彥隆諮詢有限責任公司), an information and corporate management consultancy and talent development company in the PRC, as the administration and human resources manager of the administration department. From July 2002 to October 2004, she served as an assistant consultant in Guangzhou Zhiren Consulting Service Co., Ltd., Beijing Branch (廣州市智仁諮詢服務有限公司), a corporate management and human resources consultancy company in the PRC, where she was responsible for human resources consultancy. From November 2004 to September 2005, she worked in Jinyindao (Beijing) Network Technology Co., Ltd. (金銀島(北京)網路科技股份有限公司), an e-commerce company in the PRC, as the manager of human resources department. From October 2005 to December 2006, she worked in Wangfujing Hotel Management Co., Ltd., as the assistant to the manager of the human resources department. From December 2006 to March 2008, she worked in Xinda Huawang Communication Technology Co., Ltd. (先達華網通信技術有限公司), as the manager of the human resources department. In April 2008, she rejoined Wangfujing Hotel Management Co., Ltd., as the director of the human resources department, up until February 2013.

Ms. Zhao Meihua joined Jinmao Group in February 2013, where she served as the senior manager of the human resources department of China Jinmao up until June 2015. She then joined our Group in June 2015, and has been serving in her current position in Jinmao PM since.

COMPANY SECRETARY

Ms. Ho Wing Tsz Wendy (何詠紫) has been appointed as the company secretary of our Company and her appointment will take effect from the Listing Date. She is also an executive director of corporate services division of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services.

Ms. Ho Wing Tsz Wendy has over 25 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. She is currently the company secretary or joint company secretary of six listed companies on the Stock Exchange, namely, Wynn Macau, Limited (stock code: 1128), Bank of Chongqing Co., Ltd. (stock code: 1963), China Everbright Water Limited (stock code: 1857), China Merchants Bank Co., Ltd. (stock code: 3968), Brii Biosciences Limited (stock code: 2137) and Angelalign Technology Inc. (stock code: 6699).

Ms. Ho Wing Tsz Wendy is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute ("**HKCGI**") and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators in the United Kingdom). She is a Council Member of HKCGI. Ms. Ho Wing Tsz Wendy has obtained a master of business administration from The Hong Kong Polytechnic University in September 2019.

BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration and Nomination Committee and the Strategy and Investment Committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

Audit Committee

Our Company has established the Audit Committee (with effect from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three members, namely Dr. Chen Jieping and Mr. Sincere Wong who are independent non-executive Directors and Ms. Qiao Xiaojie who is a non-executive Director. The chairperson of the Audit Committee is Dr. Chen Jieping, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee include, among others, (i) assisting the Board in ensuring that our Group has an effective financial reporting, risk management and internal control system in compliance with the Listing Rules; (ii) overseeing the integrity of the financial statements of our Group; (iii) selecting, and assessing the independence and qualifications of, our Company's external auditor; (iv) ensuring effective communication between our Directors and the internal and external auditors of our Company; (v) providing advice and comments to our Board; and (vi) performing other duties and responsibilities as may be assigned by the Board.

Remuneration and Nomination Committee

Our Company has established the Remuneration and Nomination Committee (with effect from the Listing Date) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraphs A.5 and B.1 of the CG Code. The Remuneration and Nomination Committee consists of Dr. Han Jian and Dr. Chen Jieping who are independent non-executive Directors and Ms. He Yamin who is a non-executive Director. The chairperson of the Remuneration and Nomination Committee is Dr. Han Jian.

The primary duties of the Remuneration and Nomination Committee include, among others, (i) establishing, reviewing and providing advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each Director and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time; (iv) reviewing the structure, size and composition of our Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of our

Board; (v) identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (vi) assessing the independence of our independent non-executive Directors; and (vii) making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors.

Strategy and Investment Committee

Our Company has established the Strategy and Investment Committee. The Strategy and Investment Committee consists of four members, namely Mr. Jiang Nan who is a non-executive Director, Mr. Xie Wei and Ms. Zhou Liye who are executive Directors, and Mr. Sincere Wong who is an independent non-executive Director. The chairperson of the Strategy and Investment Committee is Mr. Jiang Nan.

The primary duties of the Strategy and Investment Committee include, among others, (i) formulating the Group's development strategies; (ii) evaluating investment projects; (iii) studying material strategic cooperation projects; and (iv) performing other duties and responsibilities as may be assigned by the Board.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation from our Group in the form of salaries, bonuses and other benefits in kind such as contributions to a retirement benefit scheme.

The aggregate remuneration (including fees, salaries, contributions to a retirement benefit scheme, discretionary bonuses and other allowances and other benefits in kind) paid to our Directors for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021 was RMB2.3 million, RMB2.2 million, RMB2.8 million and RMB2.9 million, respectively. Save as disclosed in Note 8 to the Accountants' Report in Appendix I to this prospectus, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The aggregate amount of wages, salaries and bonuses, pension costs and other allowances and other benefits in kind paid to our five highest paid individuals in respect of each of the three years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021 was approximately RMB7.6 million, RMB9.1 million, RMB9.7 million and RMB8.2 million, respectively.

No remuneration was paid by us to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office during the Track Record Period. Further, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

Under the existing arrangements that are currently in force as of the date of this prospectus, the aggregate remuneration (including fees, salaries, contributions to pension schemes and other allowances and other benefits in kind but excluding discretionary bonuses) payable to our Directors for the year ending December 31, 2021 is estimated to be around RMB4.5 million in aggregate.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the Listing, receive recommendation from the Remuneration and Nomination Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

CORPORATE GOVERNANCE

Our Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability.

Our Company has adopted the code provisions stated in the CG Code. Our Company is committed to the view that the Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of knowledge, skills and experience, including but without limitation to property development, property management, financial management, human resources and administrative management. They obtained degrees in various majors including but without limitation to finance, philosophy, applied psychology, accounting and business administration. We have three independent non-executive Directors who have different industry backgrounds, including accounting, human resource management and law. Taking into account our business model and specific needs as well as the presence of four female Directors out of a total of eight Board members, we consider that the composition of our Board satisfies our board diversity policy.

We recognize the particular importance of gender diversity. Our Board currently comprises eight Directors, including four female Directors. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our board diversity policy provides that our Board shall take opportunities when selecting and making recommendations on suitable candidates for Board appointments with the aim to maintain the proportion of female members after Listing. We will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board going forward. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices.

Our Remuneration and Nomination Committee is responsible for ensuring the diversity of our Board members. After Listing, our Remuneration and Nomination Committee will review our board diversity policy and its implementation from time to time to monitor its continued effectiveness and we will disclose the implementation of our board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

COMPLIANCE ADVISOR

We have appointed First Shanghai Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- when a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds from the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

So far as our Directors are aware, immediately prior to and following the completion of the Bonus Issue, the Distribution and the Global Offering (assuming that there will be no change in the shareholding structure of China Jinmao, Sinochem Hong Kong, Sinochem Corporation, Sinochem Group and Sinochem Holdings from the Latest Practicable Date up to the Listing), the following persons will have an interest or a short position in the Shares or the underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Shareholder	Nature of interest	Shares held immediately prior to the completion of the Bonus Issue, the Distribution and the Global Offering		Shares held immediately after the Bonus Issue, the Distribution and the Global Offering (assuming that no Distribution Adjustment is made, and the Offer Size Adjustment Option and the Over-allotment Option are not exercised)		Shares held immediately after the Bonus Issue, the Distribution and the Global Offering (assuming that no Distribution Adjustment is made and the Offer Size Adjustment Option is not exercised, but the Over-allotment Option is exercised in full)		Shares held immediately after the Bonus Issue, the Distribution and the Global Offering (assuming that the Offer Size Adjustment Option is exercised in full and the Distribution Adjustment is made accordingly, but the Over-allotment Option is not exercised)		Shares held immediately after the Bonus Issue, the Distribution and the Global Offering (assuming that the Offer Size Adjustment Option is exercised in full and the Distribution Adjustment is made accordingly and the Over-allotment Option is exercised in full)	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
China Jinmao	Beneficial owner	2 (L)	100.0%	608,319,969 (L)	67.5%	608,319,969 (L)	66.4%	625,960,526 (L)	68.3%	625,960,526 (L)	67.0%
Sinochem Hong Kong	Interest in controlled corporation(1)	2 (L)	100.0%	608,319,969 (L)	67.5%	608,319,969 (L)	66.4%	625,960,526 (L)	68.3%	625,960,526 (L)	67.0%
	Beneficial owner	–	–	67,616,133 (L)	7.5%	67,616,133 (L)	7.4%	61,393,334 (L)	6.7%	61,393,334 (L)	6.6%
Sinochem Corporation	Interest in controlled corporation(1)	2 (L)	100.0%	675,936,102 (L)	75.0%	675,936,102 (L)	73.7%	687,353,860 (L)	75.0%	687,353,860 (L)	73.6%
Sinochem Group	Interest in controlled corporation(1)	2 (L)	100.0%	675,936,102 (L)	75.0%	675,936,102 (L)	73.7%	687,353,860 (L)	75.0%	687,353,860 (L)	73.6%
Sinochem Holdings	Interest in controlled corporation(1)	2 (L)	100.0%	675,936,102 (L)	75.0%	675,936,102 (L)	73.7%	687,353,860 (L)	75.0%	687,353,860 (L)	73.6%

Notes:

(1) Sinochem Holdings held the entire equity interests in Sinochem Group, which in turn held the entire equity interests in Sinochem Corporation. Sinochem Corporation held the entire equity interests in Sinochem Hong Kong, which in turn held an approximately 35.3% interest in China Jinmao as of the Latest Practicable Date. For the purpose of the SFO, Sinochem Holdings, Sinochem Group, Sinochem Corporation and Sinochem Hong Kong are all deemed to be interested in the Shares beneficially owned by China Jinmao, and Sinochem Holdings, Sinochem Group and Sinochem Corporation are all deemed to be interested in the Shares beneficially owned by Sinochem Hong Kong.

(2) The letter (L) denotes the person's long interest in our Shares.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Bonus Issue, the Distribution and the Global Offering, have an interest or a short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of our subsidiaries. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control in our Company.

ISSUED SHARE CAPITAL

Pursuant to the Companies Ordinance, with effect from March 3, 2014, companies incorporated in Hong Kong no longer have an authorized share capital and there is no longer the concept of par value in respect of issued shares. The following is a description of the share capital of our Company in issue as of the Latest Practicable Date and to be issued as fully paid or credited as fully paid immediately following the completion of the Bonus Issue and the Global Offering:

Issued and to be issued, fully paid or credited as fully paid:

(a) Assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised –

Shares in issue as at the date of this prospectus:	2 Shares
Shares to be issued pursuant to the Bonus Issue:	799,999,998 Shares
Shares to be issued pursuant to the Global Offering:	101,411,500 Shares
Total issued Shares upon completion of the Global Offering:	901,411,500 Shares

(b) Assuming the Offer Size Adjustment Option is exercised in full but the Over-allotment Option is not exercised –

Shares in issue as at the date of this prospectus:	2 Shares
Shares to be issued pursuant to the Bonus Issue:	799,999,998 Shares
Shares to be issued pursuant to the Global Offering:	116,623,000 Shares
Total issued Shares upon completion of the Global Offering:	916,623,000 Shares

(c) Assuming the Over-allotment Option is exercised in full but the Offer Size Adjustment Option is not exercised –

Shares in issue as at the date of this prospectus:	2 Shares
Shares to be issued pursuant to the Bonus Issue:	799,999,998 Shares
Shares to be issued pursuant to the Global Offering:	116,623,000 Shares
Total issued Shares upon completion of the Global Offering:	916,623,000 Shares

(d) Assuming the Offer Size Adjustment Option and the Over-allotment Option are exercised in full –

Shares in issue as at the date of this prospectus:	2 Shares
Shares to be issued pursuant to the Bonus Issue:	799,999,998 Shares
Shares to be issued pursuant to the Global Offering:	134,116,000 Shares
Total issued Shares upon completion of the Global Offering:	934,116,000 Shares

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and is completed in accordance with the relevant terms and conditions and that the Shares are issued pursuant to the Bonus Issue and the Global Offering. The above does not take into account any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKING

The Offer Shares are ordinary shares in the share capital of our Company and will rank equally and carry the same rights in all respects with all Shares currently in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Bonus Issue.

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to allot, issue and deal with Shares or securities convertible into Shares and to make or grant share sale plans, offers, agreements or options which would or might require the exercise of such powers to allot, issue and deal with the Shares, with an aggregate number of Shares allotted or agreed to be allotted, otherwise than by way of rights issue or pursuant to the exercise of any options which may be granted under any share option scheme or by virtue of scrip dividend schemes or similar arrangements in accordance with our Articles, not more than the sum of:

(i) 20% of the aggregate number of Shares in issue immediately following completion of the Bonus Issue and the Global Offering on the Listing Date (excluding Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option); and

(ii) the aggregate number of Shares repurchased by our Company (if any) under the general mandate to repurchase Shares granted to our Directors referred to below.

This general mandate will expire at the earliest of:

(i) the conclusion of our Company's next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any other applicable laws and regulations of Hong Kong to be held; or

(iii) when varied, revoked or renewed by an ordinary resolution of our Shareholders in a general meeting.

Please refer to the section headed "Appendix V — Statutory and General Information — 1. Further Information about Our Group — (c) Written Resolutions of our Sole Shareholder passed on February 18, 2022" for details of this general mandate.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to exercise all the powers of our Company to repurchase Shares with a total number of Shares of not more than 10% of the aggregate number of Shares immediately following completion of the Bonus Issue and the Global Offering but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option.

This mandate only relates to repurchases made on the Stock Exchange, or any other approved stock exchange(s) on which the Shares are listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and which are made in accordance with all applicable laws and/or requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in "Appendix V — Statutory and General Information — 1. Further Information about Our Company — (f) Repurchase by our Company of our own securities".

This mandate will expire at the earliest of:

(i) the conclusion of our Company's next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any other applicable laws and regulations of Hong Kong to be held; or

(iii) when varied, revoked or renewed by an ordinary resolution of our Shareholders in a general meeting.

Please refer to the section headed "Appendix V — Statutory and General Information — 1. Further Information about Our Group — (c) Written Resolutions of our Sole Shareholder passed on February 18, 2022" for details of this repurchase mandate.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Pursuant to the Companies Ordinance and the Articles of Association, our Company may from time to time by ordinary Shareholders' resolution (i) increase its capital; (ii) capitalize its profits; (iii) allot and issue bonus shares; (iv) convert its shares into a larger or smaller number; (v) dividing its shares into several classes; (vi) cancel any shares which have not been taken or that have been forfeited; and (vii) make provisions for the issue and allotment of shares. In addition, our Company may reduce its share capital by Shareholders' special resolution. For details, see "Appendix IV — Summary of Articles of Association — Alteration of Capital".

Further, subject to the provisions of the Companies Ordinance, all or any of the special rights (unless otherwise provided by the terms of issue) attached to any class of shares may be varied or abrogated either with the consent in writing of the holders of not less than 75% of the total voting rights of the holders of the shares of that class, or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class. For details, see "Appendix IV — Summary of Articles of Association — Variation of Rights".

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set forth below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), who have agreed to, subject to certain conditions, subscribe or cause their designated entities to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased at the Offer Price with an aggregate amount of approximately HK$646.33 million (exclusive of the brokerage fee, the SFC transaction levy, the Stock Exchange trading fee and the FRC transaction levy) (the "**Cornerstone Placing**").

Assuming an Offer Price of HK$7.52 (being the low-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 85,946,500 Offer Shares, representing (i) assuming that the Offer Size Adjustment Option is not exercised, approximately 84.8% of the Offer Shares (assuming the Over-allotment Option is not exercised), approximately 73.7% of the Offer Shares (assuming the Over-allotment Option is fully exercised), approximately 9.5% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and approximately 9.4% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is fully exercised), and (ii) assuming that the Offer Size Adjustment Option is exercised in full, approximately 73.7% of the Offer Shares (assuming the Over-allotment Option is not exercised), approximately 64.1% of the Offer Shares (assuming the Over-allotment Option is fully exercised), approximately 9.4% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and approximately 9.2% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Assuming an Offer Price of HK$7.83 (being the mid-point of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 82,543,500 Offer Shares, representing (i) assuming that the Offer Size Adjustment Option is not exercised, approximately 81.4% of the Offer Shares (assuming the Over-allotment Option is not exercised), approximately 70.8% of the Offer Shares (assuming the Over-allotment Option is fully exercised), approximately 9.2% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and approximately 9.0% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is fully exercised), and (ii) assuming that the Offer Size Adjustment Option is exercised in full, approximately 70.8% of the Offer Shares (assuming the Over-allotment Option is not exercised), approximately 61.5% of the Offer Shares (assuming the Over-allotment Option is fully exercised), approximately 9.0% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and approximately 8.8% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Assuming an Offer Price of HK$8.14 (being the high-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 79,400,000 Offer Shares, representing (i) assuming that the Offer Size Adjustment Option is not exercised, approximately 78.3% of the Offer Shares (assuming the Over-allotment Option is not exercised), approximately 68.1% of the Offer Shares (assuming the Over-allotment Option is fully exercised), approximately 8.8% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and approximately 8.7% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is fully exercised), and (ii) assuming that the Offer Size Adjustment Option is exercised in full, approximately 68.1% of the Offer Shares (assuming the Over-allotment Option is not exercised), approximately 59.2% of the Offer Shares (assuming the Over-allotment Option is fully exercised), approximately 8.7% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and approximately 8.5% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

The Cornerstone Investors will acquire the Offer Shares pursuant to, and as part of, the International Offering. Our Company is of the view that, leveraging on the Cornerstone Investors' investment experience, the Cornerstone Placing will help raise the profile of our Company and to signify that such investors have confidence in the growth and development of the property management services industry in the PRC and in particular the future growth and business prospects of our Group.

If there is over-allocation in the International Offering, there may be deferred delivery of the Offer Shares to be subscribed by the Cornerstone Investors under the Cornerstone Placing. All Cornerstone Investors have agreed that the Joint Representatives may, in their sole discretion, defer the delivery of all or part of the Offer Shares that such Cornerstone Investors have subscribed for to a date later than the Listing Date. All of the Cornerstone Investors, including the aforesaid Cornerstone Investors who have agreed to a potential delayed delivery arrangement, have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Offer Shares commence on the Stock Exchange. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Offer Shares in issue and will be counted towards the public float of our Company under Rule 8.24 of the Listing Rules.

There are no side agreements/arrangement between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing, and the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price. None of the Cornerstone Investors will have any representation on the Board nor become a substantial shareholder of our Company immediately upon completion of the Global Offering, and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements.

Canny Elevator Co., Ltd (康力電梯股份有限公司) ("**Canny Elevator**") will subscribe for our Offer Shares through UBS SDIC Fund Management Co., Ltd. (國投瑞銀基金管理有限公司) ("**UBS SDIC Fund Management**"), a qualified domestic institutional investor as approved by the relevant PRC authorities ("**QDII**"), which is considered a "connected client" of Essence International Securities (Hong Kong) Limited, a Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Underwriter, under paragraph 13 of Appendix 6 to the Listing Rules by virtue of being a member of the same group. For details, please refer to "Our Cornerstone Investors" below. An application has been made to the Stock Exchange, and the Stock Exchange has granted its consent, under paragraph 5(1) of Appendix 6 to the Listing Rules to allow Offer Shares to be placed to UBS SDIC Fund Management.

We became acquainted with each of the Cornerstone Investors mainly through introduction by the relevant Underwriters. As confirmed by each of the Cornerstone Investors, their respective interest in our Company as a Cornerstone Investor is based on their confidence in our Company's business and prospects. As confirmed by each Cornerstone Investor, save for Keltic Investment (HK) Limited ("**Keltic**"), their subscription under the Cornerstone Placing would be financed by their own internal financial resources and/or financial resources of their ultimate beneficial owners.

To the best knowledge of our Company,

(i) each of the Cornerstone Investors (and, for Cornerstone Investors who will subscribe for our Offer Shares through a QDII, such QDIIs) is an Independent Third Party and is not our connected person, is not an existing Shareholder of our Company or a close associate of such existing Shareholder, and is independent of other Cornerstone Investors;

(ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, the Directors, the chief executive of our Company, the Controlling Shareholders, the substantial Shareholders or the existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered in their name or otherwise held by them;

(iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by the Company, the Directors, the chief executive of the Company, the Controlling Shareholders, the substantial Shareholders or the existing Shareholders or any of its subsidiaries or their respective close associates; and

(iv) save for Canny Elevator, each of the Cornerstone Investors are not listed on any stock exchange.

The total number of Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed "Structure of the

Global Offering — The Hong Kong Public Offering — Reallocation". Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around March 9, 2022.

To the extent that any Cornerstone Investor has engaged a QDII to subscribe for the relevant Offer Shares on its behalf, such Cornerstone Investor will procure the QDII to comply with the terms of its Cornerstone Investment Agreement in order to ensure the compliance of such Cornerstone Investor with its obligations under its Cornerstone Investment Agreement.

OUR CORNERSTONE INVESTORS

The Company has entered into Cornerstone Investment Agreements with (i) Keltic, (ii) Canny Elevator, (iii) Guangdong Keshun Investment Holding Co., Ltd (廣東科順投資控股有限公司) ("**Guangdong Keshun**"), (iv) Fuhui Capital Investment Limited ("**Fuhui Capital**") and (v) Qian He Capital Management Co Ltd — Qian He Capital Global Selection of Private-Equity Investment Fund (千合資本—全球精選私募證券投資基金) ("**Qian He Fund**"), in respect of the Cornerstone Placing.

The following tables set out certain details of the Cornerstone Placing:

Based on the Offer Price of HK$7.52 (being the low-end of the indicative Offer Price range) and assuming the Offer Size Adjustment Option is not exercised

Cornerstone Investor	Investment Amount(1) *(in million)*	Number of Offer Shares(2)	Approximate % of total number of Offer Shares — Assuming the Over-allotment Option is not exercised	Approximate % of total number of Offer Shares — Assuming the Over-allotment Option is exercised in full	Approximate % of the International Offer Shares — Assuming the Over-allotment Option is not exercised	Approximate % of the International Offer Shares — Assuming the Over-allotment Option is exercise in full	Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering — Assuming the Over-allotment Option is not exercised	Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering — Assuming the Over-allotment Option is exercise in full
Keltic	RMB100	16,348,500	16.1%	14.0%	17.9%	15.4%	1.8%	1.8%
Canny Elevator	HK$99	13,164,500	13.0%	11.3%	14.4%	12.4%	1.5%	1.4%
Guangdong Keshun	RMB50	8,174,000	8.1%	7.0%	9.0%	7.7%	0.9%	0.9%
Fuhui Capital	RMB200	32,697,000	32.2%	28.0%	35.8%	30.7%	3.6%	3.6%
Qian He Fund	US$15	15,562,500	15.3%	13.3%	17.1%	14.6%	1.7%	1.7%
Total	**HK$646.33**	**85,946,500**	**84.8%**	**73.7%**	**94.2%**	**80.7%**	**9.5%**	**9.4%**

Notes:

(1) Calculated based on the exchange rates as described in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion". The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.

(2) Subject to rounding down to the nearest whole board lot of 500 Shares.

Based on the Offer Price of HK$7.52 (being the low-end of the indicative Offer Price range) and assuming the Offer Size Adjustment Option is exercised in full

			Approximate % of total number of Offer Shares		Approximate % of the International Offer Shares		Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering	
Cornerstone Investor	**Investment Amount[(1)]** *(in million)*	**Number of Offer Shares[(2)]**	**Assuming the Over-allotment Option is not exercised**	**Assuming the Over-allotment Option is exercised in full**	**Assuming the Over-allotment Option is not exercised**	**Assuming the Over-allotment Option is exercise in full**	**Assuming the Over-allotment Option is not exercised**	**Assuming the Over-allotment Option is exercise in full**
Keltic	RMB100	16,348,500	14.0%	12.2%	15.6%	13.4%	1.8%	1.8%
Canny Elevator	HK$99	13,164,500	11.3%	9.8%	12.5%	10.8%	1.4%	1.4%
Guangdong Keshun	RMB50	8,174,000	7.0%	6.1%	7.8%	6.7%	0.9%	0.9%
Fuhui Capital	RMB200	32,697,000	28.0%	24.4%	31.2%	26.7%	3.6%	3.5%
Qian He Fund	US$15	15,562,500	13.3%	11.6%	14.8%	12.7%	1.7%	1.7%
Total	**HK$646.33**	**85,946,500**	**73.7%**	**64.1%**	**81.9%**	**70.2%**	**9.4%**	**9.2%**

Notes:

(1) Calculated based on the exchange rates as described in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion". The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.

(2) Subject to rounding down to the nearest whole board lot of 500 Shares.

Based on the Offer Price of HK$7.83 (being the mid-point of the indicative Offer Price range) and assuming the Offer Size Adjustment Option is not exercised

			Approximate % of total number of Offer Shares		Approximate % of the International Offer Shares		Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering	
Cornerstone Investor	**Investment Amount[(1)]** *(in million)*	**Number of Offer Shares[(2)]**	**Assuming the Over-allotment Option is not exercised**	**Assuming the Over-allotment Option is exercised in full**	**Assuming the Over-allotment Option is not exercised**	**Assuming the Over-allotment Option is exercise in full**	**Assuming the Over-allotment Option is not exercised**	**Assuming the Over-allotment Option is exercise in full**
Keltic	RMB100	15,701,000	15.5%	13.5%	17.2%	14.7%	1.7%	1.7%
Canny Elevator	HK$99	12,643,500	12.5%	10.8%	13.9%	11.9%	1.4%	1.4%
Guangdong Keshun	RMB50	7,850,500	7.7%	6.7%	8.6%	7.4%	0.9%	0.9%
Fuhui Capital	RMB200	31,402,000	31.0%	26.9%	34.4%	29.5%	3.5%	3.4%
Qian He Fund	US$15	14,946,500	14.7%	12.8%	16.4%	14.0%	1.7%	1.6%
Total	**HK$646.33**	**82,543,500**	**81.4%**	**70.8%**	**90.4%**	**77.5%**	**9.2%**	**9.0%**

Notes:

(1) Calculated based on an exchange rate as described in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion". The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.

(2) Subject to rounding down to the nearest whole board lot of 500 Shares.

Based on the Offer Price of HK$7.83 (being the mid-point of the indicative Offer Price range) and assuming the Offer Size Adjustment Option is exercised in full

Cornerstone Investor	Investment Amount[(1)] (in million)	Number of Offer Shares[(2)]	Approximate % of total number of Offer Shares: Assuming the Over-allotment Option is not exercised	Approximate % of total number of Offer Shares: Assuming the Over-allotment Option is exercised in full	Approximate % of the International Offer Shares: Assuming the Over-allotment Option is not exercised	Approximate % of the International Offer Shares: Assuming the Over-allotment Option is exercise in full	Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering: Assuming the Over-allotment Option is not exercised	Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering: Assuming the Over-allotment Option is exercise in full
Keltic	RMB100	15,701,000	13.5%	11.7%	15.0%	12.8%	1.7%	1.7%
Canny Elevator	HK$99	12,643,500	10.8%	9.4%	12.0%	10.3%	1.4%	1.4%
Guangdong Keshun	RMB50	7,850,500	6.7%	5.9%	7.5%	6.4%	0.9%	0.8%
Fuhui Capital	RMB200	31,402,000	26.9%	23.4%	29.9%	25.6%	3.4%	3.4%
Qian He Fund	US$15	14,946,500	12.8%	11.1%	14.2%	12.2%	1.6%	1.6%
Total	**HK$646.33**	**82,543,500**	**70.8%**	**61.5%**	**78.6%**	**67.4%**	**9.0%**	**8.8%**

Notes:

(1) Calculated based on an exchange rate as described in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion". The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.

(2) Subject to rounding down to the nearest whole board lot of 500 Shares.

Based on the Offer Price of HK$8.14 (being the high-end of the indicative Offer Price range) and assuming the Offer Size Adjustment Option is not exercised

Cornerstone Investor	Investment Amount[(1)] *(in million)*	Number of Offer Shares[(2)]	Approximate % of total number of Offer Shares — Assuming the Over-allotment Option is not exercised	Approximate % of total number of Offer Shares — Assuming the Over-allotment Option is exercised in full	Approximate % of the International Offer Shares — Assuming the Over-allotment Option is not exercised	Approximate % of the International Offer Shares — Assuming the Over-allotment Option is exercise in full	Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering — Assuming the Over-allotment Option is not exercised	Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering — Assuming the Over-allotment Option is exercise in full
Keltic	RMB100	15,103,000	14.9%	13.0%	16.5%	14.2%	1.7%	1.6%
Canny Elevator	HK$99	12,162,000	12.0%	10.4%	13.3%	11.4%	1.3%	1.3%
Guangdong Keshun	RMB50	7,551,500	7.4%	6.5%	8.3%	7.1%	0.8%	0.8%
Fuhui Capital	RMB200	30,206,500	29.8%	25.9%	33.1%	28.4%	3.4%	3.3%
Qian He Fund	US$15	14,377,000	14.2%	12.3%	15.8%	13.5%	1.6%	1.6%
Total	**HK$646.33**	**79,400,000**	**78.3%**	**68.1%**	**87.0%**	**74.6%**	**8.8%**	**8.7%**

Notes:

(1) Calculated based on an exchange rate as described in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion". The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.

(2) Subject to rounding down to the nearest whole board lot of 500 Shares.

Based on the Offer Price of HK$8.14 (being the high-end of the indicative Offer Price range) and assuming the Offer Size Adjustment Option is exercised in full

Cornerstone Investor	Investment Amount(1) (in million)	Number of Offer Shares(2)	Approximate % of total number of Offer Shares		Approximate % of the International Offer Shares		Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering	
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercise in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercise in full
Keltic	RMB100	15,103,000	13.0%	11.3%	14.4%	12.3%	1.6%	1.6%
Canny Elevator	HK$99	12,162,000	10.4%	9.1%	11.6%	9.9%	1.3%	1.3%
Guangdong Keshun	RMB50	7,551,500	6.5%	5.6%	7.2%	6.2%	0.8%	0.8%
Fuhui Capital	RMB200	30,206,500	25.9%	22.5%	28.8%	24.7%	3.3%	3.2%
Qian He Fund	US$15	14,377,000	12.3%	10.7%	13.7%	11.7%	1.6%	1.5%
Total	**HK$646.33**	**79,400,000**	**68.1%**	**59.2%**	**75.6%**	**64.8%**	**8.7%**	**8.5%**

Notes:

(1) Calculated based on an exchange rate as described in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion". The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.

(2) Subject to rounding down to the nearest whole board lot of 500 Shares.

The following information on the Cornerstone Investors was provided to the Company by the Cornerstone Investors.

1. Keltic

Keltic is a private investment management company headquartered in Hong Kong, and has been involved in the investments in funds and secondary market securities and the fund-raising for its Canadian subsidiary. Keltic employs a main investment strategy of purchasing and investing in equity in primary and secondary markets in Hong Kong and/or the United States, with a focus on real estate projects, financing services, and project development and management. Keltic is a wholly-owned subsidiary of Shenzhen Kaier Hanxiang Shiye Co., Ltd. (深圳凱爾漢湘實業有限公司), which is a company established in the PRC in September

2016 with a registered capital of RMB250 million, principally engaged in investment activities as an investment holding platform, and is wholly-owned by Mr. Li Weiguo (李衛國先生), an Independent Third Party. Mr. Li Weiguo is also the chairman and actual controller of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (北京東方雨虹防水技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002271).

Keltic expects to fund its cornerstone investment with its internal resources and potentially by obtaining external financing. Keltic may obtain external financing from authorized financial institutions, including but not limited to an affiliate ("**ABCI Affiliate**") of one of our Joint Bookrunners and Joint Lead Managers, ABCI Capital Limited. The loan, if obtained, will be on normal commercial terms after arm's length negotiations with no other direct or indirect benefits given by ABCI Affiliate. The financings are provided in the usual and ordinary course of business of ABCI Affiliate. The Offer Shares to be subscribed for by Keltic may be charged to ABCI Affiliate as security for the loan facilities.

2. Canny Elevator

Canny Elevator is a joint stock company established in the PRC which is listed on the SME board of the Shenzhen Stock Exchange (stock code: 002367) and controlled by Mr. Wang Youlin (王友林先生). Canny Elevator is the first company to get listed within the PRC domestic elevator industry and has been ranked by the Elevator World magazine as one of the top 10 global manufacturers in the elevator industry for five consecutive years from 2017 to 2021. Canny Elevator has four manufacturing bases in Suzhou, Chengdu and Zhongshan. Canny Elevator confirmed that Canny Elevator is not required to obtain any approval from the Shenzhen Stock Exchange or shareholders of Canny Elevator to invest in the Company.

For the purpose of this cornerstone investment, Canny Elevator has engaged UBS SDIC Fund Management, an asset manager which is a QDII, to subscribe for and hold such Offer Shares on its behalf on a discretionary basis. UBS SDIC Fund Management is a collective investment scheme established in the PRC in June 2002, and the account for the cornerstone investment by Canny Elevator in the Offer Shares under management by UBS SDIC Fund Management is a special account for Canny Elevator only. UBS SDIC Fund Management is an indirect subsidiary of SDIC Capital Co., Ltd. (國投資本股份有限公司), a state-owned company listed on the Shanghai Stock Exchange (stock code: 600061), principally engaged in finance investment and management businesses and controlled by State Development & Investment Corp. Ltd. (國家開發投資集團有限公司), which is also the indirect holding company of Essence International Securities (Hong Kong) Limited, a Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Underwriter. UBS SDIC Fund Management confirmed that UBS SDIC Fund Management itself and the investors of the collective investment schemes managed by UBS SDIC Fund Management are all Independent Third Parties.

3. Guangdong Keshun

Guangdong Keshun is a private company established in the PRC which targets investments in the manufacturing and commercial sectors, including upstream and downstream investments in buildings and property-related sectors. For the purpose of this cornerstone investment, Guangdong Keshun has engaged an asset manager which is a QDII to subscribe for or purchase and hold the relevant Offer Shares on its behalf. Guangdong Keshun is beneficially owned as to 99% by Mr. Chen Weizhong (陳偉忠先生) and 1% by Mr. Chen Zhizhong (陳智忠先生), both Independent Third Parties. Mr Chen Weizhong is also a controlling shareholder and actual controller of Keshun Waterproof Technologies Co., Ltd. (科順防水科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300737) ("**Keshun**"). Keshun is a manufacturer in the construction waterproofing industry in the PRC which focuses on providing comprehensive waterproofing solutions and integrating the use of engineering building materials and civic building materials.

4. Fuhui Capital

Fuhui Capital is an investment holding company incorporated in the British Virgin Islands and is wholly-owned by China Lesso Group Holdings Limited ("**China Lesso**"), a company listed on the Main Board of the Stock Exchange (stock code: 2128). China Lesso and its subsidiaries are principally engaged in manufacturing of building materials and interior decoration products in the PRC, and have been a supplier of building materials to Jinmao Group since 2019. China Lesso is one of the constituent stocks of the Hang Seng Composite MidCap Index and is a stock eligible for trading through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. In addition, China Lesso was officially made a constituent stock of MSCI China index in November 2019. Fuhui Capital confirmed that no approval is required to be obtained from the Stock Exchange and the shareholders of China Lesso for the subscription or purchase by Fuhui Capital of the Offer Shares pursuant to the relevant Cornerstone Investment Agreement.

5. Qian He Fund

Qian He Fund is a fund established in 2021 pursuant to the Interim Measures on Pilot Program for Outbound Investment by Qualified Domestic Limited Partners in Hainan Province (海南省開展合格境內有限合夥人境外投資試點工作暫行辦法), whose business focuses on investment management activities such as investments in securities and funds, and is owned as to 72% by Ms. Tao Qin (陶勤女士), an Independent Third Party. The fund manager of Qian He Fund, Qianhe Capital Management Co., Ltd. (千合資本管理有限公司) ("**Qianhe Capital**"), is principally engaged in the management of entrusted asset management and investment management. Mr. Wang Yawei, the founder of and the holder of 90% equity in Qianhe Capital, and also an Independent Third Party, has over 20 years of experience in investment. Qianhe Capital upholds the principle of value investment, provides absolute returns for institutional and individual clients, and by leveraging its diversified values, Qianhe Capital aims to discover investment targets with core competitiveness and underestimated growth potential. With the application of investment instruments and technologies, Qianhe Capital has achieved sustainable and steady growth of the net assets under its management.

CONDITIONS PRECEDENT

The obligation of each of the Cornerstone Investors to acquire the relevant Offer Shares under the respective Cornerstone Investment Agreements is subject to, among other things, the following closing conditions:

(a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the Underwriting Agreements having been terminated;

(b) the Offer Price having been agreed upon between the Company and the Joint Representatives (for themselves and on behalf of the Underwriters of the Global Offering);

(c) the Listing Committee having granted the listing of, and permission to deal in, the Shares as well as other applicable waivers and approvals and such approval, permission or waiver not having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(d) no relevant laws or regulations shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(e) the representations, warranties, undertakings, acknowledgements and confirmations of the relevant Cornerstone Investor under the relevant Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the closing of the subscription of the Offer Shares in accordance with the terms and conditions of the Cornerstone Investment Agreement) accurate and true in all respects and not misleading and that there is no material breach of the relevant Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON DISPOSAL OF OFFER SHARES BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of any of the Offer Shares they have purchased pursuant to the relevant Cornerstone Investment Agreements, save for certain limited circumstances for the relevant Cornerstone Investor, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

You should read the following section in conjunction with our consolidated financial information, including the accompanying notes thereto, as set out in the Accountants' Report included in Appendix I to this prospectus. The Accountants' Report contains our audited consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021 and our unaudited consolidated financial statements for the nine months ended September 30, 2020. Our consolidated financial information has been prepared in accordance with HKFRSs, which may differ in material respects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Our future results could differ materially from those anticipated in these forward-looking statements. In evaluating our business, you should carefully consider the information provided in this prospectus, including but not limited to the sections headed "Risk Factors" and "Business".

OVERVIEW

We are a fast-growing upscale property management and city operation service provider in China. According to China Index Academy, the average property management fee for properties under our management was significantly higher than the industry average of the Top 100 Property Management Companies in 2018, 2019 and 2020. According to China Index Academy, we are an industry-leading company in terms of multiple indicators in the three dimensions of scope of service, service standards and service fees. China Jinmao, our Controlling Shareholder, is a top tier property developer in China. We provide a full range of high-quality property management and value-added services to one of the fastest-growing portfolios of high-end residential properties, according to China Index Academy. We also manage and operate a diversified and growing portfolio of commercial properties primarily comprising office buildings and shopping malls, as well as public properties such as schools, government facilities and other public spaces. As of September 30, 2021, the total GFA under our property management services was approximately 23.2 million sq.m.

We are engaged in three business lines, namely (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services. We also provide city operation services, the scope of which spans across our three business lines. We were established over 25 years ago to focus on the provision of property management services in China. In addition to property management services, we offer value-added services to non-property owners (such as sales assistance, consultancy and other value-added services). We also offer a variety of community value-added services, which are provided mainly to the owners and residents of the properties we manage.

We experienced rapid growth during the Track Record Period. Our revenue increased from RMB574.5 million in 2018 to RMB788.3 million in 2019 and further to RMB944.2 million in 2020, representing a CAGR of 28.2% from 2018 to 2020. Our revenue in the nine months ended September 30, 2020 and 2021 was RMB665.3 million and RMB1,048.7 million, respectively. Meanwhile, our profit for the year increased from RMB17.5 million in 2018 to RMB22.6 million in 2019 and further to RMB77.1 million in 2020, representing a CAGR of 110.0% from 2018 to 2020. Our profit for the nine months ended September 30, 2020 and 2021 was RMB53.3 million and RMB109.4 million, respectively.

BASIS OF PRESENTATION

Pursuant to the Reorganization, as more fully explained in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the prospectus, our Company became the holding company of the companies now comprising our Group subsequent to the end of the Track Record Period on May 25, 2021. The companies now comprising our Group and the commercial business units were under the common control of China Jinmao before and after the Reorganization. Accordingly, the financial information set forth in the Accountants' Report has been prepared on a consolidated basis by applying the principles of merger accounting as if the Reorganization and the transfer of the Commercial Property Management Business had been completed at the beginning of the Track Record Period.

Our consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the Track Record Period and our unaudited financial information for the nine months ended September 30, 2020 include the results and cash flows of all companies now comprising our Group and the commercial business units from the earliest date presented or since the date when the subsidiaries and the commercial business units first came under the common control of China Jinmao, whichever is a shorter period. Our consolidated statements of financial position as of December 31, 2018, 2019 and 2020 and September 30, 2021 have been prepared to present the assets and liabilities of the subsidiaries and the commercial business units using the existing book values from China Jinmao's perspective. No adjustments are made to reflect fair values, or recognize any new assets or liabilities as a result of the Reorganization and the transfer of the Commercial Property Management Business.

The financial information set forth in the Accountants' Report has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**", which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. We have early adopted all HKFRSs effective for the accounting period commencing from January 1, 2021 and amendments to HKFRS 16 Covid-19-Related Rent Concessions beyond June 30, 2021, together with the relevant transitional provisions, in the preparation of the financial information throughout the Track Record Period and the period covered by the interim comparative financial information.

The financial information has been prepared under the historical cost convention, except for investment properties which have been measured at fair value.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial position are affected by a number of factors, including those factors set out in "Risk Factors" in this prospectus and those discussed below:

Business Scale

Our results of operations are affected by the scale of contracted GFA and GFA under management. During the Track Record Period, we generated the majority of our revenue from our property management services. Accordingly, our business and results of operations depend on our ability to maintain and grow our contracted GFA, which in turn is affected by our ability to obtain new service contracts through organic growth and our business expansion capability including acquiring existing property management companies. As of December 31, 2018, 2019 and 2020 and September 30, 2021, the aggregate contracted GFA amounted to 21.9 million sq.m., 30.8 million sq.m., 40.5 million sq.m. and 45.7 million sq.m, respectively.

A portion of our total contracted GFA does not generate management services fees because the relevant properties have not been delivered and our provision of property management services has not yet started. Therefore, our financial position and results of operations are also affected by our GFA under management. Our GFA under management amounted to 10.2 million sq.m., 12.7 million sq.m., 17.7 million sq.m. and 23.2 million sq.m. as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively.

In addition, the demand for our value-added services was also driven by our GFA under management, business needs resulting from property developers' activities and our valued-added service offerings, including value-added services to non-property owners and community value-added services. Accordingly, our ability to maintain and grow our contracted GFA and GFA under management as well as to improve our service portfolios would have a significant impact on our results of operations.

Business Mix

We have three business lines, namely, property management services, value-added services to non-property owners and community value-added services. Our profit margins vary across different business lines. Our business and results of operations are affected by our business mix. Any change in the structure of revenue contribution from our business lines or change in profit margin of any business line may have a corresponding impact on our overall profit margins.

The following tables set out the breakdowns of our revenue and gross profit margins by business line for the Track Record Period:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Revenue										
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Residential properties	164,568	28.6	201,501	25.6	276,914	29.3	199,400	30.0	335,210	32.0
— Non-residential properties	170,549	29.7	260,776	33.0	290,567	30.8	210,098	31.6	243,028	23.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
Community value-added services(1)	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
Total revenue	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

Note:

(1) Includes gross rental income from investment properties operating leases.

	For the year ended December 31,			For the nine months ended September 30,	
	2018	2019	2020	2020	2021
	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin
	(%)	*(%)*	*(%)*	*(%)*	*(%)*
Property management services	11.1	11.9	17.8	19.0	17.5
Value-added services to non-property owners	27.1	27.3	34.4	32.3	46.1
Community value-added services(1)	48.6	37.4	39.6	38.2	39.0
Overall	**20.0**	**19.2**	**24.9**	**24.6**	**29.6**

Note:

(1) Includes gross rental income from investment properties operating leases.

The following table sets out the breakdown of our revenue by source of projects for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	308,277	53.6	431,282	54.7	524,854	55.6	380,716	57.3	534,714	51.0
— Properties developed by Independent Third Parties	26,840	4.7	30,995	3.9	42,627	4.5	28,782	4.3	43,524	4.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	176,539	30.7	247,956	31.4	284,019	30.1	192,601	28.9	360,499	34.4
— Properties developed by Independent Third Parties	2,074	0.4	2,882	0.4	10,382	1.1	6,381	1.0	11,125	1.0
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	59,921	10.5	74,547	9.5	81,604	8.6	56,702	8.5	97,347	9.3
— Properties developed by Independent Third Parties	852	0.1	661	0.1	724	0.1	140	0.0	1,476	0.1
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

The following table sets out the breakdown of gross profit and gross profit margin by source of projects for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Gross profit *(RMB'000)*	Gross profit margin (%)	Gross profit *(RMB'000)*	Gross profit margin (%)	Gross profit *(RMB'000)*	Gross profit margin (%)	Gross profit *(RMB'000)*	Gross profit margin (%)	Gross profit *(RMB'000)*	Gross profit margin (%)
Property management services	37,105	11.1	54,868	11.9	100,978	17.8	77,831	19.0	101,163	17.5
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	38,548	12.5	54,557	12.6	97,375	18.6	75,386	19.8	97,410	18.2
— Properties developed by Independent Third Parties	-1,443	-5.4	311	1.0	3,603	8.5	2,445	8.5	3,753	8.6
Value-added services to non-property owners	48,373	27.1	68,558	27.3	101,170	34.4	64,231	32.3	171,157	46.1
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	47,149	26.7	67,115	27.1	97,266	34.2	61,852	32.1	169,429	47.0
— Properties developed by Independent Third Parties	1,224	59.0	1,443	50.1	3,904	37.6	2,379	37.3	1,728	15.5
Community value-added services	29,556	48.6	28,097	37.4	32,641	39.6	21,739	38.2	38,575	39.0
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	29,650	49.5	28,043	37.6	32,551	39.9	21,661	38.2	38,177	39.2
— Properties developed by Independent Third Parties	-94[1]	-11.0	54	8.2	90	12.4	78	55.7	398	27.0
Total	**115,034**	**20.0**	**151,523**	**19.2**	**234,789**	**24.9**	**163,801**	**24.6**	**310,895**	**29.6**

Note:

(1) This is attributable to our one-off and non-recurring cleaning services provided to a government facility and not representative of our revenue model for community value-added services.

Gross profit margins of our property management services provided for properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates) and for properties developed by Independent Third Parties both increased throughout the Track Record Period, mainly attributable to our enhanced economies of scale and improved cost-saving measures and operational efficiency. Gross profit margin of our property management services provided for properties developed by Jinmao Group and Sinochem Group and their respective joint ventures and associates in the nine months ended September 30, 2020 was higher than that for the same period in 2021. This is mainly due to relatively lower employee benefit expenses in the nine months ended September 30, 2020 attributable to a reduction in our required contribution to the social insurance fund as we received local government relief effective during that period in response to the COVID-19 outbreak. During the Track Record Period, gross profit margin of our property management services provided to properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates) was generally higher than that for properties developed by Independent Third Parties. This is mainly because the property portfolio developed by Jinmao Group and its joint ventures and associates primarily comprised high-end residential properties, commercial properties and office buildings in first- and second-tier cities, whereas the property portfolio developed by Independent Third Parties comprised more public properties such as government facilities and schools. For instance, residential properties, commercial properties and office buildings accounted for 100.0%, 100.0%, 100.0% and 99.8% of the total GFA of the property portfolio developed by Jinmao Group and its joint ventures and associates managed by us as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively, whereas public properties only accounted for 0.0%, 0.0%, 0.0% and 0.2% during the same periods. In contrast, public properties accounted for 91.0%, 85.7%, 63.9% and 50.1% of the total GFA of the property portfolio developed by Independent Third Parties managed by us as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively, whereas residential properties, commercial properties and office buildings accounted for 9.0%, 14.3%, 36.1% and 49.9% during the same periods. According to China Index Academy, property management services for public properties typically generate relatively lower gross profit margin as compared to that for residential properties, commercial properties and office buildings. Gross profit margin of our property management services provided to Independent Third Parties increased throughout the Track Record Period, mainly due to the shifting composition of the property portfolio developed by Independent Third Parties under our management. In 2018 and 2019, we mainly provided property management services for public properties such as government facilities and schools developed by Independent Third Parties. Since 2020, we have gradually entered into more management contracts for residential properties developed by Independent Third Parties and strategically terminated certain school projects with low gross margin, and therefore our gross profit margin of property management services provided to Independent Third Parties has steadily increased.

In 2018 and 2019, gross profit margin of our value-added services to non-property owners for properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates) was generally lower than that for properties developed by Independent Third Parties. This is mainly because our value-added services provided to Jinmao Group and Sinochem Group (and their respective joint ventures and associates) during this period were primarily sales assistance services, whereas our value-added services provided to Independent Third Parties were primarily consultancy and other value-added services. For instance, consultancy and other value-added services contributed to 20.9%, 18.8%, 21.6% and 53.9% of revenue generated from our value-added services provided to Jinmao Group and Sinochem Group (and their respective joint ventures and associates) in 2018, 2019 and 2020 and the nine months ended September 30, 2021. According to China Index Academy, consultancy and other value-added services typically generate relatively higher gross profit margin as compared to sales assistance services. In the nine months ended September 30, 2021, gross profit margin of our value-added services to non-property owners for properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates) increased mainly due to the expanded service offerings including preliminary planning and design services and post-delivery services, which typically generate higher profit margins compared to other value added services to non-property owners we offer. Our gross profit margin of value-added services to non-property owners for properties developed by Independent Third Parties decreased during the Track Record Period. Our value-added services to non-property owners for properties developed by Independent Third Parties in 2018 and 2019 were mainly consultancy services, and included a small portion of pre-delivery services, which are typically one-off in nature and generate higher gross margins. From 2020, as we proactively reinforced our efforts to seek property management engagements for projects developed by Independent Third Parties, our value-added services to non-property owners for properties developed by Independent Third Parties become more diversified and resulted in increasing revenue contribution from sales assistance services, which typically have lower gross profit margin.

During the Track Record Period, gross profit margin of our community value-added services provided for properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates) was generally higher than that for properties developed by Independent Third Parties. This is mainly because the property portfolio developed by Jinmao Group and its joint ventures and associates primarily comprised high-end residential properties, commercial properties and office buildings in first- and second-tier cities, whereas the property portfolio developed by Independent Third Parties primarily comprised public properties such as government facilities and schools which typically have lower gross profit margin. For instance, residential properties, commercial properties and office buildings accounted for 100.0%, 100.0%, 100.0% and 99.8% of the total GFA of the property portfolio developed by Jinmao Group and its joint ventures and associates managed by us as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively, whereas public properties only accounted for 0.0%, 0.0%, 0.0% and 0.2% during the same periods. In contrast, public properties accounted for 91.0%, 85.7%, 63.9% and 50.1% of the total GFA of the property portfolio developed by Independent Third Parties managed by us as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively, whereas residential properties, commercial properties and office buildings accounted for 9.0%, 14.3%, 36.1% and 49.9% during the same periods. In addition, we mainly provided community space operation services and community living services for residential properties, commercial properties and office buildings, whereas the services we provided for public properties were mainly cleaning, maintenance and security services. According to China Index Academy, gross margin of community space operation services and community living services typically generate relatively higher gross margin compared to cleaning, maintenance and security services. Further, as the contribution from residential properties, commercial properties and office buildings to the GFA of the property portfolio developed by Independent Third Parties gradually increased and we continued to develop our platform services for interior decoration and community living services during the Track Record Period, gross profit margin of our community value-added services provided for properties developed by Independent Third Parties gradually increased.

In 2018, negative gross margin of our community value-added services provided for properties developed by Independent Third Parties was mainly attributable to expenses associated with certain ad hoc services provided to Independent Third Parties. In 2019, gross profit margin of our community value-added services provided for properties developed by Independent Third Parties was lower than that for properties developed by Jinmao Group and Sinochem Group and their respective joint ventures and associates, mainly because the Independent Third Party projects to which we provided community value-added services were specified services for local governments which had lower gross profit margin. Gross profit margin of our community value-added services provided for properties developed by Independent Third Parties increased in 2020 and the nine months ended September 30, 2021, mainly because we expanded our community value-added service offerings to include services with higher gross profit margin such as platform services for interior decoration and community living services.

The following table sets out the breakdown of our Group's (i) contracted GFA, (ii) undelivered GFA, and (iii) number of properties for contracted GFA by source of projects as of the dates indicated:

	As of December 31,			As of September 30,
	2018	2019	2020	2021
Contracted GFA ('000 sq.m.)	21,861.2	30,788.4	40,525.5	45,730.2
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	20,823.2	29,950.5	37,835.9	41,379.0
— Properties developed by Independent Third Parties	1,038.0	837.9	2,689.6	4,351.2
Undelivered GFA ('000 sq.m.)	11,638.1	18,127.8	22,874.0	22,489.4
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	11,638.1	18,026.9	22,343.1	21,260.3
— Properties developed by Independent Third Parties	–	100.9	530.9	1,229.1
Number of properties for contracted GFA	107	148	190	228
— Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	99	137	164	188
— Properties developed by Independent Third Parties	8	11	26	40

The following table sets out the breakdown of our revenue by type of properties for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%	Revenue Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Residential properties	164,568	28.6	201,501	25.6	276,914	29.3	199,400	30.0	335,210	32.0
— Non-residential properties	170,549	29.7	260,776	33.0	290,567	30.8	210,098	31.6	243,028	23.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Residential properties	167,972	29.2	236,522	30.0	280,418	29.7	187,567	28.2	352,463	33.6
— Non-residential properties	10,641	1.9	14,316	1.8	13,983	1.5	11,415	1.7	19,161	1.8
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Residential properties	28,813	5.0	31,861	4.0	40,342	4.3	30,957	4.7	62,785	6.0
— Non-residential properties	31,960	5.6	43,347	5.6	41,986	4.4	25,885	3.8	36,038	3.4
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

The following table sets out the breakdown of gross profit and gross profit margin by type of properties for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	37,105	11.1	54,868	11.9	100,978	17.8	77,831	19.0	101,163	17.5
— Residential properties	2,712	1.6	5,301	2.6	36,788	13.3	33,729	16.9	54,159	16.2
— Non-residential properties	34,393	20.2	49,567	19.0	64,190	22.1	44,102	21.0	47,004	19.3
Value-added services to non-property owners	48,373	27.1	68,558	27.3	101,170	34.4	64,231	32.3	171,157	46.1
— Residential properties	44,758	26.6	63,136	26.7	93,647	33.4	57,656	30.7	159,366	45.2
— Non-residential properties	3,615	34.0	5,422	37.9	7,523	53.8	6,575	57.6	11,791	61.5
Community value-added services	29,556	48.6	28,097	37.4	32,641	39.6	21,739	38.2	38,575	39.0
— Residential properties	12,031	41.8	3,581	11.2	14,524	36.0	12,155	39.3	24,819	39.5
— Non-residential properties	17,525	54.8	24,516	56.6	18,117	43.2	9,584	37.0	13,756	38.2
Total	**115,034**	**20.0**	**151,523**	**19.2**	**234,789**	**24.9**	**163,801**	**24.6**	**310,895**	**29.6**

Gross profit margin of our property management services provided for residential properties increased throughout the Track Record Period, mainly attributable to our enhanced economies of scale and improved cost-saving measures and operational efficiency. For instance, we have enhanced cost control and management at a granular level and continue to evaluate the effectiveness of our cost control measures on a regular basis. Our profit per capita, calculated as net profit divided by staff cost, increased significantly by 16.5% from 2019 to 2020. Gross profit margin of our property management services provided for residential properties was relatively low in 2018 and 2019 compared to that of 2020, primarily because (i) we had 29 residential projects under management across seven regional centers and 40 residential projects under management across eight regional centers nationwide in 2018 and 2019, respectively, with a very low density of projects under management in each regional center, (ii) in order to maintain the quality of services and prepare for future business expansion, we had a full set of staff across three business lines within each region despite we provided services to only a few projects across each region in 2018 and 2019, and (iii) the high costs were mitigated over time as these regional centers began to provide services to more projects in the same region, thus achieving economies of scale. For example, the GFA under management of projects to which our regional center in Nanjing provided services increased by over 200% to 1.0 million sq.m. as of December 31, 2020 from 0.3 million sq.m. as of December 31, 2019. The GFA under management of these projects was 0.2 million sq.m. as of December 31, 2018. As the GFA under management for these projects increased, the cost of sales per sq.m. decreased by 63.3% from 2019 to 2020 and by 75.5% from 2018 to 2020.

Gross profit margin of our property management services provided to non-residential properties in the nine months ended September 30, 2020 was higher than that in the same period of 2021. This is mainly due to relatively lower employee benefit expenses in the nine months ended September 30, 2020 attributable to a reduction in our required contribution to the social insurance fund as we received local government relief effective during that period in response to the COVID-19 outbreak. The government relief is one-off and non-recurring in nature and was a key driver for the increased overall gross profit margins and gross profit margins of our property management services in the nine months ended September 30, 2020 and in 2020. Excluding the impact from the government relief, the increases in gross profit margin of our residential property management services in the nine months ended September 30, 2020 and in 2020 as compared to the respective same periods of 2019 would have been mainly attributable to the effect of economies of scale and cost-control measure. For example, our GFA under management for residential properties increased significantly by 32.5% from December 2018 to December 2019 and by 38.6% from December 2019 to December 2020. The number of properties under our management has also increased. In particular, the number of properties under our management in China's eastern region increased significantly by 27.3% from December 2018 to December 2019 and by 60.7% from December 2019 to December 2020. Due to our optimized personnel management and efficient staffing, our profit per capita, calculated as net profit divided by staff cost, increased significantly by 16.5% from 2019 to 2020.

Gross profit margins of our value-added services to non-property owners provided for residential properties and for non-residential properties both increased throughout the Track Record Period, mainly attributable to our enhanced economies of scale and improved cost-saving measures and operational efficiency. During the Track Record Period, gross profit margin of our value-added services to non-property owners provided for residential properties was generally lower than that for non-residential properties, mainly because the value-added services to non-property owners provided for residential properties included sales assistance services which typically have lower gross profit margin.

In 2018, 2019 and 2020, gross profit margin of our community value-added services provided for residential properties was lower than that for non-residential properties, mainly because community space operation services for residential properties typically have lower gross profit margin than that for commercial properties and office buildings. Gross profit margin of our community value-added services provided for residential properties increased in 2020 and the nine months ended September 30, 2021, mainly because we expanded our community value-added service offerings to include services with higher gross profit margin such as platform services for interior decoration and community living services. Gross profit margin of our community value-added services provided for residential properties in 2019 was lower than that in other periods, mainly due to the high costs incurred for our hot water supply system which commenced operation in 2019. Gross profit margin of our community value-added services provided for residential properties improved in the subsequent periods due to our re-negotiation with property developers. In 2020, gross profit margin of our community value-added services provided for non-residential properties was lower than that in other periods, mainly due to the decreased income from car parking services provided for commercial properties and office buildings under the impact of the COVID-19 outbreak.

The following table sets out the breakdown of our Group's (i) contracted GFA, (ii) undelivered GFA, and (iii) number of properties for contracted GFA by type of properties as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
Contracted GFA ('000 sq.m.)	21,861.2	30,788.4	40,525.5	45,730.2
— Residential properties	19,461.8	27,559.4	36,444.9	41,355.4
— Non-residential properties	2,399.4	3,229.0	4,080.6	4,374.8
Undelivered GFA ('000 sq.m.)	11,638.1	18,127.8	22,874.0	22,489.4
— Residential properties	11,591.8	17,129.5	21,989.1	21,592.1
— Non-residential properties	46.3	998.3	884.9	897.3
Number of properties for contracted GFA	107	148	190	228
— Residential properties	85	118	152	182
— Non-residential properties	22	30	38	46

The following table sets out the breakdown of our revenue by types of ultimate paying customers for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)									
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	95,020	16.5	90,509	11.5	102,611	10.9	78,009	11.7	105,609	10.1
— Independent Third Parties	240,097	41.8	371,768	47.1	464,870	49.2	331,489	49.9	472,629	45.1
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	164,457	28.6	232,210	29.5	279,610	29.6	190,796	28.7	353,669	33.7
— Independent Third Parties	14,156	2.5	18,628	2.3	14,791	1.6	8,186	1.2	17,955	1.7
Community value-added services	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
— Jinmao Group and Sinochem Group (and their respective joint ventures and associates)	20,540	3.6	28,546	3.6	28,568	3.0	19,661	3.0	24,527	2.3
— Independent Third Parties	40,233	7.0	46,662	6.0	53,760	5.7	37,181	5.5	74,296	7.1
Total	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

Our revenue generated from value-added services to non-property owners attributable to property developers which are related parties increased in the nine months ended September 30, 2021 compared to the same period of 2020 primarily due to an increase in revenue generated from preliminary planning and design services and post-delivery services provided to Jinmao Group and its joint ventures and associates.

Our gross profit margins for property management services are generally affected by factors such as: (i) the number of projects within the same geographic location and the optimization level of labor and resources to benefit from project synergies, and (ii) our operating capabilities, including the implementation of cost control measures (such as through the adoption of automation and smart management).

The gross profit margins for our value-added services to non-property owners and community value-added services are generally higher than the gross profit margins for our property management services which are relatively more labor-intensive.

We endeavor to continue to optimize our overall gross profit margins by continuing to diversify our revenue streams, improving cost efficiency through centralized, standardized and smart management, as well as benefiting from the economies of scale of our increased GFA under management. For more details regarding the fluctuation in our gross profit margins during the Track Record Period, see "— Period to Period Comparison — Gross profit and Gross Profit Margin".

Ability to Manage Staff Costs

Our results of operations are affected by our ability to manage our staff costs. During the Track Record Period, staff costs were the largest component of our cost of sales and amounted to RMB148.4 million, RMB204.3 million, RMB214.5 million, RMB162.3 million and RMB203.3 million, respectively, accounting for 32.3%, 32.1%, 30.2%, 32.4% and 27.6% of our cost of sales for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively. The general increases over the Track Record Period in staff costs were mainly attributable to the increase in the number of our employees as we expanded our business, together with increases in overall compensation level.

To cope with rising labor cost while maintaining our service quality, we have implemented a number of measures to reduce our reliance on manual labor, which include standardized and automated smart office and management, adoption of online service platforms to enhance efficiency, as well as deployment of intelligent devices. For more details about our cost-saving measures, see "Business — Standardization and Smart Management".

Brand Positioning and Pricing of Services

Our financial conditions and results of operations are affected by our ability to be engaged for property management projects and to maintain or increase the fees we charge for our services, which are partially affected by our brand recognition and industry position. A well-recognized brand would also help us obtain more value-added service engagements from third-party property developers, and explore more cooperation opportunities with such property developers for new property management projects.

Our established brand and reputation have enabled us to maintain and increase the fee rates we charge for our services. We generally price our property management services by taking into account a number of factors, including (i) the types and geographic locations of the properties; (ii) the scope of the services to be provided; (iii) our estimated costs and targeted profit margins; (iv) the quality, facilities and software systems of the properties; (v) local government guidance prices for property management fees (where applicable); and (vi) competition from peer companies (including the pricing of property management services provided to comparable properties). The balance between pricing our services competitively while ensuring our service quality and an attractive profit margin is key to our financial condition and results of operations.

Competition

The property management industry is fragmented and competitive in the PRC with approximately 200,000 participants in the property management industry in 2020, according to China Index Academy. As an upscale comprehensive property management and city operation service provider with a diversified property management portfolio, we primarily compete against large national and regional property management companies in the PRC in terms of our property management services. For value-added services, we compete against other property management companies as well as other industry participants providing similar services.

We believe that the principal competitive factors include, among others, business scale, price and quality of services, brand recognition and financial resources. Our ability to compete effectively and maintain or improve our market position depends on our ability to solidify our competitive strengths. If we are unable to effectively compete with market players and maintain or increase our market share, our revenue and profitability may be adversely impacted. For more details about the industry and markets that we operate in, see "Industry Overview" and "Risk Factors — Risks relating to our Business and Industry — We are in a competitive business with various competitors and if we do not compete successfully against existing and new competitors, our business, financial position, results of operations and prospects may be materially and adversely affected".

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgements relating to accounting items. In each case, the determination of these items requires management to make subjective and complex judgements based on information and financial data that may change in future periods. When reviewing our financial statements, you should consider (i) our significant accounting policies, (ii) the judgements and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions, where applicable. We set out below those accounting policies that we believe are of critical importance to us or involve the most significant estimates and judgements used in the preparation of our financial statements. Our significant accounting policies, estimates and judgments, which are important for an understanding of our financial condition and results of operations, are set out in further details in Note 2 and Note 3 of the Accountants' Report in Appendix I to this prospectus.

Revenue Recognition

Revenue from contracts with customers

We provide property management services, value-added services to non-property owners and community value-added services to property developers, property owners or tenants, property owners' associations or residents.

Property management services mainly include security, cleaning and greening, repair and maintenance services to owners or tenants of properties. For property management services, we bill a fixed amount for services provided on a monthly basis and recognizes as revenue the amount which we have a right to invoice and that corresponds directly with the value of performance completed.

Value-added services to non-property owners mainly include (i) sales assistance services, mainly including pre-sale preparation, marketing, cleaning, security and maintenance services at property sales venues and display units; (ii) consultancy services, including preliminary planning and design services, construction consultancy services, pre-delivery services prior to delivery of properties to end buyers (mainly clearing, cleaning, assistance at property delivery venues ("**Start-up Services**"), and property inspection services and follow-up with rectification services ("**Inspection and Follow-up Services**")), post-delivery services (mainly repair and maintenance), and other consultancy services (mainly sales agency services with respect to newly developed properties and carpark spaces). We agree the price for each service with the customers upfront and issues the monthly or quarterly bill to the customers which varies based on the actual level of service completed. Revenue from sales assistance services, construction consultancy services, Start-up Services and post-delivery services is recognised over time, in the amount to which we have a right to invoice, because the customer simultaneously receives and consumes the benefits provided by us. Revenue from preliminary planning and design consultancy services, Inspection and Follow-up Services and sales agency services is recognised at the point in time when the services are rendered and accepted by the property developers.

Community value-added services mainly include community space operation services, community living services, agency services with respect to secondary sales of properties, and platform services for interior decoration. Revenue from community space operation services and community living services is recognized when the related services are rendered. Revenue from agency services and platform services for interior decoration is recognized at the point in time when the services are rendered and accepted by the customers.

For property management services income from properties managed under a lump sum basis, where we act as principal and are primarily responsible for providing the property management services to the property owners, we recognize the fee received or receivable from property owners as our revenue and all related property management costs as our cost of services. For property management services income from properties managed under a commission basis, we recognize the revenue, which is calculated as a certain percentage of the total property management fee received or receivable from the property, for arranging and monitoring the services as provided by other suppliers to the property owners.

Revenue from other sources

Rental income is recognized on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are incurred.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Current and Deferred Income Tax

Current tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and tax laws that have been enacted or substantively enacted by the end of each of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which we operate.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except (i) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (ii) in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized, subject to certain exceptions. For details, see Note 17 to the Accountants' Report.

Deferred tax assets and deferred tax liabilities are offset if and only if we have a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Leases

We assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component, we adopt the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets (related to office properties and staff quarters) are measured at cost, less any accumulated depreciation and amortization and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated and amortized on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office properties and staff quarters	1.5 to 5 years

If ownership of the leased asset transfers to us by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and payments of penalties for terminating a lease, if the lease term reflects we exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use our incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from a change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

We apply the short-term lease recognition exemption to short-term leases of buildings and equipments (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When we enter into a lease in respect of a low-value asset, we decide whether to capitalize the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

When we act as a lessor, we classify at lease inception (or when there is a lease modification) each of our leases as either an operating lease or a finance lease.

Leases in which we do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, we allocate the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

When we are an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which we apply the on-balance sheet recognition exemption, we classify the sublease as an operating lease.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of each of the Track Record Period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Provision for Expected Credit Losses ("ECLs") on Trade Receivables and Other Receivables

We use a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by service type, customer type and rating).

The provision matrix is initially based on our historical observed default rates. We calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the property development sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. Our historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. For more details about the ECLs on our trade receivables and other receivables, see Notes 19 and 20 to the Accountants' Report.

Impairment of Non-financial Assets (Other Than Goodwill)

We assess whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases — Estimating the Incremental Borrowing Rate

We cannot readily determine the interest rate implicit in a lease, and therefore, use an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what we "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). We estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

DESCRIPTION OF SELECTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets out our select consolidated statements of comprehensive income for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the year ended December 31,			For the nine months ended September 30,	
	2018	2019	2020	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Revenue	574,503	788,323	944,210	665,322	1,048,685
Cost of sales	(459,469)	(636,800)	(709,421)	(501,521)	(737,790)
Gross profit	115,034	151,523	234,789	163,801	310,895
Other income and gains	11,746	74,712	74,908	58,630	41,048
Selling and distribution expenses	(2,301)	(954)	(1,808)	(1,185)	(10,213)
Administrative expenses	(82,346)	(117,150)	(134,920)	(95,633)	(148,702)
Other expenses, net	(5,606)	(4,441)	(1,258)	(32)	(6,256)
Finance costs	(10,165)	(70,280)	(64,186)	(51,021)	(33,537)
Profit before tax	26,362	33,410	107,525	74,560	153,235
Income tax expense	(8,875)	(10,786)	(30,401)	(21,231)	(43,884)
Profit and total comprehensive income for the year/period	17,487	22,624	77,124	53,329	109,351
Attributable to:					
— Owners of the parent	17,487	22,624	77,124	53,329	108,702
— Non-controlling interests	—	—	—	—	649
	17,487	22,624	77,124	53,329	109,351

Revenue

During the Track Record Period, we derived our revenue from the following three business lines:

(i) Property management services, which primarily consisted of property management fees for providing security, cleaning, greening, gardening and repair and maintenance services, accounted for 58.3%, 58.6%, 60.1%, 61.6% and 55.2% of our total revenue for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively;

(ii) Value-added services to non-property owners, which primarily consisted of sales assistance services, and consultancy services and other value-added services to non-property owners, accounted for 31.1%, 31.8%, 31.2%, 29.9% and 35.4% of our total revenue for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively; and

(iii) Community value-added services, which primarily consisted of common space operation services, real estate brokerage services, platform services for interior decoration, and community living services, accounted for 10.6%, 9.6%, 8.7%, 8.5% and 9.4% of our total revenue for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively. Revenue from community space operation services also include gross rental income from investment properties operating leases.

The following table sets out the breakdown of our total revenue by business line for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Revenue										
Property management services	335,117	58.3	462,277	58.6	567,481	60.1	409,498	61.6	578,238	55.2
— Residential properties	164,568	28.6	201,501	25.6	276,914	29.3	199,400	30.0	335,210	32.0
— Non-residential properties	170,549	29.7	260,776	33.0	290,567	30.8	210,098	31.6	243,028	23.2
Value-added services to non-property owners	178,613	31.1	250,838	31.8	294,401	31.2	198,982	29.9	371,624	35.4
Community value-added services[(1)]	60,773	10.6	75,208	9.6	82,328	8.7	56,842	8.5	98,823	9.4
Total revenue	**574,503**	**100.0**	**788,323**	**100.0**	**944,210**	**100.0**	**665,322**	**100.0**	**1,048,685**	**100.0**

Note:

(1) Includes gross rental income from investment properties operating leases.

Revenue from property management services

Revenue from property management services increased during the Track Record Period, primarily driven by the increase in GFA under management. Our GFA under management as of December 31, 2018, 2019 and 2020 and September 30, 2021 was 10.2 million sq.m., 12.7 million sq.m., 17.7 million sq.m. and 23.2 million sq.m., respectively. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, our revenue from property management services generated on a lump sum basis accounted for 96.8%, 98.7%, 98.5%, 99.0% and 98.7% of our revenue from property management services, respectively. Our overall average property management fee was approximately RMB6.2, RMB5.9, RMB5.4 and RMB4.9 per sq.m. per month for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, respectively.

During the Track Record Period, we generated revenue from the management of a diverse portfolio of properties covering residential properties, in particular, high-end ones, and non-residential properties, including commercial properties, such as office buildings, skyscrapers and shopping malls, and public and other properties, such as schools, government facilities and other public spaces. The following table sets out the breakdown of our revenue from property management services by property type for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Residential properties	164,568	49.1	201,501	43.6	276,914	48.8	199,400	48.7	335,210	58.0
Non-residential properties	170,549	50.9	260,776	56.4	290,567	51.2	210,098	51.3	243,028	42.0
Total	**335,117**	**100.0**	**462,277**	**100.0**	**567,481**	**100.0**	**409,498**	**100.0**	**578,238**	**100.0**

The following table sets out the breakdown of our revenue generated from property management by source of projects for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)[(1)]	308,277	92.0	431,282	93.3	524,854	92.5	380,716	93.0	534,714	92.5
Projects developed by Independent Third Parties[(2)]	26,840	8.0	30,995	6.7	42,627	7.5	28,782	7.0	43,524	7.5
Total	**335,117**	**100.0**	**462,277**	**100.0**	**567,481**	**100.0**	**409,498**	**100.0**	**578,238**	**100.0**

Notes:

(1) "Properties developed by Jinmao Group and Sinochem Group (and their respective joint ventures and associates)" refers to properties solely developed by Jinmao Group or Sinochem Group or jointly developed by Jinmao Group, Sinochem Group and other parties.

(2) "Projects developed by Independent Third Parties" refers to projects not developed by Jinmao Group or Sinochem Group, either solely or jointly with other parties.

The following table sets forth a breakdown of our revenue from property management services by revenue model for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Lump sum basis	324,404	96.8	456,365	98.7	559,079	98.5	405,317	99.0	570,603	98.7
Commission basis	10,713	3.2	5,912	1.3	8,402	1.5	4,181	1.0	7,635	1.3
Total	**335,117**	**100.0**	**462,277**	**100.0**	**567,481**	**100.0**	**409,498**	**100.0**	**578,238**	**100.0**

During the Track Record Period, we derived substantially all of our property management service revenue from property management fees charged on a lump sum basis, with the remaining portion derived from property management fees charged on a commission basis.

Revenue from value-added services to non-property owners

During the Track Record Period, we provided value-added services to non-property owners, including (i) sales assistance services to property developers to assist with their sales and marketing activities at property sales venues and display units, and (ii) consultancy and other value-added services to non-property owners, primarily including pre-delivery services and consultancy services.

The following table sets out the breakdown of our revenue from value-added services to non-property owners by service type for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Sales assistance services	139,425	78.1	204,392	81.5	228,446	77.6	166,566	83.7	174,911	47.1
Consultancy and other value-added services to non-property owners	39,188	21.9	46,446	18.5	65,955	22.4	32,416	16.3	196,713	52.9
Total	**178,613**	**100.0**	**250,838**	**100.0**	**294,401**	**100.0**	**198,982**	**100.0**	**371,624**	**100.0**

Revenue from community value-added services

During the Track Record Period, we provided community value-added services mainly to property owners and residents of our managed properties to address their daily life style needs which included: (i) community space operation services, (ii) real estate brokerage services, (iii) platform services for interior decoration, and (iv) community living services.

The following table sets out the breakdown of our revenue from community value-added services by service type for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Community space operation services(1)	45,198	74.4	57,348	76.3	61,101	74.3	43,164	75.9	72,552	73.4
Community living services	15,108	24.9	17,696	23.5	16,401	19.9	12,187	21.4	17,597	17.8
Platform services for interior decoration	439	0.7	164	0.2	3,802	4.6	797	1.4	5,594	5.7
Real estate brokerage services	28	0.0	—	—	1,024	1.2	694	1.3	3,080	3.1
Total	**60,773**	**100.0**	**75,208**	**100.0**	**82,328**	**100.0**	**56,842**	**100.0**	**98,823**	**100.0**

Note:

(1) Includes gross rental income from investment properties operating leases.

Cost of Sales

Our cost of sales represents costs directly attributable to the provision of our services and comprises (i) staff costs, (ii) sub-contracting costs, (iii) administrative costs, (iv) facilities and equipment maintenance costs, (v) energy costs, (vi) depreciation and amortization, and (vii) others, such as costs in relation to community activities.

The following table sets out the breakdown of our cost of sales by nature for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Staff costs	148,434	32.3	204,290	32.1	214,528	30.2	162,256	32.4	203,298	27.6
Sub-contracting costs	128,760	28.0	189,324	29.7	226,027	31.9	154,238	30.8	220,382	29.9
Administrative costs	87,733	19.1	103,915	16.3	121,053	17.1	84,974	16.9	185,098	25.1
Energy costs	37,354	8.1	52,077	8.2	47,286	6.7	35,363	7.1	50,936	6.9
Facilities and equipment maintenance costs	27,542	6.0	47,481	7.5	52,738	7.4	32,646	6.5	37,973	5.1
Depreciation and amortisation	1,866	0.4	2,609	0.4	6,235	0.9	4,641	0.9	7,354	1.0
Others	27,780	6.1	37,104	5.8	41,554	5.8	27,403	5.4	32,749	4.4
Total cost of sales	**459,469**	**100.0**	**636,800**	**100.0**	**709,421**	**100.0**	**501,521**	**100.0**	**737,790**	**100.0**

The following table sets out the breakdown of our cost of sales by business line for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	298,012	64.9	407,409	64.0	466,503	65.8	331,667	66.1	477,075	64.7
Value-added services to non-property owners	130,240	28.3	182,280	28.6	193,231	27.2	134,751	26.9	200,467	27.2
Community value-added services[1]	31,217	6.8	47,111	7.4	49,687	7.0	35,103	7.0	60,248	8.1
Total cost of sales	**459,469**	**100.0**	**636,800**	**100.0**	**709,421**	**100.0**	**501,521**	**100.0**	**737,790**	**100.0**

Note:

(1) Includes gross rental income from investment properties operating leases.

Gross Profit and Gross Profit Margin

The following table sets out the breakdown of our gross profit and gross profit margin by business line for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	37,105	11.1	54,868	11.9	100,978	17.8	77,831	19.0	101,163	17.5
Value-added services to non-property owners	48,373	27.1	68,558	27.3	101,170	34.4	64,231	32.3	171,157	46.1
Community value-added services[(1)]	29,556	48.6	28,097	37.4	32,641	39.6	21,739	38.2	38,575	39.0
Total/Overall	**115,034**	**20.0**	**151,523**	**19.2**	**234,789**	**24.9**	**163,801**	**24.6**	**310,895**	**29.6**

Note:

(1) Includes gross rental income from investment properties operating leases.

Our overall gross profit margins are primarily affected by our business mix, average property management fee rates we charge for our property management services, geographic concentration of GFA under management and cost control capabilities. For further details regarding the change in our gross profit margin during the Track Record Period, see "— Period to Period Comparison — Gross Profit and Gross Profit Margin".

Other Income and Gains

Other income and gains include (i) bank interest income, (ii) loan interest income, (iii) tax incentives on value-added tax, (iv) government grants, (v) others such as late fees charged to customers who failed to make timely payments.

Our other income and gains were RMB11.7 million, RMB74.7 million, RMB74.9 million, RMB58.6 million and RMB41.0 million for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively, which accounted for approximately 2.0%, 9.5%, 7.9%, 8.8% and 3.9% of our total revenue for the respective periods.

The following table sets out the breakdown of other income and gains for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Other income and gains										
Bank interest income	1,243	10.6	864	1.2	1,313	1.8	958	1.6	2,085	5.1
Loan interest income	9,864	84.0	69,991	93.7	63,750	85.1	50,803	86.6	32,408	79.0
Tax incentives on value-added tax	—	—	1,913	2.6	5,458	7.3	3,828	6.5	4,583	11.2
Government grants	465	4.0	1,647	2.2	3,364	4.5	2,669	4.6	1,503	3.7
Others	174	1.4	297	0.3	1,023	1.3	372	0.7	469	1.0
Total	**11,746**	**100.0**	**74,712**	**100.0**	**74,908**	**100.0**	**58,630**	**100.0**	**41,048**	**100.0**

Selling and Distribution Expenses

Selling and distribution expenses include staff costs and advertising and marketing expenses.

Our selling and distribution expenses were RMB2.3 million, RMB1.0 million, RMB1.8 million, RMB1.2 million and RMB10.2 million for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively, accounting for approximately 0.4%, 0.1%, 0.2%, 0.2% and 1.0% of our total revenue for the respective periods.

Administrative Expenses

Administrative expenses primarily include (i) staff costs, (ii) office expenses, (iii) outsourcing costs; (iv) depreciation and amortization; (v) transportation and travel expenses, (vi) consulting and professional fee, and (vii) others, such as labor union service fees and listing expenses.

Our administrative expenses were RMB82.3 million, RMB117.2 million, RMB134.9 million, RMB95.6 million and RMB148.7 million for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively, which accounted for approximately 14.3%, 14.9%, 14.3%, 14.4% and 14.2% of our total revenue for the respective periods. We have been dedicated to continuously maximizing our administrative efficiency through optimization of management structure and execution of systematic lean management.

The following table sets out the breakdown of administrative expenses for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Staff costs	65,409	79.4	92,662	79.1	105,546	78.2	76,965	80.5	104,999	70.6
Office expenses	5,922	7.2	6,459	5.5	7,225	5.4	5,505	5.8	6,601	4.4
Outsourcing	1,566	1.9	3,006	2.6	5,396	4.0	3,369	3.5	4,939	3.3
Depreciation and amortization	1,832	2.2	3,482	3.0	4,723	3.5	2,852	3.0	8,002	5.4
Transportation and travel expenses	4,052	4.9	4,624	3.9	3,852	2.9	2,140	2.2	2,487	1.7
Consulting and professional fee	1,244	1.5	2,220	1.9	2,764	2.0	1,160	1.2	3,780	2.6
Others	2,321	2.9	4,697	4.0	5,414	4.0	3,642	3.8	17,894	12.0
Total	**82,346**	**100.0**	**117,150**	**100.0**	**134,920**	**100.0**	**95,633**	**100.0**	**148,702**	**100.0**

Other Expenses, Net

Other expenses primarily include fair value loss on investment properties and impairment losses of financial assets including trade receivables and other receivables.

Our other expenses were RMB5.6 million, RMB4.4 million, RMB1.3 million, RMB0.03 million and RMB6.3 million for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively, which accounted for approximately 1.0%, 0.6%, 0.1%. 0.0% and 0.6% of our total revenue for the respective periods.

Finance Costs

Finance costs mainly represent (i) interest on other borrowings and (ii) interest on lease liabilities. Our finance costs were RMB10.2 million, RMB70.3 million, RMB64.2 million, RMB51.0 million and RMB33.5 million for the three years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively, which accounted for approximately 1.8%, 8.9%, 6.8%, 7.7% and 3.2% of our total revenue for the respective periods.

The following table sets out the breakdowns of finance costs for the periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2018		2019		2020		2020		2021	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Finance costs										
— Interest on other borrowings	9,864	97.0	69,991	99.6	63,750	99.3	50,803	99.6	32,841	97.9
— Interest on lease liabilities	301	3.0	289	0.4	436	0.7	218	0.4	696	2.1
	10,165	100.0	70,280	100.0	64,186	100.0	51,021	100.0	33,537	100.0

Income Tax Expenses

Income tax expense consists of current and deferred income taxes in the PRC. Our income tax expenses were RMB8.9 million, RMB10.8 million, RMB30.4 million, RMB21.2 million and RMB43.9 million for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, respectively.

Income tax provision in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the Track Record Period. The general enterprise income tax rate applied to us in PRC is 25%. Some subsidiaries of us are qualified to enjoy preferential enterprise income tax rate during the Track Record Period.

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, our effective income tax rates were 33.7%, 32.3%, 28.3%, 28.5% and 28.6%, respectively. Our effective income rates were higher than the statutory income tax rate of 25% for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 primarily due to non-deductible costs in relation to our payment of remuneration of certain employees. Our effective income rate was higher than the statutory income tax rate of 25% during the Track Record Period primarily due to non-deductible costs in relation to listing expenses, and contributions from China Jinmao for equity-settled share option expenses related to the share options granted by China Jinmao to certain employees of our Group and of China Jinmao who worked for us and for remuneration of a director of our Company settled by a subsidiary of China Jinmao for his service rendered to us. As the aforementioned contributions and remuneration expenses were not paid by us, these expenses were not deductible for taxable profits. During the Track Record Period and up to the Latest Practicable Date, we had no matters in dispute or unresolved with any tax authority in any applicable jurisdiction.

NON-HKFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also presented adjusted profit and total comprehensive income, adjusted net profit margin and adjusted gearing ratio as additional financial measures. We believe that these non-HKFRS measures facilitate comparison of our financial performance and position by eliminating the impact of items.

We define adjusted profit and total comprehensive income as profit and total comprehensive income for the year excluding income and costs related to borrowings and loans due from related parties. We define adjusted total equity as total equity excluding income and costs related to borrowings and loans due from related parties. We define adjusted bank and other borrowings and lease liabilities as sum of long-term and short-term interest-bearing bank and other borrowings and lease liabilities excluding borrowings related to ABS arrangement.

We calculate adjusted net profit margin by dividing adjusted profit and total comprehensive income for the year by revenue for the same year. We calculate adjusted gearing ratio by dividing adjusted bank and other borrowings and lease liabilities by adjusted total equity as of the respective dates.

These non-HKFRS measures eliminate the effect of borrowings and loans due from related parties and borrowings related to the ABS arrangement, which are not related to our ordinary course of business. We believe that these measures provide more useful information to investors and others in understanding and evaluating our consolidated results of operations and financial position in the same manner as our management. Our presentation of these non-HKFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

The following table reconciles our adjusted profit during the Track Record Period presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	For the year ended December 31,			For the nine months ended September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Profit for the year/period	17,487	22,624	77,124	53,329	109,351
Less:					
– Other income and gains related to borrowings and loans due from related parties	9,864	69,991	63,750	50,803	32,408
Add:					
– Finance costs related to interest-bearing borrowings	9,864	69,991	63,750	50,803	32,841
Adjusted profit	17,487	22,624	77,124	53,329	109,784

The following table reconciles our adjusted total equity as of the dates indicated to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Total equity	79,655	107,831	49,134	145,494
Less:				
– Other income related to loans due from related parties and finance costs related to interest-bearing borrowings	—	—	—	(433)
Adjusted total equity	79,655	107,831	49,134	145,927

The following table reconciles our adjusted interest-bearing borrowings and lease liabilities as of the dates indicated to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Sum of long-term and short-term interest-bearing borrowings and lease liabilities	1,346,825	1,220,460	1,098,788	26,452
Less:				
– Borrowings related to the 2018 ABS	1,341,000	1,214,997	1,080,992	—
Adjusted interest-bearing borrowings and lease liabilities	5,825	5,463	17,796	26,452

Our adjusted gearing ratio is nil during the Track Record Period.

The following table sets forth the impact of the 2018 ABS on our net profits and net profit margins after excluding the other income and gains and finance costs and our gearing ratios after excluding interest-bearing borrowings in relation to the 2018 ABS from our financial results during the Track Record Period as of the dates and for the periods indicated:

	As of and for the years ended December 31,			As of and for the nine months ended September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
	(RMB'000, except for the percentages)				
Before adjusting for the 2018 ABS:					
Profit for the year/period	17,487	22,624	77,124	53,329	109,351
Net profit margin(1)	3.0%	2.9%	8.2%	8.0%	10.4%
Gearing ratio(2)	1,683.5%	1,126.8%	2,200.1%	N/A	—
After adjusting for the 2018 ABS:					
Profit for the year/period	17,487	22,624	77,124	53,329	109,784
Net profit margin(1)	3.0%	2.9%	8.2%	8.0%	10.5%
Gearing ratio(2)	—	—	—	N/A	—

Notes:

(1) Net profit margin is calculated based on our profit for the year/period divided by our total revenue in the same year/period, multiplied by 100%.

(2) Gearing ratio is calculated based on interest-bearing borrowings excluding lease liabilities divided by total equity, multiplied by 100%.

PERIOD TO PERIOD COMPARISON

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

Revenue

Revenue increased by 57.6% to RMB1,048.7 million in the nine months ended September 30, 2021 from RMB665.3 million in the same period in 2020. This increase was mainly attributable to an increase in revenue from our property management services, value-added services to non-property owners and community value- added services, as we expanded our business scale.

- *Property management services.* Revenue from property management services increased by 41.2% to RMB578.2 million in the nine months ended September 30, 2021 from RMB409.5 million in the same period in 2020. This increase was mainly attributable to an increase in our GFA under management, which increased to 23.2 million sq.m. as of September 30, 2021.

- *Value-added services to non-property owners.* Revenue from value-added services to non-property owners increased by 86.8% to RMB371.6 million in the nine months ended September 30, 2021 from RMB199.0 million in the same period in 2020. This increase was mainly attributable to an increase in our revenue from preliminary planning and design services and post-delivery services as we expanded our service offerings. We commenced preliminary planning and design services in 2021 which generated revenue of RMB43.7 million in the nine months ended September 30, 2021.

- *Community value-added services.* Revenue from community value-added services increased by 73.9% to RMB98.8 million in the nine months ended September 30, 2021 from RMB56.8 million in the same period in 2020. This increase was primarily due to (i) an increase in the number of properties under our management as a result of our expansion of business scale, which increased to 137 as of September 30, 2021; and (ii) increased revenue from community space operation services and community living services, as a result of the increased GFA under our management, which increased to 23.2 million sq.m. as of September 30, 2021.

Cost of sales

Cost of sales increased by 47.1% to RMB737.8 million in the nine months ended September 30, 2021 from RMB501.5 million in the same period in 2020. This increase was mainly attributable to an increase in our administrative costs, sub-contracting costs and staff costs due to an expansion of our business scale.

Gross profit and gross profit margin

Our gross profit increased by 89.8% to RMB310.9 million in the nine months ended September 30, 2021 from RMB163.8 million in the same period in 2020. As the increase in our revenue outweighed the increase in cost of sales, our overall gross profit margin increased to 29.6% in the nine months ended September 30, 2021 from 24.6% in the same period in 2020 primarily due to the contribution from our new consultancy and other value-added service offerings such as preliminary planning and design services and post-delivery services which typically have higher profit margin.

- *Property management services.* Gross profit margin for property management services decreased to 17.5% in the nine months ended September 30, 2021 from 19.0% in the same period in 2020 primarily because (i) our average property management fees decreased in line with the change of composition of projects delivered by Jinmao Group and (ii) we incurred less employee benefit expenses in the nine months ended September 30, 2020 as a result of a reduction of our required contribution to the social insurance fund as we received government relief in relation to the COVID-19 in the nine months ended September 30, 2020.

- *Value-added services to non-property owners.* Gross profit margin for value-added services to non-property owners increased to 46.1% in the nine months ended September 30, 2021 from 32.3% in the nine months ended September 30, 2020 mainly due to increased revenue from our new consultancy and other value-added service offerings such as preliminary planning and design services and post-delivery services, which, according to China Index Academy, typically generate higher profit margin compared with other value-added services to non-property owners we offer. We commenced preliminary planning and design services in 2021 which generated revenue of RMB43.7 million in the nine months ended September 30, 2021.

- *Community value-added services.* Gross profit margin for community value-added services increased to 39.0% in the nine months ended September 30, 2021 from 38.2% in the same period in 2020 primarily due to increased revenue from our community space operation services, which generally have higher profit margin compared with other community value-added services we provide.

Other income and gains

Other income and gains decreased by 30.0% to RMB41.0 million in the nine months ended September 30, 2021 from RMB58.6 million in the same period in 2020 primarily due to decreased loan interest income as a subsidiary of Jinmao Group partially repaid a loan extended by us using the proceeds from the 2018 ABS.

Selling and distribution expenses

Selling and distribution expenses increased by 761.9% to RMB10.2 million in the nine months ended September 30, 2021 from RMB1.2 million in the same period in 2020. The significant increase was because (i) we incurred less selling and distribution expenses in 2020 as a result of decreased selling and marketing activities during the COVID-19 break; and (ii) the number of our selling and distribution staff increased by 272.7% from 11 as of September 30, 2020 to 41 as of September 30, 2021, which was in line with our increased efforts to expand business into properties developed by Independent Third Parties starting from 2021.

Administrative expenses

Administrative expenses increased by 55.5% to RMB148.7 million in the nine months ended September 30, 2021 from RMB95.6 million in the same period in 2020. This increase was mainly attributable to (i) an increase in staff costs primarily as a result of our business expansion, and (ii) an increase in our listing expenses.

Other expenses, net

We had other expenses of RMB6.3 million in the nine months ended September 30, 2021 compared with other expenses of RMB0.03 million in the same period in 2020, primarily due to a reversal of previously recognized impairment losses of trade receivables in the nine months ended September 30, 2020. The increase was also partially attributable to penalties of RMB3.05 million incurred in the nine months ended September 30, 2021. The penalties were relating to failure to charge end users electricity fees according to governmental pricing standard for certain projects during the Track Record Period. We have implemented rectification measures and enhanced internal control procedures to prevent future occurrence of such incident. For details, see "Business — Non-Compliances — Failure to Meet Governmental Pricing Standard When Charging Electricity Fees to End Users".

Finance costs

Finance costs decreased by 34.3%, to RMB33.5 million in the nine months ended September 30, 2021 from RMB51.0 million in the same period in 2020. This decrease was primarily due to the decreased interest on the 2018 ABS as we partially repaid the principal.

Income tax expenses

Income tax expense increased by 106.7% to RMB43.9 million in the nine months ended September 30, 2021, from RMB21.2 million in the same period in 2020. This increase was primarily attributable to an increase in pre-tax profit to RMB153.2 million in the nine months ended September 30, 2021 from RMB74.6 million in the same period in 2020.

Profit for the period

As a result of the foregoing, profit for the period increased by 105.0% to RMB109.4 million in the nine months ended September 30, 2021 from RMB53.3 million in the same period in 2020 and net profit margin increased to 10.4% in the nine months ended September 30, 2021 from 8.0% in the same period in 2020.

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Revenue

Revenue increased by 19.8% to RMB944.2 million in 2020 from RMB788.3 million in 2019. This increase was mainly attributable to an increase in the revenue of our property management services, value-added services to non-property owners and community value-added services, as we expanded our business scale.

- *Property management services.* Revenue from property management services increased by 22.8% to RMB567.5 million in 2020 from RMB462.3 million in 2019. This increase was mainly attributable to an increase in our GFA under management, which increased to 17.7 million sq.m. as of December 31, 2020 from 12.7 million sq.m. as of December 31, 2019, as a result of our business expansion.

- *Value-added services to non-property owners.* Revenue from value-added services to non-property owners increased by 17.4% to RMB294.4 million in 2020 from RMB250.8 million in 2019. This increase was mainly attributable to an increase in our provision of sales assistance services and pre-delivery services due to an increase in the number of sales activities conducted by property developers to whom we provided services.

- *Community value-added services.* Revenue from community value-added services increased by 9.5% to RMB82.3 million in 2020 from RMB75.2 million in 2019. This increase was primarily due to increased revenue from community space operation services and platform services for interior decoration as a result of the increased GFA under our management, which increased to 17.7 million sq.m. as of December 31, 2020.

Cost of sales

Cost of sales increased by 11.4% to RMB709.4 million in 2020 from RMB636.8 million in 2019. This increase was mainly attributable to an increase in our sub-contracting costs due to an expansion of our business scale.

Gross profit and gross profit margin

Our gross profit increased by 55.0% to RMB234.8 million in 2020 from RMB151.5 million in 2019. Our overall gross profit margin increased to 24.9% in 2020 from 19.2% in 2019 primarily due to (i) the higher gross profit margin of our property management business, and (ii) our increased revenue from pre-delivery services and community space operation services. Such services typically generate higher gross profit margin compared to other services we offer. The increase in our overall gross profit margin in 2020 was also partially attributable to a reduction in our required contribution to the social insurance fund as we received a one-off local government relief in response to the COVID-19 outbreak. According to management's estimation, excluding the impact of the government relief, our overall gross profit margin in 2020 would have been around 2% lower.

- *Property management services.* Gross profit margin for property management services increased to 17.8% in 2020 from 11.9% in 2019 mainly due to the effect of economies of scale and cost-control measures. For example, our GFA under management for residential properties increased significantly by 38.6% from December 2019 to December 2020. The number of properties under our management has also increased. In particular, the number of properties under our management in China's eastern region increased significantly by 60.7% from December 2019 to December 2020.

- *Value-added services to non-property owners.* Gross profit margin for value-added services to non-property owners increased to 34.4% in 2020 from 27.3% in 2019, mainly due to the increased revenue from our pre-delivery services as a percentage of our total revenue from value-added services to non-property owners. Revenue generated from our pre-delivery services amounted to RMB40.4 million and RMB59.3 million in 2019 and 2020. According to China Index Academy, pre-delivery services typically generate a higher gross profit margin compared to other value-added services to non-property owners.

- *Community value-added services.* Gross profit margin for community value-added services increased to 39.6% in 2020 from 37.4% in 2019 primarily due to the increased revenue from community space operation services and platform services for interior decoration, which typically generate a higher gross profit margin. The revenue generated from community space operation services and platform services for interior decoration as a percentage of our community value-added services increased from 76.5% in 2019 to 78.9% in 2020.

Other income and gains

Other income and gains remained relatively stable at RMB74.7 million in 2019 and RMB74.9 million in 2020.

Selling and distribution expenses

Selling and distribution expenses increased by 89.5% to RMB1.8 million in 2020 from RMB1.0 million in 2019. This increase was mainly due to an increase in advertising expenses in relation to brand design and promotion, and upgrade of official website.

Administrative expenses

Administrative expenses increased by 15.2% to RMB134.9 million in 2020 from RMB117.2 million in 2019. This increase was mainly attributable to an increase of RMB12.9 million in staff costs primarily due to the increase in the number of our employees as a result of our business expansion.

Other expenses, net

Other expenses decreased by 71.7% to RMB1.3 million in 2020 from RMB4.4 million in 2019, primarily because we incurred more fair value losses on investment properties in relation to our car park rental services in 2019 than in 2020.

Finance costs

Net finance costs decreased by 8.7% to RMB64.2 million in 2020 from RMB70.3 million in 2019. This decrease was primarily due to the decreased interest on other borrowings as we partially repaid the principal of the 2018 ABS.

Income tax expenses

Income tax expenses increased by 181.9% to RMB30.4 million in 2020 from RMB10.8 million in 2019. This increase was primarily attributable to an increase in pre-tax profit which increased by 221.8% to RMB107.5 million in 2020 from RMB33.4 million in 2019.

Profit for the year

As a result of the foregoing, profit for the year increased by 240.9% to RMB77.1 million in 2020 from RMB22.6 million in 2019 and net profit margin increased to 8.2% in 2020 from 2.9% in 2019.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Revenue

Revenue increased by 37.2% to RMB788.3 million in 2019 from RMB574.5 million in 2018. This increase was mainly attributable to an increase in the revenue from our property management services, value-added services to non-property owners and community value-added services, as we expanded our business scale.

- *Property management services.* Revenue from property management services increased by 37.9% to RMB462.3 million in 2019 from RMB335.1 million in 2018. This increase was mainly attributable to an increase in our GFA under management, which increased to 12.7 million sq.m. as of December 31, 2019 from 10.2 million sq.m. as of December 31, 2018, as we expanded our business scale and we began to charge fees on a lump sum basis for certain projects which historically had been charged on a commission basis.

- *Value-added services to non-property owners.* Revenue from value-added services to non-property owners increased by 40.4% to RMB250.8 million in 2019 from RMB178.6 million in 2018. This increase was primarily due to an increase in the number of properties developed by Jinmao Group (and its joint ventures and associates) to which we offered sales assistance services, which increased from 51 in 2018 to 81 in 2019.

- *Community value-added services.* Revenue from community value-added services increased by 23.8% to RMB75.2 million in 2019 from RMB60.8 million in 2018. This increase was primarily due to increased revenue from our community space operation services as we managed more properties. The number of properties under our management increased from 51 as of December 31, 2018 to 66 as of December 31, 2019.

Cost of sales

Cost of sales increased by 38.6% to RMB636.8 million in 2019 from RMB459.5 million in 2018. This increase was mainly attributable to an increase in our staff costs and sub-contracting costs as a result of an increase of our business scale.

Gross profit and gross profit margin

Our gross profit increased by 31.7% to RMB151.5 million in 2019 from RMB115.0 million in 2018. Our overall gross profit margin decreased to 19.2% in 2019 from 20.0% in 2018 primarily due to the decreased gross profit from community value-added services as a result of the increased investments in our smart management systems.

- *Property management services.* Gross profit margin for property management services increased to 11.9% in 2019 from 11.1% in 2018, which was mainly attributable to our cost-saving measures aimed at increasing operational efficiency in our services while maintaining our service quality. Due to our optimized personnel management and efficient staffing, our profit per capita, calculated as net profit divided by the number of our staff, increased by 21.0% from 2018 to 2019.

- *Value-added services to non-property owners.* Gross profit margin for value-added services to non-property owners remained relatively stable at 27.1% and 27.3% in 2018 and 2019, respectively.

- *Community value-added services.* Gross profit margin for community value-added services decreased to 37.4% in 2019 from 48.6% in 2018, primarily due to increased staff costs in line with our business expansion, which increased from RMB148.4 million in 2018 to RMB204.3 million in 2019.

Other income and gains

Other income and gains increased by 536.1% to RMB74.7 million in 2019 from RMB11.7 million in 2018. This increase was primarily attributable to increased loan interest income of RMB60.1 million derived from the loan to a subsidiary of Jinmao Group extended by us using the proceeds from the 2018 ABS in late 2018.

Selling and distribution expenses

Selling and distribution expenses decreased by 58.5% to RMB1.0 million in 2019 from RMB2.3 million in 2018, mainly because we incurred expenses in relation to enhanced marketing efforts in 2018 while we did not incur such expenses in 2019.

Administrative expenses

Administrative expenses increased by 42.3% to RMB117.2 million in 2019 from RMB82.3 million in 2018. This increase was mainly attributable to an increase of RMB27.3 million in staff costs primarily due to the increase in the number of our administrative related staff as a result of our business expansion.

Other expenses, net

Other expenses decreased by 20.8% to RMB4.4 million in 2019 from RMB5.6 million in 2018, primarily because of a decrease in impairment provision made for past due balances of certain of our trade receivables and other receivables as we considered the collection from customers became more likely.

Finance costs

Finance costs increased by 591.4% to RMB70.3 million in 2019 from RMB10.2 million in 2018, primarily due to the increased interest on other borrowings as we made more interest payments in relation to the 2018 ABS for the full year in 2019 compared with two months' interest payments in 2018.

Income tax expenses

Income tax expenses increased by 21.5% to RMB10.8 million in 2019 from RMB8.9 million in 2018. This increase was primarily attributable to an increase in pre-tax profit which increased by 26.7% to RMB33.4 million in 2019 from RMB26.4 million in 2018.

Profit for the year

As a result of the foregoing, profit for the year increased by 29.4% to RMB22.6 million in 2019 from RMB17.5 million in 2018 and net profit margin decreased to 2.9% in 2019 from 3.0% in 2018.

DESCRIPTION OF SELECTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets out our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
NON-CURRENT ASSETS				
Property, plant and equipment	10,916	17,889	33,615	38,245
Investment properties	14,510	11,640	10,590	9,459
Right-of-use assets	1,926	2,433	15,970	24,982
Intangible assets	192	6,155	7,084	6,108
Deferred tax assets	1,578	1,607	2,457	4,085
Other receivables and other assets	1,215,623	1,086,022	941,593	3,374
Total non-current assets	1,244,745	1,125,746	1,011,309	86,253
CURRENT ASSETS				
Inventories	6,400	5,493	5,199	5,044
Trade receivables	88,801	155,291	203,713	451,537
Prepayments, other receivables and other assets	440,526	544,576	644,196	515,762
Restricted cash	—	—	—	1,278
Cash and cash equivalents	160,030	155,113	270,818	274,169
Total current assets	695,757	860,473	1,123,926	1,247,790
CURRENT LIABILITIES				
Trade payables	82,897	90,655	112,036	150,737
Other payables and accruals	317,279	401,709	520,641	621,713
Contract liabilities	98,148	146,917	206,391	258,992
Interest-bearing borrowings	126,000	134,000	144,000	—
Lease liabilities	1,547	2,063	5,572	10,713
Tax payable	13,119	16,661	22,735	5,326
Total current liabilities	638,990	792,005	1,011,375	1,047,481
NET CURRENT ASSETS	56,767	68,468	112,551	200,309

	As of December 31,			As of September 30,
	2018	2019	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
TOTAL ASSETS LESS CURRENT LIABILITIES	1,301,512	1,194,214	1,123,860	286,562
NON-CURRENT LIABILITIES				
Other payables	—	—	123,657	123,657
Interest-bearing borrowings	1,215,000	1,080,997	936,992	—
Lease liabilities	4,278	3,400	12,224	15,739
Deferred tax liabilities	2,579	1,986	1,853	1,672
Total non-current liabilities	1,221,857	1,086,383	1,074,726	141,068
Net assets	79,655	107,831	49,134	145,494
Equity attributable to equity holder of the parent				
Share capital	N/A	N/A	—*	66,947
Reserves	79,655	107,831	49,134	72,798
	79,655	107,831	49,134	139,745
Non-controlling interests	—	—	—	5,749
Total equity	**79,655**	**107,831**	**49,134**	**145,494**

Note:

* The amount is less than RMB1,000.

Property, Plant and Equipment

Property, plant and equipment mainly consists of electronic equipment, leasehold improvements, and furniture and office equipment.

Property, plant and equipment increased from RMB10.9 million as of December 31, 2018 to RMB17.9 million as of December 31, 2019 and further to RMB33.6 million as of December 31, 2020 and to RMB38.2 million as of September 30, 2021, primarily due to the procurement of electronic equipment, office equipment and IoT equipment for our business operations.

Investment Properties

Our investment properties consist of car park spaces owned by our wholly-owned subsidiary Nanjing Ninggao. Our investment properties decreased from RMB14.5 million as of December 31, 2018 to RMB11.6 million as of December 31, 2019 and RMB10.6 million as of December 31, 2020, and further to RMB9.5 million as of September 30, 2021 mainly due to the decreased fair value of the car park spaces as the remaining term of the lease agreement was shortened over a period of time.

Right-of-use Assets

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by us. Assets arising from a lease are initially measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use asset is depreciated over the shorter of the estimated asset's useful life and the lease term on a straight-line basis.

Our right-of-use assets increased from RMB1.9 million as of December 31, 2018 to RMB2.4 million as of December 31, 2019, to RMB16.0 million as of December 31, 2020 and further to RMB25.0 million as of September 30, 2021, mainly due to the increased number of property leases as a result of the increasing demand for employee dormitories and office properties as we expanded our business.

Intangible Assets

As of December 31, 2018, 2019 and 2020 and September 30, 2021, we recorded intangible assets of RMB0.2 million, RMB6.2 million, RMB7.1 million and RMB6.1 million, respectively, comprising software, information technology infrastructure and other smart management systems for properties under our management. Our intangible assets increased significantly from RMB0.2 million as of December 31, 2018 to RMB6.2 million as of December 31, 2019 mainly due to increased purchases of software and operating systems to improve our smart management capabilities.

Inventories

Our inventories mainly comprise consumables, spare parts and general merchandise.

The following table sets out the breakdown of our inventories as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Consumables and spare parts	5,895	5,072	4,801	4,735
General merchandise	505	421	398	309
Total	**6,400**	**5,493**	**5,199**	**5,044**

Our inventories were RMB6.4 million, RMB5.5 million, RMB5.2 million and RMB5.0 million as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively. The decrease from RMB6.4 million as of December 31, 2018 to RMB5.2 million as of December 31, 2020 and further to RMB5.0 million as of September 30, 2021 was primarily attributable to our improved inventory management.

As of December 31, 2021, RMB0.6 million, or 11.9%, of our total inventories as of September 30, 2021 had been subsequently utilized.

Trade Receivables

Trade receivables comprise receivables from property management services, community space operation services and sales assistance services. We typically do not grant a credit term to individual customers for our property management services and customers for our community value-added services. We typically grant a credit term of 90 days to 180 days to property developers.

The following table sets out the breakdown of the trade receivables as of the dates indicated.

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Related parties	61,495	97,630	129,148	286,762
Third parties	31,396	60,910	78,186	169,409
	92,891	158,540	207,334	456,171
Less: allowance for impairment of trade receivables	(4,090)	(3,249)	(3,621)	(4,634)
Total	**88,801**	**155,291**	**203,713**	**451,537**

Our trade receivables from third parties are primarily related to property management fees and the balances of which increased during the Track Record Period. This was mainly attributable to an increase in our property management revenue as we expanded our business with an increase in our GFA under management. Our trade receivables from related parties are primarily related to value-added services to non-property owners, the balances of which increased during the Track Record Period along with the increase in revenue from our value-added services to non-property owners. We had a higher balance of trade receivables as of September 30, 2021 as compared to as of December 31, 2020. This was mainly due to the seasonal fluctuations in the collection of our trade receivables which we believe reflects certain of our customers' tendency to pay their property management fees toward the year-end out of payment preference and convenience.

As of December 31, 2021, RMB266.8 million, or 59.1%, of our total trade receivables as of September 30, 2021 had been subsequently settled. As of December 31, 2021, RMB170.2 million, or 59.4%, of our total trade receivables from related parties as of September 30, 2021 had been subsequently settled. As of December 31, 2021, RMB96.6 million, or 58.6%, of our total trade receivables from non-related parties as of September 30, 2021 had been subsequently settled.

We seek to maintain strict control over our outstanding receivables. Overdue balances are reviewed regularly by senior management. The following table sets out an aging analysis of our trade receivables, based on the invoice date and net of loss allowance, as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 1 year	79,175	143,978	172,392	413,394
1 to 2 years	6,162	6,227	26,192	25,366
2 to 3 years	1,982	2,237	2,667	8,102
Over 3 years	1,482	2,849	2,462	4,675
	88,801	155,291	203,713	451,537

We expect the settlement progress of related parties, namely Jinmao Group and its joint ventures and associates, will remain similar and in accordance with the credit periods, if any, granted after the Listing.

Trade receivables aged over one year amounted to RMB9.6 million, RMB11.3 million, RMB31.3 million and RMB38.1 million as of December 31, 2018, 2019, 2020 and September 30, 2021, respectively, which accounted for 10.8%, 7.3%, 15.4% and 8.4% of our trade receivables as of the respective dates. Our Directors consider that there is no material recoverability issue with respect to such trade receivables aged over one year for the following reasons: (i) such trade receivables are from independent third parties which are primarily related to property management fees receivables from a large number of individual property owners each involving a relatively limited amount of outstanding trade receivables, (ii) we monitor long-aging trade receivables closely and request the collection status thereof to be reported regularly to our headquarters and the management of regional offices, (iii) as further elaborated in "Business — Property Management Services — Property Management Fees — Collection of Property Management Fees", we have taken various measures to enhance the collection of such trade receivables. In the event of significant payment delays after repeatedly failed collection attempts, we may resort to legal proceedings to collect the outstanding property management fees, and (iv) we have, in accordance with applicable HKFRSs, made provision for these long-aging trade receivables based on their respective expected credit loss rate.

The following table sets out our trade receivables turnover days for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2018	**2019**	**2020**	**2021**
Trade receivables turnover days[(1)]	59	73	80	117
Trade receivables turnover days from related parties[(1)]	80	101	115	160
Trade receivables turnover days from non-related parties[(1)]	39	51	53	81

Note:

(1) Our trade receivables turnover days for a period is derived by dividing the closing balances of trade receivables by revenue for the period and then multiplying by the number of days in the period.

Trade receivables turnover days indicates the time required for us to collect cash payments from provision of services. Our trade receivables turnover days were 59 days, 73 days, 80 days and 117 days in 2018, 2019 and 2020 and in the nine months ended September 30, 2021. Our trade receivables turnover days increased from 2018 to 2020 mainly attributable to increased sales assistance services provided to certain related parties to whom we typically grant a longer credit period. Our trade receivables turnover days increased from 80 days in 2020 to 117 days in the nine months ended September 30, 2021 primarily because we typically collect trade receivables at the end of the year. The turnover days of our trade receivables from related parties are longer than that of our trade receivables from non-related parties, mainly because the credit term we typically offer to our related parties is 90 to 180 days while the credit term we offer to non-related parties is 0 to 90 days, pursuant to our credit policy. We determine the length of credit term offered to each of our customers based on the background, creditworthiness and collection rate of the customer. As our related parties are mainly reputable and creditworthy state-owned enterprises with high certainty of collection, we typically grant longer credit term to our related parties according to our credit policy rather than due to their relationships with us. Going forward, we will continue to monitor and seek to escalate the collection of trade receivables from Jinmao Group through a number of measures, including utilizing our information technology systems, in particular our fee collection system, to monitor and control the collection progress, proactively communicating with related parties with respect to approaching payment deadlines and evaluating the accounts to determine the appropriate collection strategy. In particular with respect to our collection efforts in relation to community value added services and value-added services to non-property owners, we have adopted several measures including checking monthly balances of receivables with related party customers at the end of each month. We undertake to enhance our receivables collection effort to reduce our trade receivable turnover days in accordance with the credit periods we granted in the contract entered into with customers after the Listing.

We apply the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

As of December 31, 2018, 2019 and 2020 and September 30, 2021, the expected credit loss rate was 4.40%, 2.05%, 1.75% and 1.02% respectively. Our expected credit loss rate decreased during the Track Record Period primarily due to the collection of certain long-term trade receivables from customers. As of December 31, 2018, 2019 and 2020 and September 30, 2021, the expected credit loss rate for trade receivables from third parties past due over three years was 79.93%, 69.75%, 87.74% and 38.81%, respectively. The expected credit loss rate for trade receivables from third parties past due over three years decreased from 87.74% as of December 31, 2020 to 38.81% as of September 30, 2021. The decrease was primarily because we increased our efforts to collect long-term trade receivables and collected RMB1.4 million of trade receivables aged over three years in the nine months ended September 30, 2021, resulting in a 31.1% decrease in expected credit loss of trade receivables aged over three years from approximately RMB1.8 million as of December 31, 2020 to approximately RMB1.3 million as of September 30, 2021. As of December 31, 2018, 2019 and 2020 and September 30, 2021, we have assessed that the expected loss rate for trade receivables from related parties was immaterial considering the good finance position and credit history of the entities. Thus, no loss allowance provision for trade receivables from related parties was recognized during the Track Record Period.

We have formulated and implemented various measures to expedite the recovery of our trade receivables. For details, see "Business — Property Management Services — Property Management Fees". We set internal targets for collection of trade receivables with respect to property management services and value-added services to non-property owners, respectively.

In determining the loss provision for trade receivables, we consider whether there is a significant increase in credit risk of the receivables. To assess whether there is a significant increase in credit risk, we compare the risk of default occurring on the receivables as of the reporting date with the risk of default as of the date of initial recognition. For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021, we made an allowance for impairment of trade receivables in the amount of RMB4.1 million, RMB3.2 million, RMB3.6 million and RMB4.6 million, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant difficulty in collecting trade receivables from both related parties and third parties.

Prepayments, Other Receivables and Other Assets

Prepayments, other receivables and other assets mainly include: (i) amounts due from related parties, (ii) deposits of ABS arrangement, (iii) prepayments primarily in relation to utility fees and lease payments, (iv) deposits placed for contract performance, tender and bidding process and leases, (v) advances to employees, and (vi) payments on behalf of residents and tenants, and (vii) others.

Amounts due from related parties mainly represent: (i) advances to related parties which are non-trade in nature, (ii) receivables in relation to payments made on behalf of related parties, (iii) interest receivable in relation to loans to related parties, and (iv) performance guarantees and bidding guarantees placed with related parties.

Advance payments to employees for business purposes were primarily relating to petty cash fund advanced to employees for payment of utilities, purchase of materials, expenses for team-building activities and internal meetings and other costs or expenses to be incurred by employees for our daily operations.

As of December 31, 2021, RMB4.2 million, or 80.9%, of advance payments to employees for business purposes as of September 30, 2021 had been subsequently settled.

The following table sets out the breakdowns of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of September 30,
	2018	2019	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Current				
Amounts due from related parties	282,855	466,190	569,813	406,238
Deposits of ABS arrangement	99,169	2,228	5,837	—
Prepayments	19,206	18,111	19,410	14,398
Deposits	10,840	11,748	8,040	13,816
Advances to employees	1,109	3,285	4,265	5,192
Other receivables	18,980	18,718	14,966	30,263
Payments on behalf of residents/tenants[1]	8,967	26,042	23,415	43,204
Others	262	—	—	4,754
	441,388	546,322	645,746	517,865
Impairment allowance	(862)	(1,746)	(1,550)	(2,103)
	440,526	544,576	644,196	515,762
Non-current				
Amounts due from related parties	1,215,000	1,080,997	936,992	—
Other assets	623	5,025	4,601	3,374
	1,215,623	1,086,022	941,593	3,374

Note:

1. Payments on behalf of residents/tenants represent the current accounts with the residents/tenants of communities/properties managed by us.

We had current portion of prepayments, other receivables and other assets of RMB440.5 million, RMB544.6 million, RMB644.2 million and RMB515.8 million as of December 31, 2018, 2019 and 2020 and September 30, 2021 generally in line with our business expansion.

Non-current portion of other receivables and other assets decreased from RMB1,215.6 million as of December 31, 2018 to RMB1,086.0 million as of December 31, 2019 primarily due to our partial repayment of the 2018 ABS and related parties' repayments of cash advances and interest-bearing loans. Non-current portion of other receivables and other assets decreased from RMB1,086.0 million as of December 31, 2019 to RMB941.6 million as of December 31, 2020 mainly attributable to related parties' repayments of certain interest-bearing loans. Non-current portion of other receivables and other assets decreased from RMB941.6 million as of December 31, 2020 to RMB3.4 million as of September 30, 2021 mainly attributable to reclassification of certain amounts due from related parties to current portion reflecting their payment schedule.

The outstanding amounts due from our related parties are non-trade in nature (excluding prepayments included in the balance of due from related parties, which are trade in nature) and had been settled as of the Latest Practicable Date.

Before allowance for impairment of other receivables, we had other receivables from related parties of RMB1,497.9 million, RMB1,547.2 million, RMB1,506.8 million and RMB409.6 million as of December 31, 2018, 2019 and 2020 and September 30, 2021, respectively.

For further details regarding our other receivables from related parties, see "— Related Party Transactions and Balances" and Note 29 of the Accountants' Report as set out in Appendix I to this prospectus.

Trade Payables

Trade payables primarily represent our obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

The following table sets out the breakdown of our trade payables as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Trade payables				
— Related parties	1,294	700	687	586
— Third parties	81,603	89,955	111,349	150,151
	82,897	90,655	112,036	150,737

The increase in trade payables to third parties from RMB81.6 million as of December 31, 2018 to RMB90.0 million as of December 31, 2019, to RMB111.3 million as of December 31, 2020 and further to RMB150.2 million as of September 30, 2021 was primarily due to the expansion of our business, reflecting an increase in the procurement of security and cleaning services and facilities and equipment maintenance services.

Trade payables to related parties were in relation to procurement of information technology services, dining services and other goods and services from related parties.

The following table sets out an aging analysis of our trade payables based on the invoice date as of the dates indicated, and our average trade payables turnover days for the periods indicated:

	As of/for the year ended December 31,			**As of/for the nine months ended September 30,**
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 1 year	76,107	84,227	107,183	142,620
1 to 2 years	5,650	4,202	1,459	4,877
2 to 3 years	156	1,247	1,665	1,044
Over 3 years	984	979	1,729	2,196
	82,897	90,655	112,036	150,737
Trade payables turnover days(1)	66	52	58	55

Note:

(1) Our trade payables turnover days for a period is derived by dividing the closing balances of trade payables by cost of sales for the period multiplied by the number of days in the period.

Trade payables turnover days indicates the time we take to make payments to suppliers. Our trade payables turnover days are well within the credit term typically granted by our suppliers which ranged from 30 to 90 days.

As of December 31, 2021, RMB131.3 million, or 87.1%, of our total trade payables as of September 30, 2021 had been subsequently settled.

Contract Liabilities

Contract liabilities represent our obligations to provide the contracted services primarily comprising property management services. Our contract liabilities mainly arise from the advance payments made by customers while the underlying services are yet to be provided. As of December 31, 2018, 2019 and 2020 and September 30, 2021, we had contract liabilities of RMB98.1 million, RMB146.9 million, RMB206.4 million and RMB259.0 million, respectively, the general increase of which was primarily as a result of the growth of our business.

The following table sets out the breakdown of the revenue-related contract liabilities recognized by us as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Contract liabilities				
— Third parties	94,142	130,589	183,829	232,270
— Related parties	4,006	16,328	22,562	26,722
	98,148	146,917	206,391	258,992

Other Payables and Accruals

Other payables and accruals represent (i) amounts due to related parties, (ii) receipts on behalf of residents and tenants, (iii) deposits and temporary receipts primarily in relation to bidding and renovation, (iv) payroll and welfare payables, (v) other tax payables, and (vi) other payables relating to stored value cards that employees use in cafeterias. The following table sets out the components of our other payables and accruals as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Current				
Amounts due to related parties	115,768	151,480	231,567	246,599
Receipts on behalf of residents/tenants	86,520	121,354	132,938	135,644
Deposits and temporary receipts	34,148	40,549	48,259	66,245
Payroll and welfare payables	27,465	27,926	30,021	43,066
Other tax payables	11,362	17,237	23,283	37,535
Other payables	42,016	43,163	54,573	92,624
	317,279	401,709	520,641	621,713
Non-current				
Dividend payable	—	—	123,657	123,657

We had current portion of other payables and accruals of RMB317.3 million, RMB401.7 million, RMB520.6 million and RMB621.7 million as of December 31, 2018, 2019 and 2020 and September 30, 2021. Our current portion of other payables and accruals increased through the Track Record Period generally in line with our business expansion.

The outstanding amounts due to our related parties are non-trade in nature and are expected to be settled before the completion of the Spin-off, except for the outstanding balances of RMB16.1 million due to certain non-wholly-owned entities of China Jinmao ("the Non-wholly-owned JM Entities") as of September 30, 2021 in relation to the collection of car park rental income by our Group on their behalf, which are not expected to be settled before the completion of the Spin-off. For details, see "— Related Party Transactions and Balances — Related Party Balances".

Dividend payable represents a dividend of RMB123.7 million declared by Jinmao PM to its then shareholders, China Jinmao and its wholly-owned subsidiary, Beijing Chemsunny, in 2020. 85% of such dividend, RMB105.1 million was paid on January 11, 2022 and the remainder will be paid by the end of 2022 through our internal funds.

As of December 31, 2021, we had settled RMB98.6 million, or 15.9%, of our other payables and accruals as of September 30, 2021.

Interest-bearing Borrowings

Interest-bearing borrowings include an asset-backed securities arrangement with a third-party securities company, pursuant to which we pledged the receivables for certain properties under our management in 2018 (the "**2018 ABS**"). The 2018 ABS comprised a priority tranche and a sub-prime tranche with aggregate principal of RMB1,460.0 million and RMB80.0 million, respectively. The 2018 ABS bears interest at a rate ranging from 4.88% to 5.50% per annum. As of December 31, 2018, 2019 and 2020, and September 30, 2021, RMB1,341.0 million, RMB1,215.0 million, RMB1,081.0 million and nil, respectively, of the 2018 ABS remained outstanding. As of the Latest Practicable Date, the 2018 ABS had been fully repaid. The following table sets out the components of our interest-bearing borrowings as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Current				
Current portion of long term other loans	126,000	134,000	144,000	—
Non-current				
Other loans	1,215,000	1,080,997	936,992	—
	1,341,000	1,214,997	1,080,992	—

Our interest-bearing borrowings decreased from RMB1,341.0 million as of December 31, 2018 to RMB1,215.0 million as of December 31, 2019, to RMB1,081.0 million as of December 31, 2020 and further to nil as of September 30, 2021, primarily because we had continued to repay the 2018 ABS on a quarterly basis and fully repaid the 2018 ABS.

INDEBTEDNESS

As of December 31, 2018, 2019 and 2020 and September 30, 2021 and December 25, 2021, our interest-bearing borrowings amounted to RMB1,341.0 million, RMB1,215.0 million, RMB1,081.0 million, nil and nil, respectively. As of the same dates, we had lease liabilities amounting to RMB5.8 million, RMB5.5 million, RMB17.8 million, RMB26.5 million and RMB35.3 million, respectively. The outstanding balances of other payables due to related parties, including dividend payable, which were non-trade in nature, were not included in the indebtedness statement.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date we did not have any material defaults in payment of our trade and non-trade payables and borrowings nor breaches of covenants. Except as disclosed herein, we did not have any banking facilities, outstanding loan capital, debt securities issued or agreed to be issued, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant in connection therewith on a consolidated basis as of December 25, 2021, being the latest practicable date for the purpose of the indebtedness statement.

Borrowings

The following table sets out our borrowings as of the dates indicated:

	As of December 31,			As of September 30,	As of December 25,
	2018	**2019**	**2020**	**2021**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Current					
Current portion of long term other loans	126,000	134,000	144,000	—	—
Non-current					
Other loans	1,215,000	1,080,997	936,992	—	—
	1,341,000	1,214,997	1,080,992	—	—

2018 ABS

In 2018, we entered into a non-recurring asset-backed security arrangement with an independent third-party securities company. The ABS was secured by the right of receipt of the property management fees for certain properties under our management. The 2018 ABS comprised a priority tranche and a sub-prime tranche with aggregate principal of RMB1,460.0 million and RMB80.0 million, respectively. The 2018 ABS bears interest at a rate ranging from 4.88% to 5.50% per annum. As of December 31, 2018, 2019 and 2020, and September 30, 2021 and December 25, 2021, RMB1,341.0 million, RMB1,215.0 million, RMB1,081.0 million, nil and nil, respectively, of the 2018 ABS remained outstanding. As of the Latest Practicable Date, the 2018 ABS had been fully repaid.

In connection with the 2018 ABS, we extended a loan using proceeds from it to Jinmao Group at an aggregate principal amount of RMB1,460.0 million at the same effective interest rate as the 2018 ABS. We used the payment from Jinmao Group for the aforementioned loan as the source of funding for the repayment of the 2018 ABS. We entered into the 2018 ABS arrangement to use our future rights to receive property management fees for certain properties under our management to support Jinmao Group's financing.

The following table sets forth details about relevant accounts and balances associated with the 2018 ABS during the Track Record Period.

	As of/For the year ended December 31,			As of/For the nine months ended September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Prepayments, other receivables and other assets — Current portion	225,169	136,228	149,837	N/A	—
Prepayments, other receivables and other assets — Non-current portion	1,215,000	1,080,997	936,992	N/A	—
Interest-bearing borrowings — Current portion	126,000	134,000	144,000	N/A	—
Interest-bearing borrowings — Non-current portion	1,215,000	1,080,997	936,992	N/A	—
Other income and gains	9,864	69,991	63,750	50,803	32,408
Finance costs	9,864	69,991	63,750	50,803	32,841

The relevant current portion of prepayments, other receivables and other assets represents the sum of (i) loans due from Jinmao Group, which equals to the relevant current portion of our interest-bearing borrowings, and (ii) deposits of ABS arrangement due from the independent securities company with whom we entered into the ABS arrangement placed by us for the purpose of the ABS arrangement, which had been fully settled as of July 30, 2021. For details, see Note 20 to Appendix I to this prospectus.

Lease Liabilities

Our lease liabilities primarily arose from lease contracts for office premises used in our operations. Our total lease liabilities amounted to RMB5.8 million, RMB5.5 million, RMB17.8 million, RMB26.5 million and RMB35.3 million as of December 31, 2018, 2019 and 2020 and September 30, 2021 and December 25, 2021, respectively.

The following table sets out the components of our lease liabilities as of the dates indicated:

	As of December 31,			As of September 30,	As of December 25,
	2018	**2019**	**2020**	**2021**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Lease liabilities analysed into:					
Current portion	1,547	2,063	5,572	10,713	9,108
Non-current	4,278	3,400	12,224	15,739	26,227
Total	**5,825**	**5,463**	**17,796**	**26,452**	**35,335**

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal cash requirements are to pay for working capital needs and capital expenditures for the expansion and procurement of property, plant and equipment and intangible assets. Cash flows from operating activities have been, and are expected to continue to be, our principal source of working capital in the foreseeable future. We plan to use a portion of the net proceeds from the Global Offering for satisfying our working capital needs.

Working Capital Sufficiency

Our Directors are of the view that, after taking into account the financial resources available to us, including our cash and cash equivalents, cash generated from operations, and the estimated net proceeds of the Global Offering, we have sufficient working capital to satisfy our requirements at present and for at least the next 12 months following the date of this prospectus.

Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Operating cash flows before movements in working capital	37,676	47,070	124,801	85,533	174,235
Movement in working capital	(53,288)	(24,164)	35,442	(62,387)	(74,680)
Cash generated from/(used in) operations	(15,612)	22,906	160,243	23,146	99,555
Interest received	1,243	864	1,313	958	2,085
Income tax paid	(5,456)	(7,866)	(25,310)	(18,621)	(63,102)
Net cash flows (used in)/from operating activities	(19,825)	15,904	136,246	5,483	38,538
Net cash flows (used in)/from investing activities	(1,334,955)	176,878	170,550	100,618	1,097,222
Net cash flows from/(used in) financing activities	1,326,180	(197,699)	(191,091)	(116,090)	(1,132,409)
Net (decrease)/increase in cash and cash equivalents	(28,600)	(4,917)	115,705	(9,989)	3,351
Cash and cash equivalents at beginning of the year/period	188,630	160,030	155,113	155,113	270,818
Cash and cash equivalents at end of the year/period	**160,030**	**155,113**	**270,818**	**145,124**	**274,169**

Operating Activities

In the nine months ended September 30, 2021, we had net cash from operating activities of RMB38.5 million, primarily attributable to our profit before tax of RMB153.2 million, as adjusted for non-cash and non-operating items, which primarily include (i) finance costs of RMB33.5 million and (ii) loan interest income of RMB32.4 million. The amount was further adjusted by changes in income tax paid of RMB63.1 million and working capital. The changes in working capital primarily included (i) an increase in other payables and accruals of RMB98.9 million attributable to increased amounts due to related parties generally in line with our business growth and (ii) an increase in contract liabilities of RMB52.6 million due to increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management, partially offset by (i) an increase in trade receivables of RMB248.8 million due to an increase in business volume and revenue from sales assistance services provided to certain related parties to whom we typically grant a longer credit term, and (ii) an increase in prepayments, other receivables and other assets of RMB14.9 million, which was generally in line with our business growth.

In the nine months ended September 30, 2020, we had net cash from operating activities of RMB5.5 million, primarily attributable to our profits before tax of RMB74.6 million, as adjusted for non-cash and non-operating items, which primarily include (i) finance costs of RMB51.0 million and (ii) loan interest income of RMB50.8 million. The amount was further adjusted by changes in income tax paid of RMB18.6 million and working capital. The changes in working capital primarily included (i) an increase in other payables and accruals of RMB89.0 million attributable to increased amounts due to related parties and (ii) an increase in contract liabilities of RMB40.1 million due to increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management, partially offset by (i) an increase in prepayments, other receivables and other assets of RMB153.7 million generally in line with our business growth and (ii) an increase in trade receivables of RMB69.7 million mainly due to an increase in business volume and revenue from sales assistance services provided to certain related parties to whom we typically grant a longer credit term.

In 2020, we had net cash from operating activities of RMB136.2 million, primarily attributable to our profit before tax of RMB107.5 million, as adjusted for non-cash and non-operating items, which primarily include (i) finance costs of RMB64.2 million and (ii) loan interest income of RMB63.8 million. The amount was further adjusted by changes in income tax paid of RMB25.3 million and working capital. The changes in working capital primarily included (i) an increase in other payables and accruals of RMB92.1 million attributable to increased amounts due to related parties and (ii) an increase in contract liabilities of RMB59.5 million due to increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management, partially offset by (i) an increase in prepayments, other receivables and other assets of RMB89.0 million, which was generally in line with our business growth, and (ii) an increase in trade receivables of RMB48.8 million generally in line with our business expansion.

In 2019, we had net cash from operating activities of RMB15.9 million, primarily attributable to our profit before tax of RMB33.4 million, as adjusted for non-cash and non-operating items, which primarily include (i) finance costs of RMB70.3 million and (ii) loan interest income of RMB70.0 million. The amount was further adjusted by changes in income tax paid of RMB7.9 million and working capital. The changes in working capital primarily included (i) an increase in other payables and accruals of RMB85.4 million attributable to increased amounts due to related parties and (ii) an increased in contract liabilities of RMB48.8 million due to increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management, partially offset by (i) an increase in prepayments, other receivables and other assets of RMB101.3 million, which was generally in line with our business growth, and (ii) an increase in trade receivables of RMB65.6 million due to increased sale of property management services, community space operation services and sales assistance services along with our business expansion.

In 2018, we had net cash used in operating activities of RMB19.8 million, primarily attributable to our profit before tax of RMB26.4 million, as adjusted for non-cash and non-operating items, which primarily include (i) finance costs of RMB10.2 million and (ii) loan interest income of RMB9.9 million. The amount was further adjusted by changes in income tax paid of RMB5.5 million and working capital. The changes in working capital primarily included (i) an increase in other payables and accruals by RMB53.8 million attributable to increased amounts due to related parties, (ii) an increased in trade payables by RMB30.0 million due to the increased purchases of materials from suppliers and the increased procurement of security and cleaning services and (iii) an increased in contract liabilities by RMB21.7 million due to increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management, partially offset by an increase in prepayments, other receivables and other assets of RMB146.5 million, which was generally in line with our business growth.

Investing Activities

In the nine months ended September 30, 2021, we had net cash from investing activities of RMB1,097.2 million, primarily reflecting repayment from related parties of RMB1,081.0 million and loan interest received of RMB28.7 million.

In the nine months ended September 30, 2020, we had net cash from investing activities of RMB100.6 million, primarily reflecting repayment from related parties of RMB66.0 million and loan interest received of RMB48.0 million, partially offset by purchase of items of property, plant and equipment of RMB13.1 million.

In 2020, we had net cash from investing activities of RMB170.6 million, primarily reflecting (i) repayment from related parties of RMB134.0 million and (ii) loan interest received of RMB63.5 million, partially offset by purchase of items of property, plant and equipment of RMB23.9 million.

In 2019, we had net cash from investing activities of RMB176.9 million, primarily reflecting (i) repayment from related parties of RMB126.0 million and (ii) loan interest received of RMB69.6 million, partially offset by purchase of items of property, plant and equipment of RMB12.0 million.

In 2018, we had net cash used in investing activities of RMB1,335.0 million, primarily reflecting cash advanced made to related parties of RMB1,460.0 million, partially offset by repayment from related parties of RMB119.0 million.

Financing Activities

In the nine months ended September 30, 2021, we had net cash used in financing activities of RMB1,132.4 million, primarily reflecting (i) repayment of interest-bearing borrowings of RMB1,081.0 million, (ii) interest paid of RMB30.5 million in relation to the 2018 ABS and (iii) acquisition of subsidiaries under common control of RMB19.9 million.

In the nine months ended September 30, 2020, we had net cash used in financing activities of RMB116.1 million, primarily reflecting repayment of interest-bearing borrowings of RMB66.0 million and interest paid of RMB48.4 million in relation to the 2018 ABS.

In 2020, we had net cash used in financing activities of RMB191.1 million, primarily reflecting (i) repayments of other borrowings of RMB134.0 million in relation to our partial repayment of the 2018 ABS and (ii) interest paid of RMB63.9 million in relation to the aforementioned borrowings by us.

In 2019, we had net cash used in financing activities of RMB197.7 million, primarily reflecting (i) repayments of other borrowings of RMB126.0 million in relation to our partial repayment of the 2018 ABS and (ii) interest paid of RMB69.9 million in relation to the aforementioned borrowings by us.

In 2018, we had net cash from financing activities of RMB1,326.2 million, primarily reflecting proceeds from the 2018 ABS of RMB1,460.0 million, which was partially offset by (i) repayments of other borrowings of RMB119.0 million in relation to our partial repayment of the 2018 ABS and (ii) interest paid of RMB13.3 million in relation to the aforementioned borrowings by us.

Net Current Assets

The following table sets out our current assets, current liabilities and net current assets or liabilities as of the dates indicated:

	As of December 31,			As of September 30,	As of December 31,
	2018	2019	2020	2021	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Current assets					
Inventories	6,400	5,493	5,199	5,044	4,523
Trade receivables	88,801	155,291	203,713	451,537	447,847
Prepayments, other receivables and other assets	440,526	544,576	644,196	515,762	364,490
Restricted cash	—	—	—	1,278	1,278
Cash and cash equivalents	160,030	155,113	270,818	274,169	553,395
Total current assets	**695,757**	**860,473**	**1,123,926**	**1,247,790**	**1,371,533**
Current liabilities					
Trade payables	82,897	90,655	112,036	150,737	174,144
Other payables and accruals	317,279	401,709	520,641	621,713	705,367
Contract liabilities	98,148	146,917	206,391	258,992	343,556
Interest-bearing borrowings	126,000	134,000	144,000	–	–
Lease liabilities	1,547	2,063	5,572	10,713	8,972
Tax payable	13,119	16,661	22,735	5,326	4,709
Total current liabilities	**638,990**	**792,005**	**1,011,375**	**1,047,481**	**1,236,748**
Net current assets	**56,767**	**68,468**	**112,551**	**200,309**	**134,785**

Our net current assets decreased from RMB200.3 million as of September 30, 2021 to RMB134.8 million as of December 31, 2021, primarily due to (i) an RMB151.3 million decrease in prepayments, other receivables and other assets as a result of our year-end collection activities and repayments made by related parties, (ii) an RMB84.6 million increase in contract liabilities in line with the increased number of projects under our management, and (iii) an RMB83.7 million increase in other payables and accruals as a result of reclassification of non-current dividend payable into current dividend payable in the fourth quarter of 2021, partially offset by an RMB279.2 million increase in cash and cash equivalents due to increased proceeds from our business operations as a result of our expanded business operations, our year-end collection activities, and repayments made by related parties.

Our net current assets increased from RMB112.6 million as of December 31, 2020 to RMB200.3 million as of September 30, 2021, primarily due to (i) an RMB128.4 million decrease in prepayments, other receivables and other assets generally in line with our business growth, and (ii) an RMB247.8 million increase in trade receivables attributable to an increase in business volume and revenue from sales assistance services provided to certain related parties to whom we typically grant a longer credit term, and (iii) an RMB144.0 million decrease in interest-bearing borrowings due to the repayment of the 2018 ABS according to its payment schedule.

Our net current assets increased from RMB68.5 million as of December 31, 2019 to RMB112.6 million as of December 31, 2020, primarily due to (i) an RMB115.7 million increase in cash and cash equivalents due to increased proceeds from our business operations and (ii) an RMB99.6 million increase in prepayments, other receivables and other assets, which was generally in line with our business growth, partially offset by (i) an RMB118.9 million increase in our other payables and accruals as a result of increased amounts due to related parties and (ii) an RMB59.5 million increase in our contract liabilities as a result of the increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management.

Our net current assets increased from RMB56.8 million as of December 31, 2018 to RMB68.5 million as of December 30, 2019, primarily due to (i) an RMB104.1 million increase in our prepayments, other receivables and other assets, which was generally in line with our business growth and (ii) an RMB66.5 million increase in our trade receivables as a result of increased sales from our property management services, community space operation services and sales assistance services in line with our business expansion, partially offset by (i) an RMB84.4 million increase in our other payables and accruals as a result of the increased amounts due to related parties and (ii) an RMB48.8 million increase in our contract liabilities as a result of the increased advance payments made by customers for property management services in line with the enlarged portfolio of properties under our management.

CAPITAL COMMITMENTS

During the Track Record Period, we did not have any material capital commitment.

CAPITAL EXPENDITURES

During the Track Record Period, we incurred capital expenditures mainly for purchase of property, plant and equipment such as buildings, furniture, equipment and vehicles, as well as purchases of intangible assets such as software.

The table below sets out the breakdown of our following capital expenditures for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2018	2019	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Purchase of property, plant and equipment	7,078	11,958	23,857	11,293
Purchase of intangible assets	61	7,014	3,111	1,272
Total	**7,139**	**18,972**	**26,968**	**12,565**

We currently expect our capital expenditures for the year ending December 31, 2021 to be RMB28.2 million, which will be used mainly for the procurement of office equipment, software and electronic equipment.

RELATED PARTY TRANSACTIONS AND BALANCES

Related Party Transactions

During the Track Record Period, we had certain related party transactions, mainly (i) provision of services, (ii) rental cost and expenses, (iii) purchase of services, and (iv) interest income.

These related party transactions were conducted in accordance with terms as agreed between us and the respective related parties. Our Directors confirm that all the aforementioned related party transactions during the Track Record Period were conducted on normal commercial terms that are reasonable and in our interest as a whole. Our Directors further confirm that these related party transactions would not distort our results of operations for the Track Record Period or make our historical results not reflective of our future performance.

Provision of services

For the years ended December 31, 2018, 2019 and 2020 and nine months ended September 30, 2020 and 2021, we had provided services, including property management services, value-added services to non-property owners and community value-added services, to related parties, primarily comprising Jinmao Group and its joint ventures and associates, in an aggregate amount of RMB280.0 million, RMB351.3 million, RMB410.8 million, RMB288.5 million and RMB483.8 million, respectively.

Lease expenses

For the years ended December 31, 2018, 2019 and 2020 and nine months ended September 30, 2020 and 2021, we incurred rental cost and expenses to Jinmao Group amounted RMB1.7 million, RMB1.7 million, RMB2.5 million, RMB1.3 million and RMB5.6 million, respectively. Such leases are mainly for offices and car park spaces.

Purchase of services

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, we had purchased information technology services from Jinmao Group and other subsidiaries of Sinochem Group of RMB1.6 million, RMB1.4 million, RMB2.5 million, RMB1.9 million and RMB4.2 million, respectively.

Equity-settled share option expenses

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, we granted share options to certain management of our Group in respect to their services and incurred equity-settled share option expenses of RMB1.0 million, RMB3.8 million, RMB3.6 million, RMB2.7 million and RMB1.3 million, respectively.

Interest Income

For the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021, we recorded interest income on loans by Jinmao Group and other subsidiaries of Sinochem Group in the amount of RMB9.9 million, RMB70.1 million, RMB63.9 million, RMB50.9 million and RMB32.6 million. Jinmao Group obtained a loan facility comprising proceeds from the 2018 ABS from us in 2018 at a principal amount of RMB1,460.0 million. We placed deposits with other subsidiaries of Sinochem Group which generated interest income at variable interest rates.

The Article 61 of the General Lending Provisions (《貸款通則》) issued by the PBOC prohibits any financing arrangements or lending transactions between non-financial institutions. Further, pursuant to Article 73 of the General Lending Provisions, the PBOC may impose on the non-compliant lender a fine of one to five times the income received by the lender from such loans. Notwithstanding the General Lending Provisions, the Supreme People's Court has made new interpretations concerning financing arrangements and lending transactions between non-financial institutions in the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) (the "**Judicial Interpretations on Private Lending Cases**") which came into effect on September 1, 2015 and amended on August 19, 2020 and December 29, 2020. According to Article 10 of the Judicial Interpretations on Private Lending Cases, the Supreme People's Court recognizes the validity of financing arrangements and lending transactions between non-financial institutions so long as certain requirements, such as the interest rates charged, are satisfied and there is no violation of mandatory provisions of laws and regulations.

As of the Latest Practicable Date, we had not received any notice of claim or was subject to any investigation or penalty relating to the loans we provided to related parties during the Track Record Period. Our Directors confirm that all borrowings between related parties and us had been fully settled as of the Latest Practicable Date. Our Directors further confirm that we will not engage in any borrowing arrangement with related parties in violation of the applicable laws and regulations in the future.

Related Party Balances

The following table sets out the breakdown of our related party balances as of the dates indicated:

	As of December 31,			As of September 30,
	2018	**2019**	**2020**	**2021**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Prepayments and receivables from related parties				
Trade receivables				
— Other subsidiaries of Sinochem Group	794	1,159	1,615	3,232
— Joint ventures of Sinochem Group	—	—	—	91
— Associates of Sinochem Group	48	—	—	—
— Jinmao Group	44,038	68,108	89,154	218,700
— Joint ventures of Jinmao Group	12,771	19,825	25,275	44,469
— Associates of Jinmao Group	3,844	8,538	13,104	20,270
Sub-total	61,495	97,630	129,148	286,762

	As of December 31,			As of September 30,
	2018	2019	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Prepayment and other receivables				
— Other subsidiaries of Sinochem Group	110	5	638	7,988
— Joint ventures of Sinochem Group	—	—	—	80
— Associates of Sinochem Group	—	—	—	17
— Jinmao Group	1,497,322	1,546,759	1,505,744	393,905
— Joint ventures of Jinmao Group	423	423	423	252
— Associates of Jinmao Group	—	—	—	3,996
Sub-total	1,497,855	1,547,187	1,506,805	406,238
Deposits placed with Sinochem Finance	70,033	53,587	120,490	55,056
Payables to related parties				
Trade payables				
— Other subsidiaries of Sinochem Group	337	232	109	70
— Jinmao Group	957	468	578	516
Sub-total	1,294	700	687	586

	As of December 31,			As of September 30,
	2018	2019	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Other payables				
— Other subsidiaries of Sinochem Group	2,066	2,607	4,391	14,475
— Joint ventures of Sinochem Group	—	—	—	82
— Associates of Sinochem Group	445	663	809	329
— Jinmao Group	112,996	148,203	349,616	346,568
— Joint ventures of Jinmao Group	261	7	348	6,102
— Associates of Jinmao Group	–	–	60	2,700
Sub-total	115,768	151,480	355,224	370,256
Lease liabilities				
— Jinmao Group	5,184	4,888	15,632	23,398
Contract liabilities				
— Other subsidiaries of Sinochem Group	679	381	407	2,687
— Joint ventures of Sinochem Group	—	—	—	65
— Associates of Sinochem Group	—	1	—	140
— Jinmao Group	2,081	12,816	15,491	14,571
— Joint ventures of Jinmao Group	756	1,904	4,347	5,197
— Associates of Jinmao Group	490	1,226	2,317	4,062
Sub-total	4,006	16,328	22,562	26,722

The outstanding balances of due from and due to our related parties consist of (i) trade receivables, trade payables, prepayments, lease liabilities and contract liabilities with related parties and deposits placed with Sinochem Finance which are trade in nature; and (ii) other receivables and other payables with related parties which are non-trade in nature. All of the non-trade balances with our related parties had been settled as of the Latest Practicable Date, except for (i) an outstanding balance of RMB31.6 million as of September 30, 2021 due to Jinmao Group (and its joint ventures and associates), which are expected to be settled before the completion of the Spin-off, and (ii) the outstanding balances due to the Non-wholly-owned JM Entities of RMB16.1 million as of September 30, 2021 in relation to the collection of car park rental income by our Group on their behalf, which are not expected to be settled before the completion of the Spin-off, as further explained below.

As of September 30, 2021, we had an outstanding balance of RMB16.1 million due to the Non-wholly-owned JM Entities. The outstanding balance relates to the car park management services provided by us to owners of the car park spaces, including the Non-wholly-owned JM Entities, whereby we help owners manage and lease their car park spaces and collect rents on their behalf. The rents received from lessees, after deducting commission fees charged by us, shall be remitted to the owners of the car park spaces according to the payment schedule individually negotiated with the owners. We will not be able to settle the outstanding balance due to the Non-wholly-owned JM Entities for the rents received on their behalf prior to the Spin-off because (i) it takes uncertain amount of time to negotiate pricing and payment term with external third parties, which are shareholders of these Non-wholly-owned JM Entities; (ii) external third parties need to go through internal procedures to decide whether to agree on the settlement and the terms thereof; and (iii) certain entities in charge of the projects have been liquidated, resulting in difficulties in determining parties that should be receiving the settled balances. For further details on related party transactions and balances, see Note 29 of the Accountants' Report in Appendix I to this prospectus.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any outstanding guarantees or other material contingent liabilities. Our Directors confirm that there was no material change in our indebtedness, capital commitments and contingent liabilities since the latest date for liquidity disclosure and up to the Latest Practicable Date.

OFF BALANCE SHEET TRANSACTIONS

During the Track Record Period and up to the Latest Practicable Date, we did not enter into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative agreements that are indexed to our equity interests and classified as shareholder's equity, or that are not reflected in our consolidated financial statements. We do not have any material off-balance sheet arrangements, nor do we have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios as of the dates or for the periods indicated:

	As of/for the year ended December 31,			As of/for the nine months ended September 30,	
	2018	2019	2020	2020	2021
Current ratio[(1)]	1.1	1.1	1.1	N/A	1.2
Quick ratio[(2)]	1.1	1.1	1.1	N/A	1.2
Return on equity[(3)]	22.0%	21.0%	157.0%	N/A	75.2%
Return on total assets[(4)]	0.9%	1.1%	3.6%	N/A	8.2%
Gross profit margin[(5)]	20.0%	19.2%	24.9%	24.6%	29.6%
Net profit margin[(6)]	3.0%	2.9%	8.2%	8.0%	10.4%

Notes:

(1) Current ratio is calculated by dividing total current assets by total current liabilities as of the date indicated.

(2) Quick ratio is calculated by dividing total current assets less inventories by total current liabilities as of the date indicated.

(3) Return on equity is calculated by dividing profit for the year/period by the closing balances of total equity for the relevant year/period and multiplied by 100%.

(4) Return on total assets is calculated by dividing profit for the year/period by the closing balances of total assets for the relevant year/period and multiplied by 100%.

(5) Gross profit margin is calculated by dividing gross profit by total revenue for the relevant year/period.

(6) Net profit margin is calculated by dividing profit by total revenue for the relevant year/period.

Current Ratio

Our current ratio remained relatively stable at 1.1 as of December 31, 2018, 2019 and 2020 and at 1.2 as of September 30, 2021, respectively.

Quick Ratio

Our quick ratio remained relatively stable at 1.1 as of December 31, 2018, 2019 and 2020 and at 1.2 as of September 30, 2021, respectively.

Return on Equity

Our return on equity decreased from 22.0% in 2018 to 21.0% in 2019, primarily due to an increase in our net assets resulting from our partial repayments of the 2018 ABS. Our return on equity increased significantly from 21.0% in 2019 to 157.0% in 2020, primarily due to a significant increase in our profit from 2019 to 2020 as well as a significant decrease in total equity from 2019 to 2020 due to the dividends declared by subsidiaries of the Company to their then shareholders.

Return on Total Assets

Our return on total assets increased from 0.9% in 2018 to 1.1% in 2019 and further to 3.6% in 2020 mainly as a result of an increase in our profit for the year during the three years.

Gross profit margin and net profit margin

For further details on the changes of our gross profit margins and net profit margins for the Track Record Period, see "— Period to Period Comparison".

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS

In the normal course of business, we are exposed to various types of financial risks, mainly including market risk (including currency risk and fair value interest rate risk), credit risk and liquidity risk. Our overall risk management focuses on the unpredictability of economic conditions and seeks to minimize potential adverse effects on our financial performance. We do not hold or issue derivative financial instruments either for hedging or for trading purposes, or enter into any other hedging arrangements. For further details, see Note 32 of the Accountants' Report in Appendix I to this prospectus.

Credit Risk

We are exposed to credit risk in relation to trade receivables, other receivables, cash and cash equivalents and restricted cash.

The following table sets forth the credit quality and the maximum exposure to credit risk based on our credit policy as of the dates indicated.

	As of December 31,			As of September 30,
	2018	2019	2020	2021
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Trade receivables(1)	92,891	158,540	207,334	456,171
Financial assets included in prepayments, other receivables and other assets(2):				
— Normal	1,626,776	1,580,507	1,535,253	448,341
— Doubtful	8,967	26,042	23,415	43,204
Restricted cash				
— Not yet past due	—	—	—	1,278
Cash and cash equivalents				
— Not yet past due	160,030	155,113	270,818	274,169
Total	**1,888,664**	**1,920,202**	**2,036,820**	**1,223,163**

Notes:

(1) We apply the simplified approach for impairment of trade receivables. For further details, see Note 19 of the Accountants' Report in Appendix I to this prospectus.

(2) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

The doubtful financial assets included in prepayments, other receivables and other assets represent property management fees due from customers in projects to which we charge property management fees on a commission basis. Our Directors believe that there is no material recoverability issue with these receivables and no further impairment is required. We have adopted a number of internal control measures on the collection of property management fees. For instance, we may send payment reminders to property developers, property owners and residents in writing when the property management fees become due. Our staff will visit the customer to make inquiries and may call such customers to follow up with the overdue payments; if in the event of significant payment delays after repeatedly failed collection attempts, we may initiate legal proceedings against such customers to claim the outstanding amounts.

We expect that there is no significant credit risk associated with cash and cash equivalents since they are substantially deposited at state-owned banks, other medium or large-sized banks and other financial institutions with high credit rating. Our management does not expect that there will be any significant losses from non-performance by these counterparties.

We expect that the credit risk associated with trade receivables and other receivables due from related parties is considered to be low, since related parties have strong capacity to meet contractual cash flow obligation in the near term. Thus, the impairment provision recognized during the Track Record Period was nil for the trade receivables and other receivables due from related parties.

We trade only with recognized and credit worthy third parties. We manage concentrations of credit risk by analyzing individual customers and counterparties. There are no significant concentrations of credit risk from third parties as the customer bases of our trade receivables and other receivables are widely dispersed. In addition, receivable balances are monitored on an ongoing basis.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligation due to shortage of funds. Our exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. We manage to maintain a balance between continuity of funding to finance its working capital needs as well as capital expenditure in respect of its management projects, and flexibility through the use of stand-by credit facilities.

Interest Rate Risk

We are not exposed to material interest rate risk as we do not have long term debt obligations with a floating interest rate.

Foreign Currency Risk

We are not exposed to material foreign currency risk as we conduct our business principally in PRC and all the transactions are denominated in RMB.

DIVIDENDS

No dividend was declared or paid by our Company during the Track Record Period and up to the Latest Practicable Date. Certain subsidiaries now comprising our Group had provided for or paid dividends of RMB123.7 million and RMB28.2 million to their then shareholders in 2020, respectively. For details, see Note 11 to Appendix I to this prospectus.

Any declaration of dividends is subject to our results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant from time to time. In addition, any declaration and payment as well as the amount of the dividends will be subject to constitutional documents and the relevant laws.

DISTRIBUTABLE RESERVES

The distributable reserves of our Company represented share premium and retained earnings. Our Company was incorporated in Hong Kong on September 14, 2020 and has not carried out any business since the date of its incorporation. As of September 30, 2021, our Company had no distributable reserves. Certain subsidiaries now comprising our Group had distributable reserves as of September 30, 2021.

LISTING EXPENSES

The total listing expenses for the Listing of the Shares are estimated to be approximately HK$65.2 million (assuming an Offer Price of HK$7.83 per Share, being the mid-point of the indicative Offer Price range), among which, approximately HK$23.6 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$41.6 million will be charged to our consolidated statement of profit or loss and other comprehensive income. During the Track Record Period, we incurred listing expenses of RMB12.5 million, which were charged to our consolidated statement of profit or loss and other comprehensive income. Our total listing expenses account for approximately 8.2% of our gross proceeds from the Global Offering (assuming an Offer Price of HK$7.83 per Share, being the mid-point of the indicative Offer Price range and not taking into account the Offer Size Adjustment Option and the Over-allotment Option). The aforementioned estimated listing expenses of approximately HK$65.2 million include (i) professional fees paid and payable to the professional parties for their services rendered in relation to the Listing and the Global Offering which are non-underwriting related expenses, including sponsor fees, fees paid and payable to legal advisers, reporting accountants, the internal control consultant and the independent industry consultant of approximately HK$35.1 million, (ii) other non-underwriting related fees and expenses of approximately HK$11.0 million, and (iii) the underwriting commission (including SFC transaction levy, Stock Exchange trading fee and FRC transaction levy) of approximately HK$19.1 million, payable to the Underwriters in connection with the offering of Offer Shares under the Global Offering. The listing expenses above are the latest practicable estimates and are provided for reference only and actual amounts may differ. Our Directors do not expect such expenses to have a material adverse impact on our financial results for the year ending December 31, 2021.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

Please refer to Part A of Appendix II to this prospectus for the unaudited pro forma statement of adjusted net tangible assets, and is set out therein to illustrate the effect of the Global Offering on the net tangible assets attributable to the equity holders of our Company as of September 30, 2021 as if the Global Offering had taken place on September 30, 2021 and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

MATERIAL ADVERSE CHANGE

Our Directors confirm that, since September 30, 2021 and up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects and no event has occurred that would materially and adversely affect the information shown in our consolidated financial statements set out in the Accountants' Report included in Appendix I to this prospectus.

NO ADDITIONAL DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances which would have given rise to any disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules had the Shares been listed on the Stock Exchange on that date.

FUTURE PLANS

See the section headed "Business — Business Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering (after deducting underwriting commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), assuming an Offer Price of HK$7.83 per Offer Share (being the mid-point of the indicative Offer Price range), will be approximately HK$728.9 million. We intend to apply the net proceeds in the following manner:

(1) approximately 55%, or HK$400.9 million, will be used to pursue selective strategic investment and acquisition opportunities with companies engaged in property management, city operation services and/or community operations and to expand our business scale and solidify our leading industry position, among which:

- approximately 50%, or HK$364.4 million, will be used to acquire, invest in or cooperate with other property management companies and professional service providers in the upstream and downstream of city operation services which are suitable for and complementary to our business operations and strategies with a view to enlarge our business scale, expand our geographic coverage and diversify our type of properties managed; and

- approximately 5%, or HK$36.4 million, will be used to acquire or invest in companies which provide community products and services complementary to those of ours, including companies engaging in areas such as community health management and interior decoration, to utilize the expertise and experience of these companies and tap into the needs of the property owners and residents in these areas and to enrich our source of value-added service income.

Please refer to "— Plans for Strategic Acquisitions and Investments" for further details;

(2) approximately 22%, or HK$160.4 million, will be used to upgrade our systems for smart management services and for the development of our smart communities and smart city solutions, aiming to offer a higher-quality living experience with more convenience for our property owners and residents and further enhance cost-efficiency for our property management and city operation services, among which:

(i) approximately 10%, or HK$72.9 million, will be used to purchase and upgrade hardware for the deployment of smart devices and Internet of Things facilities, in order to improve the efficiency of property management and operations, reduce the cost of basic property management services, and provide customers with the experience of a more thoughtful servicescape. We plan to use approximately 4%, 3%and 3% of the net proceeds of the Global Offering for such expansion plan, or HK$29.2 million, HK$21.9 million and HK$21.9 million in 2022, 2023 and 2024, respectively.

The following table sets forth details for the purchase and upgrade of hardware for the deployment of, among others, the following smart devices and Internet of Things facilities:

Smart devices and Internet of Things facilities	Major features, functions and benefits	Expected useful life	Expected cost
Anti-tailing AB door	We plan to introduce an anti-tailing AB door system which involves the installation of two gates at the entrance of the community with anti-tailing detectors installed between the two gates to ensure that only one person can pass the gates each time and the first gate must be locked before the second gate can be opened, so as to prevent unauthorized entries to the community, and reduce the number of security guards required to station at each entrance of the community	Eight years	HK$22.3 million

Smart devices and Internet of Things facilities	Major features, functions and benefits	Expected useful life	Expected cost
Smart entrance system	We plan to increase the coverage of our smart entrance system integrating QR code recognition, face recognition and temperature measurement systems to 70% of the projects under our management by the end of 2024, to allow property owners and residents to enter the community by using the QR code generated from the “Home” (回家) mobile application or scanning their faces to achieve touchless entry and enhance the convenience of user experience	Six years	HK$14.3 million
Smart car park management system	We plan to (a) increase the coverage of our car park management system equipped with automatic license plate detection and recognition system to 70% of the projects under our management by the end of 2024 to reduce the need of security guards and lower labor costs, and (b) enhance the automatic control capabilities of the smart car park management system, such as introducing a detection system to monitor the movement of vehicles at the entrance and exit of the car parks and initiate a call to the central control room automatically once a vehicle is found to have stopped at the entrance or exit for a period of time exceeding the pre-set time limit	Five years	HK$9.9 million

Smart devices and Internet of Things facilities	Major features, functions and benefits	Expected useful life	Expected cost
Quality control system	We plan to invest in our quality control system, including, among others: (a) Video surveillance system for real-time remote monitoring of key areas to enhance our management efficiency and lower our dependence on manual labor (b) AI intelligent patrol system which uses remote video monitoring technology and AI intelligent algorithm to conduct inspection automatically (c) Edge servers to provide local processing, storage and analysis of the data from the Internet of Things devices, such as video cameras, thereby reducing workload on the origin server (d) Street lamp system to realize remote control of street lamps such as setting operation schedule of the lamps through central planning and control, which can realize energy saving and consumption reduction of the street lamps within the properties under management (e) Greening sprinkler system to realize automatic watering by greening sprinkler to lower the dependence on manual labor (f) Anti-falling object system to deter and retrospect the behavior of falling objects using video monitoring technology and AI intelligent algorithm	Five to eight years	HK$17.6 million

Smart devices and Internet of Things facilities	Major features, functions and benefits	Expected useful life	Expected cost
Equipment and facility monitoring system	We plan to optimize our equipment and facility monitoring system, including, among others, (a) synchronizing the patrol system with the smart entrance system to realize real-time upload of the patrol data, and (b) upgrading our IBA system with more comprehensive monitoring points and real-time upload of data collected to improve our operational efficiency and lower our dependence on manual labor.	Five to eight years	HK$8.8 million

The intended use of net proceeds for each hardware are the total expected cost of purchases and upgrades, including (a) fixed costs which will be incurred regardless of the number of properties being upgraded such as labor costs for developing the upgrades (where applicable) and (b) variables costs which will vary depending on the size and number of properties being upgraded such as cost for hardware materials. The expected costs of purchases and upgrades are estimated based on current price quotation obtained from potential suppliers or available market price. As a whole, our Directors believe that the purchases and upgrades of the aforementioned hardware can enhance the operational and cost efficiency through remote control and real-time collection and analysis of data and increase user experience through more convenient and time-saving access systems.

(ii) approximately 10%, or HK$72.9 million, will be used to develop smart city solutions. We plan to focus on the research and development of the following five main categories of smart city solutions, in order for us to build a leading brand of smart city operations and management:

(a) we plan to invest approximately HK$6.9 million, to assist the government in the establishment of an infrastructure electronic filing and monitoring system which involves the installation of sensors in urban municipal infrastructure, such as roads, bridges and well covers, and the real-time collection and intelligent analysis of data with respect to the operation of the infrastructure;

(b) we plan to invest approximately HK$10.4 million, to assist the government in the implementation of specific urban management, including, among others, (i) deploying monitoring devices along river course and in water areas to monitor water quality and sewage outlets and to conduct intelligent analysis thereon, (ii) installing cameras in major transportation stations and using IoT technologies, AI intelligent algorithm and big data analysis to monitor and manage traffic flows, and (iii) developing an urban sanitation and greening platform using video surveillance and input from citizens for real-time collection and analysis of data with respect to city sanitation conditions to facilitate the identification of specific locations with sanitary issues;

(c) we plan to invest approximately HK$19.1 million, to assist the government in the implementation of urban comprehensive management, including, among others, (i) using IoT technologies, AI intelligent algorithm and big data analysis to establish platforms with respect to garbage classification, public security, traffic monitoring, etc., and (ii) creating an urban operation panorama based on building information model (BIM) to present the overall development of the city in the form of 3D images and perform real-time monitoring and visual analysis of various data of the city;

(d) we plan to invest approximately HK$11.5 million, to assist the government in the establishment of a social service platform, including, among others, developing a urban service mobile application which consolidates urban resources such as medical services, education, transportation, logistics and catering services and enables citizens to select services based on their personal needs; and

(e) we plan to invest approximately HK$25.0 million, to assist the government in the establishment of a basic safeguard platform, including, among others, (i) an IBA system that allows the real-time monitoring of the operation of equipment and facilities located at main buildings within the city through IoT technologies, (ii) a project management platform that shows the information about urban construction projects, including their dynamic distribution and construction progress, by using 3D technology in geographic information system (GIS) and building information model (BIM) technologies, and (iii) a smart park management platform that is designed to collect, consolidate, manage and analyze data of industrial parks in a city with the support of IoT, cloud computing, multi-media and other technologies, so as to achieve the comprehensive management and operation of the parks.

It is expected that the smart city solutions will be applied in approximately 60% of the projects under our management by the end of 2024.

(iii) approximately 2%, or HK$14.6 million, will be used for the upgrade and maintenance of our digitalized management and service platforms, in particular, our "Jinxiaomao" (金小茂) system and "Home" (回家) mobile application, in order to enhance property operation efficiency and ensure on-site service quality and customer satisfaction.

Our "Jinxiaomao" (金小茂) system is an online platform which enables our employees to carry out smart management conveniently and effectively. We plan to upgrade our Jinxiaomao" (金小茂) system in a number of aspects, including, among others, (a) changing the work allocation system from directing a work request to a specific employee as and when the task arises to providing each employee a daily individualized to-do-list, so that tasks can be allocated in a more structured and efficient manner and employees can plan their time of the day more efficiently, and (b) introducing a system where employees will need to record the resources used and the reasons thereof, in order for us to better track and manage resource availability and to perform budget control.

Our "Home" (回家) mobile application is our online customer portal. We plan to introduce a number of new features to our "Home" (回家) mobile application, including, among others, (a) a smart control function to allow property owners to control their home devices, such as lights and ventilation system, remotely using their smartphones, (b) function to generate the projected results of interior decoration based on different furniture combinations to enable property owners to choose the set of furniture which best suits the layout of the property units, which is expected to further promote our platform services for interior decoration, and (c) function to enable property owners to view property inspection reports of their property units prepared by our staff after on-site inspection and make request for further inspection or repairs or maintenance directly on the mobile application.

We also plan to optimize the integration of our equipment and facilities and our information technology systems through IoT technologies, AI intelligent algorithm and big data analysis, to enhance our centralized management, reduce the requirement of manual labor in our daily operation and improve our service quality. Specifically, we plan to improve (i) our equipment and facility monitoring system to achieve 24/7 online monitoring, automatic inspection, record keeping, automatic troubleshooting and warning for our equipment and facilities, (ii) our patrol system to allow transmission of surveillance photographs of key areas at regular intervals, which is expected to reduce the number of hours of manual patrol by 8 hours per day, and (iii) the AI intelligent algorithm to better and more efficiently locate areas within the community that require cleaning services with a view to improving the work efficiency of cleaning staff by 50%.

(3) approximately 13%, or HK$94.8 million, will be used to further develop our community value-added services in an effort to diversify our service offering and enhance profitability, among which:

(i) approximately 7%, or HK$51.0 million, will be used to develop our existing community living services, including housekeeping, cleaning, new retail and catering services. Specifically, (a) we plan to develop our housekeeping and cleaning services by providing property owners and residents with daily house cleaning and/or electronic appliance maintenance services, and to expand the coverage of our housekeeping and cleaning services to all projects under our management; (b) we plan to develop our new retail services by (i) strengthening our cooperation with top brands and building business relationships with large suppliers to shorten the supply chain and improve customer satisfaction, and (ii) establishing front warehouses in the residential communities under our management to facilitate efficient delivery to the property owners and residents of products purchased on our mobile application. In particular, we expect to establish no less than 40, 40 and 60 front warehouses in 2022, 2023 and 2024, respectively, with a view to achieving service coverage of no less than 140 projects under our management by the end of 2024; and (c) in addition to our existing catering services to tenants in certain office buildings under our management, we also plan to work with catering operators to provide healthy food options to property owners and residents in the residential projects under our management;

(ii) approximately 3%, or HK$21.9 million, will be used to develop our existing platform services for interior decoration, real estate brokerage services and community space operation services. Specifically, (a) we plan to develop our platform services for interior decoration by (i) building and maintaining good relationships with top product suppliers and interior designers, such that the property owners can benefit from a wide spectrum of interior design ideas as well as a consistent supply of high quality decorative products to implement the design ideas, (ii) organizing market activities at property sales venues, so as to understand the demands of potential property buyers for interior decoration services and identify potential customers at an early stage, and (iii) offering new platform services to property owners, including partial renovation services for properties delivered within one year and refurbishment services for properties delivered for more than six years; (b) we plan to promote our real estate brokerage services by establishing no less than 20, 30 and 30 physical stores in the residential communities under our management in 2022, 2023 and 2024, respectively, with a view to attracting more property owners and residents and expanding our service coverage to no less than 90 projects under our management by the end of 2024; and (c) we will also step up our efforts in providing other community space operation services, such as installing more parcel lockers in the residential communities under our management to offer greater convenience to the property owners and residents; and

(iii) approximately 3%, or HK$21.9 million, will be used to expand our business outreach to the provision of new community value-added services, such as community health management services. In particular, (a) we plan to establish a direct drinking water system in some of the residential communities under our management to supply property owners and residents with clean drinking water which can be consumed from the tap. In this connection, we expect to purchase no less than 60, 100 and 140 sets of equipment from third-party vendors in 2022, 2023 and 2024, respectively, for supplying drinking water to no less than 30, 50 and 70 projects for the relevant periods, respectively; (b) we plan to establish a team of nutritionists to formulate health plans for property owners and residents based on their health needs, and timely adjust the health plans by making use of AI technology to analyze the data input by our customers from time to time; and (c) we also plan to assist property owners and residents in formulating individualized exercise programs. We expect to establish no less than 30, 30 and 40 community fitness centers in 2022, 2023 and 2024, respectively, and work with personal trainers to provide fitness solutions and one-on-one training sessions to customers.

We believe that people are demanding more control over the management of their health and well-being, and COVID-19 outbreak has further accelerated such a trend by highlighting the importance of preventative care. Further, to better understand the lifestyle needs of property owners and residents and their expectation for community value-added services, our Group conducted a survey in 2020 where it had in-depth in-person interviews with 40 families and analyzed the questionnaires collected from 284 families, covering approximately 33 residential projects in the first-tier and second-tier cities, including Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Chongqing, Ningbo, Hangzhou, Suzhou and Changsha. According to the survey results, approximately 51% of the interviewees and respondents indicated that they attached great importance to their overall health and fitness, and maintained regular physical activity to improve the quality of life. Based on the above, our Directors believe that there will be sufficient demand for the community health management services. As advised by our PRC Legal Advisers, based on the above intended scope of the new business, we may need to obtain the sanitary permit for supplying drinking water, the food operation license for supplying nutritious food, and the fire safety permit with respect to use and operation of public gathering places for the establishment of community fitness centers. We will comply with the applicable regulatory requirements and apply for the relevant licenses and permits before we conduct any new business.

(4) approximately 10%, or HK$72.9 million, will be used for working capital and general corporate purpose. We expect to have increasing needs of working capital as a result of the rapid expansion of our business, as we enlarge our GFA under management and enrich our property management portfolio, as well as our diversifying service offerings along with any investment or acquisition if and when suitable opportunities arise.

Plans for Strategic Acquisitions and Investments

As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of net proceeds from the Global Offering. When determining the amount of approximately HK$364.4 million, or 50% of the net proceeds, allocated to potential acquisitions of, investment in and cooperation with other property management companies and professional service providers in the upstream and downstream of city operation services, and approximately HK$36.4 million, or 5% of the net proceeds, allocated to potential acquisitions of and investment in companies providing community products and services, assuming an Offer Price of HK$7.83 per Offer Share (being the mid-point of the indicative Offer Price range), we have considered (i) the acquisition of or investment in majority equity interests of property management companies at a price-earnings ratio of approximately 10 to 25 times, (ii) the acquisition of or investment in approximately three to eight property management companies and professional service providers in the upstream and downstream of city operation services and approximately three to five companies providing community products and services between the Latest Practicable Date and December 31, 2024, and (iii) our criteria for strategic acquisitions and investments as disclosed below. We are more inclined to acquire or invest in potential targets where we would have a majority interest, so that we can better employ our investment strategies and business integration. The above-mentioned considerations under the allocation of the net proceeds may be subject to changes based on market conditions, the operation and financial performance of the target and the terms and conditions of the acquisition or investment agreements.

Although our Directors had not identified any suitable targets as of the Latest Practicable Date, we have determined the criteria for evaluating potential targets. These efforts are based on the results of research, financial due diligence and preliminary assessments and feasibility studies undertaken during the Track Record Period and up to the date of this prospectus.

Criteria for Strategic Acquisitions and Investments

When we evaluate a potential investment in property management companies or acquisition target:

- we plan to strategically acquire or invest in property management companies that focus on both residential properties and non-residential properties which would help us further expand with respect to urban property management, as well as service providers in the upstream and downstream of city operation services which are suitable for and complementary to our business operations and strategies;

- we plan to strategically acquire or invest in companies with properties under management in regions with development potential in the PRC that can facilitate with our business integration in terms of geographic coverage, such as the Beijing-Tianjin-Hebei Region, the Yangtze River Delta, the Greater Bay Area and the Chengdu-Chongqing Economic Circle. Our existing property management projects have already covered such regions. Accordingly, we expect to create synergy between the property management projects of the acquired companies and our existing property management projects and future property management projects that we may obtain organically in these regions, by (i) sharing business contacts, business opportunities and other local resources between different property management projects, (ii) reducing costs and achieving economies of scales through centralized purchase and manpower coordination in the same region, and (iii) sharing experiences on local regulatory, cultural and business environment among our Group;

- we would generally focus on those property management companies which have, amongst others, (i) GFA under management of at least 1.0 million sq.m., (ii) an annual revenue of at least RMB50.0 million for the most recent financial year, and (iii) reputable brand and good corporate creditworthiness among customers and industry. We would expect them to have obtained all required qualifications for carrying out the relevant business with satisfactory credit record, built brand awareness in the regional market or nationwide with a competent management team possessing solid industry expertise, and maintained a proven track record of legal compliance without involvement in any material administrative penalties or pending legal proceedings and disputes; and

- when seeking opportunities to acquire or invest in service providers in the upstream and downstream of city operation services, we would generally focus on those companies which (i) possess professional service capabilities in the fields of municipal management and municipal services, such as security, cleaning, gardening or maintenance service providers, or have capabilities in providing technical support services to our smart city solutions, (ii) operate in cities which we already have presence, and (iii) have an annual revenue of at least RMB10.0 million for the most recent financial year, with a view to further expanding and strengthening our service capabilities in city operation service sector.

Based on the above-mentioned criteria, we plan to acquire or invest in approximately three to eight property management companies and professional service providers in the upstream and downstream of city operation services between the Latest Practicable Date and December 31, 2024, with an estimated average investment payback period ranging from five to ten years. Through acquiring such companies, we expect to further establish our presence and enhance our brand awareness in such cities with a view to enhance our economies of scale.

We also plan to strategically acquire or invest in companies offering community products and services to increase the product and service offerings under our value-added service segment and improve our customer satisfaction. We plan to focus on suitable targets which: (i) can provide property owners with valuable products or services, such as community health management and interior decoration, (ii) already have a mature business model and a clear financial model that could be scaled up, and (iii) can provide us with the opportunities to expand into new markets, enhance our brand value and diversify our product and service offerings. Particularly, we target companies operating in cities which we already have presence with a total annual revenue of over RMB1.0 million in the most recent financial year. Based on the above-mentioned criteria, we plan to acquire or invest in approximately three to five companies offering community products and services between the Latest Practicable Date and December 31, 2024, with an estimated average investment payback period ranging from five to ten years. Through investing in such companies, we believe further synergies with our existing products and services can be created and thus enhance our competitiveness given that such companies provide products and services that are complementary to our value-added services. For example, by investing in companies in the supply chain of healthy food, we will be able to improve our new retail and catering services by providing healthy food options to property owners and residents. Further, by investing in interior decoration companies with rich experience in room renovation for kids and elderly people, we can help property owners make their home safe for children and convenient for the elderly, which will form an effective supplement to our existing platform services for interior decoration.

With respect to the targets for our strategic acquisitions and investments, we will also consider other risk factors, including hidden liabilities, administrative penalties, outstanding legal proceedings and disputes. The criteria are subject to adjustment based on changes in the market conditions and our strategic needs.

As advised by China Index Academy, our Directors believe that our criteria for strategic acquisitions and investments are in line with the industry practice. We believe that our investment and acquisition plan could bolster our geographic presence and increase our market share in the selected regions we expand into, and the enlarged business scale could further reduce our overall management costs and increase our profitability.

Implementation of Acquisition Plan

Even though we have grown our business scale primarily through organic growth since our inception, we plan to further expand our business scale through organic growth as well as strategic acquisitions and investments. According to China Index Academy, reputable property management companies actively increase their market shares and achieve better results of operations through strategic acquisitions and investments in addition to organic growth. Our Directors are of the view that the strategic acquisitions and investments will help us accelerate our business expansion through expanding our strategic layout and increasing our market share. Particularly, our Directors believe that to penetrate into a new market through acquiring or investing in a well-established property management company typically can reduce the time required for, and the uncertainties and additional costs associated with, entering into a new market, as compared to expanding our property management service portfolio in a new market by way of organic growth. In addition, we believe that strategic acquisitions and investments will also help us reduce our reliance on Jinmao Group and Sinochem Group and their respective joint ventures and associates, as it is expected that our contracted GFA and revenue generated from properties developed by other third parties will increase following the investments and acquisitions. We may establish business relationships with the independent third-party property developers that developed the property projects managed by the acquired targets, understand their service needs, gain their trust and improve our service quality accordingly. We believe these knowledge and improvement may increase our chances to procure property management service contracts for additional property projects developed by such independent third-party property developers. Leveraging our experience with these property developers, we believe we may also seek opportunities to develop business relationship with other independent third-party property developers.

The plans for strategic acquisitions and investments are commensurate with our Group's shift in business strategies since 2020 to actively explore potential business opportunities to manage properties developed by independent third-party property developers and to actively pursue cooperation opportunities and explore acquisitions of quality targets, after having successfully established a high quality image for our services and laid a solid foundation for market expansion in the past. We established market development teams in 2020 who are also responsible for exploring potential acquisition targets through referrals sourced from internal staff networks and external marketing events. Once they identify a potential acquisition target, they will work with our finance department to conduct due diligence investigation on the size, business operation, indebtedness, financial condition and legal compliance status of the potential target, commence business negotiations with the seller, and prepare a proposal for the management to approve. For details, see "Relationship with China Jinmao — Independence from China Jinmao — Operational independence — Efforts to extend services to Independent Third Parties".

According to China Index Academy, the PRC property management industry remains fragmented while maintaining a trend of increasing market concentration toward the Top 100 Property Management Companies. This suggests that there continues to be a wide variety of targets available, and underscores the need for us to acquire or invest in property management companies so as to develop in line with this industry trend. See "Industry Overview — Market Trends — Increasing Market Concentration" in this prospectus.

When implementing our acquisition plans, we will carefully evaluate the potential business growth opportunities and values that a target may bring to our existing business. Of the potential targets that satisfy our acquisition criteria as set out under the paragraphs headed "Criteria for Strategic Acquisitions and Investments" above, we plan to prioritize the following property management companies:

(i) companies with state-owned background. Under the guidelines of the SASAC requiring state-owned enterprises to focus on their core business, it is expected that there will be an increasing number of state-owned enterprises whose core business is not property development selling their equity interests in property management companies. Leveraging our status as a state-owned enterprise, we are in a strong position to seek cooperation with state-owned enterprises and compete against our competitors in the acquisition of state-owned property management companies. State-owned companies are more likely to share similar corporate culture and governance structure with us, which will facilitate the business integration between our Group and the target companies following the acquisitions. According to China Index Academy, there are approximately 360 state-owned property management companies in the PRC that met our criteria of having a GFA under management of at least 1.0 million sq.m. and an annual revenue of at least RMB50.0 million in 2020.

(ii) companies with property portfolio under management focusing on non-residential properties, including (a) office buildings and shopping malls to further increase the aggregate GFA of non-residential properties under our management with relatively high gross profit margin, and (b) large-scale hospitals, universities and transportation hubs that are complementary to our current property portfolio under management, which will strengthen our capacity to manage a greater variety of properties and help us establish greater brand awareness in the market. According to China Index Academy, there were approximately 150 property management companies focusing on non-residential properties in the PRC that met our criteria of having a GFA under management of at least 1.0 million sq.m. and an annual revenue of at least RMB50.0 million in 2020.

(iii) companies not affiliated with property developers and companies affiliated with relatively small property developers. Property management companies not affiliated with property developers may be more receptive to our acquisition or investment efforts, as support from us as a listed property management company and Jinmao Group may enhance their ability to compete. According to China Index Academy, there were approximately 180 property management companies with a GFA under management of at least 1.0 million sq.m. and an annual revenue of at least RMB50.0 million in 2020 that are not affiliated with property developers. On the other hand, China Index Academy has also confirmed that acquiring or investing in property management companies affiliated with property developers is also a common practice within the industry. Our Directors consider that, for property management companies affiliated with property developers of relatively small business size, there are still potential opportunities for investment or acquisition as these companies are more inclined to achieve better business development through consolidation with a prominent, large-scale and fast-growing market player such as our Group.

Given the fragmented nature of the PRC property management industry, there is a sufficiently large number of potential targets available for our consideration that meet our criteria for acquisitions or investment as demonstrated above. Therefore, despite the competition that we may face from other market players for quality target companies, we believe we can identify and acquire suitable property management companies to implement our business strategies.

Furthermore, according to China Index Academy, acquisitions in the property management industry are extending to segment markets with targets providing a wide spectrum of value-added services from a variety of sectors that are complimentary to property management, such as technologies, education, engineering and financial services. In line with such market trends, our Directors consider that investment in or acquisitions of targets along the business value chain provide abundant opportunities for our business expansion.

However, there is no assurance that we will be able to identify suitable opportunities or successfully implement our acquisition plan, and the acquisitions involve certain risk and uncertainties, such as inability to apply our business model or standardized business process on the acquisition targets and failure to achieve the intended acquisition objectives and benefits. See "Risk Factors — Risk relating to Our Business and Industry — Our mergers and acquisitions may not achieve the desired benefits. We may face difficulties in integrating acquired operations with our existing business" for details of the associated risk factors. In the event that we could not successfully complete the above-mentioned acquisition plan including failure to secure sufficient suitable targets, we would continue to explore acquisition opportunities and may consider to adjust the selection criteria for target companies based on the market conditions. Meanwhile, we will continue to expand our business by obtaining new engagements from customers through actively participating in public tenders, establishing strategic alliance with independent third-party property developers, and improving service quality to attract and maintain customers and enhance brand recognition.

In the event that the net proceeds raised from the Global Offering are less than the capital expenditure needed, we intend to fund our acquisition plans through other multiple sources, including but not limited to our cash on hand, funds generated from our operations, borrowings from domestic and overseas banks and other financial institutions, and funds raised through private placement or other capital market transactions. We will evaluate our financing options from time to time based on our business expansion plans and the availability and cost of funding, and will select the financing channel that is most beneficial to the Shareholders.

Basis and Assumptions

Our future plans and business strategies are based on the following general assumptions:

- there will be no material change in the funding requirement for each of our future plans described in this prospectus from the amount as estimated by our Directors;

- we will have sufficient financial resources to meet the planned capital expenditures and business development requirements during the period to which our future plans relate;

- the Global Offering will be completed in accordance with and as described in the section entitled "Structure of the Global Offering" in this prospectus;

- there will be no material changes in existing accounting policies from those stated in the audited consolidated financial statements of our Group for the Track Record Period;

- our operations including our future plans will not be interrupted by any force majeure, unforeseeable factors, extraordinary items or economic changes in respect of inflation, interest rate and tax rate in the PRC and elsewhere;

- there will be no material changes in the bases or rates of taxation applicable to our activities;

- we will not be materially affected by the risk factors as set out in the section headed "Risk Factors" in this prospectus;

- we will continue our operation including but not limited to retaining our key staff and maintaining our customers, suppliers and subcontractors in the same manner as we did during the Track Record Period;

- there will be no material change in existing laws and regulations, or other governmental policies relating to our Group and our business, or in the political or market conditions in which we operate; and

- there will be no epidemic or disasters, natural, political or otherwise, which would materially disrupt our businesses or operations.

If the Offer Price is set at the high-end of the indicative Offer Price range, being HK$8.14 per Offer Share, the net proceeds of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) will be increased to approximately HK$759.6 million. We will apply the additional net proceeds for the above purposes on a pro-rata basis.

If the Offer Price is set at the low-end of the indicative Offer Price range, being HK$7.52 per Offer Share, the net proceeds of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) will be decreased to approximately HK$698.2 million. In such case, we will reduce the allocation of such net proceeds for the above purposes on a pro-rata basis.

If both the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the net proceeds from the Global Offering will be approximately HK$978.8 million (including additional net proceeds of approximately HK$116.2 million from the exercise of the Offer Size Adjustment Option and approximately HK$133.7 million from the exercise of the Over-allotment Option), assuming the Offer Price is set at the mid-point of the indicative Offer Price range. If the Offer Price is set at the high-end of the indicative Offer Price range, the net proceeds from the Global Offering (including the proceeds from the exercise of the Offer Size Adjustment Option and the Over-allotment Option) will be approximately HK$1,019.4 million. If the Offer Price is set at the low-end of the indicative Offer Price range, the net proceeds from the Global Offering (including the proceeds from the exercise of the Offer Size Adjustment Option and the Over-allotment Option) will be approximately HK$938.2 million. We will apply any additional net proceeds from the exercise of the Offer Size Adjustment Option and the Over-allotment Option to the above purposes on a pro-rata basis.

To the extent that the net proceeds of the Global Offering are not immediately required for or applied to the above purposes, we may hold such funds in short-term deposits with licensed banks and authorized financial institutions in Hong Kong or in the PRC for so long as it is in our best interests.

We will make an appropriate announcement and comply with the requirements of the Listing Rules if there is any material change to the above proposed use of proceeds.

HONG KONG UNDERWRITERS

ABCI Securities Company Limited
CCB International Capital Limited
China International Capital Corporation Hong Kong Securities Limited
CLSA Limited
CMB International Capital Limited
Essence International Securities (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Huarong International Securities Limited
Huatai Financial Holdings (Hong Kong) Limited
Livermore Holdings Limited
Shenwan Hongyuan Securities (H.K.) Limited
(In alphabetical order)

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement. If, for any reason, the Offer Price is not agreed between the Joint Representatives (on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 10,142,000 Hong Kong Offer Shares and the International Offering of initially 91,269,500 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this prospectus as well as to the Offer Size Adjustment Option and the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement and subject to the Offer Size Adjustment Option, our Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Bonus Issue, the Distribution and the Global Offering on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

(A) there develops, occurs, exists or comes into effect:

- (i) any new law or any change or development involving a prospective change in existing Law or regulations, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any existing Law or regulations in Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any of its members), or Singapore (collectively "**Relevant Jurisdictions**" and each a "**Relevant Jurisdiction**"), in each case, in or affecting any of the Relevant Jurisdictions;

(ii) any change or development involving a prospective change or development, or any event or series of events likely to result in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, trading, currency market, legal, fiscal or regulatory market conditions, securities or any monetary or trading settlement system or financial markets (including without limitation conditions in stock and bond markets, money and foreign exchange markets, inter-bank markets and credit markets) in or affecting any Relevant Jurisdiction;

(iii) any event or series of events, or series of events or circumstances (whether national or international), in the nature of force majeure in or affecting directly or indirectly any of the Relevant Jurisdictions (including, without limitation the generality thereof, any act of government or order of any court, declaration of a regional, national or international emergency or war, calamity, crisis, riot, public disorder, outbreak, escalation, adverse mutation or aggravation of diseases (including, without limitation, COVID-19, SARS, swine or avian flu, H5N1, H1N1, H7N9 or related/mutated forms), pandemics, epidemics, strike, labor dispute or lock-out, fire, explosion, flood, earthquake, civil commotion, act of war, outbreak or escalation of hostilities (whether or not war has been declared), act of God, act of terrorism (whether or not responsibility has been claimed)), accidents or prolonged interruption or delay in transportation;

(iv) any material change or prospective change or development in, or any materialization of any of the risks set out in the section headed "Risk Factors" in the Prospectus;

(v) any moratorium, suspension or limitation (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Singapore Stock Exchange;

(vi) any change or prospective change in taxation, foreign exchange controls (or the implementation of any foreign exchange controls), currency exchange rates or foreign investment regulations (including a devaluation of the Hong Kong dollar or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies) or the implementation of any exchange control, in any Relevant Jurisdiction adversely affecting an investment in the Shares;

(vii) any general moratorium on commercial banking activities in any Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdictions;

(viii) the imposition of sanctions under any sanction Laws or regulations, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction relevant to the business operations of any member of the Group;

(ix) the issue by the Company of a supplemental or amendment to the Prospectus, Application Forms, Preliminary Offering Circular (as defined in the Hong Kong Underwriting Agreement) or Offering Circular (as defined in the Hong Kong Underwriting Agreement) or other documents in connection with the offer and sale of the Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC, except with the prior consent of the Joint Representatives;

(x) any Director of the Company being charged with an indictable offence or prohibited by operation of Laws or otherwise disqualified from taking part in the management of a company, or any litigation, dispute, legal action, claim, investigation or other action (including arrest or detainment) or proceedings being commenced, threatened or instigated against any material member of the Group or any Director, or any announcement by any Authority or governmental, political or regulatory body that it intends to commence such investigation or take such action against any material member of the Group or any Director, or vacating his/her office;

(xi) any material adverse change or any development involving any prospective material adverse change in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, profitability, results of operations, position or condition (financial, trading or otherwise) or performance of the Group as a whole (including any material litigation or claim of any third party being threatened or instigated against any member of the Group or any Director);

(xii) any contravention by any material member of the Group or any Director of the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the PRC Company Law, the Listing Rules or other application Laws;

(xiii) non-compliance of the Hong Kong Public Offering Documents (or any other documents used in connection with the contemplated offer of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or

(xiv) an order or a petition being presented for the winding-up or liquidation of any Group Company or any Group Company making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any Group Company or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any Group Company or anything analogous thereto occurs in respect of any Group Company,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters):

(a) has, will or may have a material adverse effect in the assets, liabilities, business, management, prospects, shareholder's equity, profits, losses, profitability, results of operations, position or condition (financial or trading), or performance of the Group as a whole; or

(b) has, will have or may have a material adverse effect on the success or marketability of the Global Offering or the level of Offer Shares being applied for under the Hong Kong Public Offering or the level of interest under the International Offering; or

(c) makes, will make it or may make it impracticable or inadvisable or incapable or inexpedient to proceed with any part of the Hong Kong Public Offering and/or the International Offering to proceed as envisaged or the delivery of the Offer Shares on the Listing Date; or

(d) has or would have or may have the material effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(B) there comes to the notice of any Appointee:

(i) a prohibition (including but not limited to a governmental or regulatory prohibition) on the Company for whatever reason from offering, allotting, issuing or selling the Shares (including the Option Shares) pursuant to the terms of the Global Offering, including the revocation of the prior approval of the Spin-off granted by the Stock Exchange;

(ii) that any statement contained in any of the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement), the Formal Notice and any notice, announcement, advertisement, communication issued or used (by or on behalf of the Company) in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was or has become untrue, incomplete, inaccurate, incorrect in any material respect or misleading or deceptive, or any forecast, estimate, expression of opinion, intention or expectation expressed or contained in any of the Hong Kong Public Offering Documents, the Formal Notice and/or any notice, announcement, advertisement, communication (including any supplement or amendment thereto) so issued or used on behalf of the Company is, when it was issued or used, is not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions with reference to the facts and circumstances then subsisting, when taken as a whole;

(iii) either (a) there has been a breach of any of the representations, warranties, undertakings or provisions of either the Hong Kong Underwriting Agreement or the International Underwriting Agreement by the Company or China Jinmao or (b) any of the representations, warranties and undertakings given by the Company or China Jinmao in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable, is (or would when repeated be) untrue, incorrect, inaccurate or misleading in any material respect;

(iv) any of the Experts (other than the Joint Sponsors) has withdrawn its respective consent to the issue of the Prospectus with the inclusion of its reports, letters, summaries or legal opinions (as the case may be) and references to its name included in the form and context in which they respectively appear;

(v) any breach of any of the obligations of the Company or China Jinmao (as applicable) under the Hong Kong Underwriting Agreement or the International Underwriting Agreement;

(vi) the Company has withdrawn the Prospectus, the Applications Forms, the Preliminary Offering Circular, the Final Offering Circular (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering;

(vii) the Admission by the Listing Committee is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld;

(viii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the relevant document, constitute a material misstatement in, or a material omission from, any of the Prospectus, the Application Forms, notices, announcements, advertisements, communications or other documents (including any supplement or amendment thereto) issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering; or

(ix) either a material portion of the investment commitments of the cornerstone investors and/or a material portion of the total orders in the book-building process (which, for the avoidance of doubt, includes without limitation the aggregate investment commitments by the cornerstone investors after the entering into of cornerstone investment agreements by the Company with such cornerstone investors) at the time the International Underwriting Agreement is entered into having been withdrawn, terminated or cancelled and such withdrawn, terminated or cancelled orders not having been fully covered by other orders at or before 4:00 p.m. on the Price Determination Date (the "**replacement order**") or any replacement order having been subsequently withdrawn, terminated or cancelled, and the Joint Representatives, acting in good faith, conclude that it is therefore inadvisable or impracticable to proceed with the Global Offering.

Offer Size Adjustment Option

As part of the Global Offering, the Company has the Offer Size Adjustment Option under the Hong Kong Underwriting Agreement, pursuant to which, the Company may issue and allot any number of Shares up to an aggregate of 15,211,500 Shares under the Global Offering, at the Offer Price, to cover additional market demand, if any. These additional Offer Shares (the "Offer Size Adjustment Option Shares"), if any, will be allocated in such manner as closely as practicable to maintain the proportionality between the Hong Kong Public Offering and the International Offering following the application of the clawback arrangement described in "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" below and the Joint Representatives shall allocate additional new Shares to be offered by the Company pursuant to the International Offering to the Hong Kong Public Offering in order to maintain such proportionality and the relevant number of Offer Size Adjustment Option Shares shall be allocated to the International Offering to maintain such proportionality.

LOCK UP ARRANGEMENTS

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that we will not exercise our power to issue any further Shares, or securities convertible into Shares (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of our

Shares or our securities will be completed within six months from the Listing Date), except (a) pursuant to the Bonus Issue, the Distribution and the Global Offering or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that, except pursuant to any lending of Shares pursuant to the Stock Borrowing Agreement, it shall not and shall procure that the relevant registered holder(s) of the Shares controlled by it shall not without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirement of the Listing Rules:

(a) in the period commencing on the date by reference to which disclosure of its holding of Shares is made in this prospectus and ending on the date which is six months from the Listing Date (the "**First Six-Month Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares in respect of which it is shown by this prospectus to be the beneficial owner; or

(b) in the period of six months from the expiry of the First Six-Month Period, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any such Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a Controlling Shareholder of our Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that, within the period commencing on the date by reference to which disclosure of its holding of Shares is made in this prospectus and ending on the date which is 12 months from the Listing Date, it will:

(1) when it pledges or charges any securities of our Company beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and

(2) when it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities of our Company will be disposed of, immediately inform our Company of such indications.

Our Company will inform the Stock Exchange as soon as it has been informed of the matters referred to in paragraphs (1) and (2) above (if any) by our Controlling Shareholders and disclose such matters by way of an announcement in accordance with the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, the Company has undertaken to each of the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Offer Size Adjustment Option and the Over-allotment Option, and otherwise pursuant to the Listing Rules) at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the last date of the six months after the Listing Date, we will not, without the prior written consent of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) and unless permitted by and in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or contract or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any Shares or any other equity securities of the Company as applicable, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other equity securities of the Company as applicable) or deposit any of the foregoing with a depositary in connection with the issue of depositary receipts;

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of any legal or beneficial interest in any Shares or any other securities of the Company as applicable, or any equity interest in any of the foregoing (including any equity securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other equity securities of the Company);

(c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above, in each case, whether the transaction is to be settled by delivery of Shares or such other equity securities of the Company or in cash or otherwise (whether or not the allotment or issue of Shares or such other equity securities of the Company will be completed within the First Six-Month Period). In the event that, during the period of the six months following the expiry of the First Six-Month Period "**Second Six-Month Period**"), the Company enters into any of the transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, the Company undertakes to take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the Shares or any other securities of the Company.

(B) Undertakings by China Jinmao

Pursuant to the Hong Kong Underwriting Agreement, China Jinmao has undertaken to the Company and each of the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, it will not (save for any lending of the Shares by it pursuant to the Stock Borrowing Agreement), during the First Six-Month Period,

(a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in any Shares or any other equity securities of the Company, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other equity securities of the Company) beneficially owned by it as at the Listing Date (the "**Locked-up Securities**") or deposit any of the foregoing with a depositary in connection with the issue of depositary receipts;

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Locked-up Securities;

(c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above, in each case, whether the transaction is to be settled by delivery of Shares or such other securities of the Company or in cash or otherwise;

(i) it will not, at any time during the Second Six-Month Period, enter into any of the transactions specified in paragraphs (a), (b) or (c) above in respect of the Locked-up Securities or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, its shareholding in the Company will be reduced to below 30%;

(ii) until the expiry of the Second Six-Month Period, in the event that it enters into any of the transactions specified in paragraphs (a), (b) or (c) above in respect of the Locked-up Securities or offers to or agrees to or announces any intention to effect any such transaction, it will take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the Shares or any other securities of the Company; and

(iii) at any time from the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, it will (a) if and when it pledges or charges any Shares or other equity securities of the Company beneficially owned by it, immediately inform the Company in writing of such pledge or charge together with the number of Shares or other equity securities of the Company so pledged or charged; and (b) if and when it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or other equity securities of the Company will be disposed of, immediately inform the Company in writing of such indications,

provided that nothing in China Jinmao's undertaking shall prevent it from (i) purchasing additional Shares or other securities of the Company and disposing of such additional Shares or securities of the Company in accordance with the Listing Rules, or (ii) using the Shares or other securities of the Company or any interest therein beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

Hong Kong Underwriters' Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement and, if applicable, the Stock Borrowing Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters were interested, legally or beneficially, directly or indirectly, in any

Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of our Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, our Company expects to enter into the International Underwriting Agreement with the International Underwriters on the Price Determination Date. Under the International Underwriting Agreement and subject to the Offer Size Adjustment Option and the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers or purchasers for, or themselves to subscribe for or purchase, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See the section headed "Structure of the Global Offering — The International Offering" in this prospectus.

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Representatives (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to not more than 15% of the total number of Offer Shares available under the Global Offering, including the Shares offered pursuant to the exercise of the Offer Size Adjustment Option, if any, at the Offer Price to cover over-allocations in the International Offering, if any, and such number of Shares will be equal to 15,211,500 Offer Shares, assuming the Offer Size Adjustment Option is not exercised, or 17,493,000 Offer Shares, assuming the Offer Size Adjustment Option is fully exercised. See the section headed "Structure of the Global Offering — Over-allotment Option" in this prospectus.

Commissions and Expenses

Subject to the Hong Kong Underwriting Agreement having become unconditional and not having been terminated under its terms, the Company will pay the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) an underwriting commission equal to 1.9% of the aggregate Offer Price of all the Offer Shares, out of which the Hong Kong Underwriters will pay any sub-underwriting commissions payable.

The Company may, at its sole and absolute discretion, elect to pay to any one or all of the Underwriters a discretionary incentive fee of up to 0.5% of the aggregate Offer Price of all the Offer Shares.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions payable to the Underwriters in relation to the Global Offering (assuming an Offer Price of HK$7.83 per Offer Share (which is the mid-point of the Offer Price range), the full payment of the discretionary incentive fee and the exercise of the Offer Size Adjustment Option and the Over-allotment Option in full) will be approximately HK$25.2 million.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, SFC transaction levy, FRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$65.2 million (assuming an Offer Price of HK$7.83 per Offer Share (which is the mid-point of the Offer Price range), the Offer Size Adjustment Option and the Over-allotment Option are not exercised at all and the full payment of the discretionary incentive fee) and will be paid by our Company.

The commissions and fees were determined after arm's length negotiations between our Company and the Underwriters and/or other parties by reference to the current market conditions.

Indemnity

Our Company has agreed to indemnify the Joint Sponsors and the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to our Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of our Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of our Shares (which financing may be secured by our Shares) in the Global Offering, proprietary trading in our Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including our Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of our Shares, which may have a negative impact on the trading price of our Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in our Shares, in baskets of securities or indices including our Shares, in units of funds that may purchase our Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having our Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in our Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this prospectus. Such activities may affect the market price or value of our Shares, the liquidity or trading volume in our Shares and the volatility of the price of our Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

INDEPENDENCE OF THE JOINT SPONSORS

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. China International Capital Corporation Hong Kong Securities Limited and The Hongkong and Shanghai Banking Corporation Limited (In alphabetical order) are the Joint Representatives of the Global Offering.

The listing of our Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus.

101,411,500 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 10,142,000 Shares (subject to reallocation and the Offer Size Adjustment Option) in Hong Kong as described in "— The Hong Kong Public Offering" below; and

(b) the International Offering of initially 91,269,500 Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in "— The International Offering" below.

Up to 15,211,500 additional Offer Shares may be offered pursuant to the exercise of the Offer Size Adjustment Option referred to in "— Offer Size Adjustment Option" below. Furthermore, up to an additional 15,211,500 Offer Shares (assuming the Offer Size Adjustment Option is not exercised) or up to an additional 17,493,000 Offer Shares (assuming the Offer Size Adjustment Option is exercised in full) may be offered pursuant to the exercise of the Over-allotment Option referred to in "— Over-allotment Option" below.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Offer Shares under the International Offering,

but may not do both.

The Offer Shares will represent approximately 11.3% of the total Shares in issue immediately following the completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised. If the Over- allotment Option is exercised in full assuming the Offer Size Adjustment Option is not exercised, the

Offer Shares will represent approximately 12.7% of the total Shares in issue immediately following the completion of the Global Offering. If both the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the Offer Shares will represent approximately 14.4% of the total Shares in issue immediately following the completion of the Global Offering.

References in this prospectus to applications, Application Forms, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 10,142,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing 10% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering and the Offer Size Adjustment Option, will represent approximately 1.1% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "— Conditions of the Global Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A (being 5,071,000 Shares) and pool B (being 5,071,000 Shares). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, SFC transaction levy, FRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, SFC transaction levy, FRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 5,071,000 Hong Kong Offer Shares (being 50% of the Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached.

10,142,000 Offer Shares are initially available in the Hong Kong Public Offering, representing 10% of the Offer Shares initially available for subscription under the Global Offering. If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (a) 15 times or more but less than 50 times, (b) 50 times or more but less than 100 times and (c) 100 times or more of the total number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 30,424,000 Offer Shares (in the case of (a)), 40,565,000 Offer Shares (in the case of (b)) and 50,706,000 Offer Shares (in the case of (c)), representing approximately 30%, 40% and 50% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of the Offer Size Adjustment Option and the Over-allotment Option). In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Representatives deem appropriate.

In addition, the Joint Representatives may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed, the Joint Representatives may reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Joint Representatives deem appropriate.

In addition to any mandatory allocation which may be required, the Joint Representatives may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in pool A and pool B under the Hong Kong Public Offering in accordance with Guidance Letter HKEX-GL-91-18. In the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 15 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, then the Joint Representatives may only reallocate Offer Shares from the International Offering to the Hong Kong Public Offering other than pursuant to Practice Note 18 of the Listing Rules on the following conditions in accordance with Guidance Letter HKEX-GL91-18:

(i) the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation shall be not more than double the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering (i.e. 20,284,000 Offer Shares); and

(ii) the final Offer Price shall be fixed at the bottom of the Offer Price Range stated in this prospectus.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK$8.14 per Offer Share in addition to the brokerage, SFC transaction levy, FRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$4,111.02 for one board lot of 500 Shares. If the Offer Price, as finally determined in the manner described in "— Pricing and Allocation" below, is less than the maximum Offer Price of HK$8.14 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, FRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest.

THE DISTRIBUTION

Pursuant to the Listing Rules and in accordance with the corporate structure and ownership of our Company, the Listing will constitute a Spin-off from China Jinmao, which will be effected by way of the Distribution and the Global Offering. For details of the Distribution, see "The Spin-off and Distribution" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 91,269,500 Shares being offered by our Company, representing 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 10.1% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

Allocation

The International Offering will involve private placements of the Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Joint Representatives (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Representatives so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in "— The Hong Kong Public Offering — Reallocation" above, the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OFFER SIZE ADJUSTMENT OPTION

In connection with the Global Offering, the Company has the Offer Size Adjustment Option under the Hong Kong Underwriting Agreement. The Offer Size Adjustment Option provides flexibility to increase the number of Offer Shares available for purchase under the Global Offering to cover additional market demand, if any. The Offer Size Adjustment Option is exercisable by the Company on or before the Price Determination Date, and will lapse immediately thereafter.

Under the Offer Size Adjustment Option, the Company may issue any number of Shares up to an aggregate of 15,211,500 additional Offer Shares at the Offer Price. These Offer Size Adjustment Option Shares, if any, will be allocated in such manner as closely as practicable to maintain the proportionality between the Hong Kong Public Offering and the International Offering following the application of the clawback arrangement described in "–Reallocation" in this section and the Joint Representatives shall allocate additional new Shares to be offered by the Company pursuant to the International Offering to the Hong Kong Public Offering in order to maintain such proportionality and the relevant number of Offer Size Adjustment Option Shares shall be allocated to the International Offering to maintain such proportionality.

If the Offer Size Adjustment Option is exercised in full, the Offer Size Adjustment Option Shares to be issued pursuant thereto will represent approximately 1.66% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and the exercise of the Offer Size Adjustment Option.

The dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised) is set out below:

Number of Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option ("Original Subscribers")	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option	Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option
101,411,500	11.25%	116,623,000	11.06%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilization) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-Allotment Option.

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm that if the Offer Size Adjustment Option has not been exercised by the Price Determination Date, it will lapse and cannot be exercised at any future date.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Joint Representatives (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Joint Representatives (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require our Company to issue up to an aggregate of 15,211,500 Offer Shares (assuming the Offer Size Adjustment Option is not exercised), or 17,493,000 Offer Shares (assuming the Offer Size Adjustment Option is fully exercised), representing not more than 15% of the total number of Offer Shares under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any.

If the Offer Size Adjustment Option is not exercised and the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.66% of the total Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 1.87% of the total Shares in issue immediately following the completion of the Global Offering and the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of our Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days from the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our Shares, (b) selling or agreeing to sell our Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of our Shares, (c) purchasing, or agreeing to purchase, our Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of our Shares for the sole purpose of preventing or minimizing any reduction in the market price of our Shares, (e) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in our Offer Shares should note that:

(a) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in our Shares;

(b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;

(c) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of our Shares;

(d) no stabilizing action can be taken to support the price of our Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for our Shares, and therefore the price of the Shares, could fall;

(e) the price of our Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or through the Stock Borrowing Agreement as detailed below or a combination of these means. The number of the Offer Shares which can be over-allocated will not exceed the number of Offer Shares which may be sold pursuant to full exercise of the Over-allotment Option.

STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocations, if any, in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may choose to borrow up to 17,493,000 Shares (being the maximum number of Shares which may be issued pursuant to the exercise of the Over-allotment Option, assuming the Offer Size Adjustment Option is exercised in full) from China Jinmao, pursuant to the Stock Borrowing Agreement, which is expected to be entered into between the Stabilizing Manager (or its affiliates) and China Jinmao on or around the Price Determination Date.

If the Stock Borrowing Agreement with China Jinmao is entered into, the borrowing of Shares will only be effected by the Stabilizing Manager (or any person acting for it) for the settlement of over-allocations in the International Offering and such borrowing arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules are complied with.

The same number of Shares so borrowed must be returned to China Jinmao or its nominees, as the case may be, on or before the third business day following the earlier of (a) the last day for exercising the Over-allotment Option and (b) the day on which the Over-allotment Option is exercised in full.

The Shares borrowing arrangement described above will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to China Jinmao by the Stabilizing Manager (or any person acting for it) in relation to such Shares borrowing arrangement.

OFFER SIZE

The allocation and the total number of Offer Shares under the Global Offering will be determined in the following manner:

- The allocation of Offer Shares between the International Offering and the Hong Kong Public Offering will be subject to a reallocation adjustment depending on the number of Offer Shares validly applied for under the Hong Kong Public Offering. See "— The Hong Kong Public Offering — Reallocation" above for details.

- If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares made available as a result, representing approximately 15% of the number of Offer Shares initially being offered under the Global Offering, will be allocated so as to maintain the proportionality between the Hong Kong Public Offering and the International Offering on a post-clawback basis. The Offer Size Adjustment Option will lapse if it is not exercised by the Price Determination Date. See "— Offer Size Adjustment Option" above for details.

- The number of Offer Shares to be made available under the International Offering may be further increased if the Over-allotment Option is exercised. The maximum number of additional International Offer Shares to be offered pursuant to the exercise of the Over-allotment Option will represent approximately 15% of the number of Offer Shares being offered under the Global Offering (including the shares offered pursuant to the exercise of the Offer Size Adjustment Option, if any). See "— Over-allotment Option" above for details.

The table below sets out a summary of the total number of Hong Kong Offer Shares and International Offer Shares being offered in the Global Offering under different scenarios, depending on (a) whether a reallocation pursuant to the clawback arrangement described in "— The Hong Kong Public Offering — Reallocation" above occurs and (b) whether either of the Offer Size Adjustment Option and the Over-allotment Option is exercised at all or exercised in full, or both are exercised in full.

	No clawback reallocation	**30% clawback reallocation**	**40% clawback reallocation**	**50% clawback reallocation**
Total number of Offer Shares before the exercise of the Offer Size Adjustment Option and the Over-allotment Option	10,142,000 Hong Kong Offer Shares 91,269,500 International Offer Shares	30,424,000 Hong Kong Offer Shares 70,987,500 International Offer Shares	40,565,000 Hong Kong Offer Shares 60,846,500 International Offer Shares	50,706,000 Hong Kong Offer Shares 50,705,500 International Offer Shares
Total number of Offer Shares following the exercise in full of the Offer Size Adjustment Option only (the Over-allotment Option is not exercised)	11,663,000 Hong Kong Offer Shares 104,960,000 International Offer Shares	34,987,000 Hong Kong Offer Shares 81,636,000 International Offer Shares	46,650,000 Hong Kong Offer Shares 69,973,000 International Offer Shares	58,312,000 Hong Kong Offer Shares 58,311,000 International Offer Shares
Total number of Offer Shares following the exercise in full of the Over-allotment Option only (the Offer Size Adjustment Option is not exercised)	10,142,000 Hong Kong Offer Shares 106,481,000 International Offer Shares	30,424,000 Hong Kong Offer Shares 86,199,000 International Offer Shares	40,565,000 Hong Kong Offer Shares 76,058,000 International Offer Shares	50,706,000 Hong Kong Offer Shares 65,917,000 International Offer Shares

	No clawback reallocation	30% clawback reallocation	40% clawback reallocation	50% clawback reallocation
Total number of Offer Shares following the full exercise of the Offer Size Adjustment Option and the Over-allotment Option	11,663,000 Hong Kong Offer Shares 122,453,000 International Offer Shares	34,987,000 Hong Kong Offer Shares 99,129,000 International Offer Shares	46,650,000 Hong Kong Offer Shares 87,466,000 International Offer Shares	58,312,000 Hong Kong Offer Shares 75,804,000 International Offer Shares

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Thursday, March 3, 2022 and, in any event, no later than Wednesday, March 9, 2022 by agreement between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$8.14 per Offer Share and is expected to be not less than HK$7.52 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, the maximum Offer Price of HK$8.14 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, FRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.005%, amounting to a total of HK$4,111.02 for one board lot of 500 Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus.**

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Joint Representatives (on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered and/or the Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Stock Exchange at **www.jinmaowy.com** and **www.hkexnews.hk**, respectively, notices of the reduction. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Joint Representatives (on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

However, if the number of Offer Shares and/or the Offer Price range is reduced, applicants under the Hong Kong Public Offering will be entitled to withdraw their applications unless positive confirmations from the applicants to proceed are received.

ANNOUNCEMENT OF FINAL OFFER PRICE

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares, the results of allocations in the Hong Kong Public Offering and if and to what extent the Offer Size Adjustment Option has been exercised are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — D. Publication of Results" in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company agreeing on the Offer Price.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" of this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(a) the Stock Exchange granting approval for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the Bonus Issue, on the Main Board of the Stock Exchange, the Distribution and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;

(b) the Offer Price having been agreed between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company on or before Wednesday, March 9, 2022 the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of our Company and the Stock Exchange at **www.jinmaowy.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares — F. Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Thursday, March 10, 2022 provided that the Global Offering has become unconditional in all respects at or before that time and the right of termination as described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus has not been exercised.

ADMISSION OF OUR SHARES INTO CCASS

All necessary arrangements have been made enabling our Shares to be admitted into CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, our Shares and the Company complies with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangements as such arrangement may affect their rights and interests.

DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, March 10, 2022, it is expected that dealings in our Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, March 10, 2022. Our Shares will be traded in board lots of 500 Shares each and the stock code of our Shares will be 00816.

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide any printed copies of this prospectus or any printed copies of any application forms for use by the public.

This document is available at the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** under the "HKEXnews > New Listings > New Listing Information" section, and our website at **www.jinmaowy.com**. If you require a printed copy of this document, you may download and print from the website addresses above.

The contents of the electronic version of the prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Set out below are procedures through which you can apply for the Hong Kong Offer Shares electronically. We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public.

If you are an intermediary, broker or agent, please remind your customers, clients or principals, as applicable, that this document is available online at the website addresses above.

A. APPLICATIONS FOR THE HONG KONG OFFER SHARES

1. How to Apply

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

We will not provide any printed application forms for use by the public.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply through **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:

(i) instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or

(ii) (if you are an existing **CCASS Investor Participant**) giving **electronic application instructions** through the CCASS Internet System (**https://ip.ccass.com**) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Center at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

If you apply through channel (1) above, the Hong Kong Offer Shares successfully applied for will be issued in your own name.

If you apply through channels (2)(i) or (2)(ii) above, the Hong Kong Offer Shares successfully applied for will be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

We, the Joint Representatives, the **White Form eIPO** Service Provider and our and their respective agents may reject or accept any application, in full or in part, for any reason at our or their discretion.

2. Who Can Apply

Eligibility for the Application

You can apply for the Hong Kong Offer Shares if you or any person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address; and
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

If an application is made by a person under a power of attorney, we and the Joint Representatives may accept it at our or their discretion, and on any conditions we or they think fit, including requiring evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of the **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules or any relevant waivers that have been granted by the Stock Exchange, you cannot apply for any Hong Kong Offer Shares if:

- you are an existing beneficial owner of Shares and/or a substantial shareholder of any of our subsidiaries;
- you are our director or chief executive and/or a director or chief executive officer of its subsidiaries;
- you are a close associate (as defined in the Listing Rules) of any of the above persons; or
- you have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

Items Required for the Application

If you apply for the Hong Kong Offer Shares online through the **White Form eIPO** service, you must:

- have a valid Hong Kong identity card number; and

- provide a valid e-mail address and a contact telephone number.

If you are applying for the Hong Kong Offer Shares online by instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals, please contact them for the items required for the application.

3. Terms and Conditions of an Application

By applying through the application channels specified in this prospectus you:

- undertake to execute all relevant documents and instruct and authorize us and/or the Joint Representatives (or their agents or nominees), as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

- agree to comply with our Articles of Association, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Companies Ordinance;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and read this prospectus and have relied only on the information and representations in this prospectus in making your application and will not rely on any other information or representations, except those in any supplement to this prospectus;

- confirm that you are aware of the restrictions on the Global Offering set out in this prospectus;

- agree that none of us, the Relevant Persons and the **White Form eIPO** Service Provider is or will be liable for any information and representations not in this prospectus (and any supplement to this prospectus);

- undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares nor participated in the International Offering;

- agree to disclose to us, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons any personal data which we or any of them may require about you and the person(s) for whose benefit you have made the application;

- if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and neither we nor the Relevant Persons will breach any laws outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions in this prospectus;

- agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

- agree that your application, any acceptance of it and the resulting contract will be governed by, and construed in accordance with the laws of Hong Kong;

- represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

- warrant that the information you have provided is true and accurate;

- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

- authorize (i) us to place your name(s) or the name of HKSCC Nominees on our register of members as the holder(s) of any Hong Kong Offer Shares allocated to you and such other registers as required under our Articles of Association and (ii) us and/or our agents to send any Share certificate(s) and/or any e-Refund payment instructions and/or any refund check(s) to you or the first-named applicant for joint applications by ordinary post at your own risk to the address stated on the application, unless you have fulfilled the criteria mentioned in "— Personal Collection" below to collect the Share certificate(s) and/or refund check(s) in person;

- declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

- understand that we, our directors and the Joint Representatives will rely on your declarations and representations in deciding whether or not to allocate any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

- (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the **White Form eIPO** service or by any one as your agent or by any other person; and

- (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, we and all other parties involved in the preparation of this prospectus acknowledge that each applicant and CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

4. Minimum Application Amount and Permitted Numbers

Your application through the **White Form eIPO** service or the **CCASS EIPO** service must be for a minimum of 500 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select.

JINMAO PROPERTY SERVICES CO., LIMITED (Stock Code: 00816)
(HK$8.14 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application *HK$*
500	4,111.02	8,000	65,776.32	150,000	1,233,305.85	1,000,000	8,222,038.99
1,000	8,222.04	9,000	73,998.35	200,000	1,644,407.80	1,500,000	12,333,058.49
1,500	12,333.06	10,000	82,220.39	250,000	2,055,509.75	2,000,000	16,444,077.98
2,000	16,444.07	15,000	123,330.59	300,000	2,466,611.69	2,500,000	20,555,097.48
2,500	20,555.10	20,000	164,440.78	350,000	2,877,713.64	3,000,000	24,666,116.97
3,000	24,666.12	25,000	205,550.98	400,000	3,288,815.59	3,500,000	28,777,136.47
3,500	28,777.13	30,000	246,661.17	450,000	3,699,917.54	4,000,000	32,888,155.96
4,000	32,888.16	35,000	287,771.37	500,000	4,111,019.50	4,500,000	36,999,175.46
4,500	36,999.17	40,000	328,881.56	600,000	4,933,223.40	5,071,000[(1)]	41,693,959.72
5,000	41,110.20	45,000	369,991.76	700,000	5,755,427.30		
6,000	49,332.23	50,000	411,101.95	800,000	6,577,631.19		
7,000	57,554.28	100,000	822,203.90	900,000	7,399,835.09		

Note:

(1) Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

5. Applying Through the White Form eIPO Service

General

Individuals who meet the criteria in "— Who Can Apply" above may apply through the **White Form eIPO** service for the Offer Shares to be allocated and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **White Form eIPO** service are set out on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to us. If you apply through the designated website, you authorize the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** Service Provider.

Time for Submitting Applications under the White Form eIPO Service

You may submit your application through the **White Form eIPO** service through the designated website at **www.eipo.com.hk** (24 hours daily, except on the last day for applications) from 9:00 a.m. on Friday, February 25, 2022 until 11:30 a.m. on Wednesday, March 2, 2022 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, March 2, 2022, the last day for applications, or such later time as described in "— C. Effect of Bad Weather and Extreme Conditions on the Opening and Closing of the Application Lists" below.

No Multiple Applications

If you apply by means of **White Form eIPO**, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **White Form eIPO** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

Commitment to sustainability

The obvious advantage of **White Form eIPO** service is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK$2.0 for each "Jinmao Property Services Co., Limited" **White Form eIPO** application submitted via **www.eipo.com.hk** to support sustainability.

6. Applying through CCASS EIPO Service

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a **CCASS Investor Participant**, you may give these **electronic application instructions** through the CCASS Internet System (**https://ip.ccass.com**) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Center at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

If you are not a **CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to us, the Joint Sponsors, the Joint Representatives and the Hong Kong Share Registrar.

Applying through CCASS EIPO Service

Where you have applied through **CCASS EIPO** service (either indirectly through a **broker** or **custodian** or directly) and an application is made by HKSCC Nominees on your behalf:

- HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of this prospectus; and

- HKSCC Nominees will do the following things on your behalf:

  ➢ agree that the Hong Kong Offer Shares to be allocated shall be registered in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;

  ➢ agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;

  ➢ undertake and confirm that you have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares nor participated in the International Offering;

  ➢ (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;

  ➢ (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorized to give those instructions as its agent;

  ➢ confirm that you understand that we, our directors and the Joint Representatives will rely on your declarations and representations in deciding whether or not to allocate any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

  ➢ authorize us to place HKSCC Nominees' name on its register of members as the holder of the Hong Kong Offer Shares allocated to you, and despatch Share certificate(s) and/or refund monies in accordance with the arrangements separately agreed between us and HKSCC;

  ➢ confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

  ➢ confirm that you have received and read this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made and will not rely on any other information or representations, except those in any supplement to this prospectus;

- ➢ agree that neither we nor any of the Relevant Persons is or will be liable for any information and representations not in this prospectus (and any supplement to this prospectus);

- ➢ agree to disclose to us, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons any personal data which we or they may require about you;

- ➢ agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;

- ➢ agree that any application made by HKSCC Nominees on your behalf is irrevocable on or before the fifth day after the time of the opening of the application lists (excluding any days which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us, and to become binding when you give the instructions and such collateral contract to be in consideration of our agreement that we will not offer any Hong Kong Offer Shares to any person on or before the fifth day after the time of the opening of the application lists (excluding any days which is Saturday, Sunday or public holiday in Hong Kong) except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application on or before the fifth day after the time of the opening of the application lists (excluding any days which is Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section on or before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong) which excludes or limits that person's responsibility for this prospectus;

- ➢ agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the announcement of the results of the Hong Kong Public Offering by us;

- ➢ agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for giving **electronic application instructions** to apply for the Hong Kong Offer Shares;

- ➢ agree with us, for ourselves and for the benefit of each shareholder (and so that we will be deemed by our acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for us and on behalf of each shareholder, with each CCASS Participant giving **electronic application instructions**) to observe and comply with our Articles of Association, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Companies Ordinance; and

- ➢ agree that your application, any acceptance of it and the resulting contract will be governed by, and construed in accordance with the laws of Hong Kong.

Effect of Applying through CCASS EIPO Service

By applying through **CCASS EIPO** service, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees will be liable to us or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy, FRC transaction levy and Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price initially paid on application, refund of the application monies (including brokerage, SFC transaction levy, FRC transaction levy and Hong Kong Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in this prospectus.

Time for Inputting Electronic Application Instructions[(1)]

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Friday, February 25, 2022 — 9:00 a.m. to 8:30 p.m.
Monday, February 28, 2022 — 8:00 a.m. to 8:30 p.m.
Tuesday, March 1, 2022 — 8:00 a.m. to 8:30 p.m.
Wednesday, March 2, 2022 — 8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, February 25, 2022 until 12:00 noon on Wednesday, March 2, 2022 (24 hours daily, except on Wednesday, March 2, 2022, the last day for applications).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, March 2, 2022, the last day for applications, or such later time as described in "— C. Effect of Bad Weather and Extreme Conditions on the Opening and Closing of the Application Lists" below.

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Note:

(1) The times in this subsection are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing Participants, CCASS Custodian Participants and/or CCASS Investor Participants.

Personal Data

The following Personal Information Collection Statement applies to any personal data held by us, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. By applying through **CCASS EIPO** service, you agree to all of the terms of the Personal Information Collection Statement below.

Personal Information Collection Statement

This Personal Information Collection Statement informs applicant for, and holder of, the Hong Kong Offer Shares, of the policies and practices of us and our Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

Reasons for the collection of your personal data

It is necessary for applicants and registered holders of the Hong Kong Offer Shares to supply correct personal data to us or our agents and the Hong Kong Share Registrar when applying for the Hong Kong Offer Shares or transferring the Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data may result in your application for the Hong Kong Offer Shares being rejected, or in delay or the inability of us or our Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of the Hong Kong Offer Shares which you have successfully applied for and/or the despatch of share certificate(s) to which you are entitled.

It is important that the holders of the Hong Kong Offer Shares inform us and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check, where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of the Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of our Shares including, where applicable, HKSCC Nominees;
- maintaining or updating our Register of Members;
- verifying identities of the holders of our Shares;
- establishing benefit entitlements of holders of our Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from us and our subsidiaries;
- compiling statistical information and profiles of the holder of our Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable us and the Hong Kong Share Registrar to discharge their obligations to holders of the our Shares and/or regulators and/or any other purposes to which the securities' holders may from time to time agree.

Transfer of personal data

Personal data held by us and our Hong Kong Share Registrar relating to the holders of the Hong Kong Offer Shares will be kept confidential but we and our Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our appointed agents such as financial advisers, receiving bankers and overseas principal share registrar;
- where applicants for the Hong Kong Offer Shares request a deposit into CCASS, HKSCC or HKSCC Nominees, who will use the personal data for the purposes of operating CCASS;
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to us or the Hong Kong Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations; and
- any persons or institutions with which the holders of the Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers etc.

Retention of personal data

We and our Hong Kong Share Registrar will keep the personal data of the applicants and holders of the Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance.

Access to and correction of personal data

Holders of the Hong Kong Offer Shares have the right to ascertain whether we or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. We and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to us, at our registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the secretary, or our Hong Kong Share Registrar for the attention of the privacy compliance officer.

7. Warning for Electronic Applications

The application for the Hong Kong Offer Shares by **CCASS EIPO** service (directly or indirectly through your **broker** or **custodian**) is only a facility provided to CCASS Participants. Similarly, the application for the Hong Kong Offer Shares through the **White Form eIPO** service is only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day for applications to make your electronic application. We, the Relevant Persons, the **White Form eIPO** Service Provider take no responsibility for such applications and provide no assurance that any CCASS Participant applying through **CCASS EIPO** service or person applying through the **White Form eIPO** service will be allocated any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, March 2, 2022, or such later time as described in "— C. Effect of Bad Weather and Extreme Conditions on the Opening and Closing of the Application Lists".

8. How Many Applications Can You Make

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees.

All of your applications will be rejected if more than one application through the **CCASS EIPO** service (directly or indirectly through your **broker** or **custodian**) or through the **White Form eIPO** service is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**), and the number of Hong Kong Offer Shares applied by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your behalf.

For the avoidance of doubt, giving an **electronic application instruction** under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application. However, any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your behalf to HKSCC will be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

If an unlisted company makes an application and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being made for your benefit.

"**Unlisted company**" means a company with no equity securities listed on the Stock Exchange.

"**Statutory control**" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

B. HOW MUCH ARE THE HONG KONG OFFER SHARES

The maximum Offer Price is HK$8.14 per Offer Share. You must also pay brokerage of 1.0%, SFC transaction levy of 0.0027%, FRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.005%. This means that for one board lot of 500 Hong Kong Offer Shares, you will pay HK$4,111.02.

You must pay the maximum Offer Price, together with brokerage, SFC transaction levy, FRC transaction levy and Stock Exchange trading fee, in full upon application for the Hong Kong Offer Shares under the terms and conditions set out in the Application Forms.

You may submit an application through the **White Form eIPO** service or the **CCASS EIPO** service in respect of a minimum of 500 Hong Kong Offer Shares. If you make an **electronic application instruction** for more than 500 Hong Kong Offer Shares, the number of Hong Kong Offer Shares you apply for must be in one of the specified numbers set out in the section headed "— A. Applications for the Hong Kong Offer Shares — 4. Minimum Application Amount and Permitted Numbers."

If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules), and SFC transaction levy and FRC transaction levy and the Stock Exchange trading fee will be paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of SFC; and in the case of FRC transaction levy, collected by Hong Kong Exchanges and Clearing Limited on behalf of the FRC).

For further details on the Offer Price, see "Structure of the Global Offering — Pricing and Allocation."

C. EFFECT OF BAD WEATHER AND EXTREME CONDITIONS ON THE OPENING AND CLOSING OF THE APPLICATION LISTS

The application lists will not open or close if there is/are:

- a tropical cyclone warning signal number 8 or above;
- a "black" rainstorm warning; and/or
- Extreme Conditions.

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, March 2, 2022. Instead, they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have any of those warnings or Extreme Conditions in force in Hong Kong at any time between 9:00 and 12:00 noon.

If the application lists do not open and close on Wednesday, March 2, 2022 or if there is/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning signal and/or Extreme Conditions in force in Hong Kong that may affect the dates mentioned in "Expected Timetable," we will make an announcement on its website at **www.jinmaowy.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

D. PUBLICATION OF RESULTS

We expect to announce the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of the Hong Kong Offer Shares on Wednesday, March 9, 2022 on our website at **www.jinmaowy.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and dates and in the manner set out below:

- in the announcement to be posted on our website and the website of the Stock Exchange at **www.jinmaowy.com** and **www.hkexnews.hk**, respectively, by no later than 8:00 a.m. on Wednesday, March 9, 2022;
- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID function" for the Hong Kong Public Offering on a 24 hour basis from 8:00 a.m. on Wednesday, March 9, 2022 to 12:00 midnight on Tuesday, March 15, 2022; and

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from Wednesday, March 9, 2022 to Monday, March 14, 2022 (excluding Saturday, Sunday and public holiday in Hong Kong).

If we accept your offer to purchase (in whole or in part), which we may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are set out in the section headed "Structure of the Global Offering."

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

E. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED THE HONG KONG OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allocated to you:

If your application is revoked:

By applying through the **CCASS EIPO** service or through the **White Form eIPO** service, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding any days which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with us.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before the fifth day after the time of the opening of the application lists (excluding any days which is Saturday, Sunday or public holiday in Hong Kong) in the following circumstances:

- if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section on or before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong) which excludes or limits that person's responsibility for this prospectus; or

- if any supplement to this prospectus is issued, in which case the we will notify applicants who have already submitted an application that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot, respectively.

If we or our agents exercise their discretion to reject your application:

We, the Joint Representatives, the **White Form eIPO** Service Provider and our and their respective agents or nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

If:

- you or the person for whose benefit you apply for, have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) the Hong Kong Offer Shares and the International Offer Shares;
- your payment is not made correctly;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website at **www.eipo.com.hk**;
- you apply for more than 5,715,000 Hong Kong Offer Shares, being 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering;
- we or the Joint Representatives believe that by accepting your application, a violation of applicable securities or other laws, rules or regulations would result; or
- the Underwriting Agreements do not become unconditional or are terminated.

F. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price per Offer Share (excluding brokerage, SFC transaction levy, FRC transaction levy and Stock Exchange trading fee payable thereon) paid on application, or if the conditions of the Global Offering as set out in the section headed "Structure of the Global Offering — Conditions of the Global Offering" are not satisfied or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy, FRC transaction levy and Stock Exchange trading fee, will be refunded, without interest.

Any refund of your application monies will be made on or before Wednesday, March 9, 2022.

G. DESPATCH/COLLECTION OF SHARE CERTIFICATES/E-REFUND PAYMENT INSTRUCTIONS/REFUND CHEQUES

You will receive one Share certificate for all Hong Kong Offer Shares allocated to you under the Hong Kong Public Offering (except pursuant to applications made through the **CCASS EIPO** service where the Share certificates will be deposited into CCASS as described below).

We will not issue temporary document of title in respect of the Offer Shares. We will not issue receipt for sums paid on application.

Subject to arrangement on despatch/collection of Share certificates and refund cheques as mentioned below, any refund cheques and Share certificate(s) are expected to be posted on or before Wednesday, March 9, 2022. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of check(s) or banker's cashier order(s).

Share certificates will only become valid at 8:00 a.m. on Thursday, March 10, 2022, provided that the Global Offering has become unconditional in all respects at or before that time and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised.

Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of the Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.

Personal Collection

- ***If you apply through White Form eIPO service:***

  ➢ If you apply for 1,000,000 Hong Kong Offer Shares or more through the **White Form eIPO** service and your application is wholly or partially successful, you may collect your Share certificate(s) (where applicable) in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, March 9, 2022, or any other place or date notified by us.

  ➢ If you do not personally collect your Share certificate(s) within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post and at your own risk.

  ➢ If you apply for less than 1,000,000 Hong Kong Offer Shares through the **White Form eIPO** service, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Wednesday, March 9, 2022 by ordinary post and at your own risk.

  ➢ If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address specified in your application instructions in the form of refund check(s) by ordinary post and at your own risk.

- ***If you apply through CCASS EIPO service:***

  Allocation of the Hong Kong Offer Shares

  ➢ For the purposes of allocating the Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

  Deposit of Share Certificates into CCASS and Refund of Application Monies

  ➢ If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Wednesday, March 9, 2022 or on any other date determined by HKSCC or HKSCC Nominees.

➢ We expect to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, we will include information relating to the relevant beneficial owner), your Hong Kong identity card/passport/Hong Kong business registration number or other identification code (Hong Kong business registration number for corporations) and the basis of allocations of the Hong Kong Offer Shares in the manner as described in "— D. Publication of Results" above on Wednesday, March 9, 2022. You should check the announcement published by us and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, March 9, 2022 or such other date as determined by HKSCC or HKSCC Nominees.

➢ If you have instructed your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you can also check the number of the Hong Kong Offer Shares allocated to you and the amount of refund monies (if any) payable to you with that **broker** or **custodian**.

➢ If you have applied as a CCASS Investor Participant, you can also check the number of the Hong Kong Offer Shares allocated to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Wednesday, March 9, 2022. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of the refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of the Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

➢ Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy, FRC transaction levy and Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Wednesday, March 9, 2022.

H. ADMISSION OF OUR SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, our Shares and we comply with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangements as such arrangements may affect their rights and interests.

We have made all necessary arrangements to enable our Shares to be admitted into CCASS.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from our reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JINMAO PROPERTY SERVICES CO., LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND HSBC CORPORATE FINANCE (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Jinmao Property Services Co., Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-71, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2018, 2019 and 2020, and the nine months ended 30 September 2021 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 31 December 2018, 2019 and 2020 and 30 September 2021 and the statements of financial position of the Company as at 31 December 2020 and 30 September 2021, and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-71 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 25 February 2022 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial*

Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2018, 2019 and 2020 and 30 September 2021 and of the financial position of the Company as at 31 December 2020 and 30 September 2021, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine months ended 30 September 2020 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the

HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Ernst & Young
Certified Public Accountants
Hong Kong
25 February 2022

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Section II Notes	Year ended 31 December			Nine months ended 30 September	
		2018	2019	2020	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
REVENUE	5	574,503	788,323	944,210	665,322	1,048,685
Cost of sales		(459,469)	(636,800)	(709,421)	(501,521)	(737,790)
Gross profit		115,034	151,523	234,789	163,801	310,895
Other income and gains	5	11,746	74,712	74,908	58,630	41,048
Selling and distribution expenses		(2,301)	(954)	(1,808)	(1,185)	(10,213)
Administrative expenses		(82,346)	(117,150)	(134,920)	(95,633)	(148,702)
Other expenses, net		(5,606)	(4,441)	(1,258)	(32)	(6,256)
Finance costs	7	(10,165)	(70,280)	(64,186)	(51,021)	(33,537)
PROFIT BEFORE TAX	6	26,362	33,410	107,525	74,560	153,235
Income tax expense	10	(8,875)	(10,786)	(30,401)	(21,231)	(43,884)
PROFIT FOR THE YEAR/PERIOD		17,487	22,624	77,124	53,329	109,351
Attributable to:						
Owners of the parent		17,487	22,624	77,124	53,329	108,702
Non-controlling interests		—	—	—	—	649
		17,487	22,624	77,124	53,329	109,351
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted	12	N/A	N/A	N/A	N/A	N/A

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Nine months ended 30 September	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
PROFIT FOR THE YEAR/PERIOD	17,487	22,624	77,124	53,329	109,351
OTHER COMPREHENSIVE LOSS					
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements of the Company	—	—	—	—	(2)
OTHER COMPREHENSIVE LOSS FOR THE YEAR/PERIOD, NET OF TAX	—	—	—	—	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	17,487	22,624	77,124	53,329	109,349
Attributable to:					
Owners of the parent	17,487	22,624	77,124	53,329	108,700
Non-controlling interests	—	—	—	—	649
	17,487	22,624	77,124	53,329	109,349

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Section II Notes	As at 31 December 2018 RMB'000	As at 31 December 2019 RMB'000	As at 31 December 2020 RMB'000	As at 30 September 2021 RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	10,916	17,889	33,615	38,245
Investment properties	*14*	14,510	11,640	10,590	9,459
Right-of-use assets	*15(a)*	1,926	2,433	15,970	24,982
Intangible assets	*16*	192	6,155	7,084	6,108
Deferred tax assets	*17*	1,578	1,607	2,457	4,085
Other receivables and other assets	*20*	1,215,623	1,086,022	941,593	3,374
Total non-current assets		1,244,745	1,125,746	1,011,309	86,253
CURRENT ASSETS					
Inventories	*18*	6,400	5,493	5,199	5,044
Trade receivables	*19*	88,801	155,291	203,713	451,537
Prepayments, other receivables and other assets	*20*	440,526	544,576	644,196	515,762
Restricted cash	*21*	—	—	—	1,278
Cash and cash equivalents	*21*	160,030	155,113	270,818	274,169
Total current assets		695,757	860,473	1,123,926	1,247,790
CURRENT LIABILITIES					
Trade payables	*22*	82,897	90,655	112,036	150,737
Other payables and accruals	*23*	317,279	401,709	520,641	621,713
Contract liabilities	*5*	98,148	146,917	206,391	258,992
Interest-bearing borrowings	*24*	126,000	134,000	144,000	—
Lease liabilities	*15(a)*	1,547	2,063	5,572	10,713
Tax payable		13,119	16,661	22,735	5,326
Total current liabilities		638,990	792,005	1,011,375	1,047,481

	Section II Notes	As at 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	As at 30 September 2021 RMB'000
NET CURRENT ASSETS		56,767	68,468	112,551	200,309
TOTAL ASSETS LESS CURRENT LIABILITIES		1,301,512	1,194,214	1,123,860	286,562
NON-CURRENT LIABILITIES					
Other payables	*23*	—	—	123,657	123,657
Interest-bearing borrowings	*24*	1,215,000	1,080,997	936,992	—
Lease liabilities	*15(a)*	4,278	3,400	12,224	15,739
Deferred tax liabilities	*17*	2,579	1,986	1,853	1,672
Total non-current liabilities		1,221,857	1,086,383	1,074,726	141,068
Net assets		79,655	107,831	49,134	145,494
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	*25*	N/A	N/A	—*	66,947
Reserves	*26*	79,655	107,831	49,134	72,798
		79,655	107,831	49,134	139,745
Non-controlling interests		—	—	—	5,749
Total equity		79,655	107,831	49,134	145,494

* *The amount is less than RMB1,000.*

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2018

	Share capital	Merger reserve*	Other reserve*	PRC statutory surplus reserve*	Retained profits*	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 26(a)	*Note 26(b)*	*Note 26(c)*		
At 1 January 2018	—	15,000	1,371	5,676	36,953	59,000
Profit and total comprehensive income for the year	—	—	—	—	17,487	17,487
Transfer to statutory surplus reserve	—	—	—	468	(468)	—
Contribution from the immediate holding company	—	—	3,168	—	—	3,168
At 31 December 2018	—	15,000	4,539	6,144	53,972	79,655

Year ended 31 December 2019

	Share capital	Merger reserve*	Other reserve*	PRC statutory surplus reserve*	Retained profits*	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 26(a)	*Note 26(b)*	*Note 26(c)*		
At 1 January 2019	—	15,000	4,539	6,144	53,972	79,655
Profit and total comprehensive income for the year	—	—	—	—	22,624	22,624
Transfer to statutory surplus reserve	—	—	—	40	(40)	—
Contribution from the immediate holding company	—	—	5,552	—	—	5,552
At 31 December 2019	—	15,000	10,091	6,184	76,556	107,831

Year ended 31 December 2020

	Share capital *RMB'000*	Merger reserve* *RMB'000* *Note 26(a)*	Other reserve* *RMB'000* *Note 26(b)*	PRC statutory surplus reserve* *RMB'000* *Note 26(c)*	Retained profits* *RMB'000*	Total equity *RMB'000*
At 1 January 2020	—	15,000	10,091	6,184	76,556	107,831
Profit and total comprehensive income for the year	—	—	—	—	77,124	77,124
Dividends declared by the subsidiaries to the then shareholders *(note 11)*	—	—	—	—	(151,817)	(151,817)
Transfer to statutory surplus reserve	—	—	—	84	(84)	—
Contribution from the immediate holding company	—	—	5,996	—	—	5,996
Capital injection upon establishment of a subsidiary by the then shareholder	—	10,000	—	—	—	10,000
At 31 December 2020	—	25,000	16,087	6,268	1,779	49,134

Nine months ended 30 September 2020

	Share capital *RMB'000* *(Unaudited)*	Merger reserve* *RMB'000* *(Unaudited)* *Note 26(a)*	Other reserve* *RMB'000* *(Unaudited)* *Note 26(b)*	PRC statutory surplus reserve* *RMB'000* *(Unaudited)* *Note 26(c)*	Retained profits* *RMB'000* *(Unaudited)*	Total equity *RMB'000* *(Unaudited)*
At 1 January 2020	—	15,000	10,091	6,184	76,556	107,831
Profit and total comprehensive income for the period	—	—	—	—	53,329	53,329
Dividends declared by the subsidiaries to the then shareholders *(note 11)*	—	—	—	—	(78,675)	(78,675)
Contribution from the immediate holding company	—	—	4,203	—	—	4,203
Capital injection upon establishment of a subsidiary by the then shareholder	—	750	—	—	—	750
At 30 September 2020	—	15,750	14,294	6,184	51,210	87,438

Nine months ended 30 September 2021

	Attributable to owners of the parent								
	Share capital	Merger reserve*	Other reserve*	PRC statutory surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 26(a)	*Note 26(b)*	*Note 26(c)*					
At 1 January 2021	—	25,000	16,087	6,268	—	1,779	49,134	—	49,134
Profit for the period	—	—	—	—	—	108,702	108,702	649	109,351
Other comprehensive loss for the period: Exchange differences on translation of financial statements	—	—	—	—	(2)	—	(2)	—	(2)
Total comprehensive income/(loss) for the period	—	—	—	—	(2)	108,702	108,700	649	109,349
Transfer to merger reserve	—	1,630	—	(1,630)	—	—	—	—	—
Deemed distribution for acquisition of subsidiaries under common control *(note 26(a))*	—	(21,484)	—	—	—	—	(21,484)	—	(21,484)
Issuance of ordinary shares *(note 25)*	66,947	(66,947)	—	—	—	—	—	—	—
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	5,100	5,100
Contribution from the immediate holding company	—	—	3,395	—	—	—	3,395	—	3,395
At 30 September 2021	66,947	(61,801)	19,482	4,638	(2)	110,481	139,745	5,749	145,494

* These reserve accounts comprised the reserves of RMB79,655,000, RMB107,831,000, RMB49,134,000 and RMB72,798,000 in the consolidated statements of financial position as at 31 December 2018, 2019 and 2020 and 30 September 2021, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Section II Notes	Year ended 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	Nine months ended 30 September 2020 RMB'000 (Unaudited)	2021 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		26,362	33,410	107,525	74,560	153,235
Adjustments for:						
Finance costs	7	10,165	70,280	64,186	51,021	33,537
Bank interest income	5	(1,243)	(864)	(1,313)	(958)	(2,085)
Loan interest income	5	(9,864)	(69,991)	(63,750)	(50,803)	(32,408)
Fair value loss on investment properties	6	1,860	2,870	1,050	584	1,131
Impairment losses/(write-back of impairment losses) of trade receivables	6	1,773	(841)	372	(156)	1,013
Impairment losses/(write-back of impairment losses) of other receivables	6	1,877	884	(196)	(420)	553
Loss on disposal of items of property, plant and equipment, net	6	96	—	17	10	502
Depreciation of property, plant and equipment	6	2,314	3,401	5,369	3,851	6,710
Amortisation of intangible assets	6	85	235	1,795	1,536	2,102
Depreciation of right-of-use assets	6	1,083	2,134	3,750	2,105	6,550
Equity-settled share option expenses	29	1,012	3,758	3,631	2,724	1,311
Management's remuneration borne by the immediate holding company	29	2,156	1,794	2,365	1,479	2,084
		37,676	47,070	124,801	85,533	174,235
(Increase)/decrease in inventories		(221)	907	294	244	155
Increase in trade receivables		(12,176)	(65,649)	(48,794)	(69,668)	(248,837)
Increase in prepayments, other receivables and other assets		(146,459)	(101,336)	(89,000)	(153,675)	(14,892)
Increase in restricted cash		—	—	—	—	(1,278)
Increase in trade payables		30,045	7,758	21,381	31,601	38,701
Increase in contract liabilities		21,690	48,769	59,474	40,095	52,601
Increase in other payables and accruals		53,833	85,387	92,087	89,016	98,870
Cash generated from/(used in) operations		(15,612)	22,906	160,243	23,146	99,555
Interest received		1,243	864	1,313	958	2,085
Income tax paid		(5,456)	(7,866)	(25,310)	(18,621)	(63,102)
Net cash flows (used in)/from operating activities		(19,825)	15,904	136,246	5,483	38,538

	Section II Note	Year ended 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	Nine months ended 30 September 2020 RMB'000 (Unaudited)	2021 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Loan interest income received		13,012	69,630	63,484	48,017	28,719
Purchase of items of property, plant and equipment		(7,078)	(11,958)	(23,857)	(13,071)	(11,293)
Purchase of items of intangible assets		(61)	(7,014)	(3,111)	(329)	(1,272)
Proceeds from disposal of items of property, plant and equipment		172	208	—	3	76
Proceeds from disposal of intangible assets		—	9	29	—	—
Cash advances made to related parties		(1,460,000)	—	—	—	—
Repayment from related parties		119,000	126,003	134,005	65,998	1,080,992
Net cash flows from/(used in) investing activities		(1,334,955)	176,878	170,550	100,618	1,097,222
CASH FLOWS FROM FINANCING ACTIVITIES						
New interest-bearing borrowings		1,460,000	—	—	—	—
Repayment of interest-bearing borrowings		(119,000)	(126,003)	(134,005)	(65,998)	(1,080,992)
Principal portion of lease payments	*27(b)*	(1,507)	(1,777)	(3,166)	(2,449)	(6,115)
Interest paid		(13,313)	(69,919)	(63,920)	(48,393)	(30,544)
Capital injection by the then shareholder		—	—	10,000	750	—
Capital contribution from non-controlling shareholders		—	—	—	—	5,100
Acquisition of subsidiaries under common control		—	—	—	—	(19,858)
Net cash flows from/(used in) financing activities		1,326,180	(197,699)	(191,091)	(116,090)	(1,132,409)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(28,600)	(4,917)	115,705	(9,989)	3,351
Cash and cash equivalents at beginning of the year/period		188,630	160,030	155,113	155,113	270,818
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		160,030	155,113	270,818	145,124	274,169
ANALYSIS OF CASH AND CASH EQUIVALENTS						
Cash and bank balances as stated in the consolidated statements of financial position and statements of cash flows		160,030	155,113	270,818	145,124	274,169

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Section II Notes	**As at 31 December 2020** *RMB'000*	**As at 30 September 2021** *RMB'000*
NON-CURRENT ASSET			
Investment in a subsidiary	*1*	—	68,476
Total non-current asset		—	68,476
CURRENT ASSETS			
Other assets	*33*	—*	3,850
Total current assets		—*	3,850
CURRENT LIABILITIES			
Other payables and accruals	*33*	—	17,574
Total current liabilities		—	17,574
NET CURRENT LIABILITIES		—*	(13,724)
Net assets		—*	54,752
EQUITY			
Share capital	*25*	—*	66,947
Reserves	*26*	—*	(12,195)
Total equity		—*	54,752

* *The amount is less than RMB1,000.*

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Jinmao Property Services Co., Limited (the "Company", formerly known as Hanmao Limited and Jinmao Property Development Co., Limited) is a limited liability company incorporated in Hong Kong on 14 September 2020. The registered office of the Company is located at Rooms 4702-03, 47/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries were involved in the provision of property management services in the People's Republic of China (the "PRC").

The immediate holding company of the Company is China Jinmao Holdings Group Limited ("China Jinmao Group"), a company incorporated in Hong Kong and its shares are listed on the Stock Exchange. In the opinion of the Company's directors, the ultimate holding company of the Company is Sinochem Group Co., Ltd. ("Sinochem Group"), a company established in the PRC and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission in the PRC.

The Company and its subsidiaries now comprising the Group underwent the Reorganization as set out in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the prospectus. Apart from the Reorganization, the Company has not commenced any business or operation since its incorporation.

Certain commercial property management services are also operated by the business units of certain subsidiaries of China Jinmao Group not comprising the Group (the "Commercial Business Units"). These Commercial Business Units did not exist as a legal or statutory entity. As at 31 March 2021, the commercial property management business of the Commercial Business Units had been transferred to the Group (the "Business Transfer").

The financial information contained in this prospectus does not constitute the Company's statutory annual financial statements for any of the financial years ended 31 December 2018, 2019 and 2020. Further information required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company was incorporated on 14 September 2020 and has not prepared and presented any statutory financial statements since incorporation. Consequently, the Company's auditor has not reported on any statutory financial statements and none have been delivered to the Registrar of Companies.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	*Notes*	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Sinochem Jinmao Property Management (Beijing) Co., Ltd. ("Sinochem Jinmao")#^	*(1)*	PRC/Mainland China 16 January 2007	RMB5,000,000	100	—	Property management
Jinmao (Shanghai) Property Management Co., Ltd.#	*(2)*	PRC/Mainland China 18 September 1995	RMB6,630,000	—	100	Property management
Nanjing Ninggao International Property Consultancy Co., Ltd.#	*(3)*	PRC/Mainland China 23 April 2004	RMB5,000,000	—	100	Property management
Chuangmao Technology (Beijing) Co., Ltd.#	*(4)*	PRC/Mainland China 14 February 2020	RMB10,000,000	—	100	Technology development and services
Yuelin (Hangzhou) Real Estate Agents Co., Ltd.#	*(4)*	PRC/Mainland China 29 July 2020	RMB1,000,000	—	100	Real estate brokerage service

Name	Notes	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Jiashan Jiamao City Public Resources Management Co., Ltd.#	*(5)*	PRC/Mainland China 9 February 2021	RMB5,000,000	—	49*	Property management and city operation services
Huimao Building Technology (Beijing) Co., Ltd.#	*(5)*	PRC/Mainland China 5 March 2021	RMB20,000,000	—	100	Smart community management
Maotong Property Management (Shanghai) Co., Ltd.#	*(5)*	PRC/Mainland China 8 March 2021	RMB2,000,000	—	100	Property management
Zhoushan Dongda Jinmao Urban Property Services Co., Ltd.#	*(5)*	PRC/Mainland China 19 July 2021	RMB5,000,000	—	49*	Property management and city operation services
Zhejiang Zhonglan Xinmao Park Management Co., Ltd.#	*(5)*	PRC/Mainland China 19 August 2021	RMB10,000,000	—	51	Property management and city operation services
Beijing Zijin Xinmao Property Services Co., Ltd.#	*(5)*	PRC/Mainland China 30 September 2021	RMB1,000,000	—	51	Property management
Guangdong Tumao Commercial Property Operation Co., Ltd.#	*(5)*	PRC/Mainland China 6 December 2021	RMB5,000,000	—	70	Property management
Nanjing Xinmao Asset Management Co., Ltd.#	*(5)*	PRC/Mainland China 13 December 2021	RMB5,000,000	—	90	Property management and city operation services

\# The English names of all group companies registered in the PRC represent the best efforts made by the directors of the Company to translate the Chinese names of these companies as they do not have official English names.

^ This entity is registered as a wholly-foreign-owned enterprise under the PRC law.

* The Group controls the board of directors of these entities by virtue of its power to cast the majority of votes at the meetings of the respective board. The rights of shareholders' meeting are all delegated to the meetings of the board except for certain protective rights, and therefore the Group has the power to exercise control over the entities' operating and financing activities.

(1) The statutory financial statements of this entity prepared in accordance with PRC accounting principles and regulations for the year ended 31 December 2018 have been audited by Ruihua Certified Public Accountants LLP and those for the years ended 31 December 2019 and 2020 have been audited by Baker Tilly China Certified Public Accountants LLP.

(2) The statutory financial statements of this entity prepared in accordance with PRC accounting principles and regulations for the years ended 31 December 2018 and 2019 have been audited by Ernst & Young Hua Ming LLP, and those for the year ended 31 December 2020 have been audited by Zhonghua Certified Public Accountants LLP.

(3) The statutory financial statements of this entity prepared in accordance with PRC accounting principles and regulations for the year ended 31 December 2018 have been audited by Baker Tilly China Certified Public Accountants LLP, and those for the years ended 31 December 2019 and 2020 have been audited by RSM China Certified Public Accountants LLP.

(4) The statutory financial statements of these entities prepared in accordance with PRC accounting principles and regulations for the year ended 31 December 2020 have been audited by Baker Tilly China Certified Public Accountants LLP.

(5) These entities were established in 2021 and have not appointed an auditor to issue statutory financial statements for the periods from their dates of incorporation to 30 September 2021.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganization, as more fully explained in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the prospectus, the Company became the holding company of the companies now comprising the Group on 25 May 2021. The companies now comprising the Group and the Commercial Business Units were under the common control of China Jinmao Group before and after the Reorganization. Accordingly, for the purpose of this report, the Historical Financial Information has been prepared by applying the principles of merger accounting as if the Reorganization and the Business Transfer had been completed at the beginning of the Relevant Periods.

The consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods and the unaudited financial information of the Group for the nine months ended 30 September 2020 include the results and cash flows of all companies now comprising the Group and the Commercial Business Units from the earliest date presented or since the date when the subsidiaries and the Commercial Business Units first came under the common control of China Jinmao Group, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2018, 2019 and 2020 and 30 September 2021 have been prepared to present the assets and liabilities of the subsidiaries and the Commercial Business Units using the existing book values from China Jinmao Group's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganization and the Business Transfer.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from 1 January 2021 and amendments to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for investment properties which have been measured at fair value.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the Historical Financial Information.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
HKFRS 17	*Insurance Contracts*[2]
Amendments to HKFRS 17	*Insurance Contracts*[2, 5]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[2, 4]
Amendments to HKAS 1	*Disclosure of Accounting Policies*[2]
Amendments to HKAS 8	*Definition of Accounting Estimates*[2]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to HKAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*[1]
Annual Improvements to HKFRSs 2018 — 2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41[1]

1 Effective for annual periods beginning on or after 1 January 2022

[2] Effective for annual periods beginning on or after 1 January 2023

[3] No mandatory effective date yet determined but available for adoption

[4] As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

[5] As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years/periods presented.

Subsidiaries

A subsidiary is an entity (including a structured entity) directly or indirectly, controlled by the Company.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

Fair value measurement

The Group measures its investment properties at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant and machinery	9% to 33%
Leasehold improvements	20% to 50%
Furniture, fixtures and office equipment	9% to 20%
Motor vehicles	18% to 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year/period end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year/period in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year/period of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year/period end.

Software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated life of 3 to 5 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets (relate to the office properties and staff quarters) are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated and amortised on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office properties and staff quarters	1.5 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from a change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and equipments (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

In certain cases, the Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, lease liabilities and interest-bearing borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and tax laws that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

The Group provides property management services, value-added services to non-property owners and community value-added services to property developers, property owners or tenants, property owners' associations or residents. Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(i) Property management services mainly includes security, cleaning, greening, repair and maintenance and file management services to owners or tenants of properties. For property management services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group recognises the service fee received or receivable as its revenue over time in the period in which the customer simultaneously receives and consumes the benefits provided by the services performed by the Group.

(ii) Value-added services to non-property owners mainly include (a) sales assistance services, mainly including pre-sale preparation, marketing, cleaning, security and maintenance services at property sales venues and display units; (b) consultancy services, including preliminary planning and design services, construction consultancy services, pre-delivery services prior to delivery of properties to end buyers (mainly clearing, cleaning, assistance at property delivery venues ("Start-up Services"), and property inspection services and follow-up with rectification services ("Inspection and Follow-up Services")), post-delivery services (mainly repair and maintenance), and other consultancy services (mainly sales agency services with respect to newly developed properties and carpark spaces). The Group agrees the price for each service with the customers upfront and issues the monthly or quarterly bill to the customers which varies based on the actual level of service completed. Revenue from sales assistance services, construction consultancy services, Start-up Services and post-delivery services is recognised over time, in the amount to which the Group has a right to invoice, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from preliminary planning and design consultancy services, Inspection and Follow-up Services and sales agency services is recognised at the point in time when the services are rendered and accepted by the property developers.

(iii) Community value-added services mainly include community space operation services, community living services (mainly housekeeping, cleaning, retail and catering services), real estate agency services with respect to secondary sale or rental transactions of properties, and platform services for interior decoration. Revenue from community space operation services and community living services are recognised when the related services are rendered. Revenue from catering services is recognised at the point in time when control of the food and beverages is transferred to the customers, generally on the acceptance of the food and beverages. Revenue from real estate agency services and platform services for interior decoration is recognised at the point in time when the services are rendered and accepted by the customers.

For property management services income from properties managed on a lump sum basis, where the Group acts as principal and is primarily responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of services. For property management services income from properties managed on a commission basis, the Group recognises the revenue, which is calculated by a certain percentage of the total property management fee received or receivable from the properties units on behalf of the property owners, for arranging and monitoring the services as provided by other suppliers to the property owners.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal governments. These subsidiaries are required to contribute a certain portion of their payroll to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders of the Company in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The Historical Financial Information is presented in RMB, while the Company's functional currency is Hong Kong dollar. Each entity in the Group determines its own functional currency and items included in the financial information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the financial periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

As at the end of the reporting period, the assets and liabilities of the Company and any foreign operations are translated into RMB at the exchange rates prevailing at the end of each of the reporting periods and the profit or loss of the Company is translated into RMB at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and any foreign operations are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Company which arise throughout the year/period are translated into RMB at the weighted average exchange rates for the year/period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses ("ECLs") on trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by service type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the property development sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables is disclosed in notes 19 and 20 to the Historical Financial Information.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar leased properties, the Group considers information from discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amounts of investment properties at 31 December 2018, 2019 and 2020 and 30 September 2021 were RMB14,510,000, RMB11,640,000, RMB10,590,000 and RMB9,459,000, respectively. Further details, including the key assumptions used for the fair value measurement, are given in note 14 to the Historical Financial Information.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Periodic review could result in a change of depreciable lives and therefore depreciation charge in the future periods.

Recognition of deferred tax liabilities for withholding taxes

Deferred tax liabilities are recognised for withholding tax levied on dividends declared to foreign investors from the foreign investment enterprise established in Mainland China. Significant management judgement is required to determine the amount of deferred tax liabilities that can be recognised, based upon the likely dividends declared. Further details are contained in note 17 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

The Group's revenue from customers is derived solely from its operations and services rendered in Mainland China, and the non-current assets of the Group are located in Mainland China.

Information about major customers

For the years ended 31 December 2018, 2019 and 2020, and the nine months ended 30 September 2020 and 2021, RMB187,665,000, RMB204,608,000, RMB260,668,000, RMB181,613,000 and RMB343,655,000 of revenue were derived from the ultimate holding company and the fellow subsidiaries. Other than the revenue from the ultimate holding company and the fellow subsidiaries, no revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for each of the Relevant Periods and the nine months ended 30 September 2020.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Revenue from contracts with customers	570,675	782,592	940,323	662,973	1,044,614
Revenue from other sources					
Gross rental income from investment properties operating leases:					
Fixed lease payments	3,828	5,731	3,887	2,349	4,071
	574,503	788,323	944,210	665,322	1,048,685

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Nine months ended 30 September	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Types of services					
Property management services	335,117	462,277	567,481	409,498	578,238
Value-added services to non-property owners	178,613	250,838	294,401	198,982	371,624
Community value-added services	56,945	69,477	78,441	54,493	94,752
Total revenue from contracts with customers	570,675	782,592	940,323	662,973	1,044,614
Timing of revenue recognition					
Revenue from contracts with customers recognised over time	544,606	753,782	909,473	640,323	950,679
Revenue from contracts with customers recognised at a point in time	26,069	28,810	30,850	22,650	93,935
Total	570,675	782,592	940,323	662,973	1,044,614

Contract liabilities

The Group recognised the following revenue-related contract liabilities:

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Third parties	94,142	130,589	183,829	232,270
Related parties *(note 29)*	4,006	16,328	22,562	26,722
Contract liabilities	98,148	146,917	206,391	258,992

Contract liabilities of the Group mainly arise from the advance payments received from customers for services yet to be provided. The increase in contract liabilities as at 31 December 2018, 2019 and 2020 and 30 September 2021 was mainly due to the increase in short term advances received from customers in relation to the provision of property management services at the end of that year/period.

The following table shows the revenue recognised during the Relevant Periods and the nine months ended 30 September 2020 related to contract liabilities carried forward:

	Year ended 31 December			Nine months ended 30 September	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year/period:	76,458	98,148	146,917	143,175	201,979

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

For residential property management services and non-residential property management services, the Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date. The Group has elected the practical expedient of not to disclose the remaining performance obligations for these types of contracts because the performance obligation is part of a contract that has an original expected duration of one year or less, and there was unsatisfied performance obligation at the end of the respective periods.

An analysis of other income and gains is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Other income and gains					
Bank interest income	1,243	864	1,313	958	2,085
Loan interest income	9,864	69,991	63,750	50,803	32,408
Tax incentives on value-added tax	—	1,913	5,458	3,828	4,583
Government grants	465	1,647	3,364	2,669	1,503
Others	174	297	1,023	372	469
	11,746	74,712	74,908	58,630	41,048

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Section II Notes	Year ended 31 December 2018	2019	2020	Nine months ended 30 September 2020	2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of services provided		459,469	636,800	709,421	501,521	737,790
Depreciation of property, plant and equipment	*13*	2,314	3,401	5,369	3,851	6,710
Depreciation of right-of-use assets	*15*	1,083	2,134	3,750	2,105	6,550
Amortisation of intangible assets	*16*	85	235	1,795	1,536	2,102
Listing expenses		—	—	—	—	12,519
Auditors' remuneration		113	129	137	120	150
Fair value loss on investment properties*	*14*	1,860	2,870	1,050	584	1,131
Loss on disposal of items of property, plant and equipment, net*		96	—	17	10	502
Penalties*^		—#	1	15	14	3,053
Employee benefit expense (excluding directors' and chief executive's remuneration *(note 8)*):						
Wages and salaries		192,202	268,001	308,755	230,216	284,231
Pension scheme contributions		18,473	23,398	5,323	4,802	24,306
Equity-settled share option expense		917	3,306	3,185	2,495	1,059
		211,592	294,705	317,263	237,513	309,596
Impairment losses/(write-back of impairment losses) of financial assets*:						
— Trade receivables	*19*	1,773	(841)	372	(156)	1,013
— Other receivables	*20*	1,877	884	(196)	(420)	553
Rental expense						
Short-term leases and low-value leases	*15(b)*	4,266	6,327	8,473	6,376	6,885

* These items are included in "Other expenses, net" in the consolidated statements of profit or loss.

^ The penalties for the period ended 30 September 2021 is the fine charged by relevant local government authorities for unauthorised mark-up of electricity fee charged to the tenants and property owners of the Group.

\# The amount is less than RMB1,000.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on other borrowings	9,864	69,991	63,750	50,803	32,841
Interest on lease liabilities *(note 15(b))*	301	289	436	218	696
	10,165	70,280	64,186	51,021	33,537

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The first director of the Company was Mr. Li Congrui, who was appointed on 14 September 2020 and resigned with effect from 26 August 2021.

Subsequent to the end of the Relevant Periods, Mr. Xie Wei was appointed as an executive director and the chief executive officer of the Company on 26 August 2021 and Ms. Zhou Liye was appointed as an executive director of the Company on 26 August 2021.

During the Relevant Periods, Mr. Xie Wei received remuneration from China Jinmao Group for his appointment as the senior management of China Jinmao Group. The remuneration received by him and borne by the Group during the Relevant Periods and the nine months ended 30 September 2020 is set out below.

Directors' remuneration for the Relevant Periods and the nine months ended 30 September 2020 is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Fees:					
Directors	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	894	895	902	664	1,257
Performance related bonuses	1,234	873	1,444	803	1,386
Equity-settled share option expense*	95	452	446	229	252
Pension scheme contributions	28	26	19	12	37
	2,251	2,246	2,811	1,708	2,932

* During the years ended 31 December 2016 and 31 December 2019, Mr. Xie Wei was granted share options, in respect of his services to the Group and China Jinmao Group, under the share option scheme of China Jinmao Group. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and the nine months ended 30 September 2020 is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

Subsequent to the end of the Relevant Periods, Dr. Chen Jieping, Dr. Han Jian and Mr. Sincere Wong were appointed as independent non-executive directors of the Company on listing date, respectively. There was no emolument payable to the independent non-executive directors during the Relevant Periods and the nine months ended 30 September 2020.

(b) Executive directors

Year ended 31 December 2018

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Equity-settled share option expense *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Mr. Xie Wei *(note)*	894	1,234	95	28	2,251
Ms. Zhou Liye *(note)*	—	—	—	—	—
Mr. Li Congrui *(note)*	—	—	—	—	—
	894	1,234	95	28	2,251

Year ended 31 December 2019

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Equity-settled share option expense *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Mr. Xie Wei *(note)*	895	873	452	26	2,246
Ms. Zhou Liye *(note)*	—	—	—	—	—
Mr. Li Congrui *(note)*	—	—	—	—	—
	895	873	452	26	2,246

Year ended 31 December 2020

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Equity-settled share option expense *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Mr. Xie Wei *(note)*	902	1,444	446	19	2,811
Ms. Zhou Liye *(note)*	—	—	—	—	—
Mr. Li Congrui *(note)*	—	—	—	—	—
	902	1,444	446	19	2,811

Nine months ended 30 September 2020 (Unaudited)

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Equity-settled share option expense *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Mr. Xie Wei *(note)*	664	803	229	12	1,708
Ms. Zhou Liye *(note)*	—	—	—	—	—
Mr. Li Congrui *(note)*	—	—	—	—	—
	664	803	229	12	1,708

Nine months ended 30 September 2021

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Equity-settled share option expense *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Mr. Xie Wei *(note)*	678	1,386	189	20	2,273
Ms. Zhou Liye *(note)*	579	—	63	17	659
Mr. Li Congrui *(note)*	—	—	—	—	—
	1,257	1,386	252	37	2,932

Note: Certain emoluments of Mr. Xie Wei were paid by China Jinmao Group and recorded in profit or loss of the Group in relation to his services rendered to the Group for the Relevant Periods and the nine months ended 30 September 2020. The emoluments of Ms. Zhou Liye during the three years ended 31 December 2018, 2019 and 2020 were borne by China Jinmao Group as she did not provide services to the Group during the said period. The emoluments of Mr. Li Congrui were borne by China Jinmao Group as he did not provide services to the Group during the Relevant Periods and the nine months ended 30 September 2020.

(c) Non-executive directors

Subsequent to the end of the Relevant Periods, Mr. Jiang Nan, Ms. He Yamin and Ms. Qiao Xiaojie were appointed as non-executive directors of the Company on 26 August 2021. There was no emolument payable to the non-executive directors during the Relevant Periods and the nine months ended 30 September 2020.

No directors waived any emoluments during the Relevant Periods and the nine months ended 30 September 2020.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the nine months ended 30 September 2020 included one director, details of whose remuneration are set out in note 8 above. Details of the remuneration for the Relevant Periods and the nine months ended 30 September 2020 of the remaining four highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December			**Nine months ended 30 September**	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Salaries, allowances and benefits in kind	2,779	2,819	2,847	2,213	2,282
Performance related bonuses	2,069	2,221	2,383	2,104	3,074
Equity-settled share option expense*	306	1,567	1,556	690	379
Pension scheme contributions	214	204	82	79	159
	5,368	6,811	6,868	5,086	5,894

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			**Nine months ended 30 September**	
	2018	**2019**	**2020**	**2020**	**2021**
				(Unaudited)	
HK$1,000,001 to HK$1,500,000	2	—	—	2	2
HK$1,500,001 to HK$2,000,000	1	2	2	2	—
HK$2,000,001 to HK$2,500,000	1	2	2	—	2
	4	4	4	4	4

During the Relevant Periods and the nine months ended 30 September 2020, no highest paid employees waived or agreed to waive any remuneration.

* During the years ended 31 December 2016 and 31 December 2019, share options were granted to certain non-director and non-chief executive highest paid employees in respect of their services to the Group, under the share option scheme of China Jinmao Group. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Company is not liable for income tax as it did not generate any assessable profits arising in Hong Kong during the Relevant Periods and the nine months ended 30 September 2020.

The income tax provision of the Group in respect of its operation in Mainland China was calculated at the tax rate of 25% on the assessable profits for the Relevant Periods and the nine months ended 30 September 2020, if applicable, based on the existing legislation, interpretations and practice in respect thereof.

	Year ended 31 December			Nine months ended 30 September	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Current	9,917	11,408	31,384	21,142	45,693
Deferred *(note 17)*	(1,042)	(622)	(983)	89	(1,809)
Total tax charge for the year/period	8,875	10,786	30,401	21,231	43,884

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company's subsidiaries are domiciled to the income tax expense at the effective income tax rate is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Profit before tax	26,362	33,410	107,525	74,560	153,235
Tax at the statutory tax rate (25%)	6,591	8,353	26,881	18,640	38,309
Adjustments in respect of current tax of previous year/period	–	–	–	–	(201)
Expenses not deductible for tax	1,815	2,213	2,625	1,108	5,734
Tax losses not recognised	469	220	895	1,483	42
Tax charge for the year/period	8,875	10,786	30,401	21,231	43,884

11. DIVIDENDS

(a) Dividends paid or declared by the Company

No dividends have been paid or declared by the Company since its date of incorporation.

(b) Dividends paid or declared by the subsidiaries of the Company to their then shareholders

On 31 July 2020, Sinochem Jinmao declared dividends with an aggregated amount of RMB78,675,000 to its then shareholders, China Jinmao Group and Beijing Chemsunny Property Co., Ltd. which is a wholly-owned subsidiary of China Jinmao Group.

On 30 November 2020, Sinochem Jinmao declared dividends with an aggregated amount of RMB44,982,000 to its then shareholders, China Jinmao Group and Beijing Chemsunny Property Co., Ltd. which is a wholly-owned subsidiary of China Jinmao Group.

On 30 November 2020, Jinmao (Shanghai) Property Management Co., Ltd. declared dividend in the amount of RMB28,160,000 to its then shareholder, China Jin Mao Group Co., Ltd., which is a wholly-owned subsidiary of China Jinmao Group.

The dividends declared by the subsidiaries of the Company to their then shareholders have not been paid as at 30 September 2021.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Earnings per share information is not presented as its inclusion, for the purpose of this Historical Financial Information, is not considered meaningful due to the basis of presentation of the results of the Group for the Relevant Periods and the nine months ended 30 September 2020 as disclosed in note 2.1 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery *RMB'000*	**Leasehold improvements** *RMB'000*	**Furniture, fixtures and office equipment** *RMB'000*	**Motor vehicles** *RMB'000*	**Total** *RMB'000*
31 December 2018					
At 1 January 2018:					
Cost	4,459	144	11,557	837	16,997
Accumulated depreciation	(2,682)	(29)	(6,374)	(678)	(9,763)
Net carrying amount	1,777	115	5,183	159	7,234
At 1 January 2018, net of accumulated depreciation	1,777	115	5,183	159	7,234
Additions	501	2,544	3,215	4	6,264
Disposals	(72)	—	(196)	—	(268)
Depreciation provided during the year	(388)	(277)	(1,636)	(13)	(2,314)
At 31 December 2018, net of accumulated depreciation	1,818	2,382	6,566	150	10,916
At 31 December 2018:					
Cost	4,254	2,688	13,733	840	21,515
Accumulated depreciation	(2,436)	(306)	(7,167)	(690)	(10,599)
Net carrying amount	1,818	2,382	6,566	150	10,916

	Plant and machinery *RMB'000*	Leasehold improvements *RMB'000*	Furniture, fixtures and office equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
31 December 2019					
At 1 January 2019					
Cost	4,254	2,688	13,733	840	21,515
Accumulated depreciation	(2,436)	(306)	(7,167)	(690)	(10,599)
Net carrying amount	1,818	2,382	6,566	150	10,916
At 1 January 2019, net of accumulated depreciation	1,818	2,382	6,566	150	10,916
Additions	1,565	3,146	5,838	33	10,582
Disposals	(45)	—	(163)	—	(208)
Depreciation provided during the year	(408)	(883)	(2,096)	(14)	(3,401)
At 31 December 2019, net of accumulated depreciation	2,930	4,645	10,145	169	17,889
At 31 December 2019:					
Cost	5,361	5,834	18,852	873	30,920
Accumulated depreciation	(2,431)	(1,189)	(8,707)	(704)	(13,031)
Net carrying amount	2,930	4,645	10,145	169	17,889

	Plant and machinery *RMB'000*	Leasehold improvements *RMB'000*	Furniture, fixtures and office equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
31 December 2020					
At 1 January 2020:					
Cost	5,361	5,834	18,852	873	30,920
Accumulated depreciation	(2,431)	(1,189)	(8,707)	(704)	(13,031)
Net carrying amount	2,930	4,645	10,145	169	17,889
At 1 January 2020, net of accumulated depreciation	2,930	4,645	10,145	169	17,889
Additions	7,490	3,306	10,198	118	21,112
Disposals	—	—	(17)	—	(17)
Depreciation provided during the year	(548)	(1,439)	(3,353)	(29)	(5,369)
At 31 December 2020, net of accumulated depreciation	9,872	6,512	16,973	258	33,615
At 31 December 2020:					
Cost	12,849	9,140	28,988	991	51,968
Accumulated depreciation	(2,977)	(2,628)	(12,015)	(733)	(18,353)
Net carrying amount	9,872	6,512	16,973	258	33,615

	Plant and machinery *RMB'000*	Leasehold improvements *RMB'000*	Furniture, fixtures and office equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
30 September 2021					
At 1 January 2021					
Cost	12,849	9,140	28,988	991	51,968
Accumulated depreciation	(2,977)	(2,628)	(12,015)	(733)	(18,353)
Net carrying amount	9,872	6,512	16,973	258	33,615
At 1 January 2021, net of accumulated depreciation	9,872	6,512	16,973	258	33,615
Additions	572	7,398	3,868	80	11,918
Disposals	(19)	(412)	(118)	(29)	(578)
Depreciation provided during the period	(1,353)	(1,843)	(3,427)	(87)	(6,710)
At 30 September 2021, net of accumulated depreciation	9,072	11,655	17,296	222	38,245
At 30 September 2021:					
Cost	13,259	15,462	32,236	1,037	61,994
Accumulated depreciation	(4,187)	(3,807)	(14,940)	(815)	(23,749)
Net carrying amount	9,072	11,655	17,296	222	38,245

14. INVESTMENT PROPERTIES

	Leased properties
	RMB'000
At 1 January 2018	16,370
Loss on changes in fair value of investment properties *(note 6)*	(1,860)
At 31 December 2018	14,510
At 1 January 2019	14,510
Loss on changes in fair value of investment properties *(note 6)*	(2,870)
At 31 December 2019	11,640
At 1 January 2020	11,640
Loss on changes in fair value of investment properties *(note 6)*	(1,050)
At 31 December 2020	10,590
At 1 January 2021	10,590
Loss on changes in fair value of investment properties *(note 6)*	(1,131)
At 30 September 2021	9,459

(a) Valuation processes of the Group

The Group's investment properties are carpark spaces situated in Mainland China. The Group measures its investment properties at fair value. The fair value of the Group's investment properties as at the end of each of the Relevant Periods has been determined on the basis of valuation carried out by Beijing Zhuoxindahua Appraisal Co., Ltd., an independent and professionally qualified valuer.

(b) Valuation techniques

The valuation methodology adopted in valuation is the discounted cash flow method.

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

A significant increase (decrease) in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the discount rate in isolation would result in a significant decrease (increase) in the fair value of the investment properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rental growth per annum and the discount rate.

(c) Information about fair value measurements using significant unobservable inputs (Level 3)

	As at 31 December			As at 30 September
	2018	**2019**	**2020**	**2021**
Estimated rental value (RMB per square metre per annum)	3,828	5,731	3,647	4,071
Rental growth per annum	7%	50%	(36%)	12%
Discount rate	6.0%	6.5%	6.4%	6.4%

(d) During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of office properties and staff quarters and other equipment used in its operations. Leases of office properties and staff quarters generally have lease terms between 1 and 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets and lease liabilities

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the Relevant Periods are as follows:

	Right-of-use assets Office properties and staff quarters	Lease liabilities
	RMB'000	*RMB'000*
At 1 January 2018	2,190	6,602
New leases	819	730
Depreciation charge	(1,083)	—
Accretion of interest recognised during the year	—	301
Payments	—	(1,808)
At 31 December 2018	1,926	5,825
At 1 January 2019	1,926	5,825
New leases	2,641	1,415
Depreciation charge	(2,134)	—
Accretion of interest recognised during the year	—	289
Payments	—	(2,066)
At 31 December 2019	2,433	5,463

	Right-of-use assets Office properties and staff quarters	Lease liabilities
	RMB'000	*RMB'000*
At 1 January 2020	2,433	5,463
New leases	17,287	15,499
Depreciation charge	(3,750)	—
Accretion of interest recognised during the year	—	436
Payments	—	(3,602)
At 31 December 2020	15,970	17,796
At 1 January 2021	15,970	17,796
New leases	15,562	14,771
Depreciation charge	(6,550)	—
Accretion of interest recognised during the period	—	696
Payments	—	(6,811)
At 30 September 2021	24,982	26,452

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities analysed into:				
Current portion	1,547	2,063	5,572	10,713
Non-current portion	4,278	3,400	12,224	15,739
Total	5,825	5,463	17,796	26,452

(b) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			Nine months ended 30 September	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	301	289	436	218	696
Depreciation charge of right-of-use assets *(note 6)*	1,083	2,134	3,750	2,105	6,550
Expense relating to short-term leases and leases of low-value assets *(note 6)*	4,266	6,327	8,473	6,376	6,885
Total amount recognised in profit or loss	5,650	8,750	12,659	8,699	14,131

(c) The total cash outflow for leases is disclosed in note 27(c) to the Historical Financial Information.

The Group as a lessor

The Group leases its investment properties (note 14) consisting of car park spaces in Mainland China under operating lease arrangements. The terms of the leases generally also require the tenants to provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the years ended 31 December 2018, 2019 and 2020 and the nine months ended 30 September 2020 and 2021 was RMB3,828,000, RMB5,731,000, RMB3,887,000, RMB2,349,000 and RMB4,071,000, respectively, details of which are included in note 5 to the Historical Financial Information.

16. INTANGIBLE ASSETS

	Computer software *RMB'000*
31 December 2018	
At 1 January 2018	
Cost	631
Accumulated amortisation	(408)
Net carrying amount	223
Cost at 1 January 2018, net of accumulated amortisation	223
Additions	54
Amortisation provided during the year *(note 6)*	(85)
At 31 December 2018	192
At 31 December 2018	
Cost	685
Accumulated amortisation	(493)
Net carrying amount	192
31 December 2019	
At 1 January 2019	
Cost	685
Accumulated amortisation	(493)
Net carrying amount	192
Cost at 1 January 2019, net of accumulated amortisation	192
Additions	6,207
Disposals	(9)
Amortisation provided during the year *(note 6)*	(235)
At 31 December 2019	6,155
At 31 December 2019	
Cost	6,877
Accumulated amortisation	(722)
Net carrying amount	6,155

	Computer software
	RMB'000
31 December 2020	
At 1 January 2020	
Cost	6,877
Accumulated amortisation	(722)
Net carrying amount	6,155
Cost at 1 January 2020, net of accumulated amortisation	6,155
Additions	2,753
Disposals	(29)
Amortisation provided during the year *(note 6)*	(1,795)
At 31 December 2020	7,084
At 31 December 2020	
Cost	9,594
Accumulated amortisation	(2,510)
Net carrying amount	7,084
30 September 2021	
At 1 January 2021	
Cost	9,594
Accumulated amortisation	(2,510)
Net carrying amount	7,084
Cost at 1 January 2021, net of accumulated amortisation	7,084
Additions	1,126
Amortisation provided during the period *(note 6)*	(2,102)
At 30 September 2021	6,108
At 30 September 2021	
Cost	10,720
Accumulated amortisation	(4,612)
Net carrying amount	6,108

17. DEFERRED TAX ASSETS AND LIABILITIES

The movements in deferred tax liabilities and assets are as follows:

Deferred tax liabilities

	Revaluation of investment properties *RMB'000*	Right-of-use assets *RMB'000*	Total *RMB'000*
At 1 January 2018	4,093	484	4,577
Deferred tax credited to profit or loss during the year	(465)	(137)	(602)
At 31 December 2018 and 1 January 2019	3,628	347	3,975
Deferred tax (credited)/charged to profit or loss during the year	(718)	54	(664)
At 31 December 2019 and 1 January 2020	2,910	401	3,311
Deferred tax (credited)/charged to profit or loss during the year	(263)	2,921	2,658
At 31 December 2020 and 1 January 2021	2,647	3,322	5,969
Deferred tax (credited)/charged to profit or loss during the period	(282)	2,016	1,734
At 30 September 2021	2,365	5,338	7,703

Deferred tax assets

	Allowance for impairment of receivables *RMB'000*	Unrealised profit from intra group transactions *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
At 1 January 2018	883	—	1,651	2,534
Deferred tax credited/(charged) to profit or loss during the year	683	—	(243)	440
At 31 December 2018 and 1 January 2019	1,566	—	1,408	2,974
Deferred tax credited/(charged) to profit or loss during the year	11	—	(53)	(42)
At 31 December 2019 and 1 January 2020	1,577	—	1,355	2,932
Deferred tax credited to profit or loss during the year	44	576	3,021	3,641
At 31 December 2020 and 1 January 2021	1,621	576	4,376	6,573
Deferred tax credited to profit or loss during the period	63	1,329	2,151	3,543
At 30 September 2021	1,684	1,905	6,527	10,116

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 30 September
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	1,578	1,607	2,457	4,085
Net deferred tax liabilities recognised in the consolidated statements of financial position	(2,579)	(1,986)	(1,853)	(1,672)
Net deferred tax (liabilities)/assets	(1,001)	(379)	604	2,413

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2018, 2019 and 2020 and 30 September 2021, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors of the Company, the Group's fund will be retained in Mainland China for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB57,140,000, RMB82,108,000, RMB7,775,000 and RMB126,395,000 as at 31 December 2018, 2019 and 2020 and 30 September 2021, respectively.

18. INVENTORIES

	As at 31 December			As at 30 September
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Consumables and spare parts	5,895	5,072	4,801	4,735
General merchandise	505	421	398	309
Total	6,400	5,493	5,199	5,044

19. TRADE RECEIVABLES

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Related parties *(note 29)*	61,495	97,630	129,148	286,762
Third parties	31,396	60,910	78,186	169,409
Trade receivables	92,891	158,540	207,334	456,171
Less: allowance for impairment of trade receivables	(4,090)	(3,249)	(3,621)	(4,634)
	88,801	155,291	203,713	451,537

Trade receivables mainly represent receivables from property management services and other related services to property developers. For trade receivables from property management services, the Group charges property management fees on a monthly or quarterly basis and the payment is generally due upon the issuance of demand notes. For trade receivables from other services to property developers, the Group's trading terms with its customers are mainly on credit and the credit period is generally 90 to 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. Other than trade balances due from Sinochem Group and its subsidiaries, the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The amounts due from the related parties are repayable on credit terms similar to those offered to other major customers of the Group.

An ageing analysis of the trade receivable as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	79,175	143,978	172,392	413,394
1 to 2 years	6,162	6,227	26,192	25,366
2 to 3 years	1,982	2,237	2,667	8,102
Over 3 years	1,482	2,849	2,462	4,675
	88,801	155,291	203,713	451,537

The movements in provision for impairment of trade receivables are as follows:

	31 December			30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	3,168	4,090	3,249	3,621
Impairment losses recognised/(write-back of impairment losses) *(note 6)*	1,773	(841)	372	1,013
Amount written off as uncollectible	(851)	—	—	—
At end of the year/period	4,090	3,249	3,621	4,634

As at the end of each of the Relevant Periods, all trade receivables were denominated in RMB, and the fair values of trade receivables approximated to their carrying amounts.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Third parties – past due					
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Related parties**	**Total**
At 31 December 2018						
Expected credit loss rate	4.25%	16.50%	45.67%	79.93%	—	4.40%
Gross carrying amount	22,848	4,600	2,319	1,629	61,495	92,891
Expected credit losses	(970)	(759)	(1,059)	(1,302)	—	(4,090)
At 31 December 2019						
Expected credit loss rate	0.69%	6.96%	16.99%	69.75%	—	2.05%
Gross carrying amount	47,685	8,116	2,289	2,820	97,630	158,540
Expected credit losses	(328)	(565)	(389)	(1,967)	—	(3,249)
At 31 December 2020						
Expected credit loss rate	1.61%	2.42%	9.21%	87.74%	—	1.75%
Gross carrying amount	45,226	26,269	4,603	2,088	129,148	207,334
Expected credit losses	(730)	(635)	(424)	(1,832)	—	(3,621)
At 30 September 2021						
Expected credit loss rate	1.01%	5.88%	11.40%	38.81%	—	1.02%
Gross carrying amount	138,233	21,818	6,104	3,254	286,762	456,171
Expected credit losses	(1,393)	(1,282)	(696)	(1,263)	—	(4,634)

The expected credit loss of trade receivables from related parties was immaterial considering there were no recent history of default and no significant credit risks of the related parties of the Group.

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December			As at 30 September
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Amounts due from related parties *(note 29)*	282,855	466,190	569,813	406,238
Deposits of ABS arrangement *(note)*	99,169	2,228	5,837	–
Prepayments	19,206	18,111	19,410	14,398
Deposits	10,840	11,748	8,040	13,816
Advances to employees	1,109	3,285	4,265	5,192
Other receivables	18,980	18,718	14,966	30,263
Payments on behalf of residents/tenants	8,967	26,042	23,415	43,204
Others	262	–	–	4,754
	441,388	546,322	645,746	517,865
Impairment allowance	(862)	(1,746)	(1,550)	(2,103)
	440,526	544,576	644,196	515,762

	As at 31 December 2018	2019	2020	As at 30 September 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Amounts due from related parties *(note 29)*	1,215,000	1,080,997	936,992	—
Other assets	623	5,025	4,601	3,374
	1,215,623	1,086,022	941,593	3,374

Note: The amount represented the deposits placed by the Group for the purpose of the ABS arrangement as further defined and disclosed in note 24 to the Historical Financial Information.

The Group has assessed that the credit risk of the financial assets included in the above balances excluding payments on behalf of residents/tenants has not increased significantly since initial recognition and measured the impairment based on 12-month expected credit loss. The Group considers the historical loss rate and adjusts for forward looking macro economic data in calculating the expected credit loss rate. As at 31 December 2018, 2019 and 2020 and 30 September 2021, the Group estimated that the expected loss rate and the loss allowance for these receivables are minimal under the 12-month expected loss method.

Payments on behalf of residents/tenants represent the current accounts with the residents/tenants of communities/properties managed by the Group. The movements in provision for impairment of payments on behalf of residents/tenants are as follows:

	As at 31 December 2018	2019	2020	As at 30 September 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	418	862	1,746	1,550
Impairment losses recognised in profit or loss/(write-back of impairment losses) *(note 6)*	1,877	884	(196)	553
Amount written off as uncollectible	(1,433)	—	—	—
At end of the year/period	862	1,746	1,550	2,103

Expected credit losses are estimated by applying a loss rate approach with reference to the days past due for groupings of parties with similar loss patterns. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The following table provides information about the exposure to credit risk and ECLs for payments on behalf of residents/tenants which are assessed collectively based on an estimated average credit loss rate as at 31 December 2018, 2019 and 2020 and 30 September 2021.

	31 December 2018			31 December 2019			31 December 2020			30 September 2021		
Category	Average loss rate	Gross carrying amount	Impairment loss allowance	Average loss rate	Gross carrying amount	Impairment loss allowance	Average loss rate	Gross carrying amount	Impairment Loss allowance	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*
Credit-impaired	9.61%	8,967	862	6.70%	26,042	1,746	6.62%	23,415	1,550	4.87%	43,204	2,103

21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	160,030	155,113	270,818	275,447
Less: Restricted cash	—	—	—	(1,278)
Cash and cash equivalents	160,030	155,113	270,818	274,169
Cash and bank balances denominated in RMB	160,030	155,113	270,818	275,447

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Restricted cash represented cash at bank frozen for performance guarantee deposits and pre-litigation preservation of property.

Included in the Group's cash and cash equivalents are bank balances of RMB70,033,000, RMB53,587,000, RMB120,490,000 and RMB55,056,000 as at 31 December 2018, 2019 and 2020 and 30 September 2021, respectively, placed with Sinochem Group Finance Co., Ltd. ("Sinochem Finance"), which is a subsidiary of Sinochem Group and a financial institution approved by the People's Bank of China. The interest rates on these deposits ranged from 0.35% to 1.90% per annum. Further details of the interest income attributable to the deposits placed with Sinochem Finance are set out in note 29 to the Historical Financial Information.

22. TRADE PAYABLES

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
— Related parties *(note 29)*	1,294	700	687	586
— Third parties	81,603	89,955	111,349	150,151
	82,897	90,655	112,036	150,737

An ageing analysis of the Group's trade payables at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	76,107	84,227	107,183	142,620
1 to 2 years	5,650	4,202	1,459	4,877
2 to 3 years	156	1,247	1,665	1,044
More than 3 years	984	979	1,729	2,196
	82,897	90,655	112,036	150,737

Trade payables are unsecured, interest-free and normally settled within 90 days.

23. OTHER PAYABLES AND ACCRUALS

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Amounts due to related parties *(note 29)*	115,768	151,480	231,567	246,599
Receipts on behalf of residents/tenants	86,520	121,354	132,938	135,644
Deposits and temporary receipts	34,148	40,549	48,259	66,245
Payroll and welfare payables	27,465	27,926	30,021	43,066
Other tax payables	11,362	17,237	23,283	37,535
Other payables	42,016	43,163	54,573	92,624
	317,279	401,709	520,641	621,713
Non-current				
Dividend payables *(note 29)*	—	—	123,657	123,657

Dividend payable of RMB28,160,000 included in amounts due to related parties in the current liabilities as at 31 December 2020 and 30 September 2021 represents the dividend declared by Jinmao (Shanghai) Property Management Co., Ltd. to its then shareholder, China Jin Mao Group Co., Ltd., which is a wholly-owned subsidiary of China Jinmao Group.

Dividend payables of RMB123,657,000 included in the non-current other payables as at 31 December 2020 and 30 September 2021 represents the dividends declared by Sinochem Jinmao to its then shareholders, China Jinmao Group of RMB105,108,000 and Beijing Chemsunny Property Co., Ltd. of RMB18,549,000 which is a wholly-owned subsidiary of China Jinmao Group.

The other payables are unsecured and interest-free. Except for the balance of dividend payables included in non-current other payables which is scheduled to be settled after 1 January 2023 according to the resolutions of the board of directors of Sinochem Jinmao on 31 July 2020 and 30 November 2020, other payables and accruals will be settled within one year.

The dividend payable to China Jinmao Group was settled in January 2022 and the management of the Company expects the dividend payable to Beijing Chemsunny Property Co., Ltd. will be settled by the end of 2022.

24. INTEREST-BEARING BORROWINGS

	As at 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	As at 30 September 2021 RMB'000
Current				
Current portion of long term loans from third parties	126,000	134,000	144,000	—
Non-current				
Loans from third parties	1,215,000	1,080,997	936,992	—
	1,341,000	1,214,997	1,080,992	—

	As at 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	As at 30 September 2021 RMB'000
Analysed into:				
Loans repayable:				
Within one year or on demand	126,000	134,000	144,000	—
In the second year	134,000	144,000	153,000	—
In the third to fifth years, inclusive	459,000	488,000	517,000	—
Beyond five years	622,000	448,997	266,992	—
	1,341,000	1,214,997	1,080,992	—

The interest-bearing borrowings of the Group represent the asset-backed securities arrangement ("ABS") of the Group to transfer the right of receipt of the management fees, including the future management fees receivables, from certain properties managed by the Group, which are denominated in RMB, and bear interest at annual rates of 4.88% to 5.50%. Under the ABS arrangement, the Group is still exposed to default risks of the management fee receivables after the transfer, and accordingly, it continued to recognise the full carrying amounts of the management fee receivables. The ABS arrangement is accounted for as borrowings of the Group, and these other borrowings are due and repayable by several tranches before 15 July 2027 and can be early repaid before the expected due date at the option of the Group at certain predetermined prices in certain specific periods prior to the maturity date of each tranche. On 15 July 2021, the Group early repaid all the remaining borrowings under the ABS arrangement.

25. SHARE CAPITAL

	As at 31 December 2020 RMB'000	As at 30 September 2021 RMB'000
Issued and fully paid:		
31 December 2020: 1 ordinary share; 30 September 2021: 2 ordinary shares	—*	66,947

* *The amount is less than RMB1,000.*

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital *RMB'000*
On 14 September 2020 (the date of incorporation)	—	—
New issue *(Note (a))*	1	—*
At 31 December 2020 and 1 January 2021	1	—*
New issue *(Note (b))*	1	66,947
At 30 September 2021	2	66,947

* *The amount is less than RMB1,000.*

Notes:

(a) The Company was incorporated on 14 September 2020 and one ordinary share of HK$1.00 was issued on the same date to China Jinmao Group.

(b) On 13 April 2021, one ordinary share was further issued as fully paid to China Jinmao Group, in return for China Jinmao Group's 85% equity interest in Sinochem Jinmao into the Company, and the issued share capital of the Company was increased to RMB66,947,000.

26. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Merger reserve

The merger reserve of the Group represents the difference between the aggregate of the paid-up share capital of the subsidiaries now comprising the Group and the consideration paid by the Group for the business combination under common control.

"Deemed distribution for acquisition of subsidiaries under common control" was arising from acquisitions of certain subsidiaries ("Acquirees") under common control. During the period ended 30 September 2021, the Group acquired (a) 15% equity interests in Sinochem Jinmao Property Management (Beijing) Co., Ltd. from Beijing Chemsunny Property Co., Ltd., a wholly-owned subsidiary of China Jinmao Group, at a consideration of RMB1,630,000; (b) 100% equity interests in Jinmao (Shanghai) Property Management Co., Ltd. from China Jin Mao Group Co., Ltd., a wholly-owned subsidiary of China Jinmao Group, at a consideration of RMB7,890,000; and (c) 15% and 85% equity interests in Chuangmao Technology (Beijing) Co., Ltd. from Beijing Chuangmao Future Information Services Center (Limited Partnership) and Jinmao Huichuang Enterprise Management (Tianjin) Partnership (Limited Partnership), which are both non-wholly-owned subsidiaries of China Jinmao Group, respectively, at a total consideration of RMB11,964,000. The total consideration of RMB21,484,000 paid or payable for the above transactions was regarded as a deemed distribution to the then equity holders of the Acquirees. Further details of the transactions are included in the Reorganization as set out in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the prospectus.

(b) Other reserve

The other reserve of the Group represents the contributions from China Jinmao Group for equity-settled share option expenses related to the share options granted by China Jinmao Group to certain employees of the Group and of China Jinmao Group who worked for the Group and for remuneration of a director of the Company settled by a subsidiary of China Jinmao Group for his service rendered to the Group.

(c) PRC statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the Company's subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profit after tax, as determined under the Chinese Accounting Standards, to the statutory surplus funds until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of these subsidiaries, the statutory surplus funds may be used either to offset losses, or to be converted to increase the share capital of the subsidiaries provided that the balance after such conversion is not less than 25% of the registered capital of them. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(d) A summary of movements of the Company's reserves during the Relevant Periods are as follows:

	Exchange reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*
At 14 September 2020 (date of incorporation)	—	—	—
Total comprehensive loss for the period	—*	—*	—*
At 31 December 2020 and 1 January 2021	—*	—*	—*
Total comprehensive loss for the period	(2)	(12,193)	(12,195)
At 30 September 2021	(2)	(12,193)	(12,195)

* *The amount is less than RMB1,000.*

27. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2018, 2019 and 2020 and the nine months ended 30 September 2021, the Group had non-cash additions to right-of-use assets of approximately RMB730,000, RMB1,415,000, RMB15,499,000 and RMB14,771,000, respectively, and non-cash additions to lease liabilities of approximately RMB730,000, RMB1,415,000, RMB15,499,000 and RMB14,771,000, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

The reconciliation of liabilities arising from financing activities is as follows:

	Interest-bearing borrowings *RMB'000*	Lease liabilities *RMB'000*
At 1 January 2018	—	6,602
Changes from financing cash flows	1,341,000	(1,507)
New leases	—	730
Interest expense	—	301
Interest paid classified as financing cash flows	—	(301)
At 31 December 2018 and 1 January 2019	1,341,000	5,825
Changes from financing cash flows	(126,003)	(1,777)
New leases	—	1,415
Interest expense	—	289
Interest paid classified as financing cash flows	—	(289)
At 31 December 2019 and 1 January 2020	1,214,997	5,463
Changes from financing cash flows	(134,005)	(3,166)
New leases	—	15,499
Interest expense	—	436
Interest paid classified as financing cash flows	—	(436)
At 31 December 2020 and 1 January 2021	1,080,992	17,796
Changes from financing cash flows	(1,080,992)	(6,115)
New leases	—	14,771
Interest expense	—	696
Interest paid classified as financing cash flows	—	(696)
At 30 September 2021	—	26,452

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	Year ended 31 December 2018 *RMB'000*	2019 *RMB'000*	2020 *RMB'000*	Nine months ended 30 September 2021 *RMB'000*
Within operating activities	2,362	7,105	9,413	6,188
Within financing activities	1,808	2,066	3,602	6,811
Total	4,170	9,171	13,015	12,999

(d) During the years ended 31 December 2018, 2019 and 2020, and the nine months ended 30 September 2020 and 2021, the Group had recorded non-cash expenses of RMB1,012,000, RMB3,758,000, RMB3,631,000, RMB2,724,000 and RMB1,311,000 in respect of management's and staffs' services to the Group under the share option scheme of China Jinmao Group and management's remuneration of RMB2,156,000, RMB1,794,000, RMB2,365,000, RMB1,479,000 and RMB2,084,000 borne by the immediate holding company of the Company.

28. COMMITMENTS

At the end of each of the Relevant Periods, the Group did not have any material capital commitment and Group, as a leasee, had no lease contracts that have not yet commenced as at the end of each of the Relevant Periods.

29. RELATED PARTY TRANSACTIONS

(1) Transactions with related parties

In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods and the nine months ended 30 September 2020:

(a) Property management service income, lease expenses, information technology expenses, equity-settled share option expenses, management's remuneration borne by the immediate holding company and interest income.

	Year ended 31 December			Nine months ended 30 September	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Property management service income:					
Other subsidiaries of China Jinmao Group*	60,727	48,555	54,837	45,301	62,406
Joint ventures of China Jinmao Group	1,726	6,721	6,169	3,083	5,664
Associates of China Jinmao Group	776	664	1,119	895	5,519
Other subsidiaries of Sinochem Group**	30,708	28,821	34,586	24,296	27,751
Other joint ventures of Sinochem Group#	519	5,154	5,335	4,009	3,847
Other associates of Sinochem Group#	564	594	565	425	422
	95,020	90,509	102,611	78,009	105,609
Value-added service income to non-property owners:					
China Jinmao Group and its other subsidiaries*	75,838	99,455	142,712	91,824	233,121
Joint ventures of China Jinmao Group	50,905	88,704	68,564	47,692	71,035
Associates of China Jinmao Group	37,714	43,789	66,850	49,903	49,073
Other subsidiaries of Sinochem Group**	—	262	1,484	1,377	440
	164,457	232,210	279,610	190,796	353,669

	Notes	Year ended 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	Nine months ended 30 September 2020 RMB'000 (Unaudited)	2021 RMB'000
Community value-added services income:						
Other subsidiaries of China Jinmao Group*		18,764	25,946	25,249	17,476	18,739
Joint ventures of China Jinmao Group		2	1,026	1,443	842	3,365
Associates of China Jinmao Group		141	—	71	—	1,222
Other subsidiaries of Sinochem Group**		1,628	1,569	1,800	1,339	1,198
Other joint ventures of Sinochem Group#		2	2	2	1	1
Other associates of Sinochem Group#		3	3	3	3	2
		20,540	28,546	28,568	19,661	24,527
Lease expenses:						
Other subsidiaries of China Jinmao Group*		1,675	1,675	2,528	1,256	5,573
Information technology expenses:						
Other subsidiaries of China Jinmao Group*		871	1,122	1,767	1,325	4,162
Other subsidiaries of Sinochem Group**		691	295	761	571	—
		1,562	1,417	2,528	1,896	4,162
Equity-settled share option expenses:						
China Jinmao Group	(i)	1,012	3,758	3,631	2,724	1,311
Management's remuneration borne by the immediate holding company:						
China Jinmao Group	(ii)	2,156	1,794	2,365	1,479	2,084
Interest income:						
Other subsidiaries of China Jinmao Group*	(iii)	9,864	69,991	63,750	50,803	32,408
Sinochem Finance	(iv)	49	74	173	129	161
		9,913	70,065	63,923	50,932	32,569

Notes:

* Other subsidiaries of China Jinmao Group are entities that are controlled by China Jinmao Group Co., Ltd., excluding the Group.

** Other subsidiaries of Sinochem Group are entities that are controlled by Sinochem Group Co., Ltd., excluding China Jinmao Group and its subsidiaries.

Other joint ventures and associates of Sinochem Group are joint ventures and associates of Sinochem Group, excluding the joint ventures and associates of China Jinmao Group.

(i) In prior years, certain management of the Group and Mr. Xie Wei, who was appointed as an executive director and the chief executive officer of the Company subsequent to the end of the Relevant Periods, were granted share options, in respect of their services to the Group and China Jinmao Group, under the share option scheme of China Jinmao Group. Ms. Zhou Liye, who was appointed as an executive director and the chief financial officer of the Company subsequent to the end of Relevant Periods, was granted share options in respect of her services to China Jinmao Group, under the share option scheme of China Jinmao Group. She joined the Group in May 2021 and the related equity-settled share option expenses were borne by the Group since then. The fair value of such options, which has been recognised in profit or loss of the Group over the vesting period, was determined as at the date of grant.

(ii) Certain emoluments of certain management of the Group and Mr. Xie Wei, were paid by China Jinmao Group and recorded in profit or loss of the Group in relation to their services rendered to the Group for the Relevant Periods and the nine months ended 30 September 2020.

(iii) Interest income from other subsidiaries of China Jinmao Group was determined at rates of 4.88% to 5.50% per annum.

(iv) Interest income from Sinochem Finance was at the rates of 0.35% to 1.90% per annum.

(v) The pricing for other transactions above were determined in accordance with the terms mutually agreed by the contracting parties.

(b) During the Relevant Periods and the nine months ended 30 September 2020, the Group was entitled to use some trademarks of China Jinmao Group for free.

(2) Outstanding balances with related parties

	As at 31 December 2018	2019	2020	As at 30 September 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments and receivables from related parties				
Trade receivables				
Other subsidiaries of Sinochem Group**	794	1,159	1,615	3,232
Joint ventures of Sinochem Group#	—	—	—	91
Associates of Sinochem Group#	48	—	—	—
China Jinmao Group and its other subsidiaries*	44,038	68,108	89,154	218,700
Joint ventures of China Jinmao Group	12,771	19,825	25,275	44,469
Associates of China Jinmao Group	3,844	8,538	13,104	20,270
	61,495	97,630	129,148	286,762
Prepayments and other receivables				
Other subsidiaries of Sinochem Group**	110	5	638	7,988
Joint ventures of Sinochem Group	—	—	—	80
Associates of Sinochem Group	—	—	—	17
Other subsidiaries of China Jinmao Group*	1,497,322	1,546,759	1,505,744	393,905
Joint ventures of China Jinmao Group	423	423	423	252
Associates of China Jinmao Group	—	—	—	3,996
	1,497,855	1,547,187	1,506,805	406,238
Cash and cash equivalents				
Deposits placed with Sinochem Finance *(note 21)*	70,033	53,587	120,490	55,056

	As at 31 December 2018	2019	2020	As at 30 September 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables to related parties				
Trade payables				
Other subsidiaries of Sinochem Group**	337	232	109	70
Other subsidiaries of China Jinmao Group*	957	468	578	516
	1,294	700	687	586
Other payables				
Other subsidiaries of Sinochem Group**	2,066	2,607	4,391	14,475
Joint ventures of Sinochem Group#	—	—	—	82
Associates of Sinochem Group#	445	663	809	329
China Jinmao Group and its other subsidiaries*	112,996	148,203	349,616	346,568
Joint ventures of China Jinmao Group	261	7	348	6,102
Associates of China Jinmao Group	—	—	60	2,700
	115,768	151,480	355,224	370,256
Lease liabilities				
Other subsidiaries of China Jinmao Group*	5,184	4,888	15,632	23,398
Contract liabilities				
Other subsidiaries of Sinochem Group**	679	381	407	2,687
Joint ventures of Sinochem Group#	—	—	—	65
Associates of Sinochem Group#	—	1	—	140
Other subsidiaries of China Jinmao Group*	2,081	12,816	15,491	14,571
Joint ventures of China Jinmao Group	756	1,904	4,347	5,197
Associates of China Jinmao Group	490	1,226	2,317	4,062
	4,006	16,328	22,562	26,722

The Group's outstanding balances of trade receivables, trade payables, prepayments, lease liabilities and contract liabilities with related parties and deposits placed with Sinochem Finance are trade in nature. The outstanding balances of other receivables and other payables with related parties are non-trade in nature, and these balances are unsecured, interest-free and has no fixed terms of repayment. The directors of the Company represent that the non-trade balances with related parties of the Group as at 30 September 2021 will be settled before the completion of the proposed listing of the shares of the Company on the Stock Exchange, except for the balances due to certain non-wholly-owned subsidiaries of China Jinmao Group and its joint ventures and associates of RMB16,053,000 which represents the collection of car park rental income by the Group on their behalf.

(3) Compensation of key management personnel of the Group

	Year ended 31 December			Nine months ended 30 September	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	4,105	4,317	4,288	3,201	4,350
Pension scheme contributions	299	280	127	114	261
Performance related bonuses	3,664	3,346	4,164	3,167	4,661
Equity-settled share option expense	502	2,274	2,238	1,148	1,010
	8,570	10,217	10,817	7,630	10,282

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

(4) Transactions and balances with other state-owned entities

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively "State-owned Entities" ("SOEs")). During the Relevant Periods, the Group had transactions with other SOEs to provide property management services. The directors of the Company consider that these transactions with other SOEs are activities conducted in the ordinary course of business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for its products and services and such pricing policies do not depend on whether or not the customers are SOEs.

30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 September
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets — Financial assets at amortised cost				
Trade receivables	88,801	155,291	203,713	451,537
Financial assets included in prepayments, other receivables and other assets	1,634,881	1,604,803	1,557,118	489,442
Restricted cash	—	—	—	1,278
Cash and cash equivalents	160,030	155,113	270,818	274,169
	1,883,712	1,915,207	2,031,649	1,216,426

	As at 31 December 2018	2019	2020	As at 30 September 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities — Financial liabilities at amortised cost				
Trade payables	82,897	90,655	112,036	150,737
Interest-bearing borrowings	1,341,000	1,214,997	1,080,992	—
Lease liabilities	5,825	5,463	17,796	26,452
Financial liabilities included in other payables and accruals	278,452	356,546	590,994	664,769
	1,708,174	1,667,661	1,801,818	841,958

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, financial assets included in current portion of prepayments, other receivables and other assets, trade payables, current portion of interest-bearing borrowings, and financial liabilities included in current portion of other payables and accrual, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of interest-bearing borrowings, financial assets included in other receivables and other assets and financial liabilities included in other payables, have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The resulting fair value amounts of these assets and liabilities are closed to their carrying amounts as at the end of each of the Relevant Periods.

Fair value hierarchy

The Group did not hold any financial assets and liabilities measured at fair value as at 31 December 2018, 2019 and 2020 and 30 September 2021.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted cash, trade and other receivables, trade and other payables, which arise directly from its operations. The Group has other financial liabilities such as interest-bearing borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group's overall risk management programme focuses on minimising potential adverse effects of these risks, with a material impact, on the Group's financial performance. The board of directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit risk

The Group is exposed to credit risk in relation to its trade receivables, other receivables, cash and cash equivalents and restricted cash.

The Group expects that there is no significant credit risk associated with cash and cash equivalents and restricted cash since they are substantially deposited at state-owned banks, other medium or large-sized listed banks and other financial institutions in Mainland China. Management does not expect that there will be any significant losses from non-performance by these banks.

The Group expects that the credit risk associated with trade receivables and other receivables due from related parties is low, since the related parties have strong capacity to meet contractual cash flow obligations in the near term. Thus, no impairment provision was recognised during the Relevant Periods for the trade receivables and other receivables due from related parties.

The Group trades only with recognised and creditworthy third parties. Concentrations of credit risk are managed by analysis by customer/counterparty. There are no significant concentrations of credit risk from third parties as the customer bases of the Group's trade receivables and other receivables are widely dispersed. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year/period-end staging as at 31 December 2018, 2019 and 2020 and 30 September 2021

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at 31 December 2018, 2019 and 2020 and 30 September 2021. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2018

	12-month ECLs	**Lifetime ECLs**			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	92,891	92,891
Financial assets included in prepayments, other receivables and other assets					
— Normal**	1,626,776	—	—	—	1,626,776
— Doubtful**	—	8,967	—	—	8,967
Cash and cash equivalents					
— Not yet past due	160,030	—	—	—	160,030
	1,786,806	8,967	—	92,891	1,888,664

As at 31 December 2019

	12-month ECLs	**Lifetime ECLs**			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	158,540	158,540
Financial assets included in prepayments, other receivables and other assets					
— Normal**	1,580,507	—	—	—	1,580,507
— Doubtful**	—	26,042	—	—	26,042
Cash and cash equivalents					
— Not yet past due	155,113	—	—	—	155,113
	1,735,620	26,042	—	158,540	1,920,202

As at 31 December 2020

	12-month ECLs	Lifetime ECLs		Simplified	
	Stage 1	**Stage 2**	**Stage 3**	**approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	207,334	207,334
Financial assets included in prepayments, other receivables and other assets					
— Normal**	1,535,253	—	—	—	1,535,253
— Doubtful**	—	23,415	—	—	23,415
Cash and cash equivalents					
— Not yet past due	270,818	—	—	—	270,818
	1,806,071	23,415	—	207,334	2,036,820

As at 30 September 2021

	12-month ECLs	Lifetime ECLs		Simplified	
	Stage 1	**Stage 2**	**Stage 3**	**approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	456,171	456,171
Financial assets included in prepayments, other receivables and other assets					
— Normal**	448,341	—	—	—	448,341
— Doubtful**	—	43,204	—	—	43,204
Restricted cash					
— Not yet past due	1,278	—	—	—	1,278
Cash and cash equivalents					
— Not yet past due	274,169	—	—	—	274,169
	723,788	43,204	—	456,171	1,223,163

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding to finance its working capital needs as well as capital expenditure in respect of this management projects, and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, which is based on contractual undiscounted payments.

As at 31 December 2018

	Within 1 year or on demand	**1 to 5 years**	**Over 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	82,897	—	—	82,897
Interest-bearing borrowings	178,503	795,063	687,500	1,661,066
Lease liabilities	1,790	4,033	859	6,682
Financial liabilities included in other payables and accruals	278,452	—	—	278,452
	541,642	799,096	688,359	2,029,097

As at 31 December 2019

	Within 1 year or on demand	**1 to 5 years**	**Over 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	90,655	—	—	90,655
Interest-bearing borrowings	194,931	803,907	483,725	1,482,563
Lease liabilities	2,284	3,666	172	6,122
Financial liabilities included in other payables and accruals	356,546	—	—	356,546
	644,416	807,573	483,897	1,935,886

As at 31 December 2020

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	112,036	—	—	112,036
Interest-bearing borrowings	198,312	809,055	280,261	1,287,628
Lease liabilities	6,690	12,752	—	19,442
Financial liabilities included in other payables and accruals	467,337	123,657	—	590,994
	784,375	945,464	280,261	2,010,100

As at 30 September 2021

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	150,737	—	—	150,737
Lease liabilities	8,956	21,306	—	30,262
Financial liabilities included in other payables and accruals	541,112	123,657	—	664,769
	700,805	144,963	—	845,768

(c) Interest rate risk and foreign currency risk

The Group is not exposed to material interest rate risk as the Group has no long term debt obligations with a floating interest rate.

The Group is not exposed to material foreign currency risk as its business is principally conducted in Mainland China and all the transactions are denominated in RMB.

(d) Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No change was made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a current ratio, which is total current assets divided by total current liabilities, and a liabilities to assets ratio, which is total liabilities divided by total assets. The current ratios and liabilities to assets ratios at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 September
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total current assets	695,757	860,473	1,123,926	1,247,790
Total current liabilities	638,990	792,005	1,011,375	1,047,481
Total assets	1,940,502	1,986,219	2,135,235	1,334,043
Total liabilities	1,860,847	1,878,388	2,086,101	1,188,549
Current ratio	1.09	1.09	1.11	1.19
Liabilities to assets ratio	0.96	0.95	0.98	0.89

33. NOTES TO THE STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(a) Investment in a subsidiary

On 25 May 2021, the Company completed acquisition of 100% interest in Sinochem Jinmao from China Jinmao Group and Beijing Chemsunny Property Co., Ltd. The purchase consideration for the acquisition was settled by way of the issuance of one ordinary share of the Company to China Jinmao Group for 85% equity interest in Sinochem Jinmao and cash of RMB1,630,000 to Beijing Chemsunny Property Co., Ltd. for the 15% of equity interest in Sinochem Jinmao. Further details of the transaction are included in the Reorganization as set out in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the prospectus.

(b) Other assets

	As at 31 December 2020	As at 30 September 2021
	RMB'000	*RMB'000*
Due from the immediate holding company *(note)*	—*	—*
Capitalised listing expenses	—	3,850
	—*	3,850

* *The amount is less than RMB1,000.*

Note: the amount due from the immediate holding company of HK$1 bears interest at a rate of 10% per annum for the period from 14 September 2020 (date of incorporation) to 31 December 2020, and 4% per annum for the nine months ended 30 September 2021.

(c) Other payables and accruals

	As at 31 December 2020	As at 30 September 2021
	RMB'000	*RMB'000*
Accrued listing expenses	—	15,402
Due to China Jinmao Group	—	542
Due to a fellow subsidiary	—	1,630
	—	17,574

The outstanding balances of due to China Jinmao Group and due to a fellow subsidiary included in other payables of the Company are non-trade in nature, and these balances are unsecured, interest-free and repayable on demand. The directors of the Company represent that the Company's non-trade balances with related parties as at 30 September 2021 will be settled before the completion of the proposed listing of the shares of the Company on the Stock Exchange.

34. EVENT AFTER THE REPORTING PERIODS

On 26 January 2022, China Jinmao Group made a capital injection of HK$125,000,000 (equivalent to RMB101,538,000) to the Company, and the share capital of the Company was increased by the same amount without allotment and issuance of any new shares.

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 September 2021.

The following information does not form part of the Accountants' Report prepared by Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to the prospectus.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the parent has been prepared in accordance with rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purpose only, and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to the owners of the parent as at 30 September 2021 as if the Global Offering had taken place on 30 September 2021.

The unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the parent has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the parent had the Global Offering been completed as at 30 September 2021 or any future date. It is prepared based on the consolidated net tangible assets attributable to the owners of the parent as at 30 September 2021 as set out in the Accountants' Report as set out in Appendix I to the prospectus, and adjusted as described below.

	Consolidated net tangible assets attributable to owners of the parent as at 30 September 2021	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Notes 2, 4)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$7.52 per Share	133,637	580,439	714,076	0.79	0.97
Based on an Offer Price of HK$8.14 per Share	133,637	630,350	763,987	0.85	1.04

Notes:

(1) The consolidated net tangible assets attributable to owners of the parent as at 30 September 2021 is extracted from the Accountants' Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets attributable to owners of the parent of RMB139,745,000 after deducting the intangible assets of RMB6,108,000 as at 30 September 2021.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$7.52 per Share or HK$8.14 per Share, after deduction of the underwriting fees and other related expenses payable by the Group and does not take into account of any shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 901,411,500 Shares in issue immediately upon the completion of the Bonus Issue and the Global Offering, assuming that the Bonus Issue and the Global Offering has been completed on 30 September 2021 for the purpose of the pro forma financial information, and does not take into account of any shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option.

(4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi ("RMB") at an exchange rate of HK$1.00 to RMB0.8134 and the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share is converted from RMB to Hong Kong dollars at the same exchange rate. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 September 2021.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information.

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27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

To the Directors of Jinmao Property Services Co., Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Jinmao Property Services Co., Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 30 September 2021, and related notes as set out on pages II-1 and II-2 of the prospectus dated 25 February 2022 issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described on pages II-1 and II-2 to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 September 2021 as if the transaction had taken place at 30 September 2021. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 September 2021, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong
25 February 2022

The estimated consolidated profit attributable to owners of our Company for the year ended 31 December 2021 is set out in the paragraph headed "Profit estimate for the year ended 31 December 2021" under the section headed "Summary" in this prospectus.

A. BASES

Our Directors have prepared the estimate of the consolidated profit attributable to owners of our Company for the year ended 31 December 2021 (the "Profit Estimate") on the basis of (i) the audited consolidated results of our Group for the nine months ended 30 September 2021; and (ii) the unaudited consolidated results of our Group for the three months ended 31 December 2021 based on the management accounts of our Group.

The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarised in the Accountants' Report as set out in Appendix I to this prospectus.

B. PROFIT ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2021

On the basis set out in Appendix III to this prospectus, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to owners of our Company for the year ended 31 December 2021 is as follows:

Estimated consolidated profit attributable to owners of our Company	Not less than RMB170.0 million

C. LETTER FROM THE REPORTING ACCOUNTANTS

The following is the text of a letter, prepared for the inclusion in this prospectus, received from our Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in connection with the estimate of the consolidated profit attributable to owners of our Company for the year ended 31 December 2021.

EY安永

Ernst & Young
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25 February 2022

The Board of Directors
Jinmao Property Services Co., Limited
China International Capital Corporation Hong Kong Securities Limited
HSBC Corporate Finance (Hong Kong) Limited

Dear Sirs,

Jinmao Property Services Co., Limited ("the Company")

Profit estimate for year ended 31 December 2021

We refer to the estimate of the consolidated profit attributable to equity holders of the Company for the year ended 31 December 2021 ("the Profit Estimate") set forth in the section headed "Summary" in the prospectus of the Company dated 25 February 2022 ("the Prospectus").

Directors' responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as "the Group") for the nine months ended 30 September 2021 and the unaudited consolidated results based on the management accounts of the Group for the three months ended 31 December 2021.

The Company's directors are solely responsible for the Profit Estimate.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Appendix III of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 25 February 2022, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

D. LETTER FROM THE JOINT SPONSORS ON PROFIT ESTIMATE

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

HSBC Corporate Finance (Hong Kong) Limited
1 Queen's Road Central
Hong Kong

(in alphabetical order)

The Board of Directors
Jinmao Property Services Co., Limited

February 25, 2022

Dear Sirs,

We refer to the estimate of the consolidated profits attributable to the owners of Jinmao Property Services Co., Limited (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") for the year ended December 31, 2021 (the "**Profit Estimate**"), for which the directors of the Company (the "**Directors**") are solely responsible, as set forth in the section headed "Summary – Profit Estimate For The Year Ended December 31, 2021" in the prospectus of the Company dated February 25, 2022 (the "**Prospectus**").

The Profit Estimate has been prepared by the Directors based on (i) the audited consolidated results of the Group for the nine months ended September 30, 2021; and (ii) the unaudited consolidated results of the Group for the three months ended December 31, 2021 based on the management accounts of the Group.

We have discussed with you the basis and assumptions made by the Directors as set out in Appendix III to the Prospectus, upon which the Profit Estimate has been made. We have also considered the letter dated February 25, 2022 addressed to you and us from the Company's reporting accountants, Ernst & Young, regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by Ernst & Young, we are of the opinion that the Profit Estimate, for which you as the Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of
China International Capital Corporation Hong Kong Securities Limited

Shu Gao
Executive Director

For and on behalf of
HSBC Corporate Finance (Hong Kong) Limited

Ivan So
Managing Director

*This Appendix contains a summary of the articles of association of our Company (the "**Articles**"). As the information set out below is in summary form, it does not contain all of the information that may be important to potential investors. As stated in the section headed "Appendix VI – Documents delivered to the Registrar of Companies and available for Inspection" in this prospectus, a copy of the Articles is available for inspection.*

The Articles were adopted by our sole Shareholder on February 18, 2022 and will become effective on the Listing Date. The following is a summary of certain provisions of the Articles. The powers conferred or permitted by the Articles are subject to the provisions of the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and other ordinances, subsidiary legislation and the Listing Rules.

ALTERATION OF CAPITAL

Our Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in section 170 of the Companies Ordinance, including but not limited to:

(a) increasing its share capital by allotting and issuing new shares in accordance with the Companies Ordinance;

(b) increasing its share capital without allotting and issuing new shares, if the funds or other assets for the increase are provided by the members of our Company;

(c) capitalising its profits, with or without allotting and issuing new shares;

(d) allotting and issuing bonus shares with or without increasing its share capital;

(e) converting all or any of its share into a larger or smaller number of shares;

(f) cancelling shares:

   (i) that, at the date of the passing of the resolution for cancellation, have not been taken or agreed to be taken by any person; or

   (ii) that have been forfeited; or

(g) dividing its shares into several classes and attaching thereto respectively any rights, (including preferred, deferred, qualified or other special rights or privileges) or conditions or restrictions, provided always that where our Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting" or other warning language as may be required by the Listing Rules.

Subject to the provisions of the Companies Ordinance and the Articles, our Company may by special resolution reduce our share capital in any way.

PURCHASE OF OWN SHARES AND WARRANTS

Our Company may exercise any powers conferred or permitted by the Companies Ordinance or any other ordinance from time to time to purchase our own shares of any class in the capital of the Company (including any redeemable shares) or to give directly or indirectly by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any share in our Company. Should our Company purchase our own shares, neither our Company nor the Directors shall be required to select the shares to be acquired rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided that any such purchase or other acquisition or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by the Stock Exchange or the SFC from time to time in force.

In the case of purchases of redeemable shares, purchases not made through the market or by tender shall be limited to a maximum price and if purchases are by tender, tenders shall be available to all shareholders holding redeemable shares of the Company alike.

"Shares" referred to above include shares, warrants and any other securities carrying a right to subscribe for or purchase shares of our Company which are issued from time to time by our Company.

VARIATION OF RIGHTS

Subject to the provisions of the Companies Ordinance, if at any time the capital of our Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated, either with the consent in writing of holders representing at least seventy-five per cent. of the total voting rights of holders of shares in that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class, and may be so varied or abrogated either whilst our Company is a going concern or during or in contemplation of a winding up.

To every such separate meeting the provisions of the Articles relating to general meetings shall *mutatis mutandis* apply, except that:

(a) the necessary quorum at such meeting (other than an adjourned meeting) shall be two persons present in person or by proxy holding at least one-third of the total voting rights of holders of the shares in that class;

(b) at any adjourned meeting the necessary quorum shall be one person present in person or by proxy holding any shares in that class; and

(c) any holder of shares in that class whether present in person or by proxy may demand a poll.

TRANSFER OF SHARES

The instrument of transfer of any share shall be in writing and in any usual form or in any other form which the Board may approve. The transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the register of members in respect of the shares. Shares of different classes shall not be comprised in the same instrument of transfer.

The Board may, in its absolute discretion, refuse to register the transfer of a share which is not fully paid or on which our Company has a lien. The Board may also refuse to register a transfer of a share unless:

(a) the instrument of transfer is in respect of only one class of share and is properly stamped;

(b) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;

(c) subject to the Companies Ordinance, the instrument of transfer is lodged with our Company accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the shares; and

(d) the instrument of transfer is accompanied by payment of such fee, not exceeding the maximum amount prescribed by the Stock Exchange from time to time, as the Board may from time to time require.

If the Board refuse to register a transfer of a share, it shall within two months after the date on which the instrument of transfer was lodged with our Company send to the transferor and transferee notice of the refusal. Upon request by the transferor or transferee, the Board must, within twenty-eight days after receiving such request, (a) send to the transferor or transferee (as the case may be) a statement of the reasons for the refusal or (b) register the transfer.

GENERAL MEETINGS

The Board shall convene and our Company shall hold annual general meetings in accordance with the requirements of the Companies Ordinance. Subject to such requirements, the Board shall determine the date, time and place at which each annual general meeting shall be held. General meetings include other meetings of members which are not annual general meetings.

The Board may convene a general meeting whenever it thinks fit. General meetings shall also be convened by the Board on the requisition of members pursuant to the provisions of the Companies Ordinance.

NOTICE OF GENERAL MEETINGS

Subject to section 578 of the Companies Ordinance, an annual general meeting shall be called by notice in writing of at least twenty-one clear days (or such longer period as may be required by the Listing Rules), and every other general meeting shall be called by notice in writing of at least fourteen clear days (or such longer period as may be required by the Listing Rules), and such notice shall be given in the manner mentioned in the Articles to all members, Directors and auditors.

The notice shall specify the place, the date and the time of meeting and the general nature of such business to be dealt with at the meeting. If the meeting is to be held in two or more places, the notice of meeting shall specify the principal place of the meeting and the other place of the meeting.

The Board shall comply with the Companies Ordinance and the Listing Rules regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of our Company. Every notice of meeting shall also state with reasonable prominence that a member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member.

The accidental omission to give such notice of a general meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive such notice shall not invalidate any resolution passed or proceeding had at that meeting.

Subject to compliance with any provisions of the Companies Ordinance, notwithstanding that a meeting of our Company is convened by shorter notice than that specified in the Articles, it shall be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and

(b) in the case of any other general meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing at least ninety-five per cent. of the total voting rights at the meeting of all the members.

VOTING AT GENERAL MEETINGS

Subject to the Listing Rules, any vote of shareholders at a general meeting shall be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. On any resolution where a vote is not required under the Companies Ordinance, the Listing Rules, the Articles or such other laws or regulations as applicable to our Company, if any, to be held on a poll, a poll may be demanded before or on the declaration of the result of the show of hands:

(a) by the chairman of the meeting; or

(b) by at least five members present in person or by proxy having the right to vote at the meeting; or

(c) by a member or members present in person or by proxy representing in aggregate at least five per cent. of the total voting rights of all the members having the right to attend and vote at the meeting.

Subject to the Articles and the Companies Ordinance and to any special rights or restrictions as to voting for the time being attached to any shares of our Company:

(a) on a show of hands, every member who is present in person or by proxy shall have one vote; and

(b) on a poll, every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Any corporation which is a member of our Company may, by resolution of its directors or other governing body, authorise such person to act as its representative at any general meeting or meeting of the holders of shares of any class of our Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise as if it were an individual member.

Where a member is a recognised clearing house (within the meaning of the SFO) or its nominee, it may authorise any person or persons as it thinks fit to act as its proxy (or proxies) or representative (or representatives) at any general meeting of our Company or any separate meeting of any class of members of our Company provided that, if more than one person is so authorised, the instrument of proxy or authorisation must specify the number and class of shares in respect of which each such person is so authorised. Notwithstanding anything contained in the Articles, each person so authorised, and any instrument of proxy or authorisation signed by any officer of the recognised clearing house, shall be deemed to have been duly authorised without further evidence of the facts. The person so authorised will be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee) as if such person was the registered holder of the shares of our Company held by that recognised clearing house (or its nominee), including the right to vote individually on a show of hands or on a poll and to demand or concur in demanding a poll.

APPOINTMENT, ROTATION AND REMOVAL OF DIRECTORS

Subject to the Articles, our Company may by ordinary resolution appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. No person (other than a Director retiring in accordance with the Articles) shall be so appointed or re-appointed a Director at any general meeting unless:

(a) he is recommended by the Board; or

(b) he is nominated by notice in writing by a member (other than the person to be proposed) entitled to attend and vote at the meeting, and such notice of nomination shall be given to the Company Secretary at the office of our Company during a period of not less than seven days, commencing no earlier than the day after the dispatch of the notice of such meeting and ending no later than seven days prior to the date fixed for such meeting (or a longer period as may be determined and announced by the Board from time to time) and the notice of nomination shall be accompanied by a notice signed by the proposed candidate indicating his willingness to be appointed or re-appointed.

Without prejudice to the power of our Company in general meeting in accordance with any of the provisions of the Articles to appoint any person to be a Director, the Board may, at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or by way of addition to their number. Any Director so appointed by the Board shall hold office only until the first annual general meeting of our Company after his appointment, and shall then be eligible for re-appointment.

At the annual general meeting in each year, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but greater than one-third) shall retire from office. Subject to the provisions of the Companies Ordinance and of the Articles and until otherwise determined by our Company by ordinary resolution, the Directors to retire in every year shall be the Directors who have been longest in office since their last election or appointment. As between Directors of equal seniority, the Directors to retire shall be selected from among them by lot. Every Director, including those appointed for a specific term, shall subject to retirement at least once every three years.

Notwithstanding the Articles or any agreements entered into between our Company and the Directors may provide otherwise, a Director shall vacate his office even before the expiration of his term:

(a) if he ceases to be a Director by virtue of any provision of the Companies Ordinance or the Companies (Winding up and Miscellaneous Provisions) Ordinance or he becomes prohibited by law or court order from being a Director; or

(b) if he becomes bankrupt or a receiving order is made against him or he makes any arrangement or composition with his creditors generally; or

(c) if he is, or may be, suffering from mental disorder and an order is made by a court claiming jurisdiction in that behalf (whether in Hong Kong or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, *curator bonis* or other person by whatever name called to exercise powers with respect to his property or affairs; or

(d) if for more than six consecutive months both he and any alternate director appointed by him are absent, without special leave of absence from the Board, from meetings of the Board held during that period, and the Board resolves that his office be vacated; or

(e) if he gives to our Company notice of his wish to resign, in which event he shall vacate office on the delivery of that notice to our Company or such later time as is specified in such notice; or

(f) if he is removed by ordinary resolution of our Company in accordance with the Companies Ordinance or in the manner under the Articles; or

(g) if he is removed from office by notice in writing served upon him by all other Directors; or

(h) if he is convicted of an indictable offence.

If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee appointed by the Board.

QUALIFICATION OF DIRECTORS

A Director need not be a member of our Company.

BORROWING POWERS

The Board may exercise all the powers of our Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets (both present and future) and uncalled capital, or any part thereof, and (subject, to the extent applicable, to the provisions of the Companies Ordinance) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

DIRECTORS' REMUNERATION AND EXPENSES

Each of the Directors shall be entitled to be paid by our Company such remuneration as may be proposed by the Board and determined by our Company in general meeting. The Directors shall also be paid out of the funds of our Company all their travelling, hotel and other expenses reasonably and properly incurred by them in and about the discharge of their duties, including their expenses of travelling to and from meetings of the Board, or committee meetings, or general meetings (subject always to the provisions of any agreement between our Company and any Director).

The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of our Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration (if any) as a Director, and may, without prejudice to the payment of ordinary remuneration, be made payable by a lump sum or by way of salary, commission, participation in profits or otherwise as the Board may decide.

DIRECTORS' INTERESTS

Subject to the Companies Ordinance, no Director or intending Director shall be disqualified by his office from entering into any contract with our Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of our Company or as vendor, purchaser or otherwise, nor (subject to the interest of the Director being duly declared) shall any contract or arrangement entered into by or on behalf of our Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so interested be liable to account to our Company for any benefit resulting from the contract by reason of such Director holding that office or of the fiduciary relationship established by his holding that office.

A Director or an entity connected with the Director who is, in any way, whether directly or indirectly, interested in a transaction, arrangement or contract or a proposed transaction, arrangement or contract with our Company shall, if such transaction, arrangement or contract is significant in relation to our Company's business and the Director's interest or the interest of the entity connected with the Director (as applicable) is material, declare the nature and extent of his interest or the interest of the entity connected with the Director (as applicable) at the meeting of the Board at which the question of entering into the transaction, arrangement or contract is first taken into consideration or in any other case by notice in writing and sent to other Directors, or by general notice sent to the Board or our Company, in each case in accordance with the Companies Ordinance and the Articles and any requirements prescribed by the Company for the declarations of interests of Directors in force from time to time.

A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with our Company or any other company in which our Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more Directors to offices or places of profit with our Company or any other company in which our Company is interested, those proposals may be divided and a separate resolution may be put in relation to each Director and in that case each of the Directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

Subject to the Listing Rules and save as otherwise provided by the Articles, a Director shall also not vote (or be counted in the quorum at a meeting) in relation to any resolution relating to any transaction, arrangement or contract or other proposal in which he or any of his close associates has a material interest and, if he purports to do so, his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply and a Director may vote (and be counted in the quorum) any or more of the following matters:

(a) the giving of any security or indemnity either:

(i) to the director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of our Company or any of its subsidiaries; or

(ii) to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(b) any proposal concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase where the director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(c) any proposal or arrangement concerning the benefit of employees of our Company or its subsidiaries including:

(i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the director or his close associate(s) may benefit; or

(ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the director, his close associate(s) and employee(s) of our Company or any of its subsidiaries and does not provide in respect of any director, or his close associates(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(d) any contract or arrangement in which the director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company.

DIVIDENDS

Subject to the provisions of the Companies Ordinance, our Company may, from time to time, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the Board.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share, and (b) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of our Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of our Company, in the opinion of the Board, justifies its payment. If at any time the share capital of our Company is divided into different classes, the Board may resolve to pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential or special rights in regard to dividend. If the Board acts in good faith, none of the Directors shall incur any liability to the holders of shares conferring preferred rights for any loss such holders may suffer in consequence of the payment of an interim dividend on any shares having deferred or non-preferred rights.

Whenever the Board or our Company in general meeting have resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets or rights of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of our Company or any other company, or in any one or more of such ways, with or without offering any rights to members to elect to receive such dividend in cash. Where any difficulty arises in regard to the distribution, the Board may settle the same as they think expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets or rights, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may determine that fractional entitlements shall be aggregated and sold and the benefit shall accrue to our Company rather than to the members concerned and may vest any such specific assets or rights in trustees as may seem expedient to the Board. The Board may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective.

Whenever the Board or our Company in general meeting have resolved that a dividend be paid or declared on the share capital of our Company, the Board may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; (b) that the members entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit.

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the Board for the benefit of our Company until claimed. Any dividend unclaimed after a period of six years from the date it became due for payment shall be forfeited and shall revert to our Company. The payment of any unclaimed dividend, interest or other sum payable by our Company on or in respect of any share into a separate account shall not constitute our Company a trustee in respect of it.

INDEMNITY

Subject to the provisions of the Companies Ordinance, every Director, Company Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.

WINDING UP

If our Company is in liquidation, the liquidator (whether voluntary or official) may, with the sanction of a special resolution of our Company and any other sanction required by law:

(a) divide among the members in specie the whole or any part of the assets of our Company and for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members; or

(b) vest the whole or any part of the assets of our Company in trustees upon such trusts for the benefit of the members or any of them as the liquidator, with the like sanction, shall think fit but no member shall be compelled to accept any asset upon which there is any liability.

UNTRACEABLE SHAREHOLDERS

Without prejudice to the rights of our Company and in accordance with the Listing Rules, our Company may cease to send any cheque or warrant or order through the post for any dividend payable on any shares in our Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants or orders remain uncashed or after the first occasion when the cheques or warrants or orders have been returned undelivered.

Our Company shall be entitled to sell, in such manner as the Board thinks fit, any share of a member, or any share to which a person is entitled by transmission, if:

(a) during a period of twelve years at least three cash dividends or other distributions have become payable in respect of the share to be sold and have been sent by our Company in accordance with the Articles;

(b) during that period of twelve years no dividend or other distribution payable in respect of the share has been claimed, no cheque, warrant, order or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by our Company from the member or the person entitled by transmission to the share;

(c) on or after the expiry of that period of twelve years our Company has published advertisements in at least one English language newspaper and one Chinese language newspaper circulating in Hong Kong giving notice of its intention to sell the share;

(d) during the period of three months following the publication of those advertisements or of the first of the advertisements if they are published on different dates, our Company has not received any communication from the member or the person entitled by transmission to the share; and

(e) our Company has given notice to the Stock Exchange of its intention to sell the share.

To give effect to any sale, the Board may authorise some person to transfer the share to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money; nor shall the title of the new holder to the share be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

1. FURTHER INFORMATION ABOUT OUR GROUP

(a) Incorporation of Our Company

We were incorporated in Hong Kong under the Companies Ordinance as a private company limited by shares on September 14, 2020 under the name of Hanmao Limited (翰茂有限公司). Our registered office is at Rm 4702-03, 47/F, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The name of our Company was changed to Jinmao Property Development Co., Ltd. (金茂物業發展股份有限公司) on June 3, 2021 and was further changed to Jinmao Property Services Co., Limited (金茂物業服務發展股份有限公司) on October 19, 2021.

As we were incorporated in Hong Kong, our corporate structure and operations are subject to the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association. A summary of certain provisions of our Articles of Association is set out in Appendix IV to this prospectus.

(b) Changes in the Share Capital of Our Company

As at the date of incorporation of our Company, our Company had an initial registered share capital of HK$1 divided into one Share, which was allotted and issued as fully paid to China Jinmao. On April 13, 2021, one Share was further allotted and issued as fully paid to China Jinmao, in return for China Jinmao's capital injection of 85% equity interest in Jinmao PM into our Company, and the share capital of our Company was increased from HK$1 to HK$10,966,720.80. On January 26, 2022, China Jinmao made a capital injection of HK$125,000,000 to our Company, following which our share capital was further increased to HK$135,966,720.80. Since its incorporation and up to the Latest Practicable Date, our Company was wholly owned by China Jinmao.

Immediately following the completion of the Bonus Issue and the Global Offering but without taking into account any Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option, 901,411,500 Shares will be issued as fully paid or credited as fully paid.

Save as disclosed above and as mentioned in "— 1. Further Information about our Group — (c) Written Resolutions of our Sole Shareholder passed on February 18, 2022" below, there has been no alteration in the share capital of our Company since its incorporation.

(c) Written Resolutions of our Sole Shareholder passed on February 18, 2022

Pursuant to the written resolutions of our Sole Shareholder passed on February 18, 2022, among other things:

(i) the Articles of Association were approved and adopted in substitution for and to the exclusion of the existing articles of association of our Company, conditional upon Listing and with effect from the Listing Date;

(ii) conditional upon the conditions of the Global Offering (as set out in the section headed "Structure of the Global Offering — Conditions of the Global Offering" in this prospectus) being fulfilled (or, if applicable, waived):

(A) the Global Offering, the Listing, the Offer Size Adjustment Option and the Over-allotment Option were approved and the Directors were authorized to approve the allotment and issue of the Offer Shares and any new Shares which are required to be issued if the Offer Size Adjustment Option and the Over-allotment Option are exercised and to negotiate and agree the Offer Price;

(B) our Directors were authorized to allot and issue a total of 799,999,998 Shares credited as fully paid for nil consideration to China Jinmao, being the only holder of the Shares whose name appeared on the register of members of our Company at the close of business on February 18, 2022 (the "**Bonus Issue**"), of which 191,680,031 Shares (subject to the Distribution Adjustment) shall be allotted and issued, at the direction of China Jinmao, to the Qualifying Jinmao Shareholders in proportion to their shareholdings in China Jinmao pursuant to the Distribution. The Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares (other than the Bonus Issue) and our Directors were authorized to give effect to the Bonus Issue (including the Distribution);

(C) a general unconditional mandate was granted to our Directors to allot, issue and deal with any Shares or securities convertible into Shares and to make or grant share sale plans, offers, agreements or options which would or might require Shares to be allotted, issued or dealt with, provided that the aggregate number of Shares so allotted, issued or dealt with or agreed to be allotted, issued or dealt with by our Directors, otherwise than by way of rights issue or pursuant to the exercise of any options which may be granted under any share option scheme or by virtue of scrip dividend schemes or similar arrangements in accordance with our Articles of Association, shall not exceed the sum of:

(1) 20% of the aggregate number of Shares in issue immediately following the completion of the Bonus Issue and the Global Offering on the Listing Date (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option); and

(2) the aggregate number of Shares repurchased under the authority referred to in sub-paragraph (D) below; and

(D) a general unconditional mandate was granted to our Directors to exercise all the powers of our Company to repurchase on the Stock Exchange, or on any other stock exchange on which our securities may be listed and which is recognized by the SFC and the Stock Exchange, such number of Shares that will represent up to 10% of the total number of Shares in issue immediately following completion of the Bonus Issue and the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Each of the general mandates referred to in paragraphs (C) and (D) above will remain in effect until the earliest of:

(A) the conclusion of our next annual general meeting unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

(B) the expiration of the period within which our next annual general meeting is required to be held under any applicable laws of Hong Kong and the Articles of Association; or

(C) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in a general meeting.

(d) Group Reorganization

The companies comprising our Group underwent the Reorganization in preparation for the Listing. Please refer to the section headed "History, Reorganization and Corporate Structure — Reorganization" in this prospectus for further details.

(e) Changes in the Share Capital of Our Subsidiaries

Our subsidiaries are referred to in the Accountants' Report set out in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountants' Report, we do not have any other subsidiaries.

Save as disclosed in the section headed "History, Reorganization and Corporate Structure" in this prospectus and the increase of registered capital of Jinmao Shanghai from RMB5,000,000 to RMB6,630,000 on March 16, 2021, no other alterations in the share or registered capital of each of our Company's subsidiaries took place within the two years immediately preceding the date of this prospectus.

(f) Repurchase by our Company of our own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(i) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(A) Shareholders' approval

All proposed repurchases of securities by a company with its primary listing on the Stock Exchange, whether directly or indirectly, must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a specific transaction.

Pursuant to the written resolutions of our sole Shareholder passed on February 18, 2022, our Directors were granted a general unconditional mandate (the "**Repurchase Mandate**") to repurchase Shares as described above in the paragraphs headed "- 1. Further Information about our Group — (c) Written Resolutions of our Sole Shareholder passed on February 18, 2022" in this appendix.

(B) Source of funds

Repurchases of shares must only be funded out of funds legally permitted to be utilized in this connection in accordance with the Articles, the Listing Rules and the applicable laws of Hong Kong. A company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(C) Trading restrictions

The total number of shares which a listed company is authorized to repurchase on the Stock Exchange is such number of shares which represents up to a maximum of 10% of the number of issued shares as at the date of the resolution approving the repurchase. A company may not issue or announce an issue of shares for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange.

In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its shares on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to effect a repurchase of shares disclose to the Stock Exchange such information with respect to the repurchase made on behalf of the listed company as the Stock Exchange may require.

(D) Shares to be purchased

The Listing Rules provide that the shares which are proposed to be purchased by a company must be fully paid up.

(E) Status of repurchased securities

The listing of all repurchased shares (whether on the Stock Exchange or otherwise) is automatically cancelled and the relevant documents of title for those shares must be cancelled and destroyed as soon as reasonably practicable.

(F) Suspension of repurchases

A listed company may not make any repurchase of shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for a listed company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, the listed company may not repurchase its securities on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange reserves the right to prohibit repurchases of shares on the Stock Exchange if a company has breached the Listing Rules.

(G) *Reporting requirements*

Repurchases of shares on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session (Hong Kong time) on the following Business Day. In addition, the company's annual report is required to disclose details regarding repurchases of shares made during the year, including the monthly breakdown of the number of shares repurchased, purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate price paid for such purchases. The directors' report shall contain reference to the purchases made during the year and the reasons for making such purchases.

(H) *Core connected persons*

A listed company is prohibited from knowingly repurchasing shares on the Stock Exchange from a core connected person, and a core connected person is prohibited from knowingly selling his shares to the company.

(ii) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 901,411,500 Shares in issue immediately following the completion of the Bonus Issue and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), could accordingly result in up to 90,141,150 Shares being repurchased by us during the period in which the Repurchase Mandate remains in force.

(iii) General information relevant to the Repurchase Mandate

(A) Our Directors believe that it is in the best interests of us and our Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Repurchases of shares will only be made when our Directors believe that such repurchases will benefit us and our Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of our net asset value per Share and/or our earnings per Share.

(B) There might be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts) in the event that the Repurchase Mandate is exercised in full. However, our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels, which in the opinion of our Directors are from time to time appropriate for us.

(C) None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates has any present intention to sell any Shares to us or our subsidiaries if the Repurchase Mandate is exercised.

(D) Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate only in accordance with the Listing Rules and the applicable laws of Hong Kong.

(E) If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder (or a group of Shareholders acting in concert, as defined in the Takeovers Code) could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences that would arise under the Takeovers Code as a result of any repurchases pursuant to the Repurchase Mandate.

(F) No core connected person of our Company has notified us that he has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

(a) Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this prospectus and are or may be material:

(i) the business reorganization framework agreement dated March 25, 2021 entered into between Jinmao Commercial Real Estate (Shanghai) Company Limited (金茂商業房地產(上海)有限公司) ("**Commercial Company**") and Sinochem Jinmao Property Management (Beijing) Co., Ltd (中化金茂物業管理(北京)有限公司) ("**Jinmao PM**"), pursuant to which Commercial Company agreed to transfer the commercial property management business (including without limitation all relevant personnel, contracts with suppliers, equipment and other resources) to Jinmao PM;

(ii) the equity transfer agreement dated April 12, 2021 entered into between Beijing Chemsunny Property Co., Ltd. (北京凱晨置業有限公司) ("**Beijing Chemsunny**") and Hanmao Limited (翰茂有限公司) (currently known as Jinmao Property Services Co., Limited (金茂物業服務發展股份有限公司)) (our "**Company**"), pursuant to which Beijing Chemsunny agreed to sell, and our Company agreed to acquire 15% of the equity interest in Sinochem Jinmao Property Management (Beijing) Co., Ltd (中化金茂物業管理(北京)有限公司) at a consideration of RMB1,629,585;

(iii) the equity transfer agreement dated April 13, 2021 entered into between China Jinmao Holdings Group Limited ("**China Jinmao**") and Hanmao Limited (currently known as Jinmao Property Services Co., Limited (our "**Company**")), pursuant to which China Jinmao agreed to sell, and our Company agreed to acquire 85% of the equity interest in Sinochem Jinmao Property Management (Beijing) Company Limited, in return of which our Company agreed to allot and issue one share of our Company to China Jinmao;

(iv) the equity transfer agreement dated April 19, 2021 entered into between Nanjing International Group Company Limited (南京國際集團股份有限公司) ("**Nanjing International**") and Sinochem Jinmao Property Management (Beijing) Co., Ltd (中化金茂物業管理(北京)有限公司) ("**Jinmao PM**"), pursuant to which Nanjing International agreed to sell, and Jinmao PM agreed to acquire the entire equity interest in Nanjing Ninggao International Property Consultancy Co., Ltd. (南京寧高國際物業顧問有限公司) at nil consideration;

(v) the equity transfer agreement dated April 22, 2021 entered into between China Jin Mao Group Co., Ltd. (中國金茂(集團)有限公司) ("**China Jin Mao Group Co**") and Sinochem Jinmao Property Management (Beijing) Co., Ltd (中化金茂物業管理(北京)有限公司) ("**Jinmao PM**"), pursuant to which China Jin Mao Group Co agreed to sell, and Jinmao PM agreed to acquire the entire equity interest in Jinmao (Shanghai) Property Management Co., Ltd. (金茂(上海)物業服務有限公司) at a consideration of RMB7,889,787.06;

(vi) the equity transfer agreement dated April 28, 2021 entered into between Beijing Chuangmao Future Information Service Center (Limited Partnership) (北京創茂未來信息服務中心(有限合夥) ("**Beijing Chuangmao**") and Sinochem Jinmao Property Management (Beijing) Co., Ltd (中化金茂物業管理(北京)有限公司) ("**Jinmao PM**"), pursuant to which Beijing Chuangmao agreed to sell, and Jinmao PM agreed to acquire 15% equity interest in Chuangmao Technology (Beijing) Co., Ltd. (創茂科技(北京)有限公司) at a consideration of RMB1,794,570;

(vii) the equity transfer agreement dated April 30, 2021 entered into between Jinmao Huichuang Enterprise Management (Tianjin) Partnership (Limited Partnership) (金茂慧創企業管理(天津)合夥企業(有限合夥)) ("**Jinmao Huichuang**") and Sinochem Jinmao Property Management (Beijing) Co., Ltd (中化金茂物業管理(北京)有限公司) ("**Jinmao PM**"), pursuant to which Jinmao Huichuang agreed to sell, and Jinmao PM agreed to acquire 85% equity interest in Chuangmao Technology (Beijing) Co., Ltd. (創茂科技(北京)有限公司) at a consideration of RMB10,169,230;

(viii) the cornerstone investment agreement dated February 23, 2022 and entered into among our Company, Keltic Investment (HK) Limited, China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), HSBC Corporate Finance (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited (香港上海滙豐銀行有限公司) and CLSA Limited (中信里昂證券有限公司), details of which are included in the section headed "Our Cornerstone Investors" in this prospectus;

(ix) the cornerstone investment agreement dated February 23, 2022 and entered into among our Company, Canny Elevator Co., Ltd (康力電梯股份有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), HSBC Corporate Finance (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited (香港上海滙豐銀行有限公司) and Essence International Securities (Hong Kong) Limited (安信國際證券(香港)有限公司), details of which are included in the section headed "Our Cornerstone Investors" in this prospectus;

(x) the cornerstone investment agreement dated February 23, 2022 and entered into among our Company, Guangdong Keshun Investment Holding Co., Ltd (廣東科順投資控股有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), HSBC Corporate Finance (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited (香港上海滙豐銀行有限公司) and CLSA Limited (中信里昂證券有限公司), details of which are included in the section headed "Our Cornerstone Investors" in this prospectus;

(xi) the cornerstone investment agreement dated February 23, 2022 and entered into among our Company, Fuhui Capital Investment Limited, China International Capital Corporation Hong Kong Securities Limited, HSBC Corporate Finance (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited and CLSA Limited, details of which are included in the section headed "Our Cornerstone Investors" in this prospectus;

(xii) the cornerstone investment agreement dated February 23, 2022 and entered into among our Company, Qian He Capital Management Co Ltd — Qian He Capital Global Selection of Private-Equity Investment Fund (千合資本 – 全球精選私募證券投資基金), China International Capital Corporation Hong Kong Securities Limited, HSBC Corporate Finance (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited, details of which are included in the section headed "Our Cornerstone Investors" in this prospectus;

(xiii) the Deed of Non-competition; and

(xiv) the Hong Kong Underwriting Agreement.

(b) Intellectual Property Rights of the Group

(i) Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be or may be material to our business:

Domain Name	Registered Owner	Date of Registration	Expiry Date
cmaotech.com	Chuangmao Technology	August 20, 2020	August 20, 2022
jinmaowy.com	Jinmao PM	March 18, 2014	March 18, 2025

(ii) Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

Trademark	Place of Registration	Registered Owner	Class(es)	Registration No.	Validity Period
向阳共生	The PRC	Jinmao PM	36	31187910	March 7, 2019 — March 6, 2029
安居乐活	The PRC	Jinmao PM	16	31187869	March 14, 2019 — March 13, 2029
安居乐活	The PRC	Jinmao PM	43	31187457	April 28, 2019 — April 27, 2029
安居乐活	The PRC	Jinmao PM	41	31187447	April 28, 2019 — April 27, 2029
向阳共生	The PRC	Jinmao PM	39	31186685	March 7, 2019 — March 6, 2029
向阳共生	The PRC	Jinmao PM	35	31186589	May 7, 2019 — May 6, 2029
匠心尚品	The PRC	Jinmao PM	45	31182793	May 7, 2019 — May 6, 2029
安居乐活	The PRC	Jinmao PM	37	31182728	May 7, 2019 — May 6, 2029
安居乐活	The PRC	Jinmao PM	39	31178735	March 7, 2019 — March 6, 2029
安居乐活	The PRC	Jinmao PM	36	31178574	May 7, 2019 — May 6, 2029
向阳共生	The PRC	Jinmao PM	45	31178468	March 7, 2019 — March 6, 2029
安居乐活	The PRC	Jinmao PM	44	31178444	May 7, 2019 — May 6, 2029
向阳共生	The PRC	Jinmao PM	44	31177668	March 7, 2019 — March 6, 2029
向阳共生	The PRC	Jinmao PM	43	31177660	May 7, 2019 — May 6, 2029
安居乐活	The PRC	Jinmao PM	45	31175017	May 7, 2019 — May 6, 2029
向阳共生	The PRC	Jinmao PM	37	31173359	March 7, 2019 — March 6, 2029
安居乐活	The PRC	Jinmao PM	35	31173327	August 7, 2019 — August 6, 2029
匠心尚品	The PRC	Jinmao PM	35	31173326	June 21, 2019 — June 20, 2029

Trademark	Place of Registration	Registered Owner	Class(es)	Registration No.	Validity Period
向阳共生	The PRC	Jinmao PM	16	31173319	March 7, 2019 — March 6, 2029
向阳共生	The PRC	Jinmao PM	41	31171720	March 7, 2019 — March 6, 2029
匠心尚品	The PRC	Jinmao PM	37	31168811	September 7, 2019 — September 6, 2029
匠心尚品	The PRC	Jinmao PM	39	31167270	May 21, 2019 — May 20, 2029
匠心尚品	The PRC	Jinmao PM	36	31164242	July 21, 2019 — July 20, 2029
匠心尚品	The PRC	Jinmao PM	42	31158528	August 21, 2019 — August 20, 2029
匠心尚品	The PRC	Jinmao PM	40	31158506	July 14, 2019 — July 13, 2029
安居乐活	The PRC	Jinmao PM	11	31158472	July 21, 2019 — July 20, 2029
安居乐活	The PRC	Jinmao PM	42	31154270	August 21, 2019 — August 20, 2029
向阳共生	The PRC	Jinmao PM	11	31154203	April 28, 2019 — April 27, 2029
安居乐活	The PRC	Jinmao PM	40	31148673	July 14, 2019 — July 13, 2029
向阳共生	The PRC	Jinmao PM	9	31145645	May 7, 2019 — May 6, 2029
向阳共生	The PRC	Jinmao PM	42	31142110	July 14, 2019 — July 13, 2029
安居乐活	The PRC	Jinmao PM	38	31135458	July 28, 2019 — July 27, 2029
向阳共生	The PRC	Jinmao PM	40	31133351	April 28, 2019 — April 27, 2029
向阳共生	The PRC	Jinmao PM	38	31133345	April 28, 2019 — April 27, 2029
安居乐活	The PRC	Jinmao PM	9	31133281	August 21, 2019 — August 20, 2029
	The PRC	Jinmao PM	45	18309161	February 21, 2017 — February 20, 2027
	The PRC	Jinmao PM	44	18309052	February 21, 2017 — February 20, 2027
	The PRC	Jinmao PM	43	18308973	February 21, 2017 — February 20, 2027

Trademark	Place of Registration	Registered Owner	Class(es)	Registration No.	Validity Period
	The PRC	Jinmao PM	41	18308760	February 21, 2017 — February 20, 2027
	The PRC	Jinmao PM	39	18307111	February 21, 2017 — February 20, 2027
	The PRC	Jinmao PM	36	18306887	February 21, 2017 — February 20, 2027
	The PRC	Jinmao PM	37	18306792	December 21, 2016 — December 20, 2026
	The PRC	Jinmao PM	35	18306562	February 21, 2017 — February 20, 2027
悦邻	The PRC	Chuangmao Technology	37	49444447	June 14, 2021 — June 13, 2031
悦邻	The PRC	Chuangmao Technology	19	49444407	August 28, 2021 — August 27, 2031
悦邻	The PRC	Chuangmao Technology	11	49438022	October 7, 2021 — October 6, 2031

As of the Latest Practicable Date, we have applied for the registration of the following trademarks which we consider to be or may be material to our business:

Trademark	Place of Application	Applicant	Class(es)	Application No.	Date of Application
悦邻	The PRC	Chuangmao Technology	41	49438022	September 2, 2020
悦邻	The PRC	Chuangmao Technology	39	49438022	September 2, 2020

As of the Latest Practicable Date, we have been licensed by Shanghai Jinmao Investment with the rights to use the following trademarks which we consider to be or may be material to our business:

Trademark	Place of Registration	Registered Owner	Class(es)	Registration No.	Validity Period
金茂	Hong Kong	Shanghai Jinmao Investment	35, 36, 37, 42, 43	303446226	June 18, 2015 — July 17, 2025
JINMAO	The PRC	Shanghai Jinmao Investment	36	25306044	October 7, 2019 — October 6, 2029
			36	25306044A	October 14, 2018 — October 13, 2028
			37	25319887A	August 28, 2018 — August 27, 2028
			38	25317758	July 7, 2018 — July 6, 2028
			39	25306852	June 28, 2019 — June 27, 2029
			40	25315717	February 14, 2019 — February 13, 2029
			40	25315717A	August 28, 2018 — August 27, 2028
			41	25310853	February 14, 2019 — February 13, 2029
			41	25310853A	August 28, 2018 — August 27, 2028
			42	25305338	July 21, 2019 — July 20, 2029
			43	25314552	June 14, 2019 — June 13, 2029
			44	25314919	February 14, 2019 — February 13, 2029
			45	25314938	October 14, 2018 — October 13, 2028
金茂	The PRC	Shanghai Jinmao Investment	36	4886500	May 14, 2009 — May 13, 2029
			36	29817271	May 28, 2019 — May 27, 2029
			37	4886519	May 14, 2009 — May 13, 2029
			39	4886518	March 7, 2009 — March 6, 2029
			39	29828111	February 7, 2019 — February 6, 2029
			40	4886517	May 7, 2009 — May 6, 2029
			41	4886516	April 28, 2009 — April 27, 2029
			41	29833260	February 7, 2019 — February 6, 2029
			42	4886515	April 28, 2009 — April 27, 2029
			42	29818892	April 14, 2019 — April 13, 2029
			43	4886514	May 14, 2009 — May 13, 2029
			43	29823702	April 28, 2019 — April 27, 2029
			44	4886513	May 14, 2009 — May 13, 2029
			45	4886512	May 7, 2009 — May 6, 2029
			45	29812319	February 28, 2020 — February 27, 2030

Trademark	Place of Registration	Registered Owner	Class(es)	Registration No.	Validity Period
金茂物业 JINMAO PROPERTY	The PRC	Shanghai Jinmao Investment	6	22344643	January 28, 2018 — January 27, 2028
			8	22344613	January 28, 2018 — January 27, 2028
			9	22344778	January 28, 2018 — January 27, 2028
			16	22345195	January 28, 2018 — January 27, 2028
			21	22345426	January 28, 2018 — January 27, 2028
			35	22345659A	February 28, 2018 — February 27, 2028
			36	22345946	January 28, 2018 — January 27, 2028
			37	22346081A	February 28, 2018 — February 27, 2028
			38	22346209	April 7, 2018 — April 6, 2028
			39	22346430	April 7, 2018 — April 6, 2028
			40	22346606	April 7, 2018 — April 6, 2028
			41	22346801	January 28, 2018 — January 27, 2028
			43	22346961	January 28, 2018 — January 27, 2028
			44	22346897	January 28, 2018 — January 27, 2028
			45	22347254	January 28, 2018 — January 27, 2028

(iii) Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

Patent	Place of Registration	Patent holder	Patent No.	Date of Application
A kind of general output control device for the Internet of Things (一種物聯網的通用輸出控制裝置)	The PRC	Jinmao PM	2020227882980	November 27, 2020
A kind of flooding sensor for the Internet of Things (一種物聯網的水浸傳感器)	The PRC	Jinmao PM	2020227978305	November 27, 2020
Sensor base (傳感器底座)	The PRC	Jinmao PM	2020303818193	July 15, 2020
Controller (IBA Host) (控制器(IBA主機))	The PRC	Jinmao PM	2020303818263	July 15, 2020
A kind of wireless temperature and humidity collector (一種無線溫濕度採集器)	The PRC	Jinmao PM	2019214858054	September 6, 2019
A kind of wireless pressure collector (一種無線壓力採集器)	The PRC	Jinmao PM	2019214858425	September 6, 2019
A kind of Internet-of-things-based controller (一種基於物聯網的控制器)	The PRC	Jinmao PM	2019214858603	September 6, 2019

As of the Latest Practicable Date, we have applied for the registration of the following patents which we consider to be or may be material to our business:

Patent	Place of Application	Applicant	Application Number	Date of Application
A kind of elevator operation safety management system (一種電梯運維安全管理系統)	The PRC	Jinmao PM	2020112646161	November 14, 2020
A kind of NB-IoT shared communication device (一種NB-IoT共享通訊器)	The PRC	Jinmao PM	2020227978409	November 27, 2020
A kind of 4G shared communication device for the Internet of Things (一種物聯網的4G共享通訊裝置)	The PRC	Jinmao PM	2020227883432	November 27, 2020
A kind of elevator upward and downward movement trajectory modeling method (一種電梯上下行運行軌跡建模方法)	The PRC	Jinmao PM	202110304299X	March 23, 2021

(iv) Copyright

As of the Latest Practicable Date, we have registered the following copyright which we consider to be or may be material to our business:

Copyright	Place of Registration	Registered Proprietor	Registration No.	Date of Completion
Sensor Aging Performance Testing Software V1.0 (傳感器老化性能測試軟件V1.0)	The PRC	Jinmao PM	2021SR0135750	August 6, 2020
Jinmao Property Equipment and Facility Monitoring System (IBA) V1.0 (金茂物業設備設施監控系統(IBA)V1.0)	The PRC	Jinmao PM	2020SR0066447	October 30, 2019
Jinmao Intelligent Communication Module Embedded Software V1.0 (金茂智能通訊模組嵌入式軟體V1.0)	The PRC	Jinmao PM	2019SR1364743	June 30, 2019

Copyright	Place of Registration	Registered Proprietor	Registration No.	Date of Completion
Home (回家) V0.9.0	The PRC	Jinmao PM	2019SRE004389	January 16, 2019
Jin Xiaomao (金小茂) V1.0.9	The PRC	Jinmao PM	2020SRE001090	January 6, 2020
MAO Butler ios1.0.0 (MAO管家ios1.0.0)	The PRC	Chuangmao Technology	2020SRE017405	August 20, 2020
MAO Butler Android 1.0.0 (MAO管家安卓1.0.0)	The PRC	Chuangmao Technology	2020SRE017338	August 20, 2020
MAO Boss ios1.0.4 (MAO老闆ios1.0.4)	The PRC	Chuangmao Technology	2020SRE017324	August 20, 2020
MAO Boss android 1.0.4 (MAO老闆安卓1.0.4)	The PRC	Chuangmao Technology	2020SRE017392	August 20, 2020
Come Home 1.2.0 (回家1.2.0)	The PRC	Chuangmao Technology	2020SRE007265	March 13, 2020
Come Home ios1.3.4 (回家ios1.3.4)	The PRC	Chuangmao Technology	2020SRE017412	August 20, 2020
Digital management back-end V1.0 (數字位化管理後臺V1.0)	The PRC	Chuangmao Technology	2020SRE017443	August 20, 2020
XiaoKui eStack ios1.0.1 (小葵e棧ios1.0.1)	The PRC	Chuangmao Technology	2020SRE017483	August 20, 2020
XiaoKui eStack Android 1.0.1 (小葵e棧安卓1.0.1)	The PRC	Chuangmao Technology	2020SRE017372	August 20, 2020
Office building access management system V1.0 (寫字樓出入管理系統V1.0)	The PRC	Chuangmao Technology	2020SRE017524	August 20, 2020
Learning platform management back-end V1.0 (學習平臺管理後臺V1.0)	The PRC	Chuangmao Technology	2020SRE017371	August 20, 2020
Yuelin Life V1.0 (悅鄰生活V1.0)	The PRC	Chuangmao Technology	2020SRE017525	August 20, 2020
Yuelin Life app V1.0 (悅鄰生活小程式V1.0)	The PRC	Chuangmao Technology	2020SRE017358	August 20, 2020
Rental and Sales System V1.0 (租售系統V1.0)	The PRC	Chuangmao Technology	2020SRE017389	August 20, 2020

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, other intellectual or industrial property rights, which are or may be material in relation to our Group's business.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

(a) Disclosure of Interests

(i) Interests and short positions of our Directors and the chief executives of our Company in the share capital of our Company or our associated corporations following completion of the Bonus Issue, the Distribution and the Global Offering.

Immediately following completion of the Bonus Issue, the Distribution and the Global Offering and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the interests and short positions of each of our Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO), which, once the Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or will be required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Interests in our Company

Name of Director/ chief executive of our Company	Capacity/ Nature of Interest	Number of Shares held	Approximate % shareholding interest in our Company
Jiang Nan	Beneficial owner	122,356	0.014%

Interests in our associated corporations

Name of Director/chief executive of our Company	Name of associated corporation	Capacity/Nature of Interest	Number of shares held in the associated corporation	Number of underlying shares held in the associated corporation[1]	Approximate % shareholding interest in the associated corporation[2]
Jiang Nan	China Jinmao	Beneficial owner	3,600,000 (Long position)	4,500,000 (Long position)	0.064%
Xie Wei	China Jinmao	Beneficial owner	–	3,500,000 (Long position)	0.028%
Zhou Liye	China Jinmao	Beneficial owner	–	2,118,000 (Long position)	0.017%
He Yamin	China Jinmao	Beneficial owner	–	2,868,000 (Long position)	0.023%
Qiao Xiaojie	China Jinmao	Beneficial owner	–	2,000,000 (Long position)	0.016%

Notes:

1. This refers to underlying shares covered by share options granted pursuant to the share option scheme of China Jinmao, such options being unlisted physically settled equity derivatives.

2. This represents the percentage of the aggregate long positions in the shares and underlying shares to the total issued share capital of China Jinmao as at the Latest Practicable Date.

Save as disclosed above in this section, none of our Directors or chief executives of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are listed.

(ii) Interests and short positions of the substantial shareholders of any member of our Group

Information, so far as is known to our Directors and chief executives, on the persons (not being a Director or chief executive of our Company) who will, immediately following the completion of the Bonus Issue, the Distribution and the Global Offering, have or be deemed to have an interest or short position in the Shares and underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any member of our Group is set out in the section headed "Substantial Shareholders" in this prospectus.

(b) Directors' Appointment Letters

Each of our Directors has entered into a letter of appointment with our Company on February 18, 2022. The term of appointment shall be for an initial period of three years from the Listing Date for each of the independent non-executive Directors and three years from the respective dates of appointment for each of the other Directors, subject to the provision of retirement and rotation of Directors under the Articles of Association.

Pursuant to the terms of the letter of appointment entered into between each Director (on the one part) and our Company (on the other part), (i) the annual director's fees payable by our Company to each of the independent non-executive Directors are HK$200,000, and (ii) no director's fees are payable to the other Directors. The Directors' fees will be payable from the Listing Date, and are subject to increase or reduction as shall be determined or approved by the Board and/or the Shareholders. Each of the Directors is entitled to reimbursement from our Company for all necessary and reasonable out-of-pocket expenses properly incurred in connection with the performance and discharge of his/her duties under his/her letter of appointment.

(c) Directors' remuneration

For the year ended December 31, 2020, the aggregate amount of the remuneration paid and benefits in kind granted to the Directors by our Group was approximately RMB2.81 million.

Under the arrangements currently in place, the estimated aggregate amount that our Directors will be entitled to receive in the form of remuneration and benefits in kind from any member of our Group for the year ending December 31, 2021 is approximately RMB4.5 million (excluding any discretionary bonuses payable to our Directors).

(d) Disclaimers

Save as disclosed in this prospectus:

(i) none of the Directors nor any of the persons listed in the section headed "— 4. Other Information — (e) Qualification and Consent of Experts" below is interested, directly or indirectly, in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

(ii) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group;

(iii) none of our Directors has or is proposed to have a service contract with any member of our Group other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation);

(iv) none of our Directors are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group; and

(v) so far as is known to our Directors, none of our Directors, their respective close associates, or Shareholders (which to the knowledge of our Directors are interested in more than 5% of the issued share capital of our Company), has any interest in our Company's five largest customers and five largest suppliers.

4. OTHER INFORMATION

(a) Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

(b) Litigation

As of the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group, that would have a material adverse effect on its business, finance condition or results of operations.

(c) Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this prospectus (including the additional Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option). All necessary arrangements have been made to enable such Shares to be admitted into CCASS for clearing and settlement.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will receive an aggregate of RMB3,834,000 for acting as the sponsors for the Listing.

(d) No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since September 30, 2021 (being the date to which the latest audited consolidated financial statements of the Group were prepared).

(e) Qualification and Consent of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contract), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of regulated activities under the SFO
HSBC Corporate Finance (Hong Kong) Limited	Licensed to conduct Type 6 (advising on corporate finance) of regulated activities under the SFO
Tian Yuan Law Firm	PRC legal adviser
Ernst & Young	Certified public accountants and registered public interest entity auditor
China Index Academy	Independent industry consultant

Each of the experts named above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of copies of its report and/or letter and/or summary of opinions (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

As of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

(f) Promoter

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

(g) Taxation of holders of Shares

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.13% of the consideration of or, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006.

Intending holders of the Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or parties involved in the Global Offering accepts responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

(h) Preliminary Expenses

We have not incurred any material preliminary expenses.

(i) Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

(j) Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this prospectus, the English language version shall prevail.

(k) Miscellaneous

(i) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(A) neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;

(B) no commission, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of the Group, and no Directors, promoters or experts named in the part headed "— 4. Other Information — (e) Qualification and Consent of Experts" received any such payment or benefit;

(C) no commission has been paid or payable (except commission to sub-underwriters) to any persons for subscribing, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares or debentures of our Company.

(ii) Our Directors confirm that, save as disclosed in this prospectus:

(A) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;

(B) there has not been any interruption in the business of our Group which may have or have had a material adverse effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus;

(C) there are no bank overdrafts or other similar indebtedness by our Company or any member of our Group;

(D) there are no hire purchase commitments, guarantees or other material contingent liabilities of our Company or any member of our Group;

(E) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(F) there is no arrangement under which future dividends are waived or agreed to be waived; and

(G) our Group has no outstanding convertible debt securities or debentures.

(iii) There are no other stock exchange on which any part of the equity or debt securities of our Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought.

(iv) Our register of members will be maintained by our Hong Kong Share Registrar. Unless the Directors otherwise agree, all transfers and other documents of title of Shares must be lodged for registration with and registered by our Hong Kong Share Registrar. All necessary arrangements have been made enabling our Shares to be admitted into CCASS for clearing and settlement.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents, a copy of the **GREEN** Application Form, the written consents referred to in the section headed "Statutory and General Information — 4. Other Information — (e) Qualification and Consent of Experts" in Appendix V to this prospectus, and copies of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about our Business — (a) Summary of Material Contracts" in Appendix V to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be on display on the website of the Stock Exchange at **www. hkexnews.hk** and our website at **www.jinmaowy.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association of our Company;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2021;

(d) the report on the unaudited pro forma financial information of our Group from Ernst & Young, the text of which is set out in Appendix II to this prospectus;

(e) the letters from Ernst & Young and the Joint Sponsors relating to the profit estimate, the texts of which are set out in Appendix III to this prospectus;

(f) the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about our Business — (a) Summary of Material Contracts" in Appendix V to this prospectus;

(g) the written consents referred to in the section headed "Statutory and General Information — 4. Other Information — (e) Qualification and Consent of Experts" in Appendix V to this prospectus;

(h) the letters of appointment entered into between our Group and each of the Directors referred to in the section headed "Statutory and General Information — 3. Further Information About our Directors and Substantial Shareholders — (b) Directors' Appointment Letters" in Appendix V to this prospectus;

(i) the industry report issued by China Index Academy, our independent industry consultant, a summary of which is set forth in the section headed "Industry Overview"; and

(j) the PRC legal opinions issued by Tian Yuan Law Firm, our PRC Legal Adviser on the laws of the PRC, in respect of certain aspects of our Group and property interests of our Group in the PRC.

金茂物業服務發展股份有限公司
Jinmao Property Services Co., Limited