越秀服務集團有限公司

YUEXIU SERVICES GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code : 6626

GLOBAL OFFERING

Joint Sponsors

農銀國際 ABC INTERNATIONAL

中信建投國際 CHINA SECURITIES INTERNATIONAL

建銀国际 CCB International

越秀融資 YUEXIU CAPITAL

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

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CITIC SECURITIES

民銀資本 CMBC CAPITAL HOLDINGS LIMITED

海通國際 HAITONG

ICBC 工银国际

IMPORTANT: If you are in any doubt about any of the contents of this Prospectus, you should seek independent professional advice.

YUEXIU SERVICES GROUP LIMITED
越秀服務集團有限公司

(Incorporated in Hong Kong with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**369,660,000 Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**36,966,000 Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**332,694,000 Shares ((including 36,951,000 Reserved Shares under the Preferential Offering) subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$6.52 per Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Stock Code	**:**	**6626**

Joint Sponsors

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

***Joint Bookrunners and Joint Lead Managers** (In alphabetical order)*

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 "Appendix V – Documents Delivered to the Registrar of Companies and Available for Inspection" to this Prospectus, 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 (Chapter 32 of the Laws of Hong Kong). 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 (on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or about Monday, June 21, 2021 and, in any event, not later than Friday, June 25, 2021. The Offer Price will be not more than HK$6.52 and is currently expected to be not less than HK$4.88. Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK$6.52 for each Hong Kong Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price should be lower than HK$6.52. If, for any reason, the Joint Representatives (on behalf of the Underwriters) and us are unable to reach an agreement on the Offer Price, the Global Offering will not proceed and will lapse.

The Joint Representatives (on behalf of the Underwriters) may reduce the number of Offer Shares and/or the indicative Offer Price range stated in this Prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, a notice 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 the website of the Company at **www.yuexiuservices.com** not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in the sections entitled "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares and Reserved 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 "Risk Factors".

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares, are subject to termination by the Joint Representatives (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the day that trading in the Shares commences on the Hong Kong Stock Exchange. 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 law in the United States and may not be offered, sold, pledged or transferred within the United States (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in accordance with Regulation S.

June 16, 2021

Our Company will issue an announcement on the website of the Stock Exchange at www.hkexnews.hk and our website at www.yuexiuservices.com if there is any change in the following expected timetable of the Hong Kong Public Offering and the Preferential Offering.

Despatch of **BLUE** Application Forms to Qualifying Yuexiu Shareholders on or before . . . . Wednesday, June 16, 2021

Hong Kong Public Offering and Preferential Offering commence and **WHITE** and **YELLOW** Application Forms available from . . . . 9:00 a.m.
Wednesday, June 16, 2021

Latest time for completing electronic applications under the (i) **HK eIPO White Form** service and (ii) **HK eIPO Blue Form** Service through one of the ways below

(1) the designated website for (i) and (ii), which is **www.hkeipo.hk**

(2) the **IPO App** (only for (i) **HK eIPO White Form** service), which can be downloaded by searching "**IPO App**" in App Store or Google Play or downloaded at **www.hkeipo.hk/IPOApp** or **www.tricorglobal.com/IPOApp** *(note 2)*. . . . . 11:30 a.m. on
Monday, June 21, 2021

Application lists open *(note 3)* . . . . 11:45 a.m. on
Monday, June 21, 2021

Latest time for (a) lodging **WHITE**, **YELLOW** and **BLUE** Application Forms, (b) completing payment for **HK eIPO White Form** applications and **HK eIPO Blue Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s), and (c) giving electronic application instructions to HKSCC *(note 4)* . . . . 12:00 noon on
Monday, June 21, 2021

Application lists close *(note 3)* . . . . 12:00 noon on
Monday, June 21, 2021

Expected Price Determination Date *(note 5)* . . . . Monday, June 21, 2021

(1) Announcement of 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 Preferential Offering and the basis of allocation of the Hong Kong Offer Shares and the Reserved Shares to be published on or before . . . . Friday, June 25, 2021

(2) Results of allocations in the Hong Kong Public Offering and the Preferential Offering to be available through a variety of channels as described in the section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares – E. Publication of Results" from . . . . Friday, June 25, 2021

Announcement containing (1) and (2) above to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.yuexiuservices.com** *(note 6)* respectively from . . . . .Friday, June 25, 2021

Results of allocations in the Hong Kong Public Offering and the Preferential Offering will be available at "IPO Results" in the **IPO App** or at **www.tricor.com.hk/ipo/result** (or **www.hkeipo.hk/IPOResult**) with a "search by ID Number/Business Registration Number" function on a 24-hour basis from . . . . .Friday, June 25, 2021

Despatch/Collection of Share certificates or deposit of Share certificates into CCASS *(note 7)* and despatch/collection of refund cheques/e-Auto Refund payment instructions (if applicable) *(note 7)* on or before . . . . Friday, June 25, 2021

Dealings in the Shares on the Stock Exchange expected to commence at 9:00 a.m. on . . . . Monday, June 28, 2021

Notes:

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

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

(3) 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 at any time between 9:00 a.m. and 12:00 noon on Monday, June 21, 2021, the application lists will not open or close on that day. See the section headed "How to apply for Hong Kong Offer Shares and Reserved Shares – D. Effect of Bad Weather on the Opening and Closing of the Application Lists."

(4) Applicants who apply for Hong Kong Offer Shares by giving electronic application instructions to HKSCC should see the section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares – A. Applications for Hong Kong Offer Shares – 6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS."

(5) The Price Determination Date is expected to be on or around Monday, June 21, 2021 and, in any event, no later than Friday, June 25, 2021 unless otherwise announced. If, for any reason, the Offer Price is not agreed by the parties to the Price Determination Agreement by Friday, June 25, 2021, or such other date as announced, the Global Offering will not proceed and will lapse.

(6) None of the website or any of the information contained on the website forms part of this prospectus.

(7) The Share certificates will only become valid certificates of title at 8:00 a.m. on the Listing Date, which is expected to be Monday, June 28, 2021, provided that the Global Offering has become unconditional in all respects. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of Shares certificates or prior to the Shares certificates becoming valid do so entirely at their own risk.

Applicants who apply through the **HK eIPO White Form** service and **HK eIPO Blue Form** service by paying the application monies through a single bank account, may have e-Auto Refund payment instructions (if any) dispatched to their application payment bank account. Applicants who apply through the **HK eIPO White Form** service and **HK eIPO Blue Form** service by paying the application monies through multiple bank accounts, may have refund cheque(s) sent to the address specified in their application instructions to the designated **HK eIPO White Form** and **HK eIPO Blue Form** Service Provider by ordinary post and at their own risk.

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

The **BLUE** Application Forms have been dispatched to all Qualifying Yuexiu Shareholders save for connected persons of the Company who will not participate in the Preferential Offering. In addition, Qualifying Yuexiu Shareholders will receive a copy of this Prospectus in the manner in which they have elected, or are deemed to have elected, to receive corporate communications under Yuexiu Property's corporate communications policy.

If a Qualifying Yuexiu Shareholder has elected to receive corporate communications from Yuexiu Property in printed form under Yuexiu Property's corporate communications policy or has not been asked to elect the means of receiving Yuexiu Property's corporate communications, a printed copy of this prospectus in the elected language version(s) will be dispatched to such Qualifying Yuexiu Shareholder.

If a Qualifying Yuexiu Shareholder (a) has elected to receive an electronic version to corporate communications or (b) is deemed to have consented to receiving the electronic version of corporate communications from Yuexiu Property, an electronic version of this Prospectus which is identical to the printed prospectus can be accessed and downloaded from the websites of the Company at **www.yuexiuservices.com** and the Stock Exchange at **www.hkexnews.hk** under the section entitled "HKEXnews > Listed Company Information > Latest Listed Company Information." A Qualifying Yuexiu Shareholder who has elected to receive or is deemed to have consented to receiving the electronic version of this Prospectus may at any time request for a printed copy of this Prospectus, free of charge, by sending a request in writing to Tricor Abacus Limited at level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email to **yuexiuproperty-ecom@hk.tricorglobal.com**. Tricor Abacus Limited will promptly, upon request, send by ordinary post a printed copy of this Prospectus to such Qualifying Yuexiu Shareholder, free of charge, although such Qualifying Yuexiu Shareholder may not receive that printed copy of this prospectus before the close of the Hong Kong Public Offering and the Preferential Offering.

Qualifying Yuexiu Shareholders may also obtain a printed copy of this Prospectus, free of charge, during normal business hours from any of the designated branches of the receiving banks and the designated offices of each of the Joint Representatives as set out in the section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares" in this Prospectus. Distribution of this Prospectus and/or the **BLUE** Application Forms into any jurisdiction other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus and/or the **BLUE** Application Forms come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Prospectus should not be distributed, forwarded or transmitted in, into or from any of the Specified Territories with or without the **BLUE** Application Forms, except to Qualifying Yuexiu Shareholders as specified in this Prospectus.

Receipt of this document and/or the **BLUE** Application Form(s) does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or the **BLUE** Application Form(s) must be treated as sent for information only and should not be copied or redistributed.

IMPORTANT NOTICE TO INVESTORS

This Prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Preferential Offering and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares and the Reserved Shares offered by this Prospectus pursuant to the Hong Kong Public Offering and Preferential Offering. This Prospectus may not be used for the purpose of, and does not constitute, an offer or a solicitation of an offer to subscribe for or buy, any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this Prospectus in any jurisdiction other than Hong Kong. The distribution of this Prospectus and the offering and sale 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. 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 made in this Prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners, any of the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering. Information contained on our website, located at www.yuexiuservices.com, does not form part of this Prospectus.

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This summary aims to give you an overview of the information contained in this Prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this Prospectus in its entirety 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 out in the section entitled "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area. In November 2020, we acquired GZMEE and GZMPM from GZ Metro, which is our strategic investor, and thereby became a comprehensive property management service provider with metro environmental engineering maintenance and metro property management and operation capabilities.

With nearly 30 years of industry exposure, we consider ourselves as an early mover in the property management sector in China. As a service provider which received first-class property management qualification at state level, we also participated in the revision of the property management service guidelines of Guangzhou, Guangdong Province and China. Our influence in the industry is further evidenced by our titles as the standing director institution of the China Property Management Association (中國物業管理協會), the vice president institution of the Guangdong Property Management Industry Association (廣東省物業管理行業協會), and the president institution of the Guangzhou Property Management Industry Association (廣州市物業管理行業協會).

As of December 31, 2020, we had 215 properties under management, representing a total GFA under management of 32.6 million sq.m., among which 96.1% was attributed to properties located in first-tier, new first-tier and second-tier cities. According to CIA, we ranked 16th among the Top 100 Property Management Companies of 2021 in terms of overall strength; and our market share in terms of GFA under management in 2020 ranked seventh among the Top 100 Property Management Companies providing commercial operations services.

"Diverse property profile", "diverse customer base" and "diverse service offerings" are three integral elements of our identity as an urban operation service provider. Integrating space, business and people in the properties we manage, our vision is to create maximum value from a collective whole.

- **Diverse property profile**: We provide services to various types of properties, including residential properties, metro lines and metro stations, metro depots, office buildings, shopping malls, wholesale markets, exhibition centers, city halls, industrial parks and other urban facilities.

- **Diverse customer base**: We regard all people who live, shop, work and stay in the properties under our management as our valued customers.

- **Diverse service offerings**: As a property management service provider, we step beyond the scenarios of traditional property management services and provide comprehensive urban operation solutions for customers from all walks of life.

We offer non-commercial property management and value-added services and commercial property management and operational services. In 2020, we generated revenue of RMB1,168.0 million, of which 69.4% was derived from non-commercial property management and value-added services and 30.6% was derived from commercial property management and operational services.

In terms of non-commercial property management and value-added services, we are committed to providing comprehensive services that are second to none through our "Yue Plus (越+)" service brand. By reacting nimbly to the changing preferences of property owners and other customers as we serve them along the property management value chain, we help realize their aspiration for a more enjoyable urban life. Our non-commercial property management and value-added services consist of (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

We have a twenty-year track record in managing and operating commercial properties. Our business mix of asset management, operation management and property management services, together with our ability to advise clients on preliminary planning, design, tenant sourcing and render other value-added services, enable us to become one of the few integrated property management and operational service providers in the market. Our commercial property management and operational services consist of (i) commercial operation and management services; and (ii) market positioning consultancy and tenant sourcing services.

Our financial performance was consistently strong during the Track Record Period in spite of the COVID-19 headwinds. Total revenue increased from RMB762.8 million in 2018 to RMB896.3 million in 2019, and further to RMB1,168.0 million in 2020. Our net profit increased from RMB47.3 million in 2018 to RMB93.2 million in 2019, and further to RMB203.7 million in 2020.

OUR BUSINESS MODEL

We generated our revenue from two business segments during the Track Record Period, namely non-commercial property management and value-added services and commercial property management and operational services.

Non-commercial Property Management and Value-added Services

We provide non-commercial property management and value-added services. In particular, we offer:

- **Property management services**. We provide a wide spectrum of property management services to non-commercial properties, which primarily comprise residential properties, public premises and industrial parks. We offer cleaning, security, gardening and repair and maintenance services, to (i) property owners, property owners' associations and/or residents for properties sold and delivered; and (ii) property developers for undelivered portion of the properties. During the Track Record Period, our property management fees were charged either on a lump-sum basis or on a commission basis.

- **Value-added services to non-property owners**. Our value-added services to non-property owners primarily include (i) sales office and display unit management and pre-delivery support services; (ii) carpark space sales assistance services; (iii) ancillary property leasing services; and (iv) preliminary planning and design consultancy services.

- **Community value-added services**. We provide community value-added services to meet the needs of property owners and residents of residential properties under our management. These services mainly consist of (i) home-living services; (ii) space operation services; and (iii) decoration, turnkey and move-in furnishing services.

Commercial Property Management and Operational Services

Our profile of commercial properties to which we provide property management and operational services primarily comprises office buildings, shopping malls and wholesale markets. In particular, we provide:

- **Commercial operation and management services**. We provide commercial operation and management services to property owners, developers and tenants, which mainly consist of (i) commercial property management services; and (ii) other value-added services.

- **Market positioning consultancy and tenant sourcing services**. We provide market positioning consultancy and tenant sourcing services to property developers and property owners, which primarily include (i) market positioning and management consultancy services; and (ii) tenant sourcing services.

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by service line for the years indicated:

	Year ended December 31,											
	2018				2019				2020			
	Revenue	Revenue contribution	Gross profit	Gross profit margin	Revenue	Revenue contribution	Gross profit	Gross profit margin	Revenue	Revenue contribution	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services	**494,278**	**64.8**	**105,054**	**21.3**	**603,478**	**67.3**	**150,665**	**25.0**	**811,168**	**69.4**	**293,194**	**36.1**
Property management services	252,432	33.1	13,486	5.3	273,408	30.5	17,763	6.5	343,735	29.4	74,318	21.6
Value-added services to non-property owners	121,110	15.9	52,708	43.5	205,635	22.9	91,830	44.7	332,988	28.5	168,071	50.5
Community value-added services	120,736	15.8	38,860	32.2	124,435	13.9	41,072	33.0	134,445	11.5	50,805	37.8
Commercial property management and operational services	**268,524**	**35.2**	**92,460**	**34.4**	**292,854**	**32.7**	**92,752**	**31.7**	**356,880**	**30.6**	**110,097**	**30.8**
Commercial operation and management services	226,385	29.7	87,715	38.7	251,981	28.1	86,954	34.5	303,294	26.0	88,453	29.2
Market positioning, consultancy and tenant sourcing services	42,139	5.5	4,745	11.3	40,873	4.6	5,798	14.2	53,586	4.6	21,644	40.4
Total/Overall	**762,802**	**100.0**	**197,514**	**25.9**	**896,332**	**100.0**	**243,417**	**27.2**	**1,168,048**	**100.0**	**403,291**	**34.5**

Gross profit margin of our property management services under the non-commercial property management and value-added services segment increased slightly from 5.3% in 2018 to 6.5% in 2019, and increased significantly to 21.6% in 2020. The relatively lower gross profit margin of our property management services in 2018 and 2019 was primarily due to more cost we voluntarily and proactively invested during that period of time to improve our service quality so as to enhance our market competitiveness. From 2017 to 2019, we invested in construction of infrastructure for standardized and automated management system so as to increase the operational efficiency as well as hired a large number of frontline staff to ensure the quality of our services before the automated system could be put into use. In 2020, the economic benefits for standardized and automated management system started to emerge, which resulted in less increase in our cost of sales (especially our staff costs) in response to our significant increase in revenue, thereby improved our gross profit margin for property management services of non-commercial properties. The increase in our gross profit margin of property management services in 2020 was also attributable to the deduction in or exemption of payment of social insurance contributions of approximately RMB20.7 million as a result of the regulatory supportive policies issued by the local government in response to COVID-19. These government relief measures which benefited our margin expansion for the year ended December 31, 2020 were one-off in nature and will not be recurring in the foreseeable future. Gross profit margin of our market positioning consultancy and tenant sourcing services increased significantly from 14.2% in 2019 to 40.4% in 2020, primarily due to (i) the increase in commission fee rate of our tenant sourcing services in certain project under our management, and (ii) the decrease in fees paid to third parties for outsourced work arising from provision of tenant sourcing service as a result of our enhanced in-house capability in tenant sourcing services. For further details regarding the change in our gross profit margin during the Track Record Period, see "Financial Information — Results of Operations — Gross Profit and Gross Profit Margin".

The following table sets forth a breakdown of our total revenue, revenue from property management services and GFA under management by property type for the years indicated:

	Year ended December 31,																	
	2018						2019						2020					
	Total revenue		Revenue from property management services		GFA under management		Total revenue		Revenue from property management services		GFA under management		Total revenue		Revenue from property management services		GFA under management	
	RMB	*%*	*RMB*	*%*	*sq.m.*	*%*	*RMB*	*%*	*RMB*	*%*	*sq.m.*	*%*	*RMB*	*%*	*RMB*	*%*	*sq.m.*	*%*
	(in thousands, except for percentages)																	
Non-commercial properties	**494,278**	**64.8**	**252,432**	**74.3**	**17,447**	**88.3**	**603,478**	**67.3**	**273,408**	**73.3**	**19,597**	**89.3**	**811,168**	**69.4**	**343,735**	**72.1**	**29,853**	**91.4**
– Residential properties	465,116	61.0	239,520	70.5	16,483	83.4	571,518	63.8	259,723	69.6	18,578	84.7	747,598	64.0	307,750	64.6	21,988	67.3
– Public premises	2,142	0.3	1,998	0.6	454	2.3	2,443	0.3	2,236	0.6	469	2.1	21,513	1.8	21,340	4.5	5,677	17.4
– Industrial parks and others	27,020	3.5	10,914	3.2	510	2.6	29,517	3.2	11,449	3.1	550	2.5	42,057	3.6	14,645	3.1	2,188	6.7
Commercial properties	**268,524**	**35.2**	**87,510**	**25.7**	**2,319**	**11.7**	**292,854**	**32.7**	**99,587**	**26.7**	**2,337**	**10.7**	**356,880**	**30.6**	**132,847**	**27.9**	**2,795**	**8.6**
– Office buildings	155,023	20.3	62,773	18.5	1,908	9.7	179,807	20.1	73,425	19.7	1,923	8.9	240,572	20.6	107,316	22.5	2,290	7.0
– Shopping malls	14,758	1.9	8,055	2.4	185	0.9	14,697	1.6	8,563	2.3	185	0.8	14,099	1.2	9,314	2.0	233	0.8
– Wholesale markets and others	98,743	13.0	16,682	4.9	227	1.1	98,350	11.0	17,599	4.7	228	1.0	102,209	8.8	16,217	3.4	272	0.8
	762,802	**100.0**	**339,942**	**100.0**	**19,766**	**100.0**	**896,332**	**100.0**	**372,995**	**100.0**	**21,934**	**100.0**	**1,168,048**	**100.0**	**476,582**	**100.0**	**32,648**	**100.0**

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by business segment and by property developer type for the years indicated:

	Year ended December 31,								
	2018			2019			2020		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*
Non-commercial property management and value-added services	**494,278**	**105,054**	**21.3**	**603,478**	**150,665**	**25.0**	**811,168**	**293,194**	**36.1**
GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	477,033	102,194	21.4	585,319	147,585	25.2	785,179	288,219	36.7
Independent Third Parties	17,245	2,860	16.6	18,159	3,080	17.0	25,989	4,975	19.1
Commercial property management and operational services	**268,524**	**92,460**	**34.4**	**292,854**	**92,752**	**31.7**	**356,880**	**110,097**	**30.8**
GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	190,378	75,387	39.6	202,654	75,567	37.3	261,576	88,814	34.0
Independent Third Parties	78,146	17,073	21.8	90,200	17,185	19.1	95,304	21,283	22.3
Total/Overall	**762,802**	**197,514**	**25.9**	**896,332**	**243,417**	**27.2**	**1,168,048**	**403,291**	**34.5**

The difference of the gross profit margin between our services provided to properties developed or owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties and our services provided to those of Independent Third Parties was primarily due to differences in service and project portfolio. In respect of the non-commercial property management and value-added services segment, our gross profit margin for managing non-commercial properties developed or owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties (the "**Related Non-commercial Property Management Projects**") was higher than that for managing non-commercial properties developed or owned by Independent Third Parties during the Track Record Period, primarily because we provided more extensive value-added services in the Related Non-commercial Property Management Projects. During each of the three years ended December 31, 2018, 2019 and 2020, over 99% of revenue from our provision of value-added services under the non-commercial property management and value-added services segment was generated from the Related Non-commercial Property Management Projects. Gross profit margin of value-added services is relatively higher because (i) we typically enjoy a greater premium in service fees charged on value-added services given the more advanced professional skills required, and (ii) we can utilize our existing resources from provision of property management services and incur less direct cost, in particular, staff cost, in rendering value-added services. In respect of the commercial property management and operational services segment, our gross profit margin for managing commercial properties developed or owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties (the "**Related Commercial Property Management Projects**") was generally higher than that for managing commercial properties developed or owned by Independent Third Parties during the Track Record Period, primarily because a larger share of the Related Commercial Property Management Projects adopt commission-based property management fee model, which have relatively higher gross profit margins than properties where property management fees are charged on a lump-sum basis. During each of the three years ended December 31, 2018, 2019 and 2020, over 80% of the number of and over 90% of the revenue generated from the commission-based projects under the commercial property management and operational services segment are Related Commercial Property Management Projects.

The following table sets forth a breakdown of average property management fee per sq.m. per month in respect of three major property types we managed during the Track Record Period, including residential properties, office buildings and shopping malls, by type of property developers for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	Average property management fee	Average property management fee	Average property management fee
	RMB	*RMB*	*RMB*
Residential properties	**2.7**	**2.8**	**2.7**
GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	2.7	2.8	2.8
Independent Third Parties	2.7	2.1	2.3
Office buildings	**22.9**	**22.9**	**22.8**
GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	23.2	23.2	23.1
Independent Third Parties	21.2	21.2	20.3
Shopping malls	**34.3**	**34.3**	**35.3**
GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	34.3	34.3	35.3
Independent Third Parties	N/A	N/A	N/A

Despite the fact that our property management service contracts in connection with properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties were entered into on normal commercial terms which are similar and comparable to those in our property management service contracts for properties developed by Independent Third Party property developers, our average property management fees of residential properties and office buildings developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties were generally higher than those developed by Independent Third Party property developers for reasons set out in the following paragraphs.

For the years ended December 31, 2018, 2019 and 2020, our average property management fee of residential properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates and other related parties (the "**Related Residential Property Management Projects**") was RMB2.7 per sq.m. per month, RMB2.8 per sq.m. per month and RMB2.8 per sq.m. per month, respectively, while our average property management fee of residential properties developed by Independent Third Party property developers (the "**External Residential Property Management Projects**") was RMB2.7 per sq.m. per month, RMB2.1 per sq.m. per month and RMB2.3 per sq.m. per month, respectively. Average property management fee rates of the External Residential Property Management Projects were lower than that of the Related Residential Property Management Projects in 2019 and 2020 as some of the External Residential Property Management Projects we managed were affordable housing or old residential community projects, which were subject to strict price control imposed by the PRC Government. As advised by CIA, due to the lower building standards, limited auxiliary facilities and service scope, and lower market-wide property management fee level back in the day, it is common in the industry that the average property management fee level for old residential communities tends to be lower than that of the properties which were built more recently with higher building standards and more comprehensive service scope. Excluding those affordable housing and old residential community projects, the average property management fee for External Residential Property Management Projects amounted to RMB2.7 per sq.m. per month in 2019 and RMB2.7 per sq.m. per month in 2020, which were comparable to average property management fee for Related Residential Property Management Projects in 2019 and 2020.

For the years ended December 31, 2018, 2019 and 2020, our average property management fee of office buildings developed by GZYX and Yuexiu Property and their respective joint ventures, associates and other related parties (the "**Related Office Building Management Projects**") was RMB23.2 per sq.m. per month, RMB23.2 per sq.m. per month and RMB23.1 per sq.m. per month, respectively, while our average property management fee of office buildings developed by Independent Third Party property developers was RMB21.2 per sq.m. per month, RMB21.2 per sq.m. per month and RMB20.3 per sq.m. per month, respectively. The relatively higher average property management fee of the Related Office Building Management Projects for each of the years ended December 2018, 2019 and 2020 was primarily due to the fact that a larger share of the Related Office Building Management Projects are situated in core business districts in the first-tier cities (such as Guangzhou). As advised by CIA, the property management fee charged for office buildings varies depending on the types, positioning and locations of the properties, and the average property management fee of office buildings located in core business districts of first-tier cities (such as Guangzhou) is generally higher than those located elsewhere.

The following table sets forth a breakdown of our revenue generated from property management services for the years indicated by property type and by revenue model:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial properties	**252,432**	**74.3**	**273,408**	**73.3**	**343,735**	**72.1**
— Lump sum basis	227,579	67.0	245,843	65.9	310,703	65.2
— Commission basis	24,853	7.3	27,565	7.4	33,032	6.9
Commercial properties	**87,510**	**25.7**	**99,587**	**26.7**	**132,847**	**27.9**
— Lump sum basis	48,182	14.2	60,892	16.3	92,322	19.4
— Commission basis	39,328	11.5	38,695	10.4	40,525	8.5
Total	**339,942**	**100.0**	**372,995**	**100.0**	**476,582**	**100.0**

The following table sets forth a breakdown of the number of properties under our management and GFA under management as of the dates indicated, and the revenue generated from property management services for the years indicated, by source of projects, by property type and by type of governing property management service contracts:

	As of or for the year ended December 31,											
	2018				2019				2020			
	Number	GFA	Revenue		Number	GFA	Revenue		Number	GFA	Revenue	
		sq.m.	RMB	%		sq.m.	RMB	%		sq.m.	RMB	%
	(in thousands, except for numbers and percentages)											
Properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	**113**	**18,230**	**311,753**	**91.7**	**120**	**20,104**	**330,646**	**88.6**	**171**	**28,916**	**428,905**	**90.0**
— Non-commercial properties	88	16,216	236,649	69.6	95	18,090	256,586	68.8	142	26,540	320,227	67.2
(i) Residential properties governed by preliminary property management service contracts	70	15,030	205,399	60.4	77	16,905	224,997	60.3	93	19,910	264,760	55.6
(ii) Residential properties governed by property management service contracts with property owners' association	14	1,146	28,564	8.4	14	1,146	29,432	7.9	15	1,382	30,992	6.5
(iii) Social housing properties in the PRC and residential properties in Hong Kong	3	26	548	0.2	3	26	491	0.1	4	152	5,789	1.2
(iv) Non-residential properties	1	14	2,138	0.6	1	14	1,666	0.4	30	5,096	18,686	3.9

	As of or for the year ended December 31,											
	2018				2019				2020			
	Number	GFA	Revenue		Number	GFA	Revenue		Number	GFA	Revenue	
		sq.m.	*RMB*	*%*		*sq.m.*	*RMB*	*%*		*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)											
— Commercial properties	25	2,014	75,104	22.1	25	2,014	74,060	19.9	29	2,377	108,678	22.8
Properties developed by Independent Third Parties	**18**	**1,536**	**28,189**	**8.3**	**29**	**1,829**	**42,349**	**11.4**	**44**	**3,732**	**47,677**	**10.0**
— Non-commercial properties	13	1,231	15,783	4.6	22	1,507	16,822	4.5	34	3,314	23,508	4.9
(i) Residential properties governed by preliminary property management service contracts	0	0	–	–	0	0	–	–	0	0	–	–
(ii) Residential properties governed by property management service contracts with property owners' association	4	268	4,072	1.2	4	268	3,964	1.1	5	305	4,133	0.9
(iii) Social housing properties in the PRC and residential properties in Hong Kong	3	14	436	0.1	9	234	838	0.2	10	239	2,076	0.4
(iv) Non-residential properties	6	949	11,275	3.3	9	1,005	12,020	3.2	19	2,769	17,299	3.6
— Commercial properties	5	305	12,406	3.6	7	323	25,527	6.8	10	418	24,169	5.1
Total	**131**	**19,766**	**339,942**	**100.0**	**149**	**21,934**	**372,995**	**100.0**	**215**	**32,648**	**476,582**	**100.0**

COMPETITIVE STRENGTHS

We believe that the following strengths continue to drive our value growth and set us apart from our competitors: (i) an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area; (ii) a transit-oriented integrated property management model with remarkable growth potential; (iii) an expert in commercial operations and a leader in the high-end office property management services market in China; (iv) profound capability in providing residential property management services and a branded name of community commerce; (v) a privileged background as a state-owned enterprise which supports business expansion across multiple property types; (vi) a technology-oriented development model empowering the continuous enhancement of operation efficiency and customer experience; and (vii) an experienced management team and a stable talent base with a high degree of professionalism.

BUSINESS STRATEGIES

In order to achieve our goals, we have formulated the following strategies: (i) strengthen our leading position in the Greater Bay Area and further deepen our business deployment in first-tier, new first-tier and second-tier cities in East China, Central China, North China and Southwest China regions; (ii) further broaden our value-added service offerings and enhance customer experience; (iii) adhere to the technological empowerment strategy and become a "smart city" operator; and (iv) optimize the talent recruitment, incentivization and development system to accelerate business development.

OUR CUSTOMERS AND SUPPLIERS

For the years ended December 31, 2018, 2019 and 2020, revenue derived from our five largest customers amounted to RMB199.2 million, RMB285.2 million and RMB459.3 million, respectively, accounting for approximately 26.1%, 31.8% and 39.3% of our total revenue for the corresponding periods, respectively. For the years ended December 31, 2018, 2019 and 2020, revenue derived from our largest customer, GZYX and its subsidiaries, joint ventures, associates or other related parties, amounted to RMB188.3 million, RMB275.6 million and RMB448.7 million, respectively, accounting for approximately 24.7%, 30.7% and 38.4% of our total revenue for the corresponding periods, respectively.

For the years ended December 31, 2018, 2019 and 2020, purchases from our five largest suppliers amounted to RMB99.0 million, RMB74.6 million and RMB65.9 million, respectively, accounting for approximately 40.1%, 28.1% and 19.9% of our total purchases for the corresponding periods, respectively. For the years ended December 31, 2018, 2019 and 2020, purchases from our largest supplier amounted to RMB78.6 million, RMB48.0 million and RMB30.5 million, respectively, accounting for approximately 31.8%, 18.1% and 9.2%, of our total purchases for the corresponding periods, respectively.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), our Company will be indirectly owned by Yuexiu Property as to 68.89% through its wholly-owned subsidiary, namely GCD China. In view of the above and given that (i) Yuexiu Property is indirectly owned by YXE as to approximately 39.78%; and (ii) YXE is wholly-owned by GZYX as at the Latest Practicable Date, GZYX, YXE, Yuexiu Property and GCD China are a group of Controlling Shareholders of our Company under the Listing Rules.

We have been providing property management and other related value-added services to the Remaining Group and the GZYX Group for over 28 years since 1992. The business relationship between our Group and our Controlling Shareholders has been mutually beneficial and complementary, which is common among property management service providers and their parent companies in the PRC. During the Track Record Period, the property management services of substantially all properties developed or held by Yuexiu Property and Yuexiu REIT were provided by our Group. For the years ended December 31, 2018, 2019 and 2020, properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties accounted for approximately 86.3%, 80.5% and 79.5% of the total number of projects under our management for the corresponding years, respectively; and revenue generated from property management services in these properties accounted for approximately 91.7%, 88.6% and 90.0% of our total revenue generated from property management services for the corresponding years. We are one of the property management service providers for the properties held by GZYX, Yuexiu Property and Yuexiu REIT. During the Track Record Period, (i) save for four properties which were managed by us, all other properties held by GZYX were managed by other independent property management companies; and (ii) save for two properties where Yuexiu Asset Management had provided tenant sourcing services, all other properties held by Yuexiu Property and Yuexiu REIT were managed by us. For details of the tenant sourcing services provided by Yuexiu Asset Management for these two properties, please refer to the section headed "Relationship with Controlling Shareholders — Delineation of our Business from our Controlling Shareholders and their Respective Close Associates — Excluded Business" in this prospectus.

GZYX is the single largest indirect shareholder/unitholder of Yuexiu Property, Yuexiu REIT and Yuexiu Asset Management, and is indirectly interested in approximately 39.78% in Yuexiu Property, 40.49% in Yuexiu REIT and 39.78% in Yuexiu Asset Management as of the Latest Practicable Date. Yuexiu Property is a property developer and Yuexiu REIT is a real estate investment trust of commercial properties, both listed on the Main Board on the Stock Exchange. As of the Latest Practicable Date, Yuexiu Property is indirectly interested in approximately 38.35% in Yuexiu REIT. Yuexiu Asset Management provides asset management services to Yuexiu REIT. Depending on the investment and business strategies of Yuexiu Property and Yuexiu REIT as well as the negotiation process, Yuexiu Property may transfer suitable commercial properties developed by it to Yuexiu REIT in compliance with the Listing Rules and the Code on Real Estate Investment Trusts. The consideration of such property transfers is determined with reference to the valuation conducted by independent property valuer.

Other than maintaining the business relationship with the Remaining Group and the GZYX Group, we endeavor to diversify our property management portfolio which help reduce our business reliance, if any, over our Controlling Shareholders. For example, we have participated in the tender and bidding processes for property management services contracts of property projects developed and controlled by other third parties (i.e. those who are not from the Remaining Group, the GZYX Group or their respective joint ventures and associates) (the "**External Projects**"), and will consider forming joint ventures and other forms of business cooperation with property management companies who are Independent Third Parties, and acquiring property management companies with existing property management services contracts for External Projects. Please refer to the section headed "Relationship with Controlling Shareholders" for the background of our Controlling Shareholders and details of our relationship with them, and the section headed "Connected Transactions" for details on the continuing connected transactions between our Group and Yuexiu Property, GZYX and their respective associates upon the Listing.

The Listing will constitute a Spin-off of our Group from Yuexiu Property. The board of directors of Yuexiu Property considers that the Spin-off is in the interests of Yuexiu Property and its shareholders taken as a whole as the Spin-off is expected to create greater value for them. The Spin-off will constitute a deemed disposal of the Group by Yuexiu Property and is not subject to the shareholders' approval of Yuexiu Property.

PRE-IPO INVESTMENTS

On February 8, 2021, our Company, Yuexiu Property, GCD China and GMIF entered into an investment agreement pursuant to which GMIF agreed to subscribe for, and Yuexiu Property and GCD China agreed to procure our Company to issue and allot 90,359,677 Shares to GMIF at a consideration of RMB330.0 million, which is determined after arm's length negotiations between our Company and GMIF on normal commercial terms. Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and GMIF has not taken up its Assured Entitlement), GMIF will be interested in approximately 6.11% shareholding in our Company. The special rights granted under the Pre-IPO Investment shall be terminated upon the Listing, and our Shares held by GMIF are subject to a lock-up after the completion of the Listing. For further details, please refer to the section headed "History, Reorganization and Corporate Structure — Pre-IPO Investment".

SUMMARY OF FINANCIAL INFORMATION

Selected Items of Consolidated Statements of Profit or Loss

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Revenue	762,802	896,332	1,168,048
Cost of sales	(565,288)	(652,915)	(764,757)
Gross profit	197,514	243,417	403,291
Profit before income tax	65,872	128,308	280,211
Profit for the year	47,314	93,207	203,710
Profit attributable to:			
— Owners of the Company	45,458	91,327	199,131
— Non-controlling interests	1,856	1,880	4,579

Our revenue continued to increase during the Track Record Period, primarily due to the continuous increase in our GFA under management.

We entered into an entrusted loan agreement in April 2018 to borrow a loan of RMB1,150 million from a bank, the proceeds of which were subsequently advanced to the related parties for their cash needs in daily business operations. Other than the aforesaid loans to related parties, we did not provide any other loans to our related parties during the Track Record Period. Our interest income generated from such loans to related parties was RMB39.2 million, RMB61.0 million and RMB26.1 million for the years ended December 31, 2018, 2019 and 2020, respectively, which were non-recurring in nature, and such loans have been settled in June 2020. For related risks of extending loans to our related parties, please see the section headed "Risk Factors — Risks Relating to Our Business and Industry — We recorded interest income from loans due from our related parties during the Track Record Period, which was non-recurring in nature" and "Risk Factors — Risks Relating to Our Business and Industry — We may be subject to penalties from the PBOC or adverse judicial rulings as a result of extending loans to our related parties during the Track Record Period". We are not planning to enter into similar arrangements going forward.

Non-HKFRS Measures

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also presented adjusted profit, adjusted total equity, adjusted total bank borrowings, 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 that we do not consider indicative of the actual performance of our business.

We define adjusted profit as profit for the year excluding interest income from loans to related parties and interest expense of entrusted loan from bank. We define adjusted total equity as total equity excluding interest income from loans to related parties and interest expense of entrusted loan from bank. We define adjusted bank borrowings as sum of long-term and short-term interest-bearing bank borrowings excluding entrusted loan from bank.

We calculate adjusted net profit margin by dividing adjusted profit for the year by revenue for the same year. We calculate adjusted gearing ratio by dividing adjusted bank borrowings by adjusted total equity as of the respective dates.

These non-HKFRS measures eliminate the effect of loan due from a related party and entrusted loan from bank and related interests which are not related to our ordinary course of business and are non-recurring in nature. 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 in each year of the Track Record Period presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	47,314	93,207	203,710
Less:			
– Interest income from loans to related parties, net of tax	29,381	45,787	19,569
Add:			
– Interest expense of entrusted loan from bank, net of tax	33,283	43,313	17,368
Adjusted profit	**51,216**	**90,733**	**201,509**

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,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Total equity	183,663	268,295	760,680
Add/(less):			
– Interest income from loans to related parties and interest expense of entrusted loan from bank, net of tax	3,902	(2,474)	(2,201)
Adjusted total equity	**187,565**	**265,821**	**758,479**

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

	As of December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Sum of long-term and short-term interest-bearing bank borrowings	1,080,000	981,000	–
Less:			
– Entrusted loan from bank	1,080,000	981,000	–
Adjusted bank borrowings	**–**	**–**	**–**

The following table sets forth the impact of the loan due from a related party and entrusted loan from bank and related interests on net profit margins and gearing ratios during the Track Record Period after excluding aforementioned loans and interests from bank from our financial results as of the dates and for the years indicated:

	As of and for the year ended December 31,		
	2018	2019	2020
Before adjusting for loan due from a related party and entrusted loan from bank and related interests:			
Net profit margin[(1)]	6.2%	10.4%	17.4%
Gearing ratio[(2)]	588.0%	365.6%	–
After adjusting for loan due from a related party and entrusted loan from bank and related interests:			
Net profit margin[(1)]	6.7%	10.1%	17.3%
Gearing ratio[(2)]	–	–	–

Notes:

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

(2) Gearing ratio is calculated based on total bank borrowings divided by total equity, multiplied by 100%.

Selected Items of Consolidated Statements of Financial Position

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	223,623	211,308	534,964
Current assets	2,477,252	2,756,097	1,875,743
Non-current liabilities	1,085,832	972,732	94,232
Current liabilities	1,431,380	1,726,378	1,555,795
Non-controlling interests	12,684	9,389	146,056
Total equity	183,663	268,295	760,680
Net current assets	1,045,872	1,029,719	319,948
Intangible assets	2,901	4,420	343,908

Our total equity (i.e. net assets) significantly increased from RMB268.3 million as of December 31, 2019 to RMB760.7 million as of December 31, 2020, primarily attributable to (i) the net increase in our share capital and other reserves during our Reorganization, (ii) the increase in our non-controlling interests as a result of our acquisition of GZMEE and GZMPM in November 2020, and (iii) the increase in our retained earnings after our dividend provided or paid as a result of the increase in our net profit. Our net current assets decreased significantly from RMB1,029.7 million as of December 31, 2019 to RMB319.9 million as of December 31, 2020, primarily due to the settlement of a loan to a related party at a principal amount of RMB1,150 million in June 2020 which reduced our current asset balance. We recorded intangible assets of RMB2.9 million, RMB4.4 million and RMB343.9 million as of December 31, 2018, 2019 and 2020. The significant increase of our intangible assets in 2020 was primarily due to (i) the increase of RMB248.3 million in goodwill, and (ii) the increase of RMB92.4 million in customer relationships, which were all arising from our acquisition of GZMEE and GZMPM in November 2020.

For the risks related to the impairment losses on intangible assets, see "Risk Factors — Risks Relating to Our Business and Industry — We recorded intangible assets, primarily including goodwill and customer relationships, on our consolidated statements of financial position in connection with the acquisitions of certain companies during the Track Record Period and any recognition of impairment losses on such intangible assets would adversely affect our financial results".

Selected Items of Consolidated Statements of Cash Flow

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	38,484	206,151	450,271
Net cash (used in)/generated from investing activities	(1,062,840)	6,567	1,026,483
Net cash generated from/(used in) financing activities	1,065,392	(37,879)	(1,253,604)
Net increase in cash and cash equivalents	**41,036**	**174,839**	**223,150**
Cash and cash equivalents at beginning of year	555,702	598,137	773,689
Effect of exchange rate changes on cash and cash equivalents	1,399	713	(2,210)
Cash and cash equivalents at end of year	**598,137**	**773,689**	**994,629**

Summary of Key Financial Ratios

The following table set forth our key financial ratios as of the date or for the years indicated:

	As of/For the year ended December 31,		
	2018	**2019**	**2020**
Return on total assets(1)	2.6%	3.3%	7.6%
Return on equity(1)	28.9%	41.2%	39.6%
Current ratio(1)	1.7	1.6	1.2
Liabilities to assets ratio(1)	0.9	0.9	0.7
Gross profit margin	25.9%	27.2%	34.5%
Net profit margin	6.2%	10.4%	17.4%

Note:

(1) For details of the definition, see "Financial Information — Key Financial Ratios".

SUMMARY OF MATERIAL RISK FACTORS

Our operations involve certain risks, some of which are beyond our control. Some of the risks generally associated with our business and industry include: (i) we may fail to secure new or renew our existing property management service contracts on favorable terms, or at all; (ii) a majority of our revenue from property management services during the Track Record Period was generated from services we provided in relation to properties developed or owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties; (iii) our future growth may not materialize as planned and our historical results may not be indicative of our future prospects and results of operations; (iv) we have expanded our business through acquisition, which may fail to yield the desired benefits; (v) our future acquisitions may not be successful and we may face difficulties in integrating acquired operations with our existing operation; (vi) increase in staff costs and subcontracting costs could harm our business and affect our profitability; (vii) we may fail to effectively anticipate or control our costs in providing our property management services, for which we charge our customers on a lump-sum basis.

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 future acquisitions may not be successful and we may face difficulties in integrating acquired operations with our existing operation".

These risks are not the only significant risks that may affect the value of our Shares. You should carefully consider all of the information set forth in this Prospectus and, in particular, should evaluate the specific risks set forth in "Risk Factors" in deciding whether to invest in our Shares.

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK$4.88 per Offer Share	**Based on an Offer Price of HK$6.52 per Offer Share**
Market capitalization of our Shares(1) . . .	HK$7,215,664,024	HK$9,640,600,294
Unaudited pro forma adjusted net tangible asset value per Share(2)	HK$1.57	HK$2.01

Notes:

(1) The calculation of market capitalization is based on the assumptions that: (i) the Global Offering is completed and 369,660,000 Shares are issued and sold in the Global Offering; (ii) the Over-allotment Option is not exercised; and (iii) 1,478,619,677 Shares are issued and outstanding upon completion of the Global Offering.

(2) The unaudited pro forma adjusted net tangible assets per Share is based on the basis that 1,388,260,000 Shares were in issue assuming that the Global Offering have been completed on December 31, 2020 and without taking into account the capital injection by GMIF on February 8, 2021 for subscribing 90,359,677 ordinary shares of the Company. Had the unaudited pro forma financial information accounted for the capital injection by GMIF, the adjusted pro forma net tangible assets per Share would have been HK$1.76 and HK$2.16 based on the Offer Price of HK$4.88 and HK$6.52 per Offer Share, respectively.

DIVIDEND POLICY

No dividends have been paid by our Company since our incorporation. Certain companies now comprising our Group had provided for or paid dividends of RMB14.0 million and RMB45.9 million to their then shareholders in 2019 and 2020, respectively. We intend to adopt, after the Listing, a general dividend policy of declaring and paying dividends on an annual basis of no less than 30% of our distributable net profit attributable to our Shareholders in the future but subject to, among other things, our future operation and earnings, capital requirements and surplus, financial condition, working capital requirements and other factors our Board may deem relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Any future declarations of dividend may or may not reflect our historical declaration of dividends and will be at the discretion of our Board.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$5.70 per Offer Share (being the mid-point of the Offer Price range stated in this Prospectus), will be approximately HK$2,015.8 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

Assuming the Offer Price is fixed at HK$5.70 per Offer Share (being the mid-point of the Offer Price range stated in this Prospectus), we intend to use the net proceeds of the Global Offering for the following purposes.

- Approximately 60% or HK$1,209.5 million, will be used to fund strategic acquisitions and investments and further develop strategic alliances, expand our business scale, strengthen our geographic presence and increase our business penetration in residential property management service market, public property management service market and commercial property management and operational service market. As advised by CIA, as of the Latest Practicable Date, there were approximately 70 residential and public property management service providers in the market neither owned by nor associated with a property developer, which met our criteria of having an average net profit margin of no less than 7% in the past three years and a total GFA of no less than one million sq.m. under management. In addition, as of the Latest Practicable Date, there were approximately 60 commercial property management service providers in the market neither owned by nor associated with a property developer, which met our criteria of having an average net profit margin of no less than 7% in the past three years and a minimum of five commercial properties under management or a total GFA of no less than 200,000 sq.m. under management;

- Approximately 15% or HK$302.4 million, will be used to finance further development of our value-added services with a view to diversifying our service mix and enhancing our profitability;

- Approximately 15% or HK$302.4 million, will be used to develop information technology systems and smart communities; and

- Approximately 10% or HK$201.6 million, will be used to replenish our working capital and for general corporate purposes.

To the extent that the net proceeds are not immediately applied to the above purposes or if we are unable to effect any part of our future development plans as envisaged, we intend to hold such funds in short-term demand deposits with licensed banks in Hong Kong and/or the PRC for so long as it is deemed to be in the interests of the Company and the Shareholders as a whole. See "Risk Factors — Risks Relating to the Spin-off and the Global Offering — Our management has significant discretion as to how to use the net proceeds received by our Company from the Global Offering, and you may not necessarily agree on how we use them".

LISTING EXPENSES

The total estimated listing expenses in connection with the Global Offering, including underwriting commission, is approximately RMB75.4 million (based on the mid-point of the indicative Offer Price range of HK$5.70 per Share and assuming no Over-allotment Option will be exercised), representing approximately 4.3% of the gross proceeds from the Global Offering (assuming an Offer Price of HK$5.70, being the mid-point of the indicative Offer Price range and before the exercise of the Over-allotment Option), of which (i) approximately RMB5.9 million has been charged to our consolidated statements of profit or loss for the year ended December 31, 2020, (ii) approximately RMB24.6 million is expected to be charged to our consolidated statements of profit or loss for the year ending December 31, 2021; and (iii) approximately RMB44.9 million is expected to be accounted for as a deduction from equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect that our listing expenses will have a material adverse impact on our financial performance for the year ending December 31, 2021.

COVID-19 IMPACTS

A global pandemic caused by COVID-19 broke out in January 2020 and has impacted the global economy. In an effort to contain its spread, stringent measures, such as travel restrictions, mandatory quarantine requirements and social distancing measures have been imposed in the PRC and Hong Kong, which have adversely affected the macroeconomic conditions. Since early 2020, the PRC Government has implemented a series of fiscal and monetary policies to stabilize the social sentiment and expedite the resumption of economic growth, while state-owned enterprises took the initiative in making rent concessions to merchants (in particular small- and medium-sized enterprises) in the first half of 2020 to help businesses stay afloat. In Hong Kong, the authorities have launched responsive measures to assist the affected industries and the public, including introducing several rounds of anti-epidemic fund measures to relieve financial burdens of individuals and businesses and keep workers in employment. These efforts have played a meaningful role in mitigating the negative impact of the COVID-19 pandemic.

The COVID-19 has affected our results of operations and there was a loss of total revenue of RMB17.6 million in 2020 due to COVID-19, among which, (i) there was a loss of revenue of RMB13.0 million attributable to less commission fees we received from the ancillary property leasing services and tenant sourcing services as a result of the terminated leases or reduced rental in the properties under our management as affected by the COVID-19; and (ii) there was a loss of revenue of RMB4.6 million attributable to the less property management and other service fees we received in 2020 because we have reduced or waived property management and other service fees to be paid by the property owners and tenants of the commercial properties under our management as a measure to ease their financial pressure during the COVID-19. We incurred additional operating costs of approximately RMB1.7 million associated with our enhanced hygienic and precautionary measures across the properties under our management to safeguard the wellbeing of our customers and employees in 2020, including disinfecting public space, purchasing epidemic control supplies, disseminating epidemic control information and health tips to the property owners, residents and tenants. Nevertheless, we also benefited from government relief of social security payments for employment support relating to the COVID-19 pandemic amounted to RMB30.5 million in 2020, thereby reducing our staff costs; and we received subsidies granted by local government authorities in Hong Kong for job stabilization during the COVID-19 amounted to RMB3.5 million in 2020, thereby increasing our other income. As a result of the combined effect of the above as well as the continuous growth of our business in 2020, we recorded remarkable increase in our revenue and gross profit in 2020 and thus we consider there was and is expected to be minimal negative impact of COVID-19 on our business and financial conditions.

In the unlikely event that we are forced to reduce or suspend part of our business operations, whether due to government policy or any other reasons beyond our control as a result of COVID-19, after estimating our existing financial resources only as of December 31, 2020 by taking into account (i) no revenue would be generated due to suspension of business; (ii) our cash and cash equivalents as of December 31, 2020; (iii) no banking facilities would be obtained; (iv) 10% of the net proceeds from the Global Offering that will be used as our general working capital, based on the Offer Price of HK$5.70 per Offer Share, being the low-end of the Offer Price range; (v) our prudent estimates of settlement of account receivables and payables as of December 31, 2020 based on historical settlement pattern; and (vi) our estimated net cash used in operating activities based on our existing operating scale, including incurring 50% of estimated labor costs, 50% of other estimated cost of sales, and 50% of estimated administrative expenses to maintain our basic operations, our Directors are of the view that our Group will remain financially viable for approximately 20 months from December 31, 2020.

To the best knowledge of our Directors after consulting Yuexiu Property, while the development schedules of certain property development projects could be affected to a limited extent by the epidemic control measures implemented by the PRC in the first half of 2020, since January 2020, there has been no material delay in the delivery of the properties developed by Yuexiu Property and its subsidiaries. Our Directors are not aware of circumstances that would suggest otherwise after having made reasonable enquiry to Yuexiu Property, and are of the view that the effects of the COVID-19 Pandemic on the development schedules of the properties we were contracted to manage as of the Latest Practicable Date will unlikely have a material adverse impact on the results of operations and financial condition of our Group.

For details of the impact of the outbreak of COVID-19 on our business, see "Business — Effects of the COVID-19 Pandemic — Effects of the COVID-19 Pandemic on Our Business Operations" in this Prospectus.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since December 31, 2020 and up to the Latest Practicable Date, our business remained stable which was in line with the past trends and our expectations. Based on our unaudited management accounts, our revenue and gross profit for the four months ended April 30, 2021 increased by 75.4% and 93.9% as compared to the same period in 2020, respectively, which was primarily attributable to our business expansion. For the four months ended April 30, 2021, we were contracted to manage four additional non-commercial properties and two additional commercial properties which were developed by Independent Third Party property developers, representing a contracted GFA of 319,249 sq.m. and 117,607 sq.m., respectively. To the best of our knowledge, since December 31, 2020 (being the date on which the latest consolidated financial information of our Group was prepared) and up to the date of this Prospectus, there has been no material adverse change in our business operations, the business environment in which we operate, as well as our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects.

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Prospectus.

"**Affirm Greatest**"	Affirm Greatest Limited (浚偉有限公司), a limited company incorporated in Hong Kong on March 18, 2016 and is indirectly wholly-owned by our Company;
"**All Plus**"	All Plus Enterprises Ltd., a company with limited liability incorporated in the BVI on January 5, 2010 and is directly wholly-owned by our Company;
"**Application Form(s)**"	**WHITE** application form(s), **YELLOW** application form(s) or **GREEN** application form(s), or where the context requires, any of them, relating to the Hong Kong Public Offering and **BLUE** application form(s) relating to the Preferential Offering;
"**Articles of Association**" or "**Articles**"	the articles of association of our Company conditionally adopted on June 2, 2021, as amended from time to time, a summary of which is set out in "Appendix III — Summary of the Articles of Association of our Company" to this Prospectus;
"**associate(s)**"	has the meaning ascribed to it under the Listing Rules;
"**Assured Entitlement**"	the entitlement of the Qualifying Yuexiu Shareholders to apply for the Reserved Shares on an assured basis pursuant to the Preferential Offering determined on the basis of their respective shareholdings in Yuexiu Property at 4:30 pm. on the Record Date;
"**Audit Committee**"	the audit committee of the Board;
"**Beneficial Yuexiu Shareholder(s)**"	any beneficial owner of Yuexiu Shares whose Yuexiu Shares are registered, as shown in the register of members of Yuexiu Property, in the name of a registered Yuexiu Shareholder on the Record Date;
"**BLUE Application Form(s)**"	the application form to be sent to Qualifying Yuexiu Shareholders for the subscription of the Reserved Shares pursuant to the Preferential Offering;

"**Board**"	the board of Directors;
"**Brander**"	Brander Limited, a company with limited liability incorporated in the BVI on September 20, 2001 and is directly wholly-owned by our Company;
"**Broadland International**"	Broadland International Limited (遠大國際有限公司), a limited company incorporated in Hong Kong on October 9, 2007 and is indirectly wholly-owned by our Company;
"**Business Day**"	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong;
"**BVI**"	British Virgin Islands;
"**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 Investor Participant**"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
"**CCASS Operational Procedures**"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operation and functions of CCASS, as from time to time in force;
"**CCASS Participant**"	a CCASS Clearing Participant, CCASS Custodian Participant or a CCASS Investor Participant;
"**CCBI**"	CCB International Capital Limited;
"**CHB**"	Chong Hing Bank Limited, a company incorporated in Hong Kong with limited liability on March 17, 1955 and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01111). CHB is a subsidiary of YXE, our Controlling Shareholder, and hence, a connected person of our Company;

"**CHB Group**"	CHB and its subsidiaries;
"**China**" or the "**PRC**"	the People's Republic of China, but for the purposes of this Prospectus and for geographical reference only (unless otherwise indicated), excluding Hong Kong, Macau and Taiwan;
"**China Index Academy**" or "**CIA**"	China Index Academy (中指研究院), an independent market research company;
"**close associate(s)**"	has the meaning ascribed to it under the Listing Rules;
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"**Companies (Winding Up and Miscellaneous Provisions) Ordinance**"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"**Company**", "**our Company**" or "**the Company**"	Yuexiu Services Group Limited (越秀服務集團有限公司) (previously known as Yuexiu Property Management Holding Limited (越秀物業管理股份有限公司)), a limited company incorporated in Hong Kong on October 8, 2020;
"**connected person(s)**"	has the meaning ascribed to it under the Listing Rules;
"**Controlling Shareholder(s)**"	has the meaning ascribed thereto in the Listing Rules and strictly in accordance with such meaning, refers to GZYX, YXE, Yuexiu Property and GCD China;
"**core connected person(s)**"	has the meaning ascribed to it under the Listing Rules;
"**Corporate Governance Code**"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
"**COVID-19**"	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2, which might have first appeared in late 2019;
"**CSDCC**"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司);

"**CSRC**"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the Chinese national securities markets;
"**Digital Victor**"	Digital Victor Holdings Limited (訊與控股有限公司), a company with limited liability incorporated in the BVI on January 6, 2016 and is directly wholly-owned by our Company;
"**Director(s)**" or "**our Director(s)**"	the director(s) of our Company;
"**EIT**"	the PRC Enterprise Income Tax;
"**EIT Law**"	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法) enacted by the NPC;
"**Ever Famous**"	Ever Famous Investments Ltd., a company with limited liability incorporated in the BVI on March 3, 2010 and is directly wholly-owned by our Company;
"**Exchange Participant(s)**"	a person: (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange;
"**Fort Fortune**"	Fort Fortune Limited (可福有限公司), a limited company incorporated in Hong Kong on September 21, 2007 and is indirectly wholly-owned by our Company;
"**Fort Yield**"	Fort Yield Limited (丰逸有限公司), a limited company incorporated in Hong Kong on October 18, 2007 and is indirectly wholly-owned by our Company;
"**Fortune Choice**"	Fortune Choice (China) Limited (福昌(中國)有限公司), a limited company incorporated in Hong Kong on March 18, 2010 and is indirectly wholly-owned by our Company;

"GCCD"	Guangzhou City Construction & Development Co., Ltd.* (廣州市城市建設開發有限公司), a limited liability company established in the PRC on August 24, 2002 and is indirectly owned as to 95% by GCD China and directly owned as to 5% by GCCD Group;
"GCCD Group"	Guangzhou City Construction & Development Group Co., Ltd.* (廣州市城市建設開發集團有限公司) (previously known as Guangzhou City Construction & Development Holding Company* (廣州市城市建設開發總公司)), a limited liability company established in the PRC on March 5, 1986 and is ultimately wholly-owned by GZYX;
"GCCD Weicheng"	Guangzhou City Construction & Development Weicheng Enterprise Ltd.* (廣州城建開發偉城實業有限公司), a limited liability company established in the PRC on August 24, 2002 and is indirectly wholly-owned by our Company;
"GCD China"	Guangzhou Construction & Development Holdings (China) Limited, a company with limited liability incorporated in the BVI on September 20, 2001 and is directly wholly-owned by Yuexiu Property;
"GDP"	gross domestic product;
"General Rules of CCASS"	the terms and conditions regulating the use of CCASS as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures;
"Global Offering"	the Hong Kong Public Offering and the International Offering (including the Preferential Offering);
"GMIF"	Guangzhou Metro Investment Finance (HK) Limited (廣州地鐵投融資(香港)有限公司), a limited company incorporated in Hong Kong on June 5, 2015, a direct wholly-owned subsidiary of GZ Metro and a Pre-IPO Investor;
"Golden Estates"	Golden Estates Development Limited, a company with limited liability incorporated in the BVI on September 20, 2001 and is directly wholly-owned by our Company;

"**Greater Rich**"	Greater Rich Group Limited, a company with limited liability incorporated in the BVI on March 23, 2010 and is directly wholly-owned by our Company;
"**GREEN Application Form(s)**"	the application form(s) to be completed by **HK eIPO White Form** Service Provider;
"**Group**", "**our Group**", "**the Group**", "**we**", "**us**" or "**our**"	our Company and our subsidiaries at the relevant time, or where the context refers to any time prior to our Company becoming the holding company of its present subsidiaries, the present subsidiaries of our Company and the business carried on by such subsidiaries or, as the case may be, the predecessors;
"**Guangzhou Baima**"	Guangzhou Baima Business Operation Management Co., Ltd.* (廣州白馬商業經營管理有限公司) (previously known as Guangzhou Baima Property Management Co., Ltd.* (廣州白馬物業管理有限公司)), a limited liability company established in the PRC on November 19, 1998 and is indirectly wholly-owned by our Company;
"**Guangzhou Lexi**"	Guangzhou Lexi Property Development Co., Ltd.* (廣州樂熹實業發展有限公司), a limited liability company established in the PRC on January 11, 2017 and is indirectly wholly-owned by our Company;
"**Guangzhou Lianxiu**"	Guangzhou Lianxiu Economic Information Consulting Co., Ltd.* (廣州聯秀經濟信息諮詢有限公司), a limited liability company established in the PRC on February 15, 2017 and is indirectly wholly-owned by our Company;
"**Guangzhou Yueguan**"	Guangzhou Yueguan Intelligent Technology Co., Ltd.* (廣州市悦冠智能科技有限公司) (previously known as Guangzhou Construction Property Equipment Engineering Co., Ltd.* (廣州城建物業設備工程有限責任公司)), a limited liability company established in the PRC on July 27, 2001 and is indirectly wholly-owned by our Company;
"**Guangzhou Yueting**"	Guangzhou Yueting International Economic Information Consulting Co., Ltd.* (廣州越廷國際經濟信息諮詢有限公司), a limited liability company established in the PRC on August 10, 2016 and is indirectly wholly-owned by our Company;

"**Guangzhou Yuexiu JLL**"	Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd.* (廣州越秀城建仲量聯行物業服務有限公司), a limited liability company established in the PRC on September 18, 2009 and is indirectly owned as to 80.0% by our Company and as to 20.0% by an Independent Third Party;
"**GZ LTC**"	Guangzhou Zhonggang Leather Trading Centre Business Operation Management Co., Ltd.* (廣州市中港皮具商貿城市場經營管理有限公司), a limited liability company established in the PRC on May 22, 2014 and is indirectly wholly-owned by our Company;
"**GZ Metro**"	Guangzhou Metro Group Co., Ltd.* (廣州地鐵集團有限公司), a limited liability company established in the PRC on November 21, 1992 and a direct wholly-owned subsidiary of Guangzhou Municipal People's Government of the PRC. GZ Metro is a connected person of our Company at subsidiary level;
"**GZMEE**"	Guangzhou Metro Environmental Engineering Co., Ltd.* (廣州地鐵環境工程有限公司), a company established in the PRC on March 5, 2001 with limited liability and is indirectly owned as to 67.0% by our Company and directly owned as to 33.0% by GZ Metro;
"**GZMPM**"	Guangzhou Metro Property Management Co., Ltd.* (廣州地鐵物業管理有限責任公司), a company established in the PRC on January 22, 2002 with limited liability and is directly wholly-owned by GZMEE;
"**GZ Yuexiuhui**"	Guangzhou Yuexiuhui Information Technology Co., Ltd.* (廣州悅秀會信息科技有限公司) (previously known as GCD Housekeeping Services Co., Ltd.* (廣州城建家政服務有限公司)), a limited liability company established in the PRC on August 9, 2001 and is indirectly wholly-owned by our Company;
"**GZ YX Business Operations**"	Guangzhou Yuexiu Business Operations Management Co., Ltd.* (廣州越秀商業經營管理有限公司), a limited liability company established in the PRC on July 31, 2017 and is indirectly wholly-owned by our Company;

"**GZYX**"	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), a company established in the PRC with limited liability on December 25, 2009, which is beneficially wholly-owned by the Guangzhou Municipal People's Government of the PRC and is the ultimate controlling shareholder of Yuexiu Property;
"**GZYX Group**"	GZYX and its subsidiaries;
"**Health International**"	Health International Limited (康豐國際有限公司), a limited company incorporated in Hong Kong on January 27, 2010 and is indirectly wholly-owned by our Company;
"**HK eIPO Blue Form**"	the application for Reserved Shares to be issued in a Qualifying Yuexiu Shareholder's own name by submitting applications online through the designated website of the **HK eIPO Blue Form** at **www.hkeipo.hk**;
"**HK eIPO Blue Form Service Provider**"	the **HK eIPO Blue Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk**;
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **HK eIPO White Form** at **www.hkeipo.hk** or in the **IPO App**;
"**HK eIPO White Form Service Provider**"	the **HK eIPO White Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk** or in the **IPO App**;
"**HKFRS**"	Hong Kong Financial Reporting Standard(s) (including HKASs and Interpretation) issued by the Hong Kong Institute of Certified Public Accountants;
"**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 dollar(s)**", "**HK dollars**" or "**HK$**"	Hong Kong dollars, the lawful currency of Hong Kong;
"**Hong Kong Offer Shares**"	the 36,966,000 Shares being initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this Prospectus);
"**Hong Kong Public Offering**"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Offer Price, subject to and in accordance with the terms and conditions set out in this Prospectus and the Application Forms, as further described in the section headed "Structure of the Global Offering";
"**Hong Kong Securities and Futures Ordinance**" or "**Securities and Futures Ordinance**" or "**SFO**"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"**Hong Kong Share Registrar**"	Tricor Investor Services Limited;
"**Hong Kong Stock Exchange**" or "**Stock Exchange**"	The Stock Exchange of Hong Kong Limited;
"**Hong Kong Takeovers Code**" or "**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;
"**Hong Kong Underwriters**"	the underwriters of the Hong Kong Public Offering listed in the section headed "Underwriting — Hong Kong Underwriters" in this Prospectus;
"**Hong Kong Underwriting Agreement**"	the underwriting agreement dated June 14, 2021 relating to the Hong Kong Public Offering entered into among, our Company, GCD China, Yuexiu Property, ABCI Capital Limited, ABCI Securities Company Limited, China Securities (International) Corporate Finance Company Limited, CCB International Capital Limited, Yue Xiu Capital Limited, Yue Xiu Securities Company Limited and the Hong Kong Underwriters;

"**ICP License(s)**"	a value-added telecommunication business operation license issued by the relevant PRC government authorities with a service scope of information services;
"**Independent Third Party(ies)**"	any entity or person who is not a connected person of our Company;
"**International Offer Shares**"	the 332,694,000 Shares being initially offered for subscription and purchased at the Offer Price under the International Offering (including, for the avoidance of doubt, 36,951,000 Reserved Shares for the Preferential Offering), subject to reallocation as described in the section headed "Structure of the Global Offering" in this Prospectus;
"**International Offering**"	the conditional placing of the International Offering Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S as further described in the section headed "Structure of the Global Offering" in this Prospectus (for the avoidance of doubt, of the International Offer Shares initially being offered under the International Offering, the Reserved Shares are made available for subscription by the Qualifying Yuexiu Shareholders under the Preferential Offering);
"**International Underwriters**"	the underwriters of the International Offering, who are expected to enter into the International Underwriting Agreement;
"**International Underwriting Agreement**"	the underwriting agreement relating to the International Offering and expected to be entered into by, among others, our Company, GCD China, Yuexiu Property, the Joint Representatives and the International Underwriters on or about the Price Determination Date;
"**Investment Committee**"	the investment committee of the Board;
"**IPO App**"	the mobile application for **HK eIPO White Form** service which can be downloaded by searching "**IPO App**" in App Store or Google Play or downloaded at **www.hkeipo.hk/IPOApp** or **www.tricorglobal.com/IPOApp**;

"**Issuing Mandate**"	the general unconditional mandate given to our Directors by the Shareholders relating to the issue of Shares, as further described in "Appendix IV — Statutory and General Information — A. Further Information about our Company — 6. Resolution passed by the Shareholders" in this Prospectus;
"**Joint Bookrunners**"	ABCI Capital Limited, China Securities (International) Corporate Finance Company Limited, CCB International Capital Limited, Yue Xiu Securities Company Limited, BOCOM International Securities Limited, BOCI Asia Limited, Chong Hing Securities Limited, China International Capital Corporation Hong Kong Securities Limited, CLSA Limited, CMBC Securities Company Limited, Haitong International Securities Company Limited and ICBC International Capital Limited;
"**Joint Global Coordinators**"	ABCI Capital Limited, China Securities (International) Corporate Finance Company Limited, CCB International Capital Limited, Yue Xiu Securities Company Limited and BOCOM International Securities Limited;
"**Joint Lead Managers**"	ABCI Securities Company Limited, China Securities (International) Corporate Finance Company Limited, CCB International Capital Limited, Yue Xiu Securities Company Limited, BOCOM International Securities Limited, BOCI Asia Limited, Chong Hing Securities Limited, China International Capital Corporation Hong Kong Securities Limited, CLSA Limited, CMBC Securities Company Limited, Haitong International Securities Company Limited, ICBC International Securities Limited, Futu Securities International (Hong Kong) Limited and Livermore Holdings Limited;
"**Joint Representatives**"	Joint Global Coordinators' representatives, being ABCI Capital Limited, China Securities (International) Corporate Finance Company Limited, CCB International Capital Limited and Yue Xiu Securities Company Limited;
"**Joint Sponsors**"	ABCI Capital Limited, China Securities (International) Corporate Finance Company Limited, CCB International Capital Limited and Yue Xiu Capital Limited;

"**Latest Practicable Date**"	June 7, 2021, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication;
"**Link Access**"	Link Access Limited (年卓有限公司), a limited company incorporated in Hong Kong on October 18, 2007 and is indirectly wholly-owned by our Company;
"**Listing**"	listing of our Shares on the Main Board;
"**Listing Committee**"	the listing committee of the Stock Exchange;
"**Listing Date**"	the date, expected to be on or about Monday, June 28, 2021 on which dealings in our Shares first commence on the Main Board;
"**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;
"**M&A Rules**"	Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (關於外國投資者併購境內企業的規定), which were jointly promulgated by MOFCOM, the SASAC, the SAT, the State Administration for Industry and Commerce of the PRC, the CSRC, and the SAFE on August 8, 2006, and came into effect on September 8, 2006 and subsequently amended on June 22, 2009, as amended, supplemented or otherwise modified from time to time;
"**Macau**"	the Macau Special Administrative Region of the PRC;
"**Main Board**"	the main board of the stock exchange (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. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market;
"**Major Benefit**"	Major Benefit Management Ltd., a company with limited liability incorporated in the BVI on January 21, 2010 and is directly wholly-owned by our Company;
"**MIIT**"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部);

"**Ministry of Finance**"	the Ministry of Finance of the PRC (中華人民共和國財政部);
"**MOFCOM**"	the Ministry of Commerce of the PRC (中華人民共和國商務部) or its predecessor, the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外貿易經濟合作部);
"**MOHRSS**"	the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部);
"**Nation Harvest**"	Nation Harvest Development Limited (俊盛發展有限公司), a limited company incorporated in Hong Kong on February 15, 1994 and is indirectly wholly-owned by Yuexiu Property;
"**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);
"**Nomination Committee**"	the nomination committee of the Board;
"**Non-competition Undertaking**"	the non-competition undertaking dated June 11, 2021 entered into by our Controlling Shareholders in favor of our Company, particulars of which are set out in "Relationship with our Controlling Shareholders — Non-competition Undertaking" in this Prospectus;
"**Non-Qualifying Yuexiu Shareholders**"	any Yuexiu Shareholder whose name appeared in the register of members of Yuexiu Property on the Record Date and whose address as shown in such register is in any of the Specified Territories and any Yuexiu Shareholder or Beneficial Yuexiu Shareholder at that time who is otherwise known by Yuexiu Property to be resident in any of the Specified Territories;
"**NPC**"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會), the national legislative body of the PRC;
"**Offer Price**"	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK$6.52, such price to be determined as further described in the section headed "**Structure of the Global Offering**";

"**Offer Share(s)**"	the Hong Kong Offer Shares and the International Offer Shares (including, for the avoidance of doubt, the Reserved Shares), together, where relevant, with any additional Shares issued pursuant to the Over-allotment Option;
"**Over-allotment Option**"	the option to be granted by us to and exercisable by the Joint Representatives, pursuant to which we may be required to allot and issue up to an aggregate of 55,449,000 additional Shares (representing 15% of our Shares initially being offered under the Global Offering) to cover over-allocations in the International Offering, details of which are described in the section headed "Structure of the Global Offering — Over-allotment Option" in this Prospectus;
"**PBOC**"	the People's Bank of China (中國人民銀行), the central bank of the PRC;
"**Pine Tech**"	Pine Tech Corporation Limited (松達有限公司), a limited company incorporated in Hong Kong on March 19, 2010 and is indirectly wholly-owned by our Company;
"**PRC Government**"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them;
"**PRC Legal Advisor**"	Jingtian & Gongcheng, our legal advisers as to PRC laws;
"**Pre-IPO Investment**"	The pre-IPO investment in our Group undertaken by the Pre-IPO Investor, details of which are set out in "History, Reorganization and the Corporate Structure" in this Prospectus;
"**Pre-IPO Investor**"	GMIF;

"**Preferential Offering**"	the preferential offering to the Qualifying Yuexiu Shareholders of 36,951,000 Shares (representing approximately 10.0% of the Offer Shares initially being offered under the Global Offering) as an Assured Entitlement out of the International Offer Shares being offered under the International Offering at the Offer Price, on and subject to the terms and conditions set out in this Prospectus and in the **BLUE** application form, as further described in the section headed "Structure of the Global Offering — The Preferential Offering" in this Prospectus;
"**Price Determination Date**"	the date, expected to be on or about Monday, June 21, 2021 but no later than Friday, June 25, 2021, on which the Offer Price is to be fixed by agreement between us and the Joint Representatives (on behalf of the Underwriters);
"**Prospectus**"	this Prospectus being issued in connection with the Hong Kong Public Offering;
"**Qualifying Yuexiu Shareholders**"	any Yuexiu Shareholder whose name(s) appeared on the register of members of Yuexiu Property as at 4:30 p.m. on the Record Date;
"**Record Date**"	June 2, 2021, being the record date for determining the Assured Entitlement of the Qualifying Yuexiu Shareholders to the Reserved Shares;
"**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, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering;
"**Remaining Group**"	Yuexiu Property and its subsidiaries which for the purpose of this prospectus, exclude the Group;
"**Remuneration Committee**"	the remuneration committee of the Board;

"**Reorganization**"	the corporate reorganization of our Group in preparation for the Listing, particulars of which are set out in "History, Reorganization and the Corporate Structure" in this Prospectus;
"**Repurchase Mandate**"	the general unconditional mandate given to our Directors by the Shareholders relating to the repurchase of Shares, as further described in "Appendix IV — Statutory and General Information — A. Further Information about our Company — 6. Resolution passed by the Shareholders" in this Prospectus;
"**Reserved Shares**"	the 36,951,000 Share(s) being offered by our Company pursuant to the Preferential Offering at the Offer Price to the Qualifying Yuexiu Shareholders as the Assured Entitlement, which are to be allocated out of the International Offer Shares as described in section headed "Structure of the Global Offering" in this Prospectus;
"**Richardland**"	Richardland Limited, a company with limited liability incorporated in the BVI on September 20, 2001 and is directly wholly-owned by our Company;
"**RMB**" or "**Renminbi**"	the lawful currency of the PRC;
"**SAFE**"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration;
"**SAMR**"	the State Administration for Market Regulation (國家市場監督管理總局), formerly the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局);
"**SASAC**"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會);
"**SAT**"	the 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;

"**Share(s)**"	ordinary share(s) in the share capital of our Company;
"**Shareholder(s)**"	holder(s) of our Share(s);
"**Shun Hing**"	Shun Hing (China) Limited (信興(中國)有限公司), a limited company incorporated in Hong Kong on March 12, 2010 and is indirectly wholly-owned by our Company;
"**Smart Value**"	Smart Value Enterprises Limited (聰盛企業有限公司), a company with limited liability incorporated in the BVI on March 2, 2010 and is directly wholly-owned by our Company;
"**Specified Territories**"	jurisdictions outside Hong Kong, namely PRC, United Kingdom, Malaysia and Singapore where, taking into account the legal restrictions under the applicable laws or requirements of the relevant regulatory body or stock exchange of such jurisdictions, the Company and Yuexiu Property consider the exclusion of the Qualifying Yuexiu Shareholders or Beneficial Yuexiu Shareholders with registered addresses in, or who are otherwise known by Yuexiu Property to be residents of, such jurisdictions from the Preferential Offering to be necessary or expedient;
"**Spin-off**"	the separate listing of our Shares on the Main Board, by way of Global Offering, including the Preferential Offering;
"**Stabilizing Manager**"	Yue Xiu Securities Company Limited
"**State Council**"	the State Council of the PRC (中華人民共和國國務院);
"**Stock Borrowing Agreement**"	a stock borrowing agreement expected to be entered into between GCD China and the Stabilizing Manager;
"**subsidiary(ies)**"	has the meaning ascribed to it under the Listing Rules;
"**substantial shareholder(s)**"	has the meaning ascribed to it under the Listing Rules;
"**Track Record Period**"	the period comprising the three financial years ended December 31, 2020;

"**Tri-Full**"	Tri-Full Limited (菱豐有限公司), a limited company incorporated in Hong Kong on March 11, 2010 and is indirectly wholly-owned by our Company;
"**Tristate Investment**"	Tristate Investment Development Limited (聯亞投資發展有限公司), a limited company incorporated in Hong Kong on March 25, 2010 and is indirectly wholly-owned by our Company;
"**Underwriters**"	the Hong Kong Underwriters and the International Underwriters;
"**Underwriting Agreements**"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement;
"**United States**" or "**U.S.**"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
"**U.S. dollars**" or "**US$**"	United States dollars, the lawful currency of the United States;
"**U.S. persons**"	U.S. persons as defined in Regulation S;
"**U.S. Securities Act**"	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
"**WHITE Application Form(s)**"	the application form(s) for use by the public who require(s) such Hong Kong Offer Shares to be issued in the applicant's/applicants' own name;
"**Winner Zone**"	Winner Zone Holdings Ltd., a company with limited liability incorporated in the BVI on February 11, 2010 and is directly wholly-owned by our Company;
"**YELLOW Application Form(s)**"	the application form(s) for the Hong Kong Offer Shares for use by the public who require(s) such Hong Kong Offer Shares to be deposited directly into CCASS;
"**Yuexiu PD**"	Guangzhou Yuexiu Property Development Co., Ltd.* (廣州越秀物業發展有限公司) (previously known as Guangzhou Construction & Development Property Co., Ltd.* (廣州市建設開發物業公司)), a company established in the PRC with limited liability, and is an indirect wholly-owned subsidiary of our Company;

"**Yuexiu Property**"	Yuexiu Property Company Limited (越秀地產股份有限公司), a company incorporated in Hong Kong with limited liability on June 16, 1992, the shares of which are listed on the Main Board (stock code: 00123) and our Controlling Shareholder, and its subsidiaries (or Yuexiu Property Company Limited, as the context may require), unless specifically defined otherwise;
"**Yuexiu REIT**"	Yuexiu Real Estate Investment Trust (stock code: 00405), a Hong Kong real estate investment trust constituted by a trust deed entered into on December 7, 2005 between HSBC Institutional Trust Services (Asia) Limited as the trustee and Yuexiu REIT Asset Management Limited as the manager of Yuexiu REIT as modified by the First Supplemental Deed dated March 25, 2008, the Second Supplemental Deed dated July 23, 2010, the Third Supplemental Trust Deed dated July 25, 2012 and the Fourth Supplemental Deed dated April 3, 2020 and made between the same parties. Yuexiu REIT was listed on the Stock Exchange on December 21, 2005;
"**Yuexiu Shandong**"	Yuexiu Property (Shandong) Property Management Co., Ltd. (越秀地產(山東)物業管理有限公司), a limited liability company established in the PRC on February 24, 2011 and is indirectly wholly-owned by our Company;
"**Yuexiu Shareholders**"	holders of the Yuexiu Shares;
"**Yuexiu Shares**"	the ordinary shares of Yuexiu Property;
"**Yuexiu Yicheng**"	Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd.* (廣州越秀怡城商業運營管理有限公司) (previously known as Guangzhou Yicheng Property Management Co., Ltd.* (廣州怡城物業管理有限公司)), a limited liability company established in the PRC on December 29, 1997 and is indirectly wholly-owned by our Company;
"**YX APT Parking**"	Yue Xiu APT Parking Limited (越秀亞通停車場有限公司), a limited company incorporated in Hong Kong on March 14, 1997 and is indirectly wholly-owned by our Company;

"**YXE**"	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a company incorporated in Hong Kong with limited liability on December 28, 1984 and which is a wholly-owned subsidiary of GZYX;
"**YX Property Management (HK)**"	Yue Xiu Property Management Limited (越秀物業管理有限公司), a limited company incorporated in Hong Kong on June 24, 1986 and is indirectly wholly-owned by our Company;
"**Zippenes**"	Zippenes Limited, a company with limited liability incorporated in the BVI on September 20, 2001 and is directly wholly-owned by our Company;
"**Zhejiang Yuexiu**"	Zhejiang Yuexiu Property Management Co., Ltd.* (浙江越秀物業管理有限公司) (previously known as Hangzhou Lin'an Yuexiu Property Management Co., Ltd.* (杭州臨安越秀物業管理有限公司)), a limited liability company established in the PRC on May 7, 2012 and is indirectly wholly-owned by our Company;
"**Zhongshan Yuexiu**"	Zhongshan Yuexiu Real Estate Property Management Co., Ltd.* (中山市越秀地產物業管理有限公司), a limited liability company established in the PRC on August 19, 2011 and is indirectly wholly-owned by our Company;
"**%**"	per cent.

* *For identification purpose only*

The English translation and/or transliteration of the names of PRC nationals, entities, enterprises, government authorities, departments, facilities, certificates, titles, laws and regulations included in this Prospectus is included for identification purposes only. In the event of any inconsistency between the English translation and/or transliteration and the Chinese versions, the Chinese versions shall prevail.

In this Prospectus, unless the context otherwise requires, explanations and definitions of certain terms used in this Prospectus in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"**average property management fee(s)**"	weighed average property management fee charged calculated on the basis of contracted GFA of each property for which the property management service are provided;
"**CAGR**"	compound annual growth rate;
"**collection rate**"	a percentage of the property management fees cumulatively collected by the end of the relevant period of the corresponding total property management fees receivable for the same period;
"**common area**"	common areas in properties under management, mainly include green spaces, walkway, water storage facilities, waste collection facilities, fire facilities, public lighting facilities, security monitoring facilities, parking lots, swimming pools, club houses and lifts and other non-property-owner-only areas;
"**commission basis**"	a revenue model generally employed by property management service providers in the PRC that the fee income from property management services consists only of a prescribed percentage, or a fixed amount of the total management fees payable by the property owners or property developers whereas the remainder of such management fees would be used to cover the expenses incurred in the management of the relevant properties. Any excess or shortfall of the property management fees (after deducting the relevant expenses) belong to or are borne by the property owners or property developers;
"**contracted GFA**"	GFA currently being managed or to be managed by us under signed property management service contracts;
"**EBA**"	electronic building automation;

"**first-tier cities**"	cities specified by the Rising Lab of Yicai (第一財新一線城市研究所) as such, being Beijing, Shanghai, Guangzhou and Shenzhen in 2020;
"**GFA**"	gross floor area;
"**GFA under management**"	GFA currently being managed by us under signed property management service contracts;
"**Greater Bay Area**"	Guangdong-Hong Kong-Macau Greater Bay Area, a geographical region of China comprising Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen, Zhaoqing, the Special Administrative Regions of Hong Kong and Macau for the purposes of this prospectus;
"**IoT**"	Internet of Things;
"**IT**"	information technology;
"**lump-sum basis**"	a revenue model generally employed by property management service providers in the PRC in which property management service providers will charge a pre-determined and pre-agreed "**all-inclusive**" property management fee per sq.m. for the provision of management services rendered by the management service providers and outsourced sub-contractors to the relevant properties. The property management service provider will bear all costs and expenses in managing the relevant properties;
"**new first-tier cities**"	cities specified by the Rising Lab of Yicai (第一財經新一線城市研究所) as such, being Chengdu, Hangzhou, Chongqing, Wuhan, Xi'an, Suzhou, Tianjin, Nanjing, Changsha, Zhengzhou, Dongguan, Qingdao, Shenyang, Hefei and Foshan in 2020;

"**overall strength**"	CIA ranks the overall strength of property management companies by evaluating the following aspects: • property management scale, taking into account total assets, number of properties under management, total contracted GFA under management and number of cities where the company operates; • operational performance, taking into account the total revenue, net profit, revenue per employee and operating costs as a percentage to total revenue; • service quality, taking into account customer satisfaction rate, property management fee collection rate, property management contract renewal rate and number of star-level communities; • growth, total contracted GFA under management growth, reserved GFA for management and number and composition of employees; and • 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;
"**renewal rate**"	the number of property management service contracts successfully renewed through the signing of new contracts during the relevant period divided by the total number of property management service contracts expired (without taking into account the number of contracts that we continue to provide property management services upon expiry thereof without entering into a renewal contract) during the same period;

"retention rate"

$$\text{Retention rate} = \frac{(A+B+C+D)}{(A+B+C+D+E)}$$

A = the number of newly engaged contracts during the relevant period

B = the number of contracts renewed upon expiry during the relevant period

C = the number of contracts to which we continue to provide property management services upon expiry without entering into a renewal contract during the relevant period

D = the number of contracts that did not expire and remained effective during the relevant period

E = the number of projects we ceased to provide property management services during the relevant period

"second-tier cities" the 30 major cities specified by the Rising Lab of Yicai (第一財經新一線城市研究院) in 2020;

"sq.m." square meter(s);

"subcontracting cost(s)" costs incurred by property management companies in relation to services delegated to subcontractors, which primarily include labour-intensive services such as cleaning and gardening services;

"TOD" transit-oriented development;

"Top 100 Property Management Companies" an annual ranking of China-based property management companies by overall strength published by CIA based on a number of key indicators, including management scale, operational performance, service quality, growth potential and social responsibility;

"undelivered GFA" contracted GFA of properties that are not yet ready to be delivered in relation to which the provision of property management services or commercial operation services has not started as at the relevant date.

This Prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Prospectus, the words “aim”, “anticipate”, “believe”, “could”, “expect”, “going forward”, “intend”, “may”, “might”, “ought to”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “will”, “would” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- future developments, trends and conditions in the industry and markets in which we operate;
- our strategies, plans, objectives and goals and our ability to successfully implement these strategies, plans, objectives and goals;
- our ability to continue to maintain our leading position in the industry;
- our ability to control or reduce costs;
- our ability to identify and integrate suitable acquisition targets;
- general economic conditions;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- our dividend policy;
- our capital expenditure plans;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- our future debt levels and capital needs;
- the competitive environment of the industry and markets in which we operate;

- the actions and developments of our competitors;
- certain statements in the sections headed "Business" and "Financial Information" in this Prospectus with respect to trends in prices, operations, margins, overall market trends, and risk management; and
- other statements in this Prospectus that are not historical facts.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks materialize or should underlying assumptions prove to be incorrect, our financial condition and actual results of operations may be materially and adversely affected and may vary significantly from those estimated, anticipated or projected, as well as from historical results.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this Prospectus are qualified by reference to the cautionary statements in this section.

In this Prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this Prospectus. Any such information may change in light of future developments.

An investment in our Shares involves various risks. You should carefully consider the following information about risks, together with the other information contained in this Prospectus, including our consolidated financial statement and related notes, before you decide to purchase our Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial conditions and prospects would likely suffer. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. This Prospectus also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described below and elsewhere in this Prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may fail to secure new or renew our existing property management service contracts on favorable terms, or at all

We believe that our ability to expand our portfolio of property management service contracts is key to sustaining growth of our business. During the Track Record Period, we procured new property management service contracts primarily through 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, the level of pricing and the track record of the property management company. For the years ended December 31, 2018, 2019 and 2020, we submitted 22, 42 and 37 bids for property management service contracts respectively and won 17, 22 and 25 contracts, with a win rate of 77.3%, 52.4% and 67.6% respectively. We cannot assure you that we will be able to procure new property management service contracts on favorable terms, or at all. 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. In addition, both termination and non-renewal of property management service agreements could potentially be detrimental to our reputation and brand value and diminish our competitiveness within the market.

During the Track Record Period, we entered into preliminary property management service contracts with property developers during the later stages of property development. Such contracts are transitional in nature and facilitate the transfer of legal and actual control of the properties from property developers to individual property owners. As of December 31, 2020, property owners' associations were established in 25 residential properties we were contracted to manage, accounting for approximately 19.7% of the total number of residential properties we contracted to manage. As of the same date, our service contract for 96.1% of total GFA under management and 100.0% of contracted but yet delivered GFA did not have a fixed term, which will typically expire when property owners' associations are established and new property management service contracts are entered into. For details, see "Business — Non-commercial Property Management and Value-added Services — Our Non-commercial Property Management Service Contracts" in this Prospectus. To continue managing the property, we may enter into property management service contracts with the property owners' associations. We cannot assure you that the property owners' associations will enter into property management service contracts with us instead of our competitors. Our customers select us based on parameters such as quality and cost, and we cannot assure you that we will always be able to balance such parameters diligently.

Even where we succeed in entering into property management service contracts with property owners' associations, we cannot assure you that they will be renewed upon expiration. It is also possible that they may be terminated. In such cases, our business and results of operations could be materially and adversely affected. For the years ended December 31, 2018, 2019 and 2020, the retention rate for our non-commercial property management contracts was 100.0%, 100.0% and 99.1%, respectively. 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. In addition, both termination and non-renewal of property management service contracts could potentially be detrimental to our reputation and diminish our competitiveness within the industry.

A majority of our revenue from property management services during the Track Record Period was generated from services we provided in relation to properties developed or owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties

During the Track Record Period, a large portion of our service contracts was related to the management of properties developed or owned by GZYX and Yuexiu Property and their joint ventures, associates or other related parties. For the years ended December 31, 2018, 2019 and 2020, revenue generated from property management services provided to properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties accounted for 91.7%, 88.6% and 90.0% of our total revenue generated from property management services, respectively.

As we do not have control over the business strategies of GZYX or Yuexiu Property or their respective joint ventures, associates or other related parties, or the macroeconomic or other factors that may affect their business operations, any adverse development in the operations of GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties or their ability to develop new properties may affect our ability to procure new property management service contracts. In addition, we cannot assure you that we can successfully renew all of our property management service contracts with GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties upon their expiration. We cannot assure you that we will be successful in procuring replacement from alternative sources to make up for the shortfall in a timely manner or on favorable terms if we fail to renew such contracts. Though we plan to expand our business by deepening cooperation with independent third-party property developers, we cannot assure you that we will be successful in doing so. Should any of these events occur, our business, financial condition and results of operations could be materially and adversely affected.

Our future growth may not materialize as planned and our historical results may not be indicative of our future prospects and results of operations

We were expanding our businesses and services during the Track Record Period. Our revenue increased from RMB762.8 million for the year ended December 31, 2018 to RMB896.3 million for the year ended December 31, 2019, and further to RMB1,168.0 million in 2020. We seek to continue expanding our existing business. For details, see "Business — Business Strategies" in this Prospectus. However, we base our expansion plans on our assessment of market prospects and other factors, as applicable. We cannot assure you that our assessment will prove to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors, most of which are beyond our control, which include, among others:

- changes in the general economic conditions in the PRC and Hong Kong and their respective real estate markets in particular;
- changes in disposable personal income in the PRC and Hong Kong;
- changes in government regulations or policies;
- changes in the supply of and demand for property management services and value-added services;
- our ability to generate sufficient liquidity internally and obtain external financing;
- our ability to recruit and train competent employees;
- our ability to select and work with suitable third-party subcontractors and suppliers;
- our ability to understand the needs of customers in the non-commercial properties and commercial properties where we provide property management services;
- our ability to understand the needs of property developers in the commercial properties where we provide commercial operation services;
- our ability to adapt to new markets where we have no prior experience and in particular, whether we can adapt to the administrative, regulatory and tax environments in such markets;
- our ability to diversify our service offerings and to optimize our business mix;
- our ability to reinforce our current market position and our ability to leverage our brand names and to compete successfully in new markets, particularly against the incumbent players in such markets who might have more resources and experience than we do; and

- our ability to improve our administrative, technical, operational and financial infrastructure.

Since our business strategies are subject to uncertainties and risks, we cannot assure you that our future growth will materialize. Our business, financial condition, results of operations and growth prospects could be materially and adversely affected if our future plans fail to achieve positive results.

We have expanded our business through acquisitions, which may fail to yield the desired benefits

On November 23, 2020, we acquired GZMEE and GZMPM from GZ Metro with the intention to provide metro property management and operational services. Such acquisition could subject us to a number of risks, including (i) failure to integrate such acquired business and relevant personnel into our existing business, (ii) higher costs of integration than we may anticipate in the future, (iii) any delay or failure in realizing the expected benefits of such acquired business, (iv) failure to enable such acquired business to deliver the expected synergies, (v) diversion of our management's time and attention from other business concerns, and (vi) changes in our cost structure due to acquisitions.

We may face difficulties in integrating the acquired operations of GZMEE and GZMPM with our existing business, particularly when integrating their existing workforce with ours. Our ability to integrate such acquired businesses may be affected by a variety of factors beyond our control. As a result, we cannot assure you that our acquisitions would achieve our desired strategic objectives or the expected return on investment.

Our future acquisitions may not be successful and we may face difficulties in integrating acquired operations with our existing operation

We plan to continually evaluate opportunities to acquire or invest in providers of residential and public property management services, commercial property management and operational service providers and companies providing property management related services as part of our expansion plan. However, there can be no assurance that we will be able to identify suitable opportunities. Acquisitions involve 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. 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. Even if we manage to identify suitable opportunities, we may not be able to complete the acquisitions on terms favorable or acceptable to us, in a timely manner, or at all. The inability to identify suitable acquisition targets or complete acquisitions could materially and adversely affect our competitiveness and growth prospects.

Acquisitions, even if completed, will involve uncertainties and risks, including, without limitation:

- potential ongoing financial obligations and unforeseen or hidden legal, regulatory, financial or other liabilities;
- inability to apply our business model or standardized business processes on the acquisition targets;
- failure to achieve the intended objectives, synergy benefits or revenue-enhancing opportunities;
- assumption of debt and liabilities of the acquired companies, some of which may not have been revealed during the due diligence process; and
- diversion of resources and management's attention.

In addition, we may face difficulties in integrating acquired operations with our existing business. 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 condition and results of operations.

Increase in staff costs and subcontracting costs could harm our business and affect our profitability

For the years ended December 31, 2018, 2019 and 2020, our staff costs accounted for approximately 53.9%, 51.6% and 51.0% of our total cost of sales, respectively. We also delegate certain services such as cleaning and gardening to third-party subcontractors, and for the years ended December 31, 2018, 2019 and 2020, our subcontracting costs amounted to RMB51.6 million, RMB58.3 million and RMB69.0 million. Since our staff and subcontracting costs accounted for a significant portion of our cost of sales, we believe that controlling and reducing our staff and subcontracting costs is essential to maintaining and improving our profit margins.

We face pressure from rising labor and subcontracting costs due to various contributing factors, including, but not limited to, the following:

- *Increases in minimum wage* — The minimum wage in regions we operate has increased substantially in recent years, directly affecting our labor costs as well as the fees we pay to our third-party subcontractors.
- *Increases in headcount* — With the expansion of our operations, the headcount of our property management staff, sales and marketing staff and administrative staff is expected to continue to increase. We will also need to retain and continuously recruit qualified employees to meet our growing demand for talent, which will

consequently increase our total headcount. In addition, as we continue to expand our business scale, demand for third-party subcontractors will experience an increase. This increase in headcount will also increase our costs such as those related to salaries, training, social insurance and housing provident fund contributions and quality control measures.

We cannot assure you that we will be able to control our costs or improve our efficiency. If we fail to do so, our business, financial condition and results of operations could be materially and adversely affected.

We may fail to effectively anticipate or control our costs in providing our property management services, for which we charge our customers on a lump-sum basis

We generated a large portion of our revenue from property management services on a lump-sum basis during the Track Record Period. For the years ended December 31, 2018, 2019 and 2020, 90.2%, 89.9% and 90.4% of our revenue from property management services of non-commercial properties were charged on a lump-sum basis, respectively; and 55.1%, 61.1% and 69.5% of our revenue from property manager services of commercial properties were charged on a lump-sum basis, respectively. On a lump-sum basis, we charge property management fees at a pre-determined fixed lump price per sq.m. per month, representing an "all-inclusive" fee for the property management services we provided. These management fees are fixed and do not fluctuate with the actual amount of costs we incur in the course of providing our services. We recognize as revenue the full amount of property management fees we charge to the property owners or property developers, and recognize as our cost of services the actual costs we incur in connection with rendering our services. For details, see "Business — Non-commercial Property Management and Value-added Services — Revenue Model — Service Fees Charged for Property Management Services to Non-commercial Properties" and "Financial Information — Critical Accounting Policies — Revenue Recognition" in this Prospectus.

In the event that we fail to accurately anticipate our actual costs prior to negotiating and entering into our property management services contracts, and our fees are insufficient to sustain our profit margins, we would not be entitled to collect additional amounts from our customers to make up the shortfalls. We also cannot assure you that we will be able to adequately control our costs in the course of providing property management services. As a result, such losses may have a material and adverse effect on our results of operations. For the years ended December 31, 2018, 2019 and 2020, the amount of our losses in relation to management of non-commercial properties for which we charged on a lump-sum basis amounted to approximately RMB19.4 million, RMB12.6 million and RMB7.4 million, respectively, in respect of 31, 25 and 13 properties, respectively. We incurred losses primarily as a result of (i) increased cost of sales, which reflected our efforts to enhance the satisfaction of our customers by improving the conditions of the residential properties we manage as well as the quality of our property management services; (ii) the fact that we were unable to adjust the property management fee rates for certain residential properties we had managed for years 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 of projects managed under preliminary property management service contracts; and (iii) high initial costs incurred in residential property management projects we recently undertook.

If we are unable to raise property management fee rates to fully cover the property management costs we incur, we would seek to adopt certain cost-saving initiatives with a view to reducing the loss. However, our ability to mitigate such losses through cost-saving initiatives may not be successful, and our cost-saving efforts may negatively affect the quality of our property management services, which consequently would further reduce the owners' willingness to pay us property management fees.

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

In line with the market practice, we delegate certain non-core services, such as cleaning and gardening services, to third-party subcontractors in the course of our ordinary business. For the years ended December 31, 2018, 2019 and 2020, subcontracting costs amounted to RMB51.6 million, RMB58.3 million and RMB69.0 million, respectively, representing 9.1%, 8.9% and 9.0% of our total cost of sales. We select our subcontractors based on factors such as market reputation, qualifications, prices and track record. 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 subcontractors 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. As a result, we may have disputes with our subcontractors, 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 subcontractors, we cannot assure you that we will be able to renew such contracts or find suitable replacements in a timely manner, on commercially reasonable terms, or at all. In addition, these subcontractors may have financial difficulty, or may not have obtained or renewed on a timely basis the relevant business permits or license for the provision of their services or fail to maintain a stable team of qualified labor or are unable to access a stable supply of qualified labor, the work process of these subcontractors may be interrupted. Any interruption to the work process may potentially result in a breach of the contract that we entered into with our customers. Any of such events could materially and adversely affect our service quality, reputation, as well as our business, financial position and results of operations.

We are susceptible to changes in the regulatory landscape of the PRC property management services industry and commercial operation services industry

We seek to comply with the regulatory regime of the property management and commercial operation services industries in conducting our business operations. In particular, the PRC Government promulgates new laws and regulations relating to property management fees from time to time. In December 2014, the NDRC issued the Circular of NDRC on the Opinions on Relaxing Price Controls in Certain Services (國家發展改革委關於開放部分服務

價格意見的通知(發改價格)[2014]2755號) (the "**Circular**"), which requires the relevant provincial authorities to abolish all price control policies in relation to residential properties. Property management fees for affordable housing, housing-reform properties and properties in old residential areas and management fees under preliminary property management service contracts remain subject to price guidance imposed by provincial level price administration departments and the administrative departments of housing and urban-rural development. For details, see "Regulatory Overview — PRC Regulatory Overview — Legal Supervision over Property Management Services — Regulations on Property Management Service Charges" in this Prospectus. On August 1, 2019, the Notice on Further Standardization of Property Service Charges (《關於進一步規範物業服務收費的通知》(粵發改價格[2019]2897號)) issued by Guangdong Provincial Development and Reform Commission and the Guangdong Provincial Bureau of Housing and Urban-rural Development took effect. The price for property management services shall be determined by the property management companies and the property owners through negotiation within the scope of the government guidance price, and is no longer required to report to the local development and reform commission for filing. In light of the Circular, we expect that price controls on residential properties will be relaxed. However, in other provinces where we have operations, our property management fees for residential properties will continue to be subject to price controls until the relevant authorities pass local regulations to implement the Circular; while our commercial property management fees are not subject to price control. We cannot assure you that the PRC Government may not reverse its policy and re-impose limits on property management fees. In the event that it imposes limits on property management fees, we may see diminished profit margins as our labor, subcontracting and other costs increase while our ability to raise management fees correspondingly is limited by the relevant rules and regulations. We cannot assure you that we would be able to respond to such changes timely and effectively by implementing our cost-saving measures, nor that we would be able to pass any additional costs to our customers. The PRC Government may also unexpectedly promulgate new laws and regulations related to other aspects of our industry. This could increase our compliance and operational costs, thereby materially and adversely affecting our business, financial condition and results of operations.

Our prospects may be adversely affected by COVID-19 or other adverse public health developments and government relief measures in response to COVID-19 which benefited our margin expansion historically may not recur

In 2020, the COVID-19 spread across the PRC and globally. The outbreak of COVID-19 has, amongst others, endangered the health of many people in China, resulting in a large number of confirmed cases and deaths and significantly disrupted economies in the PRC and globally. In order to contain the COVID-19 disease, the PRC Government had introduced a series of continuous measures, including, but not limited to, restrictions on enterprises from resuming work, traffic control, travel bans, management, control over commencement schedules of construction in new and existing property development sites and quarantining affected areas. Such measures may severely affect and restrict the level of economic activities in the PRC, which, along with the disruption of business in major industries, may adversely and materially affect the overall business sentiment and environment in the PRC, which in turn, may lead to slower overall economic growth in the PRC. Any contraction or slowdown in the economic growth of the PRC could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, COVID-19, or any other adverse public health developments, are likely to have an adverse impact on the livelihood of the people in and the economy of the PRC and may, consequently, adversely impact the property market in the PRC. The outlook of the real estate market, economy slowdown and/or negative business sentiment could potentially have an indirect impact on the property management services market and our business operations and financial condition may be adversely affected. For instance, such events may disrupt our business operations and cause temporary suspension and shortage of labor and sub-contracting services for our business operations, as well as delays in construction, sales and delivery of projects for us to subsequently provide property management and other services. In addition, if any of our employees or staff of our subcontracting services were suspected of contracting or contracted an epidemic disease, it could adversely affect or disrupt our operations, as we may be required to quarantine some or all of our employees and subcontracting staff, disinfect the buildings or sites or even scale-down or close some of our business to prevent the spread of the disease. The spread of any severe communicable disease in the PRC may also affect the financial condition, or as the case may be, business operations of our customers, suppliers and other partners, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

We are uncertain as to when the COVID-19 disease will be fully contained, and we also cannot predict if the impact will be short-lived, recurring or long-lasting. If the COVID-19 disease, or any similar adverse public health developments, are not effectively contained, our business operations and financial condition may be materially and adversely affected, which may make us fail to materialize our future growth as planned. For details of the impact of the outbreak of COVID-19 on our business, see "Business — Effects of the COVID-19 Pandemic — Effects of the COVID-19 Pandemic on Our Business Operations" in this Prospectus.

Since early 2020, the PRC Government has implemented a series of fiscal and monetary policies to stabilize the social sentiment and expedite the resumption of economic growth, such as offering provisional relief of social insurance contributions by corporations affected by the COVID-19 pandemic. These measures partially contributed to the significant increase of our gross profit margin of property management services under the non-commercial property management and value-added services segment from 6.5% for the year ended December 31, 2019 to 21.6% for the year ended December 31, 2020. However, government relief measures in response to COVID-19 which benefited our margin expansion historically were one-off in nature. There can be no assurance that measures of comparable scale will be implemented in the future when there are other similar adverse public health developments, the absence of which may materially and adversely affect our business operations and financial condition.

We are susceptible to changes in the regulatory landscape of the PRC real estate industry

As we are a property management service and commercial operation service provider, our growth potential is, and will likely continue to be, affected by developments in the PRC real estate industry. The PRC Government promulgates new laws and regulations from time to time in relation to the PRC real estate industry. Among other measures, the PRC Government may reduce the land available for property development, impose foreign exchange restrictions on cross-border investment and financing and restrict foreign investment. Such policies are introduced to curb overheating or speculation in the real estate industry and may reduce market demand for properties overall. In the event that they decelerate the overall growth of property development in the PRC, we may experience slower growth in the market for property management services and commercial operation services, which could in turn restrict our potential in and efforts to expand our business.

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 for our business operations, which, in general, are only issued or renewed after certain conditions have been satisfied. For details, see "Regulatory Overview — PRC Regulatory Overview — Legal Supervision over Property Management Services — Regulations on Qualification of Property Management Enterprises" in this Prospectus. 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 Government 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.

We are susceptible to adverse regulatory and economic developments in the Greater Bay Area

As of December 31, 2020, we had a geographic presence in 19 cities, six of which were located in the Greater Bay Area. Our revenue from the Greater Bay Area contributed to approximately 85.4%, 84.1% and 82.4% of our total revenue for the years ended December 31, 2018, 2019 and 2020, respectively. We expect the Greater Bay Area will continue to serve as our business development focus in the near future. Therefore, any adverse regulatory and economic developments in the Greater Bay Area that may dampen demand or prices for our services could materially and adversely affect our business, financial conditions and results of operation.

We may experience intense competition and fail to compete effectively

According to CIA, the property management services industry is intensely competitive and highly fragmented, and the commercial operation services industry is also highly competitive in the PRC. For details, see "Industry Overview" in this Prospectus. Our competitors include property management service providers operating on national, regional and local scales that may have stronger capital resources, longer operating histories, better track records, greater brand or name recognition, greater expertise in regional and local markets and greater financial, technical, marketing and public relations resources than we do. Such service providers may be better positioned than we are to compete for customers, financing, skilled management and labor resources. They may also be able to devote more resources to the development, expansion, and promotion of their property management services. In addition, property developers may establish their own in-house property management businesses or engage their affiliated service providers. These developments may reduce the availability of business opportunities and customers as there would be fewer property developers on the market who would be willing to refer business to us. Since our competitors may seek to emulate our business model, we may lose our competitive edge should we fail to continue evolving and thereby distinguish ourselves from other service providers. Our customers may opt to work with our competitors upon the expiry of our existing service contracts as competitive pressures intensify, and we may be less likely to successfully obtain new service contracts.

In addition, our efforts to compete may compel us to reduce prices for our property management services, while competitive pressures may force us to further enhance our service quality, thereby increasing our cost of services. We cannot assure you that we will be able to pass additional costs to our customers. Failure to compete effectively may erode our profit margins and market share, which could in turn materially and adversely affect our business, financial condition, results of operations and growth potential.

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

During the Track Record Period, a certain portion of our total revenue generated from our provision of property management services was charged on a commission basis. When we are contracted to manage properties on a commission basis, we essentially act as an agent of the property owners. For such residential properties, the management offices have no separate bank accounts and all transactions made through these management offices are settled through our treasury. If the working capital balance of a property is insufficient to cover the expenses incurred by the management office in arranging for property management services, we may recognize the shortfall as a receivable subject to impairment in our accounts. As a result, we may incur impairment losses on receivables arising from properties we manage on a commission basis.

Our management makes estimates on whether or not the management offices have the ability to settle payments on behalf of residents. In doing so, it uses estimates and the assumptions based on information available to us at that time being, and adjustments have to be made if new information becomes known. There is also a limited amount of information publicly available. 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 our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to collect service fees from customers and as a result, may incur impairment losses on receivables

We may encounter difficulties in collecting service fees from customers, such as property management fees from property owners and residents. Even though we seek to collect overdue property management fees through various collection measures, we cannot guarantee that such measures will be effective. In addition, before accepting new engagements, we may assess the historical collectability of property management fees for these properties. However, we cannot assure you that such assessment would enable us to accurately predict our future property management fee collection rates. 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.

The balance of our allowance for impairment of trade receivables was RMB18.6 million, RMB22.5 million and RMB27.5 million as of December 31, 2018, 2019 and 2020, respectively. Although our management's estimation 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 condition and results of operations.

The preferential income tax treatment that we enjoy in the PRC may be altered or terminated

During the Track Record Period, certain of our subsidiaries enjoyed preferential tax treatment. Some of our subsidiaries met the standard of "small low-profit enterprise" and taxed at the reduced tax rate of 20% from January 1, 2008. Starting from January 1, 2019 to December 31, 2021, "small low-profit enterprise" was entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first RMB1 million of the taxable income of qualified entities are taxed at 5%, and the taxable income above RMB1 million and less than RMB3 million are taxed at 10%. Guangzhou Yueguan Intelligent Technology Co., Ltd., our subsidiary, qualified as a "high and new technology enterprise" since 2019 for three years and is renewable upon fulfilment of certain qualification requirements, and was therefore subject to EIT rate of

15% for the years ended December 31, 2019 and 2020. For details, see "Financial Information — Description of Certain Components of Our Consolidated Statements of Profit or Loss — Income Tax Expenses". There can be no assurance that the policies on preferential tax treatment will not change or that any preferential tax treatment we enjoy or will be entitled to enjoy will not be terminated. If any change or termination of preferential tax treatment, the increase in our tax charge or any other related tax liabilities could adversely affect our results of operations and financial condition.

We recorded intangible assets, primarily including goodwill and customer relationships, on our consolidated statements of financial position in connection with the acquisitions of certain companies during the Track Record Period and any recognition of impairment losses on such intangible assets would adversely affect our financial results

We recorded intangible assets of RMB2.9 million, RMB4.4 million and RMB343.9 million as of December 31, 2018, 2019 and 2020, which primarily include goodwill and customer relationships. There was no goodwill as of December 31, 2018 and 2019, but RMB248.3 million as of December 31, 2020, which arose from our acquisition of GZMEE and GZMPM in November 2020. The goodwill recorded reflected the excess of the total acquisition consideration and the amount of non-controlling interest in the acquired companies over the total fair value of identifiable net assets of the companies we acquired.

If we fail to achieve our desired objectives or if any unforeseeable circumstances decrease the expected cash flows from acquired assets, the recoverable amount can be lower than the carrying amount on our consolidated financial statements with respect to such intangible assets. Under such circumstances, we may need to recognize the impairments losses to intangible assets in our consolidated financial statements, which may reduce our assets and adversely affect our financial results.

The fair value measurement of our financial assets at fair value through other comprehensive income ("FVOCI") are subject to uncertainties and risk and the fair value change of such assets may materially and adversely affect our results of operations

We had financial assets at FVOCI with respect to our equity investments in two unlisted investee companies and the gains or losses of which were recognized in our other comprehensive income during the the Track Record Period. See "Financial Information — Description of Certain Items in the Consolidated Statement of Financial Position — Financial Assets at FVOCI".

Such financial assets are measured at fair value with certain unobservable inputs used in the valuation techniques and the changes in their fair value are recorded in our consolidated statements of comprehensive income, therefore directly affecting our results of operations. There is no assurance that we will not incur any fair value losses in the future. If we incur significant fair value losses on the financial assets, our results of operations, financial condition and prospects may be adversely affected.

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

As of December 31, 2018, 2019 and 2020, our contract liabilities amounted to RMB105.6 million, RMB93.0 million, and RMB163.2 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 Certain Items in the 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.

We recorded interest income from loans due from our related parties during the Track Record Period, which was non-recurring in nature

For the years ended December 31, 2018, 2019 and 2020, we recorded interest income of RMB39.2 million, RMB61.0 million and RMB26.1 million, respectively, in relation to our loans provided to our related parties during the Track Record Period. For further details, please refer to the section headed "Financial Information — Loans to Our Related Parties". All of these interest income are non-recurring in nature.

We are not planning to enter into similar arrangements with our related parties going forward. There is no assurance that we will continue to receive any interest income for future financial years and our financial position may be adversely affected.

We may be subject to penalties from the PBOC or adverse judicial rulings as a result of extending loans to our related parties during the Track Record Period

We extended interest-bearing loans to our related parties during the Track Record Period, and recognized interest income of RMB39.2 million, RMB61.0 million and RMB26.1 million for the years ended December 31, 2018, 2019 and 2020, respectively. The balance of such loans to related parties and the interest receivables has been settled as of the Latest Practicable Date.

According to the General Lending Provisions (《貸款通則》), a departmental rule promulgated by the PBOC in 1996, only financial institutions may legally engage in the business of extending loans, and loans between companies that are not financial institutions are prohibited. According to 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**") promulgated on August 6, 2015, revised on August 19, 2020 and December 29, 2020 and became effective on January 1, 2021, in terms of a private lending contract concluded between legal persons or unincorporated organizations or between a legal person and an unincorporated organization for the need of production and operation, except under any of the circumstances as prescribed in the Civil Code of the PRC and Article 13 thereof, relevant people's court shall recognise the validity of the private lending contract. Our Directors confirm that all loans made to related parties arose from previous course of business with such parties, the loans are made for the purpose of such parties' normal business operation, we have no intention to engage in any private lending activity to derive interest income, and our provision of interest-bearing loan to our related party did not involve the circumstances as set forth in the Civil Code of the PRC or Article 13 of the Judicial Interpretations on Private Lending Cases. On the basis above, our PRC Legal Adviser is of the view that our provision of interest-bearing loan to our related party was valid.

According to the General Lending Provisions (《貸款通則》), the PBOC may impose penalties on the lender equivalent to one to five times of the income generated (being interests charged) from loan advancing activities, and accordingly, our maximum potential penalty arising from extending interest-bearing loan to our related party during the Track Record Period amounted to approximately RMB631.5 million. Our Directors confirm that, as of the Latest Practicable Date, we have not received any notice or been penalized for extending interest-bearing loan to our related party and the principal and interests of the loan between us and our related parties were settled in June 2020. Based on the above, and since there are rare cases that companies have been penalized for extending interest-bearing loans to their related parties by the PBOC, our PRC Legal Advisors are of the view that the risk of us being penalized is relatively remote in respect of the above-mentioned borrowings and loans under the condition that there are no material changes in current laws and regulations or the interpretation or implementation thereof in China.

Nevertheless, we cannot assure you that we may not be subject to a penalty fine from the PBOC and in the event that we are ordered by the PBOC to pay the penalties, our financial condition and results of operations could be adversely affected.

Some of our residential property management service contracts may have been obtained without going through the tender and bidding process

Pursuant to applicable PRC laws and regulations and the requirements of relevant local authorities, property management companies need to go through the tender and bidding process before entering into preliminary property management service contracts in respect of residential properties with property developers. The Regulations on Property Management and the Interim Measures for Tender and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》) (Jian Zhu Fang [2003] No. 130) (the "**Interim Measures for Tender and Bidding Management**"), which came into effect on September 1, 2003, require that developers of residential buildings and non-residential buildings in the same property management area shall engage qualified property management enterprises by inviting bid or announcing through public media. As of the Latest Practicable Date, 38 of our residential property management service contracts were not awarded through the tender and bidding process, among which 31 were awarded subsequent to the coming into force of the Interim Measures for Tender and Bidding Management. For the years ended December 31, 2018, 2019 and 2020, revenue derived from these 31 residential property management service contracts amounted to RMB88.4 million, RMB95.2 million and RMB106.9 million, respectively, representing 11.6%, 10.6% and 9.2%, respectively, of our total revenue during the corresponding years, while gross profit derived from these contracts amounted to RMB5.6 million, RMB7.4 million and RMB19.2 million, respectively. The lack of a tender and bidding process for the selection of property management service providers for the aforementioned preliminary property management service contracts was not caused by us but by the relevant property developers. As advised by our PRC Legal Advisor, there are no specific laws and regulations in the PRC which set out administrative penalties upon property management service providers for failing to enter into preliminary management service contracts through a tender and bidding process. Nonetheless, if the local government requires the relevant property developer to rectify within a prescribed period, the relevant property developer may need to organize a tender and bidding process to select a property management service provider for their developed projects. In the case that 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.

Our business is subject to economic and political risks in Hong Kong

A portion of our business is conducted, and our assets are located, in Hong Kong. Conducting business in Hong Kong involves certain risks not typically associated with operations in the PRC, including risks relating to changes in Hong Kong's political, economic and social conditions, changes in Hong Kong governmental policies, changes in Hong Kong laws or regulations or their interpretation, changes in exchange control regulations, changes in interest rate and changes in rates or method of taxation. Our operations in Hong Kong are exposed to the risk of changes in laws and policies that govern companies with an operation in Hong Kong.

We are exposed to risks associated with failing to detect and prevent fraud, negligence or other misconduct committed by our employees, third-party subcontractors or other third parties

We are exposed to fraud, negligence or other misconduct, intended or unintended, committed by our employees, subcontractors, customers or other third parties that could subject us to financial losses and penalties imposed by governmental authorities as well as seriously harm our reputation. We cannot assure you that our risk management and internal control systems will always enable us to detect, prevent and take remedial measures in relation to fraud, negligence or other misconduct committed by our employees, third-party subcontractors or other third parties in a timely and effective manner.

Although we have limited control over the behavior of any of these parties, we may be viewed as at least partially responsible for their conduct on contractual or tortious grounds. 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 third parties. In the event that we cannot recover related costs from the employees, third-party subcontractors or third parties involved in the misconducts, our business, financial condition and results of operations could be materially and adversely affected. Such misconducts could also attract negative publicity on our Group, damaging our reputation and brand value.

Our employees and third-party subcontractors may sustain work injuries during the ordinary course of providing property management services

Work injuries may occur during the ordinary course of our business. For example, repair and maintenance services performed by our third-party subcontractors may involve the handling of tools and machinery that carry the inherent occupational risk of accidents. As a result, we are exposed to risks in relation to work safety, including, but not limited to, claims for injuries sustained by our employees and third-party subcontractors. Such occurrences may also 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 model as a result of any governmental or other investigations. As a result, our business, financial condition, results of operations could be materially and adversely affected.

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 incidents beyond our control. These incidents include, among others, 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, we cannot guarantee you that such fund will be sufficient. As the property management service provider, we may be viewed as the responsible party 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 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 condition and results of operations. As we intend to continue expanding our business, the likelihood of such incidents 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, which may consequently increase the possibility that common areas of the properties we manage may be subject to damage.

There could be negative publicity about us and third-parties

Negative publicity about us, our affiliates, brand, management, the properties we manage and other aspects of our business operations may arise from time to time. They may appear in the form of comments on internet postings and other social media channels and media sources, and we cannot assure you that other types of negative publicity will not arise in the future. For example, in the event that our customers are of the view that the quality of our services cannot meet their expectations, they may disseminate negative comments on social media platforms such as Weibo and WeChat. Our third-party subcontractors may also become the subject of negative publicity for various reasons, such as customer complaints about the quality of their services. Occurrences of such negative publicity incidents 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, and in turn, materially and adversely affect our business, financial condition, results of operations.

Our success depends on the retention of our senior management team and our ability to attract and retain qualified and experienced employees

Our continued success depends on the efforts of our senior management team and other key employees. As they possess key connections and industry expertise, losing their services may have a material adverse effect on our business. For example, Mr. Lin Feng, our chairman, has over 20 years of experience in the real estate industry and Mr. Wu Wei, our chief executive officer, has been responsible for our overall management, formulation and implementation of business strategies since 2017. We believe that their insight into and knowledge of our industry, business operations and history have guided and will continue to guide us toward success. For details of our Directors and senior management, see “Directors and Senior Management” in this Prospectus. Should any or all members of our senior management team join or form a competing business with their expertise, connections and full knowledge of our business operations, we may not be able to estimate the extent of and compensate for such damage. 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 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 condition and results of operations could be materially and adversely affected.

Our market positioning and management consultancy services may not be acceptable to our customers

We provide management consultancy and positioning services for commercial properties to our customers. Our services are primarily based on our market research. We devoted our best efforts to improving our ability in market research so that it could accurately assess the market demand and competitive status, thereby assist our customers to realize value from commercial operation of the properties. However, these efforts may not be successful and our market positioning and management consultancy services may not be acceptable to our customers. As a result, the competitiveness of market positioning and consultancy services may be impaired and in turn our results of operations and financial condition may be adversely affected.

We may not be able to assist property owners in renting out certain commercial properties and renewing existing leases

Under our commercial management and operational service segment, we provide tenant sourcing services with respect to certain commercial properties, where we help locate tenants. However, we may not be able to assist property developers or owners in leasing all of their properties to an appropriate mix of tenants. In addition, when leases for existing properties under our management expire, we may not be able to assist property developers or owners in renewing such leases on favorable terms, or at all. If we are unable to rent out such properties to tenants, we may not be able to collect the service fees and/or management fees from the property developers or owners, our revenue from commercial management and operational services may decrease, and as a result, our results of operations and financial condition may be adversely affected.

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

From time to time, we may be involved in disputes with and subject to claims by various parties, such as property developers, property owners or residents, to whom we provide our property management services. Disputes may also arise if they are dissatisfied with the quality of our services. In addition, they may take legal actions against us if they perceive that our services are inconsistent with the prescribed service standards contained in the service contracts. In addition, we may, from time to time, be involved in disputes with and subject to claims by other parties involved in the ordinary course of our business, including our employees and third-party subcontractors who sustain injuries or damages. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any litigation, arbitration proceedings or administrative proceedings against us which may have a material adverse effect on our business, financial condition or results of operations. However, we cannot assure you that any of disputes and claims may not lead to legal or other proceedings or cause negative publicity against us, 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.

We may fail to effectively protect our intellectual property rights

We rely on our trade name and trademarks to build brand value and recognition, which we believe are key to our business success and for fostering customer loyalty. Unauthorized use or infringement of our trade names or trademarks may impair our brand value and recognition. Third parties may use our intellectual property in ways that could damage our reputation in the property management industry. We primarily rely on a combination of copyrights, trademarks and domain name registrations to protect our intellectual property rights. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any infringement of our intellectual property rights which could have a material adverse effect on our business operations by third parties. We cannot assure you that our measures to protect our intellectual property will be sufficient and that we will be able to detect all misappropriation or unauthorized use of our trade name and trademarks in a timely manner, or at all. There is also no guarantee that we will be successful in any enforcement proceedings that we undertake. Litigation to protect our intellectual property may be time-consuming, costly and divert management attention from our operations. While experiencing material adverse effects on our business and financial condition, failures to protect our intellectual property rights may also diminish our competitiveness and market share.

Any claims by third parties alleging possible infringement of their intellectual property rights would have a material adverse effect on our business, brand value and reputation

From time to time, we may become subject to claims from competitors or other third parties alleging intellectual property infringement in our ordinary course of business. During the Track Record Period and as of the Latest Practicable Date, we were not aware of (i) any material infringement which could have a material adverse effect on our business operations by any third party against any of our intellectual property rights; or (ii) any material disputes in relation thereto. Any claims or legal proceedings brought against us in relation to such issues, with or without merit, could result in substantial costs and divert capital resources and management attention. In the event of an unfavorable outcome, we may be compelled to pay substantial damages or to seek licenses from third parties and pay ongoing royalties on unfavorable terms. In addition, regardless of whether we prevail, intellectual property disputes may damage our brand value and reputation in the eyes of current and potential customers and within our industry. As a result, our business, financial condition and results of operations could be materially and adversely affected.

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

We rely on our information technology systems to manage certain of our operational functions. However, 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 incidents in relation to our information systems will not occur going forward. We may incur significant costs in restoring any damaged information technology systems. Failures in or disruptions to our information technology systems and loss or leakage of confidential information could result in, among others, transaction errors, processing inefficiencies and the loss of customers loyalty and sales. We may thus experience material adverse effects on our business, financial position, results of operations and our reputation.

Failure to protect confidential information of our customers and our network 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

We collect, store and process personal and other sensitive data of our customers, such as addresses and phone numbers. Our security measures may be breached due to employee error, malfeasance, system errors or vulnerabilities, or otherwise. Outside parties may also attempt to fraudulently induce employees to disclose sensitive information in order to gain access to our data or our customers' data. While we have taken steps to protect the confidential information that we have access to, our security measures could be breached. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any accidental or wilful security breaches or other unauthorized access to our platforms could cause confidential customer information to be stolen 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.

Under the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) (promulgated by the Standing Committee of NPC on November 7, 2016, came into effect on June 1, 2017) (the "**Cyber Security Law**"), network operators are generally obligated to protect their networks against disruption, damage or unauthorized access, and to prevent data leakage, theft or tampering. In addition, they will also be subject to specific rules depending on their classification under the multi-level network security protection scheme. With respect to personal information protection, the Cyber Security Law requires network operators not to disclose, tamper with or damage personal information collected or generated in the business operation, and they are obligated to delete unlawfully collected information and to amend incorrect information. In addition, network operators may not collect, use or provide personal information to others without consent. Moreover, on July 16, 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and 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 Internet information services. These laws and regulations are relatively new and evolving, 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. 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 brands could be severely damaged and we could incur significant liability, and our business, financial condition and results of operations could be adversely affected.

Our insurance coverage may not sufficiently cover the risks related to our business

We purchase and maintain insurance policies that we believe are customary with the standard commercial practice in our industry and as required under the relevant laws and regulations. For details of insurance policies we maintain, see "Business — Insurance" in this Prospectus. However, we cannot assure you that our insurance policies will provide adequate coverage for all the risks in connection with our business operations. In addition, insurance policies against disruption or damage caused by instances such as natural disasters, wars, civil unrest and acts of terrorism are not available in the PRC on commercially practicable terms. We may be required to bear our losses to the extent that our insurance coverage is insufficient. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we could be subject to significant costs and experience diversion of our resources, which would in turn materially and adversely affect our business, financial condition and results of operations.

We are exposed to risks associated with the use of third-party online payment platforms

We accept payments via various methods, including, but not limited to, online payments through third-party platforms, such as WeChat Pay. Transactions conducted through WeChat Pay 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 platforms in the PRC has grown significantly. However, we do not have control over the security measures taken by providers of our third-party platforms. In the event that the security and integrity of these third-party platforms are compromised, we may experience material adverse effects on our ability to process property management service fees. We may also be perceived as partially responsible for failures to secure personal information and be subject to claims alleging possible liability brought by our customers. Such legal proceedings could damage our reputation and materially and adversely affect our business, financial condition and results of operations. In addition, the PRC Government may promulgate new laws and policies to regulate the use of third-party online payment platforms; such measures may increase our compliance and operational costs, for example by requiring that we pay higher transaction fees.

We may fail to provide satisfactory services through our apps

We provide certain services online through our online platforms, such as Enjoy Club (悦秀會). However, our apps are still evolving and may encounter technical problems, security issues, logistical issues or any other unexpected issues. Therefore, we cannot assure you that it will function to our satisfaction, and there can be no assurance that property owners and residents will respond favorably to our apps. The performance of our apps may affect the level of satisfaction of our customers and our business, financial condition, results of operations and reputation could be adversely affected.

Failure to make adequate contributions to social insurance and housing provident funds for our employees as required by the PRC regulations may subject us to penalties

In accordance with applicable PRC laws and regulations, we are obliged to contribute to social insurance and housing provident funds for our employees. During the Track Record Period, we did not fully contribute to certain social insurance and housing provident funds for some of our employees. We have made provisions in the amounts of RMB3.5 million, RMB5.1 million and RMB5.3 million to our consolidated statements of profit or loss and other comprehensive income in respect of such potential liabilities in 2018, 2019 and 2020, respectively. As advised by our PRC Legal Advisor, under the Regulations on Administration of Housing Provident Fund (住房公積金管理條例), (i) if we fail to complete housing provident fund registration before the prescribed deadlines, we may be subject to a fine ranging from RMB10,000 to RMB50,000 for each non-compliant subsidiary or branch and (ii) if we fail to pay housing provident fund contributions within the prescribed deadlines, we may be subject to an order by the relevant people's court to make such payments. According to the Social Insurance Law of the PRC (中華人民共和國社會保險法), for outstanding social insurance fund contributions that we did not fully pay within the prescribed deadlines, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated deadline and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay; if we fail to make such payments within the stipulated deadline, we may be liable to a fine of one to three times the outstanding contribution amount. For details, see "Regulatory Overview — PRC Regulatory Overview — Legal Supervision Over Labor and Social Insurance" in this Prospectus.

We may be subject to fines for our failure to adhere to national health and safety standards

We cannot assure you that our procedures and training will be completely effective in meeting all relevant health and safety requirements. Failure to meet such requirements could occur in our operations or those of our subcontractors or suppliers. For details, see "Business — Social, Health, Safety and Environmental Matters" in this Prospectus. Our failure to adhere to the relevant laws and regulations could result in fines, suspension of operations, loss of permits, and in more extreme cases, criminal proceedings against our Group and/or our management. In addition, negative publicity could result from false, unfounded or nominal liability claims. Any of these failures or occurrences could materially and adversely affect our business, financial condition, results of operations and brand image.

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, we cannot assure you 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.

Some of our lease agreements were not registered with the relevant government authorities and may in turn subject us to administrative fines

According to applicable PRC administrative regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. If the filing is not made, the governmental authorities may require that the filing be made within a stated period of time, failing which, they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed.

As of the Latest Practicable Date, we had not filed 31 lease agreements for the properties we leased with the local housing administration authorities as required under PRC laws and regulations. As advised by our PRC Legal Advisor, we might be ordered to rectify this non-filing by competent authorities and if we fail to rectify within a prescribed period, a penalty of RMB1,000 to RMB10,000 per agreement may be imposed on us as a result of such non-filing. As such, the estimated maximum amount of penalty for our failure to file these lease agreements is approximately RMB310,000.

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 disrupt our financial condition and results of operations.

We are subject to risks beyond our control relating to epidemics, acts of terrorism or wars in the PRC and globally

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in markets where we have, or plan to have, business operations. Some of these markets are situated in geographic regions of the PRC that are susceptible to the threat of floods, earthquakes, sandstorms, snowstorms, fires or droughts, power shortages or failures, as well as potential wars, terrorist attacks or epidemics such as COVID-19, Ebola, severe acute respiratory syndrome (SARS), Middle East Respiratory Syndrome (MERS), strains of avian influenza, the human swine influenza A (H1N1), the Highly Pathogenic Asian Avian Influenza A (H5N1) and the Asian Lineage Avian Influenza A (H7N9). Serious natural disasters may result in a tremendous loss of lives, injuries and the destruction of assets, as well as disrupt our business operations. Severe communicable disease outbreaks could result in widespread health crises that materially and adversely affect economic systems and financial markets. Acts of war or terrorism may also injure our employees, cause loss of life, disrupt our business operations and adversely affect the financial well-being of our customers. Any of these and other factors beyond our control may create uncertainties within the overall business environment, thereby causing our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE PRC

We are subject to adverse changes in economic, political and social conditions and government policies in the PRC

A large portion of our major businesses, assets, operations are located in the PRC. Accordingly, our financial condition, results of operations and prospects are, to a significant degree, subject to the economic, political, social and legal conditions in the PRC. The PRC economy differs from that of most developed countries in many respects, including the extent of government involvement, level of economic development, investment control, resource allocation, growth rate and control over foreign exchange. Before its adoption of reform and open-door policies beginning in 1978, the PRC was primarily a planned economy. Since then, the PRC economy has been transitioning to a market economy with socialist characteristics.

For approximately four decades, the PRC Government has implemented economic reform measures to utilize market forces in the PRC economy. Many of the reform measures are unprecedented or experimental and are expected to be modified from time to time. Other political, economic and social factors may lead to further readjustment or introduction of other reform measures. This reform process and any changes in laws and regulations or the interpretation or implementation thereof in the PRC may have a material impact on our operations or may adversely affect our financial condition and results of operations.

While the PRC economy has grown significantly in recent years, this growth has been geographically uneven among various sectors of the economy and during different periods. We cannot assure you that the PRC economy will continue to grow, or that if there is growth, such growth will be steady and uniform. Any economic slowdown may materially and adversely affect our business. In the past, the PRC Government has periodically implemented a number of measures intended to slow down certain segments of the economy which the PRC Government believed was overheating. We cannot assure you that the various macroeconomic measures and monetary policies adopted by the PRC Government to guide economic growth and allocate resources will be effective in improving the growth rate of the PRC economy. In addition, such measures, even if they benefit the overall PRC economy in the long term, may reduce demand for our services and therefore could materially and adversely affect our business, financial condition and results of operations.

Restrictions on currency exchange under PRC laws and regulations may limit our ability to satisfy obligations denominated in foreign currencies

Currently, the Renminbi cannot be freely converted into foreign currencies, and the conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. Substantially all of our revenue is denominated in Renminbi. Under our current corporate structure, we derive our income primarily from dividend payments made by our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to pay dividends or other payments to us or satisfy other foreign currency-denominated obligations, if any.

Under existing PRC foreign exchange regulations, the Renminbi is convertible without prior approval from SAFE for current account transactions so long as certain procedures are complied with. Examples of such current account transactions include profit distributions and interest payments. However, prior approval and registration with SAFE is required for capital account transactions. Examples of capital account transactions include foreign direct investment and the repayment of loan principal. There can be no assurance that the PRC Government, in seeking to regulate the economy, will not restrict access to foreign currencies for current account transactions in the future. Such restrictions may limit our ability to convert cash from our operating activities into foreign currencies to make dividend payments or satisfy any foreign currency-denominated obligations we may have. Moreover, limitations on the flow of funds between us and our PRC subsidiaries may restrict our ability to provide financing to our PRC subsidiaries and take advantage of business opportunities in response to market conditions.

Fluctuations in exchange rates may have a material adverse impact on your investment

The exchange rate of the Renminbi fluctuates against the Hong Kong dollar, U.S. dollar and other foreign currencies and is affected by, among other factors, the policies of the PRC Government and changes in international and domestic political and economic conditions. From 1995 to July 20, 2005, the conversion of the Renminbi into foreign currencies was based on fixed rates set by the PBOC. However, effective from July 21, 2005, the PRC Government decided to permit the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On November 30, 2015, the Executive Board of the International Monetary Fund completed a regular five-year review of the basket of currencies that make up the Special Drawing Right and determined that, effective from October 1, 2016, the Renminbi will be included in the Special Drawing Right basket as a fifth currency along with the U.S. dollar, the Euro, the Japanese yen and the British pound. It is difficult to predict how market forces and the PRC Government's policies will continue to impact Renminbi exchange rates going forward. In light of the trend towards Renminbi internationalization, the PRC Government may announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar, U.S. dollar or other foreign currencies.

A large portion of our revenue, liabilities and assets are denominated in Renminbi, while our proceeds from the Global Offering will be denominated in Hong Kong dollars. Material fluctuations in the exchange rate of the Renminbi against the Hong Kong dollar may negatively impact the value and amount of any dividends payable on our Shares. For example, significant appreciation of the Renminbi against the Hong Kong dollar could reduce the amount of Renminbi received from converting Global Offering proceeds or proceeds from future financing efforts to fund our operations. Conversely, significant depreciation of the Renminbi may increase the cost of converting our Renminbi-denominated cash flow into Hong Kong dollars, thereby reducing the amount of cash available for paying dividends on our Shares or carrying out other business operations.

Inflation in the PRC could negatively affect our profitability and growth

Economic growth in the PRC 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. We cannot assure you 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 services.

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. We cannot assure you 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.

Uncertainties with respect to the PRC legal system could limit the legal protection available to you

The legal system in the PRC has inherent uncertainties that could limit the legal protection available to our Shareholders. As we conduct all of our business operations in the PRC, we are principally governed by PRC laws, rules and regulations. The PRC legal system is based on the civil law system. Unlike the common law system, the civil law system is established on the written statutes and their interpretation by the Supreme People's Court (最高人民法院), while prior legal decisions and judgments have limited significance as precedent. The PRC Government has been developing a commercial law system, and has made significant progress in promulgating laws and regulations related to economic affairs and matters, such as corporate organization and governance, foreign investments, commerce, taxation and trade.

However, many of these laws and regulations are relatively new and there is a limited volume of published decisions. Thus, there are uncertainties involved in their implementation and interpretation, which might not be as consistent and predictable as in other jurisdictions. In addition, the PRC legal system is based in part on government policies and administrative rules that may have retroactive effect. Consequently, we may not be aware of any violation of these policies and rules until sometime after such violation has occurred. Furthermore, the legal protection available to you under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in the PRC may be protracted and result in substantial costs and diversion of resources and management attention.

We may be deemed a PRC resident enterprise under the EIT Law and be subject to a tax rate of 25% on our global income

Pursuant to the EIT Law, which came into effect on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, an enterprise established outside the PRC whose "de facto management body" is located in the PRC is considered a "PRC resident enterprise" and will generally be subject to the uniform enterprise income tax rate, or EIT rate, of 25% on its global income. Under the implementation rules of the EIT Law, "de facto management body" is defined as the organizational body that effectively exercises management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

On April 22, 2009, 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**"), as amended on January 29, 2014, which sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of the PRC and controlled by PRC enterprises or PRC enterprise groups is located within the PRC. Under Circular 82, a foreign enterprise controlled by a PRC enterprise or 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 the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within the PRC; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within the PRC. 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稅管理辦法(試行)) ("**Bulletin 45**"), which took effect on September 1, 2011 and was amended on June 1, 2015 and June 18, 2016, 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". Bulletin 45 provides procedures and administrative details for the determination of resident status and administration of post-determination matters. Although Circular 82 and Bulletin 45 explicitly provide that the above standards apply to enterprises which are registered outside of the PRC and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect SAT's criteria for determining the tax residence of foreign enterprises in general.

Most of our Directors and senior management are currently based in the PRC; if we are deemed a PRC resident enterprise, the EIT rate of 25% on our global taxable income may reduce capital we could otherwise divert to our business operations.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares under PRC law

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC unless a treaty or similar arrangement provides otherwise. Under the PRC Individual Income Tax Law (中華人民共和國個人所得稅法) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws.

Although we conduct a large portion of our business operations in the PRC, it is unclear whether dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, would be treated as income from sources within the PRC and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realized from the transfer of our Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

PRC laws and regulations establish more complex procedures for some acquisitions of PRC companies by foreign investors, which could make it difficult for us to pursue growth through acquisitions in the PRC

A number of PRC laws and regulations, including the M&A Rules, the Anti-Monopoly Law (反壟斷法), and the Rules of MOFCOM on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (商務部實施外國投資者併購境內企業安全審查制度的規定) promulgated by MOFCOM on August 25, 2011 and effective from September 1, 2011 (the "**Security Review Rules**"), have established procedures and requirements that are expected to make the review of certain merger and acquisition activities by foreign investors in the PRC more time-consuming and complex. These include requirements in some instances to notify MOFCOM in advance of any transaction in which foreign investors take control of a PRC domestic enterprise, or to obtain approval from MOFCOM before overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control or security review.

The Security Review Rules prohibits foreign investors from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. If we are found to be in violation of the Security Review Rules and other PRC laws and regulations with respect to merger and acquisition activities in the PRC, or fail to obtain any of the required approvals, the relevant regulatory authorities would have broad discretion in dealing with such violations, including levying fines, revoking business and operating licenses, confiscating our income and requiring us to restructure or unwind our restructuring activities. Any of these actions could cause significant disruption to our business operations and could materially and adversely affect our business, financial condition and results of operations. Furthermore, if the business of any target company we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or any contractual arrangement. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from MOFCOM, may delay or inhibit our ability to complete such transactions, thus affecting our ability to expand our business or maintain our market share.

RISKS RELATING TO THE SPIN-OFF AND THE GLOBAL OFFERING

There has been no prior market for our Shares, and their liquidity and market price following the Global Offering may be volatile

Prior to the Global Offering, there was no public market for our Shares. The indicative offer price range and the Offer Price will be determined by negotiations between us and the Joint Representatives (on behalf of the Underwriters), and they may differ significantly from the market price of our Shares following the Global Offering.

We have applied to list and deal in our Shares on the Stock Exchange. However, even if approved, there can be no guarantee that: (i) an active or liquid trading market for our Shares will develop; or (ii) if such a trading market does develop, it will be sustained following the completion of the Global Offering; or (iii) the market price of our Shares will not decline below the Offer Price. The trading volume and price of our Shares may be subject to significant volatility in response to, among others, the following factors:

- variations in our financial condition and/or results of operations;

- changes in securities analysts' estimates of our financial condition and/or results of operations, regardless of the accuracy of information on which their estimates are based;
- changes in investors' perception of us and the investment environment generally;
- loss of visibility in the markets due to lack of regular coverage of our business;
- strategic alliances or acquisitions;
- potential litigations or regulatory investigations;
- loss of key personnel;
- changes in laws and regulations that impose limitations on our industry;
- announcements made by us or our competitors;
- changes in pricing adopted by us or our competitors;
- the liquidity of the market for our Shares; and
- general economic and other factors.

Since there will be a gap of several days between pricing and trading of our Offer Shares, the price of our Offer Shares could fall below the Offer Price when the trading commences

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

Potential investors will experience immediate and substantial dilution as a result of the Global Offering and could face dilution as a result of future equity financings

The Offer Price substantially exceeds the per Share value of our net tangible assets after subtracting our total liabilities, and therefore potential investors will experience immediate dilution when they purchase our Shares in the Global Offering. If we were to distribute our net tangible assets to our Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their Shares.

We will comply with Rule 10.08 of the Listing Rules, which specifies that no further Shares or other securities of the Company (subject to certain exceptions) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date. However, after six months from the Listing Date we may raise additional funds to finance future acquisitions or expansions of our business operations by issuing new Shares or other securities of the Company. As a result, the percentage shareholding of the then Shareholders may be diluted and such newly issued Shares or other securities may confer rights and privileges that have priority over those of the then Shareholders.

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 Controlling Shareholders are currently subject to certain lock-up undertakings, the details of which are set out in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings by the Controlling Shareholders" in this Prospectus. 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.

We may not declare dividends on our Shares in the future

Any declaration of dividends will be proposed by our Board, and the amount of any dividends will depend on various factors, including, without limitation, our results of operations, financial performance, profitability, business development, prospects, capital requirements, economic outlook and other factors which our Board may determine are important. For details, see "Financial Information — Dividends and Distributable Reserves" in this Prospectus. We cannot guarantee when, if and in what form dividends will be paid. Our historical dividend policy should not be taken as indicative of our dividend policy in the future.

Our Controlling Shareholders have substantial influence over the Company and their interests may not be aligned with the interests of Shareholders who subscribe for Shares in the Global Offering

Immediately after the Global Offering, our Controlling Shareholders will directly or indirectly control the exercise of approximately 68.89% of voting rights in the general meeting of the Company. For details, see "Relationship with Controlling Shareholders" in this Prospectus. The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Our Controlling Shareholders will have significant influence on the outcome of any corporate transaction or other matters submitted to our Shareholders for approval, including mergers, consolidations, sales of all or substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent changes in control of the Company that would otherwise benefit our other Shareholders. To the extent that the interests of our Controlling Shareholders conflict with those of our other Shareholders, our other Shareholders may be deprived of opportunities to advance or protect their interests.

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

Our management may use the net proceeds received by our Company 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 received by our Company from this Global Offering. For more information, see "Future Plans and Use of Proceeds."

We cannot guarantee the accuracy of facts, forecasts and statistics with respect to the PRC, the PRC economy and our relevant industries contained in this Prospectus

Certain facts, forecasts and statistics in this Prospectus relating to the PRC, the PRC economy and industries relevant to us were obtained from information provided or published by PRC Government agencies, industry associations, independent research institutions or other third-party sources, and we can guarantee neither the quality nor reliability of such source materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters or any of its or their respective affiliates or advisers. Therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced for other economies and should not be relied upon. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, investors should consider how much weight or importance they should attach to or place on such facts, forecasts or statistics.

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

This Prospectus contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim", "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "going forward", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Prospectus. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

Investors should read this entire Prospectus carefully and should not consider or rely on any particular statements in this Prospectus or in published media reports without carefully considering the risks and other information in this Prospectus

Prior or subsequent to the publication of this Prospectus, there has been or may be press and media coverage regarding us and the Global Offering, in addition to marketing materials we published in compliance with the Listing Rules. Such press and media coverage may include references to information that do not appear in this Prospectus or is inaccurate. We have not authorized the publication of any such information contained in unauthorized press and media coverage. Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media and do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of the information in the media is inconsistent or conflicts with the contents of this Prospectus, we expressly disclaim it. Accordingly, prospective investors should only rely on information included in this Prospectus and not on any of the information in press articles or other media coverage in deciding whether or not to purchase the Offer Shares.

In preparation for the Listing, we have applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules requires an issuer to have sufficient management presence in Hong Kong which normally means that at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Since our core business and operations are primarily located, managed and conducted in the PRC, we do not and, for the foreseeable future, will not have executive Directors who are ordinarily resident in Hong Kong for the purposes of satisfying the requirements of Rule 8.12 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, subject to the following conditions:

- we have appointed two authorized representatives, namely Mr. Wu Wei, an executive Director, and Mr. Yu Tat Fung, our company secretary, pursuant to Rule 3.05 of the Listing Rules who will act as our Company's principal channel of communication with the Stock Exchange and ensure that the Group complies with the Listing Rules at all times. Mr. Yu Tat Fung is ordinarily resident in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the two authorized representatives will be authorized to communicate on our behalf with the Stock Exchange;

- each of our authorized representatives has means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. All Directors have provided his/her mobile phone number, office phone number, facsimile number and email address (where applicable) to our authorized representatives, and in the event that a Director expects to travel and be out of office, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone and all Directors and authorized representatives have provided his/her mobile number, office phone number, facsimile number and email address (where applicable) to the Stock Exchange;

- our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time;

- all executive Directors can normally be contacted in the PRC by phone during working hours and each will provide the Stock Exchange with his mobile phone number for ease of contact outside office hours;

- we have appointed Luk Fook Capital (HK) Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules, which has access at all times to our authorized representatives and our Directors, and will act as an additional channel of communication between the Stock Exchange and us; and

- meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or our compliance adviser, or directly with our Directors within a reasonable time frame. Our Company will promptly inform the Stock Exchange of any changes of our authorized representatives and/or our compliance adviser.

CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted us waivers from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "Connected Transactions — (B) Continuing connected transaction subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement"; and (ii) the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "Connected Transactions — (C) Continuing connected transactions subject to the reporting, annual review, announcement and independent Shareholders' approval requirements." Apart from the above waivers sought on the strict compliance of the announcement and independent Shareholders' approval requirements, we will comply with the relevant requirements under Chapter 14A of the Listing Rules. Please refer to the section headed "Connected Transactions" in this prospectus for details.

CONSENT IN RESPECT OF ALLOCATION OF SHARES TO A CONNECTED CLIENT OF CCBI

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

Each of Sunfly Holding Co., Ltd. (昇輝控股有限公司), Mr. Jiang Ganjun (江淦鈞先生) and Mr. Ke Jiansheng (柯建生先生) has agreed to be a cornerstone investor in the Global Offering. For the purpose of the cornerstone investment, each of them has engaged CCB Principal Asset Management Co., Ltd. (建信基金管理有限責任公司) ("**CCB Asset**") (the "**QDII Manager**"), an asset manager that is a qualified domestic institutional investor as approved by the relevant PRC authorities, to subscribe for or purchase and hold the relevant Offer Shares on their behalf on a non-discretionary basis.

CCB Asset is a member of the same group of companies as CCBI, which is a Joint Sponsor, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager of the Global Offering. Accordingly, CCB Asset is a connected client of CCBI. We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, its consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit CCB Asset to participate in the Global Offering in its capacity as the QDII manager subject to certain conditions. For further information, please refer to the section headed "Cornerstone Investors" in this Prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This Prospectus, for which our Directors collectively and individually accept full responsibility, 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) and the Listing Rules for the purpose of giving information with regard to our Group. 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 herein or this Prospectus misleading.

FULLY UNDERWRITTEN

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Representatives and the Joint Global Coordinators. Subject to the terms of the Underwriting Agreements, the Hong Kong Offer Shares are fully underwritten by the Hong Kong Underwriters and the International Offer Shares are fully underwritten by the International Underwriters. Further information regarding the Underwriters and the underwriting arrangements are set out in "Underwriting".

INFORMATION ON THE GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering and the Preferential Offering, which form part of the Global Offering. The Global Offering comprises the International Offering of initially 332,694,000 Offer Shares and the Hong Kong Public Offering of initially 36,966,000 Offer Shares, each subject to the reallocation on the basis as described in the section headed "Structure of the Global Offering" in this Prospectus and without taking into account the Over-allotment Option.

The Hong Kong Offer Shares and the Reserved 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, Joint Representatives, Joint Bookrunners, Joint Lead Managers and any of the Underwriters, any of their respective directors, senior management, authorized representatives, agents, employees or advisers or any other party involved in the Global Offering.

Neither the delivery of this Prospectus nor any subscription or acquisition made under it shall, 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, and the procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares" in this Prospectus and the relevant Application Forms.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by the Joint Representatives (for themselves and on behalf of the Underwriters) and us on or around Monday, June 21, 2021 and in any event no later than Friday, June 25, 2021.

If the Joint Representatives (for themselves and on behalf of the Underwriters) and the Company are unable to reach an agreement on the Offer Price on or before Friday, June 25, 2021 or such later date or time as may be agreed between the Joint Representatives (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

RESTRICTIONS ON OFFERS AND SALES OF OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Offer Shares to, confirm that he/she is aware of the restrictions on offers for the Offer Shares described in this Prospectus and on the relevant Application Forms.

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 the Application Forms in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this Prospectus and/or the 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/or the Application Forms, and the offer and sales 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. In particular, the Hong Kong Offer Shares have not been publicly offered or sold, and will not be offered or sold, directly or indirectly, in the PRC.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option). No part of our Shares 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. All the Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the Shares to be listed on the Stock Exchange pursuant to this Prospectus is refused before the expiration of three weeks from the date of the closing of the Global Offering or such longer period not exceeding six weeks as may, within the said three weeks, be notified to us by or on behalf of the Stock Exchange, then any allotment made on an application in pursuance of this Prospectus shall, whenever made, be void.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposing of, and/or dealing in the Shares or exercising any rights attached to them. Our Company, the Joint Sponsors, the Joint Representatives, Joint Global Coordinators, Joint Lead Managers, Joint Bookrunners, the Underwriters, any of our/their respective affiliates, respective directors, officers, employees, agents or representatives or advisors or any other person or party involved in the Global Offering do not accept responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, or dealing in, the Shares or exercising any rights attached to them.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in the section headed “Structure of the Global Offering” in this Prospectus.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES AND RESERVED SHARES

The application procedures for the Hong Kong Offer Shares are set forth in the section headed “How to Apply for Hong Kong Offer Shares and Reserved Shares” in this Prospectus and on the related Application Forms.

SHARE REGISTRAR AND HONG KONG STAMP DUTY

Our register of members will be maintained in Hong Kong by our Hong Kong Share Registrar, Tricor Investor Services Limited. Dealings in the Shares registered in our Company’s Hong Kong Share Registrar will be subject to Hong Kong stamp duty.

The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the Shares transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required).

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business 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.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

COMMENCEMENT OF DEALINGS IN SHARES

Dealings in the Shares on the Hong Kong Stock Exchange are expected to commence on Monday, June 28, 2021. Shares will be traded in board lots of 500 Shares each.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations among certain amounts denominated in Renminbi and Hong Kong dollars. 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. Unless otherwise indicated, the translation of Renminbi into Hong Kong dollars was made at the rate of RMB0.82585 to HK$1.00, the exchange rate prevailing on June 4, 2021, set by the PBOC for foreign exchange transactions.

TRANSLATION

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, the English names of the PRC nationals, entities, departments, facilities, certificates, titles, laws, regulations and the like, as marked with "*", are translations of their Chinese names and are included for identification purposes only. If there is any inconsistency, the Chinese name prevails.

ROUNDING

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

DIRECTORS

Name	Address	Nationality
Non-executive Directors		
Mr. Lin Feng (林峰)	Flat B, 23/F, Linway Court 69-71 Stone Nullah Lane Wanchai Hong Kong	Chinese
Mr. Yao Xiaosheng (姚曉生)	Flat B, 8/F, Wing Shun Mansion 9 Kin Wah Street North Point Hong Kong	Chinese
Mr. Yang Zhaoxuan (楊昭煊)	Room 903, Block 12 Lijiang Huayuan Zuoan Panyu District Guangzhou Guangdong Province PRC	Chinese
Executive Directors		
Mr. Wu Wei (吳煒)	6B, Block A5, Jincheng Garden No. 858 Dongfeng East Road Yuexiu District Guangzhou Guangdong Province PRC	Chinese
Mr. Mao Liangmin (毛良敏)	Unit A604, Building 1, Zhichunli Garden Longgang Avenue Longgang District Shenzhen Guangdong Province PRC	Chinese

Name	Address	Nationality
Mr. Zhang Jin (張勁)	Room 1102 No. 122 Kexiang Road Huangpu District Guangzhou Guangdong Province PRC	Chinese
Independent non-executive Directors		
Ms. Hui Lai Kwan (許麗君) . .	Flat D, 1/F, Block 9 One Beacon Hill 1 Beacon Hill Road Kowloon Tong Kowloon Hong Kong	Chinese
Mr. Hung Shing Ming (洪誠明).	Flat A1, 16/F Elm Tree Towers 8 Chun Fai Road Jardine's Lookout Hong Kong	Chinese
Mr. Chan Yuen Hang Kenneth (陳元亨).	Flat A, 3/F, Tower 2 Island Garden 33 Chai Wan Road Shau Kei Wan Hong Kong	Chinese

Please refer to the section headed "Directors and Senior Management" in this prospectus for more information regarding the biography of our Directors.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

ABCI Capital Limited
(A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO)
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

China Securities (International) Corporate Finance Company Limited
(A corporation licensed to conduct Type 1 (dealing insecurities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO)
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

CCB International Capital Limited
(A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO)
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

Yue Xiu Capital Limited
(A corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO)
28/F, Siu On Centre
188 Lockhart Road
Wanchai
Hong Kong

Joint Global Coordinators	**ABCI Capital Limited** 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	China Securities (International) Corporate Finance Company Limited 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	Yue Xiu Securities Company Limited 1003-1005, 10/F, Siu On Centre 188 Lockhart Road Wan Chai Hong Kong
	BOCOM International Securities Limited 9th Floor, Man Yee Building 68 Des Voeux Road Central Hong Kong

Joint Bookrunners	**ABCI Capital Limited** 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	China Securities (International) Corporate Finance Company Limited 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	Yue Xiu Securities Company Limited 1003-1005, 10/F, Siu On Centre 188 Lockhart Road Wan Chai Hong Kong
	BOCOM International Securities Limited 9th Floor, Man Yee Building 68 Des Voeux Road Central Hong Kong
	BOCI Asia Limited 26th Floor, Bank of China Tower 1 Garden Road Central Hong Kong
	Chong Hing Securities Limited 2/F, Chong Hing Bank Centre 24 Des Voeux Road 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

CMBC Securities Company Limited
45/F., One Exchange Square
8 Connaught Place
Central
Hong Kong

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

ICBC International Capital Limited
37/F ICBC Tower
3 Garden Road
Hong Kong

Joint Lead Managers

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10/F, Agricultural Bank of China Tower
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18/F, Two Exchange Square
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BOCI Asia Limited
26th Floor, Bank of China Tower
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Central
Hong Kong

Chong Hing Securities Limited
2/F, Chong Hing Bank Centre
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China International Capital Corporation Hong Kong Securities Limited
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37/F ICBC Tower
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No. 95 Queensway
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F, Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
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Legal advisers to our Company	*As to Hong Kong laws:* **King & Wood Mallesons** 13/F Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC laws:* **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road Chaoyang District Beijing PRC
Legal advisers to the Joint Sponsors and the Underwriters	*As to Hong Kong laws:* **Baker & McKenzie** 14th Floor, One Taikoo Place 979 King's Road Quarry Bay Hong Kong *As to PRC laws:* **Commerce & Finance Law Offices** 6th Floor, NCI Tower A12 Jianguomenwai Avenue Chaoyang District Beijing PRC
Auditor and Reporting Accountant	**PricewaterhouseCoopers** *Certified Public Accountants and Registered Public Interest Entity Auditor* 22/F, Prince's Building Central Hong Kong

Independent industry consultant	**China Index Academy** No. 20 Guogongzhuang Middle Street Tower A, Fengtai District Beijing PRC
Receiving banks	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong
	Industrial and Commercial Bank of China (Asia) Limited 33/F, ICBC Tower 3 Garden Road, Central Hong Kong
Compliance adviser	**Luk Fook Capital (HK) Limited** Units 2201-2207 & 2213-2214 22/F Cosco Tower 183 Queen's Road Central Central Hong Kong

Registered office and principal place of business in Hong Kong	26/F, Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong
Principal place of business in the PRC	No. 111 Tiyu Xiheng Street Tianhe District Guangzhou Guangdong Province PRC
Company's website	www.yuexiuservices.com *(information contained in this website does not form part of the prospectus)*
Company secretary	Mr. Yu Tat Fung (余達峯) *Solicitor (as defined in the Legal Practitioners Ordinance (Cap 159 of the laws of Hong Kong))* 26/F, Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong
Authorized representatives	Mr. Wu Wei (吳煒) 6B, Block A5, Jincheng Garden No. 858 Dongfeng East Road Yuexiu District Guangzhou Guangdong Province PRC Mr. Yu Tat Fung (余達峯) *Solicitor (as defined in the Legal Practitioners Ordinance (Cap 159 of the laws of Hong Kong))* 26/F, Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong
Audit Committee	Ms. Hui Lai Kwan (許麗君) *(Chairlady)* Mr. Hung Shing Ming (洪誠明) Mr. Chan Yuen Hang Kenneth (陳元亨)

Remuneration Committee	Mr. Hung Shing Ming (洪誠明) *(Chairman)* Mr. Lin Feng (林峰) Ms. Hui Lai Kwan (許麗君) Mr. Chan Yuen Hang Kenneth (陳元亨)
Nomination Committee	Mr. Lin Feng (林峰) *(Chairman)* Mr. Wu Wei (吳煒) Ms. Hui Lai Kwan (許麗君) Mr. Hung Shing Ming (洪誠明) Mr. Chan Yuen Hang Kenneth (陳元亨)
Investment Committee	Mr. Lin Feng (林峰) *(Chairman)* Mr. Wu Wei (吳煒) Mr. Mao Liangmin (毛良敏) Mr. Zhang Jin (張勁) Mr. Yao Xiaosheng (姚曉生) Mr. Yang Zhaoxuan (楊昭煊) Mr. Hung Shing Ming (洪誠明)
Principal banks	**Agricultural Bank of China Limited** Guangzhou International Finance Centre Branch Units 811-812, 8/F Main Tower Office Building Guangzhou International Finance Center No. 5 Zhujiang West Road Tianhe District Guangzhou Guangdong Province PRC
	China Construction Bank Corporation Guangzhou West Tower Branch Units 709-710, 7/F Main Tower Office Building Guangzhou International Finance Center No. 5 Zhujiang West Road Tianhe District Guangzhou Guangdong Province PRC
Hong Kong Share Registrar	**Tricor Investor Services Limited** Level 54, Hopewell Centre 183 Queen's Road East Hong Kong

The information in this section is derived from an independent report prepared by CIA. The industry report prepared by CIA is based on information from its database, publicly available sources, industry reports, data obtained from interviews and other sources. We believe that the sources of the information in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any part has been omitted that would render such information false or misleading. The information has not been independently verified by us, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of its directors, officers, affiliates, advisors or representatives, or any other party (other than CIA) involved in the Global Offering. We, the Joint Sponsors, the the Joint Representatives, Joint Global Coordinators, the Underwriters, any of its directors, officers, affiliates, advisors or representatives, and any other party (other than CIA) involved in the Global Offering make no representation as to the completeness, accuracy or fairness of such information and accordingly such information should not be unduly relied upon.

BACKGROUND AND METHODOLOGIES OF CIA

We purchased the right to use and quote various data from publications by CIA at a total cost of RMB800,000 and supplemented these with data obtained from public sources where applicable. CIA is an independent real estate research institute founded by industry experts. CIA has extensive experience in researching and tracking the property management service industry in the PRC, and has conducted research on the Top 100 Property Management Companies since 2008. In conducting its research, CIA primarily evaluates property management companies that have at least ten properties under management or have an aggregate GFA under management of or exceeding 500,000 sq.m. from 2018 to 2020. CIA has access to extensive data sources, including data released by statistical departments, public data from relevant research institutions, and the data from its own survey conducted on more than 2,000 major property management companies in China for over the last 14 years. CIA derives its conclusions on rankings of overall strength of property management companies primarily through evaluating property management company individually from a comprehensive consideration of the scale of properties under its management, operational performance, service quality, growth and social responsibility. CIA assesses the growth potential of a property management company primarily in terms of growth rate of revenue, growth rate of GFA under management, undelivered GFA and number and composition of employees. In this section, the data analysis is primarily based on the China's Top 100 Property Management Companies as ranked by CIA.

In preparing the CIA Report, CIA assumed that: (i) the social, economic and political conditions in China and the world will remain relatively stable during the forecast period; (ii) the COVID-19 outbreak will affect China's economy in the short run; (iii) there will be no significant change on government policies on the property management service industry in China during the forecast period; (iv) all published data by the relevant statistics bureaus are accurate; and (v) all collected information relating to residential sales transactions from the relevant local housing administrative bureaus are accurate.

OVERVIEW OF CHINA'S ECONOMY AND THE GREATER BAY AREA

Economy and Real Estate Market in China

China's economy recorded a new milestone with its GDP reaching RMB100 trillion in 2020. As the world's second largest economy, China's GDP increased from RMB64.4 trillion in 2014 to RMB101.6 trillion in 2020, representing a CAGR of 7.9%. In 2020, despite the slowdown caused by COVID-19 pandemic, China's economy recorded a growth rate of 2.3%, making it the only major economy in the world that has achieved positive economic growth.

With the rapid growth of China's economy, its real estate market has also experienced rapid growth. China's total real estate investment has steadily increased from RMB9.5 trillion in 2014 to RMB14.1 trillion in 2020, representing a CAGR of 6.9%. According to the data of National Bureau of Statistics, the sales GFA of China's commodity housing steadily increased from 1,206.5 million sq.m. in 2014 to 1,760.9 million sq.m. in 2020, representing a CAGR of 6.5%. In particular, in 2020, despite the COVID-19 pandemic as well as the implementation of a series of tightening measures by the PRC Government, China's real estate market has experienced a quick recovery, with a record-breaking sales GFA and sales amount of China's commodity housing, demonstrating a strong resilience.

Information on China's Economy and Real Estate Market, 2014-2020

	2014	2015	2016	2017	2018	2019	2020	CAGR (2014-2020)
Macroeconomy								
Nominal GDP (RMB billion)	64,356	68,886	74,640	83,204	91,928	99,087	101,599	7.9%
Total population (million)	1,367.8	1,374.6	1,382.7	1,390.1	1,395.4	1,400.1	N/A	N/A
Urbanization rate (%)	54.8	56.1	57.4	58.5	59.6	60.6	N/A	N/A
Average disposable income per capita (RMB)	20,167	21,966	23,821	25,974	28,228	30,733	32,189	8.1%
Real estate market								
Total GFA of completed properties (million sq.m.)	1,074.6	1,000.4	1,061.3	1,014.9	944.2	959.4	912.2	-2.7%
Real estate investment (RMB billion)	9,504	9,598	10,258	10,980	12,017	13,219	14,144	6.9%
Sales GFA of commodity housing (million sq.m.)	1,206.5	1,285.0	1,573.5	1,694.1	1,714.7	1,715.6	1,760.9	6.5%
Sales amount of commodity housing (RMB billion)	7,629	8,728	11,763	13,370	14,961	15,973	17,361	14.7%

Source: National Bureau of Statistics

The Economy and Real Estate Market in the Greater Bay Area

The Greater Bay Area stands out in its strong economy thereby becomes attractive to talents. According to the data of Statistics Bureau of Guandong Province, the Greater Bay Area (excluding Hong Kong and Macau) contributed over 8% of the GDP of China in 2019. The GDP per capita of the Greater Bay Area (excluding Hong Kong and Macau) amounted to RMB134,792 in 2019, and from 2014 to 2019, the permanent population in the Greater Bay Area (excluding Hong Kong and Macau) grew at a CAGR of 2.3%, both far exceeding the national level.

Meanwhile, the real estate market of the Greater Bay Area has also experienced rapid growth. According to the data of Statistics Bureau of Guandong Province, the Greater Bay Area (excluding Hong Kong and Macau) contributed over 10% of the total sales of commodity housing in China. From 2014 to 2019, the CAGR of the real estate development investment and the total GFA of completed properties in the Greater Bay Area (excluding Hong Kong and Macau) was 15.3% and 5.6% respectively, also far exceeding the national level.

Information on Economy and Real Estate Market of the Greater Bay Area[1], 2014-2019

	2014	2015	2016	2017	2018	2019	CAGR (2014-2019)
Macroeconomy							
Nominal GDP (RMB in billions)	5,784	6,254	6,820	7,495	8,044	8,690	8.5%
Total population (million)	57.6	58.7	60.0	61.5	63.0	64.5	2.3%
Urbanization rate (%)	84.1	84.6	84.9	85.3	85.9	86.3	N/A
Average disposable income per capita (RMB)	33,642	36,662	40,109	43,840	47,911	52,214	9.2%
Real estate market							
Total GFA of completed properties (million sq.m.)	53.8	43.3	45.1	58.6	50.6	70.7	5.6%
Real estate development investment (RMB in billions)	629	708	860	983	1,149	1,285	15.3%
Sales GFA of commodity housing (million sq.m.)	67.3	87.1	106.9	104.5	93.6	93.4	6.8%
Sales amount of commodity housing (RMB in billions)	723	1,000	1,418	1,528	1,523	1,651	18.0%

Source: Statistics Bureau of Guangdong Province

1. Excluding Hong Kong and Macau

NON-COMMERCIAL PROPERTY MANAGEMENT SERVICE MARKET

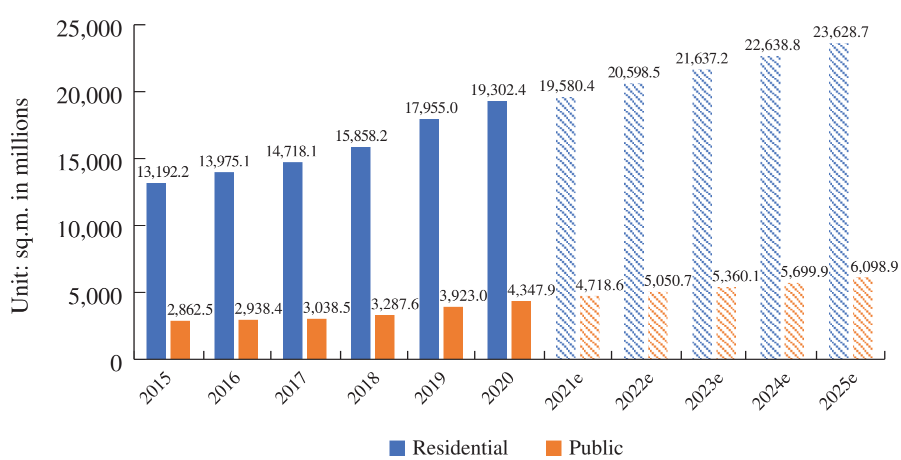
Business and Fee Models

The non-commercial property management services provided by property management companies in China primarily include: (i) various non-commercial property management services for, among others, residential and public premises (i.e. properties other than commercial properties and residential properties, such as TOD properties, hospitals, schools, industrial properties, public premises and others); and (ii) value-added services, including various value-added services to property owners and non-property owners. Value-added services to property owners include services provided to community property owners, such as community e-commerce and housekeeping services, and value-added services to non-property owners such as sales office and display unit management and pre-delivery support services to property developers. In terms of property management services, property management companies charge property management fees on either a lump-sum basis or commission basis. The lump-sum fee model is the prevailing model especially for residential properties. The lump-sum fee model saves the time and efforts spent on collective decision-making process by the property owners and property management service providers thereby improves efficiency, incentivizes property management service providers to optimize their service quality in order to enhance profitability. The commission-basis model is becoming increasingly popular for non-residential properties because this model allows property owners to involve more actively in the management of their properties and closely supervise property management service providers. In terms of value-added services, each property management company determines its applicable fee model based on relevant business nature.

Overview

With the rapid development of China's economy as well as the real estate market, the property management service industry maintains good growth momentum breaking records in both scale and growth rate. According to CIA, the GFA of residential properties under management in China increased from 13,192 million sq.m. in 2015 to 19,302.4 million sq.m. in 2020, and driven by the continuous progress of urbanization, is expected to further increase to 23,628.7 million sq.m. in 2025. The GFA of public premises under management increased from 2,863 million sq.m. in 2015 to 4,347.9 million sq.m. in 2020, and is expected to further increase to 6,098.9 million sq.m. in 2025. From 2020 to 2025, along with development of economy, the penetration rate for property management services will increase, and more types of properties or buildings which have not been professionally managed or served may be included in the property management services.

GFA of Non-commercial Properties under Management in China, 2015-2025E



Source: CIA

The increase in GFA under management not only led to the increase in revenue for property services, but also boosted the speedy growth of value-added services. In 2020, the average revenue generated from value-added services of the Top 100 Property Management Companies was approximately RMB260 million, representing a year-on-year increase of 16.1% and accounting for 22.1% of total revenue, as compared with 21.5% in 2019. According to CIA, the community value-added service market has huge growth potential, and its percentage as to total revenue is expected to reach 26.0% in 2025.

Market Drivers

Favorable policies: In recent years, more and more favorable policies supporting the development of the property management service market have come into effect, which expands the horizon for development of a regularized, marketized and standardized industry. For instance, the Opinions on Untightening Fees Controls in Several Services Issued by the National Development and Reform Commission (《國家發展改革委關於放開部分服務價格意見的通知》) requires the provincial-level price administration authorities to abolish price control or guidance policies on services applicable to residential properties except for certain properties subsidized by the PRC Government such as affordable houses, which opens room for market pricing. On January 5, 2021, the Ministry of Housing and Urban-Rural Development, together with other ten ministries, issued the Notice on Strengthening and Improving the Work of Residential Property Management (《關於加強和改進住宅物業管理工作的通知》), with intention to broaden the scope of services, achieve a market-based pricing for property management services and boom potential profit increase for property management companies. In addition, local governments also implemented their own policies to promote the development of the property management industry, such as loosening pricing restrictions on property management fees and encouraging property management companies to enter into the domain of urban services and public services. In Guangzhou, Guangzhou municipal government implemented the Implementation Measures for Furtherance and Promotion of Urban Revitalization Work (《廣州市深入推進城市更新工作實施細則》), which expand the coverage of property management services to some of the old communities through urban revitalization and old country renovation. The Housing and Urban-Rural Construction Commission of Guanghzou Municipality also implemented a credit rating system, which promotes a healthy and regulated development of the industry.

Steadily increasing urbanization rate: China's significant growth in both urbanization rate and disposable income per capita underpin the growth of the property management service industry in China. According to the data of National Bureau of Statistics, China's urbanization rate reached 60.6% in 2019, and is expected to increase to 70% in 2030, which will unleash the huge market demand for property management services. In addition, according to CIA, urban residents with higher disposable income per capita are more willing to pay a premium for high-quality property management services. According to the data of National Bureau of Statistics, the disposable income per capita of the urban population increased from RMB28,844 in 2014 to RMB43,834 in 2020, representing a CAGR of 7.2%. Along with the future growth of both China's economy and disposable income per capita, higher premium is expected to be charged on higher quality services.

COMMERCIAL PROPERTY MANAGEMENT AND OPERATION MARKET

Business and Fee Model

Commercial property management and operational services mainly include property management and operational services for retail commercial properties and office properties. With the gradual urbanization and the increase in the amount of shopping centers and shopping streets, the demand for professional retail commercial operation services is increasing rapidly. As people put more emphasis on working environment, the market has increasingly recognized the importance of office operational services. The following table sets forth a general description of services offered by commercial operation service providers in terms of different phases of the properties.

Property Phases	Main Services
Preparation	• Market research and positioning services, such as market research and analysis, and consultancy on design and construction of commercial properties,

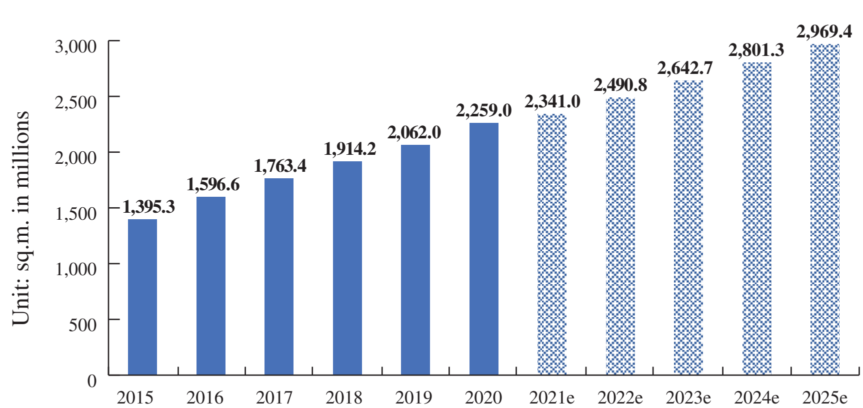
Property Phases	Main Services
	• Tenant procurement services for commercial properties, including target tenant sourcing before or after the grand opening, and coordination for tenancy agreement signing, • Preparation services for grand opening, including supervising the design and implementation of construction plans and managing tenant entry.
Operation	• Property management services for tenants, including security, cleaning, repair and maintenance, and tenant tutoring, • Tenant management and rental collection services for property owners, including support and guidance on tenants' business operations, handling tenant enquiries and complaints, rental collection and ensuring timely rental payment, • Other value-added services for property owners, including operation for common areas, asset management, carpark management, and property trading services.

Fee model for commercial operation is generally determined in accordance with the nature of services provided at different phases, which mainly includes lump-sum basis, commission basis, one-off fixed-amount basis and other models. According to CIA, there is no standard fee rate for commercial operation services.

Overview

Commercial Property Management. With accelerated urbanization and increase in commercial property investments, commercial property management service market has been growing rapidly in recent years. According to CIA, the GFA under management for commercial properties in China increased from 1.4 billion sq.m. in 2015 to 2.3 billion sq.m. in 2020, representing a CAGR of 10.1% from 2015 to 2020, and is expected to further increase to 3.0 billion sq.m. in 2025. The GFA of commercial properties under management accounted for 8.0% of the total GFA under management in 2015 and this percentage increased to 8.7% in 2020. Along with development of economy, the penetration rate for commercial property management services is expected to increase from 2020 to 2024, and more types of commercial properties or buildings which have not been professionally managed or served may be included in the property management services.

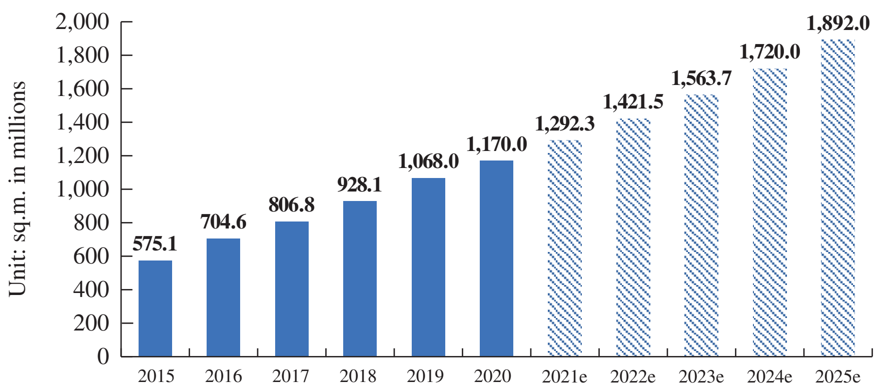
GFA under Management for Commercial Property Management Service, 2015-2025E



Source: CIA

Development of commercial property operation. Though the commercial operation service market is currently smaller in size than the commercial property management service market, it is growing rapidly. The commercial operation service market is experiencing organic growth along with the development of commercial property market. In addition, more commercial property owners are seeking professional commercial property operation services. According to CIA, GFA under management for commercial property operation services in China increased from 575 million sq.m. in 2015 to 1,170 million sq.m. in 2020, representing a CAGR of 15.3%, and is expected to further increase to 1,892 million sq.m. in 2025. In 2015, GFA under management for commercial property operation services accounted for 3.3% of total GFA under management for property management service industry in China, and increased to 4.5% in 2020. From 2020 to 2025, the commercial operation services will continue to benefit from accelerated urbanization process and along with prosperity of commercial activities, more and more commercial properties are in need of professional commercial operation, which will drive the increasing demand for commercial operation services.

GFA under Management for Commercial Operation Services, 2015-2025E



Source: CIA

Market Drivers

Accelerated urbanization process and continuous development of commercial property management service market: The urbanization process and the development of commercial and office properties have led to an increased demand for commercial property management and operational services. Along with this development, there will be more and more high-end commercial premises, such as high-end office buildings and shopping malls and other landmark properties, which will in turn benefit the business expansion of experienced commercial operation service providers.

Favorable policies and government's support: The PRC Government issued numerous favorable policies and guidance benefiting the commercial property management service industry, such as: (i) the Guidelines for Accelerating the Development of Consumer Services and Promoting the Upgrading of Consumption Structure (《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》) issued by the State Council in November 2015, which was the first policy promoting the development of consumer services; (ii) Implementation Opinion on Prompting Scale Increase and Quality Enhancement of Consumption and Accelerating Formation of Strong Domestic Market (《關於促進消費擴容提質加快形成強大國內市場的實施意見》) issued in 2020, which provides guidance on consumption promotion and further increase the commercial consumption to serve the demands at multiple levels; and (iii) Outline of Development Plan of the Greater Bay Area (《粵港澳大灣區發展規劃綱要》) issued in 2019, which aims to forge a world-class bay area and cities cluster. The commercial property market will further expand its horizon for development in the process of transformation and upgrading.

Continuous innovation in commercial real estate industry: The real estate industry has been continuously embracing accelerated innovations and enhancing the quality of operations for the past few years. For instance, it has becoming more and more popular to forge the experiential consumption model of entertainment and culture and develop high-quality 1P resources by upgrading the products and services by utilizing the innovative model of "Internet + Shopping Malls". In addition, smart office sharing has become the trend along with the gradual penetration of artificial intelligence and big data technology. As a result, more opportunities are brought to property management service providers, which in turn facilitates the development of the commercial property management service industry.

FUTURE OPPORTUNITIES AND CHALLENGES

Development of TOD: TOD has become new blue ocean for development in light of accelerated promotion of urban rail transit in China. According to the statistics of Ministry of Transport of the PRC, as of December 31, 2020, there were total 233 urban rail transit lines in 44 cities in the PRC, with total operating mileage of 7,545.5 kilometers. In 2020, there were 39 new urban rail transit lines in the PRC, with operating mileage of 1,240 kilometers, representing a growth of 20.1% from 2019. Under the TOD model, urban transport network can organically connect with core sectors of the city with a combination with large-scale commercial compound, commerce and office spaces, commercial facilities and mid- and high-end residential properties, which in turn boost the rapid development of real estate market. As a result, comprehensive property service providers like us equipped with TOD property management capabilities will distinguish from other competitors in the future.

Gradual opening of public service sector: Since the resolution made by the Third Plenary Session of the Eighteenth Central Committee in 2013 permitting social capital participating in the investment and operation of urban infrastructure facilities by way of franchise, the central ministries have issued a series of policies to encourage the public private partnership model (PPP) to attract social capital to participate in the investment, operation and management of projects of public products and services. This creates more opportunities for property management service enterprises, especially those who are supported by their background of state-owned enterprises, like us.

Intelligent development: Intellectualization is an inevitable trend for the future development of property management industry. A series of favorable policies have been issued by the government. By deploying internet technology and big data, a property management enterprise is able to visualize home living scenarios and integrate online and offline resources so as to forge the ecosphere of smart life. In addition, the property management enterprise is able to realize the effective enhancement of governance capabilities at the executive level, safety of services, work efficiency and service quality as well as quick capture of customers' demand and further expansion of the spectrum of value-added services, thereby creating new profit model and maximizing the profit.

Rapid expansion of commercial operation service providers driven by the asset-light model: According to CIA, commercial operation service providers tend to adopt asset-light mode of operation, which has become common business model in industry. It not only helps commercial operation service providers unload the financial burden of holding or acquiring assets, but also enhances their operating efficiency so as to achieve higher profit margin. Commercial operation service providers can achieve a rapid expansion through offering a full spectrum of services. With the construction of numerous commercial properties over the past years, the property management companies with extensive experience in commercial operation is expected to gain competitive edges.

The "three-red-line" policy: In 2020, the Ministry of Housing and Urban-Rural Development, together with PBOC, proposed to issue a "three-red-line" regulation for real estate companies, with intention to accelerate the deleveraging process of real estate companies and facilitates the healthy development of China's real estate industry. The "three-red-line" regulation refers to: (i) the gearing ratio (excluding prepayments) of a real estate company should not exceed 70%; (ii) the net gearing ratio of a real estate company should not exceed 100%; and (iii) cash over short-term interest-bearing loans should not be lower than 1.0.

Large-scale and state-owned real estate enterprises generally have their advantages in funding, as a result, this policy would benefit the property management companies to command the market with support from large-scale or state-owned real estate enterprises.

Impact of COVID-19 pandemic: The outbreak of COVID-19 has grave adverse impact on the property management service industry in the short term. This is primarily due to the increase in operating expenses and labor costs, deduction and exemption of management fees and decrease in occupancy rate. However, the property management service industry will also embrace emerging opportunities in the long term, which mainly include: (i) market recognition of the value of the property management service industry, leading to more government support; (ii) the demand for contactless services, which will in turn facilitate the smartization and digitalization of the property management service industry; (iii) new lifestyle of people as a result of massive self-quarantine at home, which will in turn bring new types of community value-added service models and business operations; and (iv) the improvement of overall management capabilities of the property management service industry as a result of more emphasis on emergency management capabilities.

In addition, the China market gradually resume norm after several stimulating policies of the central government, such as expanding internal demand and stimulating consumption. In 2020, the total retail sales of consumer goods amounted to RMB39.2 trillion, representing a year-on-year decrease of 3.9%, which was 7.5 percentage points less than the percentage of decrease of the first half of 2020 compared with the same period of 2019. The commodity retail sales in China decreased by 2.3% in 2020, which was 6.4 percentage points less than the percentage of decrease of the first half of 2020 compared with the same period of 2019.

Increasing labor and operation costs: property management service industry is labor-intensive. Labor costs generally represent the largest component of cost of sales for property management companies. From 2016 to 2019, the labor cost of the Top 100 Property Management Companies accounted for 53.4%, 55.8%, 57.8% and 59.1% of their total cost of sales, respectively. The minimum wage in China is mainly set in accordance with standards set by the PRC Government. Over the past years, the significant increase in the minimum wage in various regions resulted in an increase in labor costs. In addition, utilities, such as electricity and water costs, also increased over the past few years.

Increasing demand for professional personnel and its shortage: to adapt to the rapid technological developments, property management companies need to recruit and retain more qualified professional talent with management and technical expertise, place greater emphasis on recruiting and training professional and skilled employees, facilitate the implementation of automated systems, and actively innovate.

For risks in relation to the property management service industry, see "Risk Factors — Risks Relating to Our Business and Industry".

COMPETITION

Competitive Landscape

According to CIA, the PRC property management service industry is fragmented and competitive, but is becoming increasingly concentrated with leading market participants. There are approximately 0.13 million property management service providers in operation in property management service industry as of December 31, 2019. In 2020, the market share of the Top 100 Property Management Companies were 52.2% in terms of revenue. The market share in terms of GFA under management of the Top 100 Property Management Companies in China increased from 28.4% in 2015 to 49.7% in 2020. The total GFA under management of the PRC property management service industry in 2020 increased by 8.2% as compared to that in 2019.

According to CIA, vast majority of the market participants in the PRC property management service industry are still focusing on residential property management with no or limited capabilities in providing professional commercial operation services or managing a diversified portfolio of properties. Residential properties and public premises accounted for 68.9% and 16.1%, respectively, of the properties under management of the Top 100 Property

Management Companies in 2019 in terms of GFA, while retail properties and office properties accounted for 6.6% and 8.4% respectively. Even among the Top 100 Property Management Companies, only a few leading companies have the capabilities to provide commercial operation services and manage a diversified portfolio of properties. We are a comprehensive property management company that is capable of managing residential properties, commercial properties, public premises, industrial and other properties and has extensive experience in providing commercial operation services for office buildings and shopping malls, thereby are expected to have a bright future for development.

Looking forward, we intend to expand our business scale through strategic acquisitions or investments. As advised by CIA, as of the Latest Practicable Date, there were approximately 70 residential and public property management service providers in the market neither owned by nor associated with a property developer, which met our criteria of having an average net profit margin of no less than 7% in the past three years and a total GFA of no less than one million sq.m. under management. In addition, as of the Latest Practicable Date, there were approximately 60 commercial property management service providers in the market neither owned by nor associated with a property developer, which met our criteria of having an average net profit margin of no less than 7% in the past three years and a minimum of five commercial properties under management or a total GFA of no less than 200,000 sq.m. under management. 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 future acquisitions may not be successful and we may face difficulties in integrating acquired operations with our existing operation".

Our Group

We have become a key player in the PRC property management service industry through continuous development. According to CIA, in terms of overall strength (overall strength is assessed taking a comprehensive consideration of a number of indicators, including management scale, operational performance, service quality, growth potential and social responsibility), we ranked 16th among the Top 100 Property Management Companies of 2021. We ranked 45th in terms of GFA under management of non-commercial properties, and 62th in terms of GFA under management of commercial properties in the PRC among the Top 100 Property Management Companies in 2020.

The average gross profit margin and net profit margin for the Top 100 Property Management Companies were 24.5% and 8.9%, respectively, in 2020. As we have relatively higher revenue contribution from value-added services, which generally have relatively higher margin than traditional property management services, our gross profit margin and net profit margin outperformed the average of the Top 100 Property Management Companies.

Most of the office properties we manage are Grade A or Grade A plus office buildings, for which we are able to command high management fee rates. As a result, the average property management fee rate for office buildings under our management was RMB22.9 per sq.m. per month in 2019, higher than the average property management fee rate of the Top 100 Property Management Companies for the same type of properties in the PRC as well as in Guangzhou, where most of our properties under management were located during the Track Record Period. The table below sets forth the comparison of average property management fee of the properties of our Group to that of the Top 100 Property Management Companies of 2020 for the properties located in the PRC and Guangzhou by property type in 2019:

	For Properties in the PRC		For properties in Guangzhou	
	The Group	Top 100 Property Management Companies	The Group	Top 100 Property Management Companies
		(RMB per sq.m. per month)		
Residential Property	2.8	2.1	2.8	3.0
Offices	22.9	7.0	22.6	12.9
- Grade A or Grade A plus offices	N/A	N/A	27.0	25.7

Ranking of Top 100 Property Management Companies Providing Commercial Operation Services in Terms of Market Share of 2020

Ranking	Name	Market Share in terms of GFA under Management
1	Competitor F	1.5%
2	Competitor L	1.2%
3	Competitor B	0.7%
4	Competitor S	0.7%
5	Competitor M	0.5%
6	Competitor A	0.4%
7	**Our Group**	**0.1%**

ENTRY BARRIERS

Technical capabilities: With the development of China's commercial property management service market, property management service providers put more emphasis on implementing measures to enhance the quality of their services, including among others, implementing technical solutions, standardizing service quality and revolutionizing organizational structure. Property management service providers, especially commercial property service providers, tend to adopt systematic information technology in management and service as well as emerging technologies, such as mobile internet to provide integrated property management and services as well as tailor-made solutions for different customers. For new entrants, technical capabilities is becoming entry barrier.

Brand name: Top 100 Property Management Companies, including us, have already established their own brand name and industrial reputation after over 10 years of servicing and operation. On the contrary, new entrants generally face difficulties in penetrating the market without well-established brand or deep connection with industry participants.

Talent: Property management business relies on manpower. In addition to providing property management services, property management service providers are also required to implement and revolutionize technology solutions, which makes it key to recruit and retain talents with expertise in emerging technologies. This could be difficult for property management companies. In this respect, new entrants have difficulties in competing with large-scale property management companies which already have renowned brand names and are well recognized by talents.

Project sourcing: The operation and business expansion of property management companies are all based on the projects they manage. Capabilities in continuously sourcing reliable projects is one of the competitive edges of property management companies. Generally speaking, existing market participants either are supported by their background of property developers or have well-established access to projects. It is the entry barrier for new entrant due to lack of reliable project sources.

Customer sourcing: As market competition is becoming increasingly fierce, property management companies need to rely on extensive experience and well-recognized brand name to build up customer base. New entrants will face challenges in customer sourcing due to their lack of talent, experience and well-recognized brand name.

Our Directors confirm that, after making reasonable inquiries, there is no material change to impact the accuracy and completeness of the market information or other adverse effects since the date of the CIA Report.

Our business operations are subject to supervision and regulation from the government of the PRC and Hong Kong. This section sets out a summary of certain aspects of laws and regulations in the PRC and Hong Kong that are relevant to our operations and business.

PRC REGULATORY OVERVIEW

Legal Supervision Over Corporation and Foreign Investment

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress of the PRC (全國人民代表大會常務委員會) (the "**SCNPC**") on December 29, 1993 and came into effect on July 1, 1994. The Company Law of the PRC was subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The Company Law of the PRC shall also to foreign-invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall apply.

The Interim Provisions on Investment Made by Foreign-Invested Enterprises in PRC (《關於外商投資企業境內投資的暫行規定》) which was promulgated on July 25, 2000, came into effect on September 1, 2000, and was amended on October 28, 2015, stipulates that the domestic investment of foreign-invested enterprises shall comply with the requirements set out in the (i) Interim Provisions on Guiding the Direction of Foreign Investment (《指導外商投資方向暫行規定》) that was promulgated on June 20, 1995, came into effect on the same day and was replaced by the Provisions on Guiding the Direction of Foreign Investment (《指導外商投資方向規定》), which was promulgated on February 11, 2002 and came into effect on April 1, 2002, and (ii) the Catalog for the Guidance of Foreign Investment Industries (《外商投資產業指導目錄》) (the "**Guidance Catalog**") promulgated in 1995 and amended or restated from time to time.

Pursuant to the Guidance Catalog which was most recently amended on June 28, 2017 and came into effect on July 28, 2017, the industries invested by foreign investors are classified into two categories: encouraged industries and the industries included in special administrative measures for the access of foreign investment (including restricted industries and prohibited industries). The Special Administrative Measures for the Access of Foreign Investment (Negative List) (《外商投資准入特別管理措施(負面清單)》) (the "**Negative List**") which was promulgated on June 28, 2018, restated on June 30, 2019 and June 23, 2020, and came into effect on July 23, 2020, replaced the portion of special administrative measures for the access of foreign investment in the Guidance Catalog. The Catalog of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》) (the "**Encouraged Catalog**") which was promulgated on December 27, 2020 and came into effect on January 27, 2021. Foreign investors shall not invest in the fields for which foreign investment is prohibited in the Negative List. Investment in restricted fields of investment in the Negative List shall obtain foreign investment access permit. Unless otherwise prescribed by the PRC laws, any industries not falling into any of the encouraged, restricted or prohibited industries set out in the Encouraged Catalog and the Negative List are generally deemed as permitted for foreign investment. Accordingly, property management service industry is a permitted foreign investment industry.

On March 15, 2019, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) was adopted at the Second Session of the 13th National People's Congress. It was promulgated on March 15, 2019 and came into effect on January 1, 2020. The Foreign Investment Law of the PRC has replaced the Law on Chinese-Foreign Equity Joint Ventures of the PRC (《中華人民共和國中外合資經營企業法》), the Law on Chinese-Foreign Cooperative Joint Ventures of the PRC (《中華人民共和國中外合作經營企業法》) and the Law on Wholly Foreign-Owned Enterprises (《中華人民共和國外資企業法》) to become the legal foundation for foreign investment in the PRC. According to the Foreign Investment Law of the PRC, foreign investment refers to any investment activity directly or indirectly carried out by foreign natural persons, enterprises or other organizations (hereinafter "**Foreign Investors**"). The State adopts the management system of pre-establishment national treatment and negative list for foreign investment. The negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The State will give national treatment to foreign investments outside the negative list.

The Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) was issued by the Ministry of Commerce of the People's Republic of China and State Administration for Market Regulation (the "**SAMR**") on December 30, 2019, which came into effect on January 1, 2020 and replaced the Interim Administrative Measures for the Record-filling of the Establishment and Modification of Foreign-invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》). Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to such measures.

Legal Supervision Over Property Management Services

Regulations on Qualification of Property Management Enterprises

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

According to the Decision of the State Council on Canceling the Third Batch of Administrative Licensing 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》) (Guo Fa [2017] No. 7), which was promulgated and came into effect on January 12, 2017, province and city level second class or below property management enterprise qualifications acknowledged by provincial and municipal government departments of Housing and Urban-Rural were canceled.

According to the Decision of the State Council on Canceling a Group of Administrative Licensing Items (《國務院關於取消一批行政許可事項的決定》) (Guo Fa [2017] No. 46), which was promulgated and came into effect on September 22, 2017, qualification accreditation for property management enterprises of Level One was canceled.

According to the Notice of the General Office of Ministry of Housing and Urban-Rural Development 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》) (Jian Ban Fang [2017] No. 75), which was promulgated and came into effect on December 15, 2017, application, change, renewal or re-application of the qualifications of property management enterprises shall not be accepted, and the qualifications obtained already shall not be a requirement for property management enterprises to undertake new property management projects.

The Decision of the State Council on Revising and Repealing Certain Administrative Regulations (2018)(《國務院關於修改和廢止部分行政法規的決定(2018年)》) (Order No.698 of the State Council) which was promulgated and came into effect on March 19, 2018, deleted the requirement on qualification of property management enterprises in the Regulations on Property Management.

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》) (Jian Cheng 2010 No. 74) (jointly promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (the "**MOHURD**"), the NDRC and the Ministry of Public Security of the PRC and came into effect on May 19, 2010), a licensed management system shall be adopted with market access and exit standards and the open, fair and equitable selection of professional urban parking service enterprises.

According to the Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》), which was promulgated by the SCNPC on April 29, 1998, and implemented on September 1, 1998, later amended on October 28, 2008, and April 23, 2019, the property management enterprises in residential areas shall maintain fire prevention facilities and ensure residents' safety. Pursuant to the Provisions on the Administration of Fire Control Safety of State Organs, Organizations, Enterprises and Institutions (《機關、團體、企業、事業單位消防安全管理規定》), property management enterprises in the residential areas shall perform the duties for fire control safety within the scope of administration, and other property management enterprises shall be responsible for the work of administration on public fire control safety within the scope of administration by entrustment.

Pursuant to the Administrative Measures on Business Licensing for High-Risk Sports Projects (《經營高危險性體育項目許可管理辦法》) promulgated by the General Administration of Sport, the Regulation on National Fitness (2016 Revision) (《全民健身條例(2016年版)》which was promulgated by the State of Council and the Hygienic Regulations for Swimming Places (《游泳場所衛生規範》), which was promulgated on June 21, 2007, any enterprise or individual business engaging in any high-risk sport, including swimming, shall meet the requirements on sanitation, safety and etc., and obtain the approval from the competent sports administration authorities.

Regulations on Appointment of the Property Management Enterprises

According to the Civil Code of the PRC (《中華人民共和國民法典》), which was promulgated on May 28, 2020 and came into effect on January 1, 2021, the property owners can either manage the buildings and the ancillary facilities by themselves, or engage a property service enterprise or other custodians. Property owners are entitled, according to the laws, to replace the property service enterprise or other custodians engaged by the developer. Property service enterprises or other custodians shall manage the buildings and the ancillary facilities within the district of the building as entrusted by the owners, and shall be subject to the supervision by the owners.

According to the Regulations on Property Management (《物業管理條例》), where the developer fails to hire the property management enterprise through a tender and bidding process or hire the property management enterprise by signing agreement without the approval of relevant government authority, the competent real estate administrative department of the local government at the county level or above shall order it to make correction within a prescribed time limit, issue a warning and impose with the penalty of no more than RMB100,000. And a general meeting of the property owners can engage or dismiss the property management enterprise with affirmative votes of owners who exclusively own more than half of the total construction area of the building(s) and who account for more than half of the total number of the property owners. The property owners' association may enter into a property management service contract on behalf of owners with the property management enterprise engaged in the owners' general meeting. Before the engagement of a property management enterprise by property owners and a general meeting of the property owners, a written preliminary property management service contract should be entered into between the developer and the selected and engaged property management enterprise. The preliminary property management service contract may stipulate the contract term. However, if the property management service contract entered into by and between the property owners association and the property management enterprise comes into force within the term of the preliminary property management service, the preliminary property management service contract shall be terminated automatically.

According to the Regulations on Property Management and the Interim Measures for Tender and Bidding Management of Preliminary Property Management (《前期物業管理招投標管理暫行辦法》) (Jian Zhu Fang [2003] No. 130) which was promulgated on June 26, 2003 and came into effect on September 1, 2003, developer of residential buildings and non-residential buildings in the same property management area shall engage qualified property management enterprises by inviting bid or publish announcement on public media. In case where there are less than three bidders or for small-scale properties, the developer can hire qualified 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 property is located.

According to Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Property Service Disputes (《最高人民法院關於審理物業服務糾紛案件適用法律若干問題的解釋》) (Fa Shi [2020] No. 17), which was promulgated by the Supreme People's Court on December 29, 2020 and came into effect on January 1, 2021, the court shall support when property owner raises a plea on the ground of illicit charges because the property service provider, in breach of the property service contract or violation of laws, regulations or departmental rules, extends the scope of charging, raises the charging rate, or makes repeated charging on its own accord.

Regulations on Property Management Service Charges

According to the Regulations on Property Management (《物業管理條例》), the property owners shall pay property management fee based on the agreement of the property management service contract. As for the properties which have been completed but have not been sold or delivered to the purchasers of the properties, property management fee shall be paid by the developer.

According to Administrative Measures on Property Management Service Charges (《物業服務收費管理辦法》) (Fa Gai Jia Ge [2003] No. 1864), which was promulgated on November 13, 2003 and came into effect on January 1, 2004, property management enterprises are permitted to charge property service fees from property owners for repairing, maintaining and managing houses as well as their accompanying facilities and equipment and relevant sites, and ensuring the sanitation and order of relevant areas according to relevant property management contracts. Property service charges shall be reasonable, transparent, and suitable for the level of services offered, and shall take into account the nature and characteristics of the different property, such as the differences between residential property and non-residential property, etc., and be priced under the government's guidance and market regulation respectively. In what way the charges are priced shall be determined by competent price departments under the people's government of all provinces, autonomous regions and municipalities directly under the Central Government, in concert with the competent departments of real estate.

Pursuant to Provisions on Administrative Measures on Property Management Service Fee (《關於物業服務收費管理辦法的通知》) issued by the Price Bureau of Guangdong Province and Housing and Urban-Rural Development Department of Guangdong Province on January 4, 2010 and came into effect on April 1, 2010, property management enterprises are permitted to charge fees from owners for the repair, maintenance and management of houses and ancillary facilities, equipment and venues and maintenance of sanitation and order in relevant regions according the property management contract. The competent price administration department of the local people's governments at or above the county level and the competent property administration departments at the same level are responsible for supervising and regulating the fees charged by property management enterprises in their respective administrative regions. The fees charged by property management can be either the government guidance price or market-based price depending on the basis of the nature and features of relevant properties. If the fees charged 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. Dependent on the agreement between the property owners and property management enterprises, the fees for the property management services can be charged either as 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 enterprises who shall enjoy or assume the surplus or deficit. The commission basis refers that property management enterprises 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 Clearly Marking the Prices of Property Services (《物業服務收費明碼標價規定》) (Fa Gai Jia Jian [2004] No. 1428), which was promulgated on July 19, 2004 and came into effect on October 1, 2004, property management enterprises, during their provision of services to the property owners (including the property management services as stipulated in the property service contract as well as other services requested by property owners), shall charge service fees at expressly marked prices, and display their service items, standards and other related contents. In case there is any change to the pricing standard, the property management enterprise shall adjust the related contents displayed and indicate the execution date of new standards one month prior to the implementation of the new standards.

According to the Measures for Property Management Pricing Costs Supervision and Examination (Trial) (《物業服務定價成本監審辦法(試行)》) (Fa Gai Jia Ge [2007] No.2285), which was jointly issued by NDRC and the Ministry of Construction of the PRC, on September 10, 2007 and came into effect on October 1, 2007, the competent pricing departments of people's government formulate and regulate the property management charging standard where the government guidance price shall be implemented and conduct pricing cost supervision and examination on relevant property management enterprises. Property management pricing cost is determined according to the social average cost of property management services verified by the competent pricing department of people's government. With the assistance of competent real estate administrative departments, competent pricing departments are responsible to organize the supervision and examination of the property management pricing cost. Property management service pricing cost shall include staff costs, expenses for daily operation and maintenance on public facilities and equipment, green conservation costs, sanitation fee, order maintenance cost, insurance premiums for public facilities and equipment located at public places of the property and for public liability, office expenses, shared administration fee, fixed assets depreciation and other fees approved by property owners.

According to the Circular of NDRC on the Opinions for Decontrolling the Prices of Some 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》) (Fa Gai Jia Ge [2014] No. 2755), which was promulgated and came into effect on December 17, 2014, the price control on property management fee of non-government-supported houses was canceled. The competent price administration departments at provincial level and the administrative departments of housing and urban-rural development have the authority to decide whether to implement government guidance prices for charges of property management fees for government-supported houses, housing-reform properties and properties in old residential areas and service fees under preliminary property management based on actual situation.

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》) (Fa Gai Jia Ge [2015] No. 2975) jointly promulgated by the NDRC, the MOHURD and Ministry of Transport on December 15, 2015 and came into effect on the same day, the fee 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 to encourage the construction of parking facilities by social capital.

According to the Circular of NDRC on the Opinions for Decontrolling the Prices of Some 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》), price control on parking services in residence communities was also cancelled.

Legal Supervision Over Real Estate Brokerage Business

According to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》) (Order No. 29 of the President), which was promulgated on July 5, 1994, came into effect on January 1, 1995 and revised on August 30, 2007, August 27, 2009 and August 26, 2019, 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: (1) have their own name and organization; (2) have a fixed business site; (3) have the necessary assets and funds; (4) have a sufficient number of professionals; (5) have 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》) (Order No.8 of the MOHURD, the NDRC and the Ministry of Human Resources and Social Security ("**MOHRSS**"), which was promulgated on January 20, 2011, came into effect on April 1, 2011 and revised on March 1, 2016, came into effect on April 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 number of real estate agents shall be equipped to establish real estate brokerage agencies and their branches. Real estate brokerage agencies and their branches shall go to the competent construction (real-estate) supervising department of the local municipality/city/county for handling the filing formalities within 30 days from the date of receiving business licenses.

Legal Supervision Over the Internet Information Services

Supervision on Internet Information Services

According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (Order No.292 of the State Council), which was issued by the State Council on September 25, 2000, came into effect on the same day and revised on January 8, 2011, Internet information service refers to the provision of the 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.

Entities engaged in providing commercial internet information service shall apply for a license for valued-added telecommunication services of internet information services. As for the operation of non-commercial internet information services, only record-filing is required. Internet information service provider shall provide services within the scope of their license or filing. Non-commercial internet information service providers shall not provide services with the charge of payment.

Where an entity provides commercial Internet information service without a license or provides service 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 and less than five times of such gains shall be imposed. Where there is no illegal gain or the gain is less than RMB 50,000, a fine of RMB 100,000 to RMB 1 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 service 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.

Supervision on Mobile Internet Application Information Services

According to the provisions on administration of Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) which was issued by the Cyberspace Administration of China on June 28, 2016 and came into effect on August 1, 2016, entities providing information services through mobile internet applications shall obtain relevant qualifications. Mobile internet application providers shall not use mobile internet application program to carry out activities prohibited by laws and regulations, such as endangering national security, disturbing public orders, and infringing others' legal rights and interests, or using mobile internet applications to produce, copy, publish and spread illegal information prohibited by laws and regulations.

Legal Supervision over Advertising Business

According to the Advertising Law of the PRC (《中華人民共和國廣告法》) (Order No.34 of the President) which was issued by the SCNPC on October 27, 1994, came into effect on February 1, 1995 and revised on April 24, 2015 and October 26, 2018, advertisement shall be expressed in a true, legal, healthy manner, in line with requirements of construction of socialist spiritual civilization and development of Chinese national fine cultural tradition, and shall not contain false or misleading content and defraud or mislead consumers. Advertizers, advertising agents and advertisement publishers shall abide by the laws, regulations and the principles of justice, honesty and fair competition in carrying out advertising activities. Local market supervision administration department at and above the county level shall take charge of the supervision and administration on advertising within their respective administrative jurisdictions. Other relevant departments of the local people's governments at and above the county level shall take charge of the advertising management related work within their respective scope of duties.

Legal Supervision over Intellectual Property Rights

Patent Law

According to the Patent Law of the PRC (《中華人民共和國專利法》) (Order No. 11 of the President of the PRC) which was promulgated by the SCNPC on March 12, 1984, came into effect on April 1, 1985, revised on September 4, 1992, August 25, 2000 and December 27, 2008, 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 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.

Trademark Law

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) (Order No. 10 of the SCNPC) which was issued by the SCNPC on August 23, 1982, came into effect on March 1, 1983 with latest amended on April 23, 2019, and became effective on November 1, 2019 and the PRC Trademark Law Implementing Regulations (《中華人民共和國商標法實施條例》) (Order No. 651 of the State Council), which was issued by the State Council on August 3, 2002, came into effect on September 15, 2002, amended on April 29, 2014 and came into effect on May 1, 2014). The trademark bureaus under the SAMR are responsible for trademark registration and authorizing 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. The trademark license agreements shall be submitted to the trademark office for recording. For trademarks, 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 in registering a trademark which others have already begun to use and which has "sufficient degree of reputation."

Copyright law

The Copyright Law of the PRC (《中華人民共和國著作權法》) (Order No. 31 of the President of the PRC) which was issued by the SCNPC on September 7, 1990, came into effect on June 1, 1991 and revised on October 27, 2001 and February 26, 2010, provides that works of PRC citizens, legal persons or other organizations, which include, works of literature, art, natural sciences, social sciences, engineering technologies and computer software created in writing or oral or other forms, whether published or not, enjoy copyright in their works. Copyright holders may enjoy multiple rights, which include the right of publication, the right of authorship and the right of reproduction.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) (Order No. 1 of the National Copyright Administration) which was promulgated by the National Copyright Administration (the "**NCAC**") on February 20, 2002, and came into effect on the same day, regulates the registration of software copyright, the exclusive licensing contracts and transfer contracts of software copyright. The NCAC shall be competent authority for the registration and management of national software copyright and the Copyright Protection Center of China is the software registration organization authority. The Copyright Protection Center of China shall grant registration certificates to the computer software copyright applicants which conforms to the regulations of both the Computer Software Copyright Registration Measures and the Regulations on Protection of Computers Software (《計算機軟件保護條例》) (No. 84 Order of the State Council) which was issued by the State Council on June 4, 1991, came into effect on October 1, 1991 and revised on December 20, 2001, January 8, 2011 and January 30, 2013.

Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) (Order No. 43 of the Ministry of Industry and Information Technology), which was issued on August 24, 2017 and came into effect on November 1, 2017, the Ministry of Industry and Information Technology shall be responsible for managing Internet network domain names in the PRC. The principle of "first-to-file" is adopted for domain name services. The applicant of domain name registration shall provide the agency of domain name registration with the true, accurate and complete information relating to the domain name to be applied for, and sign the registration agreements as well. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

Legal Supervision over Tax

Enterprise Income Tax

In accordance with the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) (the "**EIT Law**") ([2007] Order No. 63 of the President of the PRC) which was promulgated on March 16, 2007 and became effective from January 1, 2008 and amended on February 24, 2017 and December 29, 2018 and the Regulation on the Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) ([2007] Order No. 512 of the State Council) which was promulgated on December 6, 2007 and became effective from January 1, 2008, and amended on April 23, 2019, enterprises are classified as either "resident enterprises" or "non-resident enterprises". Enterprises that are set up in the PRC under the PRC laws, or that are set up in accordance with the law of the foreign country or region whose actual administration institution is in PRC, shall be considered as "resident enterprises". Enterprises established under the law of the foreign country (region) with "de facto management bodies" outside the PRC, but have set up institutions or establishments in the PRC or, without institutions or establishments set up in the PRC, have income originating from the PRC, shall be considered as "non-resident enterprises". A resident enterprise shall pay EIT on its income originating from both inside and outside the PRC at an EIT rate of 25%. A non-resident enterprise that has establishments or places of business in the PRC shall pay EIT on its income originating from the PRC obtained by such establishments or places of business, and on its income which deriving outside the PRC but has actual connection with such establishments or places of business, at the EIT rate of 25%. A non-resident enterprise that does not have an establishment or place of business in the PRC, or it has an establishment or place of business in the PRC but the income has no actual connection with such establishment or place of business, shall pay EIT on its income derived from the PRC at a reduced EIT rate of 10%.

Regarding income tax in respect of distribution of dividends

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 organizations or places of business in the PRC, or that have organizations and places of business in the 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 the PRC and 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稅避免雙重徵稅和防止偷漏稅的安排》) (the "**Arrangement**") on August 21, 2006 and came into effect on December 8, 2006. According to the Arrangement, if a Hong Kong resident company owns at least 25% equity interests in a PRC company and is the beneficial owner of the dividends paid by the PRC company, the PRC withholding tax on the dividends shall not exceed 5% of the gross amount of the dividends.

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81) which was promulgated by the State Administration of Taxation (the "**SAT**") and became effective on February 20, 2009, all of the following requirements shall be satisfied before a fiscal resident of the other party to a tax agreement can be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a PRC resident company: (i) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (ii) the equity interests and voting shares of the PRC resident company directly owned by such a fiscal resident reaches a specified percentage; and (iii) the equity interests of the PRC resident company directly owned by such a fiscal resident, at any time during the twelve months prior to receipt of the dividends, reach a percentage specified in the tax agreement.

Pursuant to the Administrative Measures for Agreements Treatment for Non-Resident Taxpayers (《非居民納稅人享受協定待遇管理辦法》), which was issued on October 14, 2019 by the SAT, and became effect on January 1, 2020, according to which, if non-resident taxpayers consider they are eligible for treatments under the 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 treaties, and shall concurrently collect and retain the relevant documents for inspection according to relevant regulations, and accept tax authorities' post-filing administration.

Regarding income tax in respect of equity transfer

According to the Announcement on Several Issues concerning the Enterprise Income Tax on Income from the 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》) (the SAT Public Notice [2015] No. 7) which was promulgated by the SAT on February 3, 2015 and came into effect on the same day), where a non-resident enterprise indirectly transfers equities and other assets of a PRC resident enterprise to avoid the EIT payment obligation by making an arrangement with no reasonable business purpose, such indirect transfer shall be redefined and recognized as a direct transfer in accordance with the provisions of the EIT Law. Where the EIT on the income from the indirect transfer of real estate or equities shall be paid in accordance with the provisions of this Announcement, the entity or individual that directly assumes the obligation to make relevant payments to the transfer or according to the provisions of the relevant laws or as agreed upon in the contract shall be the withholding agent.

Value-added Tax

According to Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (Order No. 134 of the State Council) which was promulgated by the State Council on December 13, 1993 with the latest amended version effective from November 19, 2017, and Implementing Rules to Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by Ministry of Finance (the "**MOF**") on December 25, 1993 and revised on December 15, 2008 and October 28, 2011, respectively, tax payers engaging in sale of goods or processing, repair and assembly services (hereinafter referred to as ''labor services''), sale of services, intangible assets, immovables and importation of goods in the PRC shall be taxpayers of Value-added Tax, and the tax rate for taxpayers engaging in sale of services and intangible assets shall be 6% unless otherwise stipulated and for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods shall be 11%.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (Cai Shui [2011] No. 110) (《關於印發營業稅改徵增值稅試點方案的通知》) which was promulgated by the MOF and the SAT the State began to launch taxation reforms in a gradual manner with effect from January 1, 2012, whereby the collection of Value-added Tax in lieu of business tax items was implemented on a trial basis in regions showing significant radiating effects in economic development and providing outstanding reform examples, beginning with production service industries such as transportation and certain modern service industries.

In accordance with Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (Cai Shui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》), which was promulgated on March 23, 2016 and came into effect on May 1, 2016, upon approval of the State Council, the pilot program of the collection of Value-added Tax in lieu of business tax shall be promoted nationwide in a comprehensive manner starting from May 1, 2016, and all business tax payers engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax.

According to Notice on Implement Measures to Value-added Tax Rate 《關於調整增值稅稅率的通知》which was issued by the MOF and the SAT on April 4, 2018 and came into effect on May 1, 2018, the value-added tax rate of taxable sales service or import goods is adjusted. The original applicable value-added tax rate was 17% and 11%, and the tax rate is adjusted to 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), which was issued by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, for Value-added tax taxable sales or imported goods of a Value-added tax general taxpayer where the Value-added tax rate of 16% applies currently, it shall be adjusted to 13%, the currently applicable Value-added tax rate of 10% shall be adjusted to 9%.

Legal Supervision over Labor and Social Insurance

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated on July 5, 1994, came into effect on January 1, 1995, and was amended on August 27, 2009 and December 29, 2018, enterprises and institutions shall establish and improve their system of work place safety and sanitation, strictly abide by State rules and standards on work place safety, educate employee in labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with national standards. The enterprises and institutions shall provide employees with workplace safety and sanitation conditions which are in compliance with State stipulations and relevant articles of labor protection.

According to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated on June 29, 2007, came into effect on January 1, 2008, and was amended on December 28, 2012, employment contracts shall be concluded in writing if employment relationships are to be or have been established between enterprises or institutions and the employees. Enterprises and institutions are forbidden to force the employees to work beyond the statutory time limit and employers shall pay employees for overtime work in accordance with national regulations. In addition, the wages shall not be lower than local standards on minimum wages and shall be paid to the employees timely. And the Implementation Regulation on Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) (Order No. 535 of the State Council) which was issued by the State Council on September 18, 2008 and came into effect on the same day, regulates both parties through a labor contract, namely the employers and the employees, and contains specific articles involving the terms of the labor contract. 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. Labor contracts concluded before the enactment of Labor Contract Law and existing during its effective term shall continue to be honored. With respect to circumstances where an employment relationship has already been established without the conclusion of a written labor contract, the written labor contract shall be concluded within one month from the date when the employee commences work.

According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) (Order No. 22 of the MOHRSS), which was promulgated on January 24, 2014 and came into effect on March 1, 2014, employers may use dispatched laborers only for temporary, auxiliary or substitutable positions. And the employer shall strictly control the number of dispatched laborers which shall not exceed 10% of the total number of its workers.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on October 28,2010 and came into effect on July 1, 2011 and was amended on December 29, 2018, the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was promulgated and came into effect on January 22, 1999, and was amended on March 24, 2019, the Regulations on Work-Related Injury Insurance (《工傷保險條例》), which was promulgated on April 27, 2003, came into effect on January 1, 2004 and was amended on December 20, 2010, the Regulations on Unemployment Insurance (《失業保險條例》) (Order No. 258 [1999] of the State Council), which was promulgated and came into effect on January 22, 1999, and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》) (Lao Bu Fa [1994] No. 504), which was promulgated on December 14, 1994 and came into effect on January 1, 1995, the enterprises in the PRC shall provide their employees with benefit programs including basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance. Employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them, and their executive staffs and other directly responsible persons shall be fined RMB500 to RMB3,000. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the relevant administrative department.

Pursuant to the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) (Order No. 262 of the State Council), which was promulgated on April 3, 1999, became effective on the same day, and was amended on March 24, 2002 and March 24, 2019, respectively, the housing provident fund contributions made by an individual employee and housing provident fund contributions made by his or her employer shall be owned by the individual employee. Employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund deposit registrations with the housing provident fund administrative center. For enterprises who violate the above laws and regulations and fail to apply for housing provident fund deposit registration or open housing provident fund accounts for their employees, the housing provident fund administrative center shall order the relevant enterprises to make corrections within a designated period. Those enterprises failing to process the deposit registration provident fund accounts for their employees within the designated period shall be subject to a fine ranging from RMB10,000 to RMB50,000. When enterprises violate those provisions and fail to pay the housing provident fund in full amount as due, the housing provident fund administrative center may order such enterprises to pay up the amount within a prescribed period; if those enterprises still fails to comply with the regulations upon the expiration of the above-mentioned time limit, further application may be made to the People's Court for mandatory enforcement.

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 issued by the General Office of the Communist Party of China (中共中央辦公廳) and the General Office of the State Council (國務院辦公廳) 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. Furthermore, according to the Notice by the General Office of the SAT on Conducting 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》) ([2018] No.142 of the General Office of the SAT) issued on September 13, 2018 and the Urgent Notice of the General Office of the MOHRSS on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《人力資源和社會保障部辦公廳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》) (Ren She Ting Notice [2018] No.246) issued on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. Notice of the SAT on Implementing Measures to 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》) (Shui Zong Fa [2018] No.174) issued on November 16, 2018 repeats that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises in the previous years.

Legal Supervision over Foreign Exchange

Under the Foreign Currency Administration Rules of the People's Republic of China (《中華人民共和國外匯管理條例》), which was promulgated on January 29, 1996, and revised on January 14, 1997, and August 5, 2008, and various regulations issued by the State Administration of Foreign Exchange (the "**SAFE**") and other relevant PRC government authorities, RMB is convertible into other currencies for the purpose of current account items, such as trade-related receipts and payments and the payment interest and dividend. The conversion of RMB into other currencies and remittance of the converted foreign currency outside China for the purpose of capital account items, such as direct equity investments, loans, and repatriation of investment, requires prior approval from the SAFE or its local offices. Payments for transactions that take place within China must be made in RMB. Unless otherwise approved, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks subject to a cap set by the SAFE or its local offices. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to relevant rules and regulations of the State. For foreign exchange proceeds under the capital accounts, approval from the SAFE is required for its retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the rules and regulations of the State.

According to the Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**Circular 13**") which was promulgated on February 13, 2015, and became effective on June 1, 2015, the above-mentioned registration will be handled directly by the bank that has obtained the financial institution identification codes issued by the foreign exchange regulatory authorities and has opened the capital account information system at the foreign exchange regulatory authorities in the place where it is located and the foreign exchange regulatory authorities shall perform indirect regulation over the direct investment-related foreign exchange registration via banks.

According to the Circular of the SAFE on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (Hui Fa [2015] No. 19) (''SAFE Circular 19''), which was promulgated on March 30, 2015 and became effective on June 1, 2015, a foreign-invested enterprise may, in response to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account crediting of monetary contribution). And foreign-invested enterprises are allowed to settle such portion at 100% of their foreign exchange capital on a discretionary basis. Furthermore, SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises.

According to the Notice of the SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) (the "**Notice No. 16**"), which was issued 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 currency capital and foreign debts) 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 No. 16 reiterates the principle that RMB converted from foreign currency capital may not directly or indirectly used for purpose beyond its business scope and investments in securities with the exception of bank financial products that guarantee the relevant PRC regulations. 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.

HONG KONG REGULATORY OVERVIEW

Laws and regulations governing property management in Hong Kong

The Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) (the "**BMO**") and the Property Management Services Ordinance (Chapter 626 of the Laws of Hong Kong) (the "**PMSO**") are the two main legislations relevant to the management of multi-storey building owned by two or more owners in Hong Kong.

The BMO provides a statutory framework for the formation of owners' corporations ("**OCs**") to facilitate effective building management, as well as the procedures and governance of OCs to facilitate the day-to-day operations of OCs.

The BMO also sets out certain terms and conditions to be incorporated in the deeds of mutual covenants ("**DMCs**") to address building management issues in an effective manner, including those which enabling owners' committees to do the same prior to the formation of OCs.

Property management companies in Hong Kong are usually appointed either directly under the DMCs, or otherwise engaged by OCs or owners' committees as contracted parties to provide property management services, which include the carrying out of powers and performing duties under the BMO and the relevant DMCs to manage the concerned buildings. The management and maintenance of buildings therefore rest primarily with building owners through the OCs, owners' committee and/or property management companies.

Pursuant to the provisions in the BMO, the Secretary for Home Affairs maintains a list of building management agents. In certain circumstances as set out in the BMO, the Secretary for Home Affairs may order that within such reasonable period as shall be specified in the order, the management committee of a building must appoint a building management agent for the purposes of managing that building. The Lands Tribunal may also, under certain limited circumstances specified in the BMO, appoint building management agents by order.

The PMSO establishes the Property Management Services Authority ("**PMSA**"), a statutory authority which has since August 1, 2020 implemented the licensing regime of property management companies and property management practitioners to provide property management services. For the implementation of a mandatory licensing regime, minimum qualification requirements are set for property management companies ("**PMCs**") and property management practitioners ("**PMPs**"). Under the regime, PMSA is empowered to enforce the PMSO, issue codes of conduct, and take disciplinary actions against PMCs and PMPs committing disciplinary offenses for regulating and controlling the provision of property management services.

Property management matters require multi-disciplinary professional knowledge, such as property management services for owners, management of public spaces, building repair and maintenance, finance and asset management, facility management and legal knowledge. Their work also involves liaising with various government departments, non-governmental organizations and individual owners. Hence, property managers will often be involved in works of engineers, surveyors, technicians, security guards and other professionals, which are subject to various other statutory requirements.

The DMCs

In cases where a building is wholly owned by one single owner, the owner may either manage the building himself, or engage a property management company to manage the building on his behalf. In such cases, the rights and obligations of a property management company would depend on the terms of the management agreement made with the owner.

In a multi-storey building owned by two or more owners, ownership is generally expressed in terms of undivided shares of and in the land (on which the building stands) and the building, together with the (a) exclusive rights to the relevant units; and (b) rights in common to use the common parts of the building. These matters are normally defined in a DMC. In these cases, the rights and obligations of a property management company would also depend on the terms of the DMC of the building concerned.

A DMC is a private contractual agreement among the developer (as one of the owners), the owner(s) of individual unit(s) and the manager of a building, the legal effect of which would, in general, also bind all subsequent owners of each unit of the building and all managers appointed from time to time. Apart from setting out the undivided shares and rights of the owners, a DMC would normally also deal with other matters of the building concerned, such as:

(a) definition of common parts of the building;

(b) obligations and covenants of owners;

(c) appointment of property managers;

(d) procedures of owners' committee and owners' meetings;

(e) preparation of annual budgets and determination of management fees; and

(f) rights, if any, retained by the developer.

The powers and duties of the manager to enforce the provisions in the DMC and to ensure observance of covenants in the DMC by the owners are sometimes also defined in the DMC.

A DMC would be subject to the statutory provisions contained in the BMO.

THE BMO

Apart from setting out the legal framework for formation, procedures and dissolution of OCs and defining powers and duties thereof, the BMO also contains provisions which affect the operation of DMCs and the daily operation and management of buildings.

For instance, items listed in Schedule 1 to the BMO are presumed to be common parts of buildings unless they are specified or designed for exclusive use by individual owners under the DMC.

Certain terms as set out in Schedule 7 to the BMO in relation to financial matters (e.g., preparation of financial budgets, keeping of accounts, matters relating to bank accounts, special funds) and managers (e.g., contracts entered into by manager, resignation/termination of manager) are mandatorily incorporated into every DMC in Hong Kong.

Terms set out in Schedule 8 to the BMO in relation to procedures of owners' committee and meetings of owners are, if consistent with a DMC, also impliedly incorporated.

The BMO also contains specific provisions on requirements for the procurement of supplies, goods and services by OCs.

Under the BMO, the procurement of all supplies, goods or services required by an OC in the exercise of its powers and the performance of its duties under the DMC (if any) or the BMO shall comply with such standards and guidelines as may be specified in a Code of Practice issued by the Secretary for Home Affairs.

Under the BMO and the Code of Practice on Procurement of Supplies, Goods and Services and Code of Practice on Building Management and Safety under the BMO (the "**Code of Practice**"), any such procurement must be procured by invitation to tender if the value of service exceeds or is likely to exceed:

(a) the sum of HK$200,000; or

(b) a sum which is equivalent to 20% of the annual budget of the owners' corporation, whichever is the lesser.

Acceptance of a tender submitted for such purpose shall be decided by a resolution of the owners passed at a general meeting of the OCs.

The above requirement for invitation to tender is exempted if:

(a) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the OC by a supplier; and

(b) the OC decides by a resolution of the owners passed at a general meeting that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution.

If the above requirements are not complied with, the contract for the procurement of the relevant supplies, goods or services is not void by reason only that it does not comply with the above requirements. However, subject to order made by the Hong Kong court, the contract may be voided by the OC by a resolution of the owners passed at a general meeting, only for the reason that it does not comply with the above requirements. The Hong Kong court may make such orders (including whether the service contract is void or voidable) and give such directions in respect of the rights and obligations of the contractual parties as it thinks fit having regard to various circumstances, including but not limited to, whether the owners have benefited from the service contract and whether the owners have incurred any financial loss due to the service contract and the extent thereof.

Likewise, managers are restricted from entering into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed the sum of HK$200,000 (or such other sum in substitution therefor as may be specified by notice in the Gazette), unless (a) the supplies, goods or services are procured by invitation to tender; and (b) the procurement complies with the Code of Practice.

In addition to the above requirements, managers are also restricted not to enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as may be specified by notice in the Gazette unless the acceptance of the tender is decided by a resolution of the owners passed at a general meeting of the OC or at a meeting of owners (as the case may be).

THE PMSO

Property management services are defined in the PMSO to mean services prescribed by the PMSA falling within the following categories:

1. general management services relating to a property;

2. management of the environment of a property;

3. repair, maintenance and improvement of a property;

4. finance and asset management relating to a property;

5. facility management relating to a property;

6. human resources management relating to personnel involved in the management of a property; and

7. legal services relating to the management of a property.

The licensing regime is divided into two parts:

(a) a single tier mandatory licensing regime for PMCs providing properties (subject to DMCs) in Hong Kong with more than one category of property management services under the PMSO; and

(b) a two-tier licensing regime for PMPs who take up a supervisory or managerial role in PMCs in the provision of property management services as "registered professional property manager" and "licensed property management officer", with different levels of academic and professional qualifications and work experience.

The PMSA will maintain a public register of licensees and issue codes of conduct to encourage conformance to a set of industry standards. The PMSA may also make regulations on:

(a) the information to be contained in, and the documents to accompany, an application for a license or the renewal of a license;

(b) the fees payable in an application for a license or the renewal of a license;

(c) the criteria for holding a license;

(d) the fees payable for the issue of a license or renewed license; and

(e) the conditions that may be imposed on a license or renewed license.

There is prescribed information specified by the PMSA which licensees must provide to their clients, which includes financial information and conflict of interests.

To facilitate the property management industry to adapt to the new regime, the first three years (i.e. from August 1, 2020 to July 31, 2023) after the implementation of the licensing regime is a transitional period (the "**Transitional Period**") during which anyone acting as a PMC or PMP is not required to be licensed. After the Transitional Period, under the PMSO, it is a criminal offense for a PMC or a PMP to practice without a license. The PMSA may also conduct investigations and make disciplinary orders against licensees for disciplinary offenses. The PMSA may request information and documents from any person who may be able to assist in an investigation, and require that person to attend before an investigator to answer questions or respond to any written question relevant to the investigation. Failure to cooperate with the PMSA without reasonable excuse is also a criminal offense under the PMSO.

During the Transitional Period, anyone meeting the relevant criteria may voluntarily apply for a license. PMPs who do not meet the criteria for academic and/or professional qualifications but possess the specified work experience may apply for a provisional PMP license. While anyone acting as a PMC or a PMP without the relevant license will not be prosecuted during the Transitional Period, the PMSO prohibits, both during and after the Transitional Period, anyone without the relevant license from:

(a) claiming to be a licensed PMC or a licensed PMP; or

(b) describing himself or herself as a "registered professional manager" or "licensed property management officer" or using a title in any language that so closely resembles the said two designations as to be capable of deceiving or misleading any person into believing that the person is a licensee.

After the Transitional Period, any business entity carrying on the business of providing more than one category of property management services must hold a PMC license, and any individual assuming a managerial or supervisory role in all the property management services provided by that PMC to a property must hold a PMP license.

Security and Guarding Services Ordinance (Chapter 460 of the Laws of Hong Kong) (the "SGSO")

Under Section 11 of the SGSO, no person other than a company acting under and in accordance with a license issued in accordance with the SGSO shall supply, agree to supply, or hold itself out as supplying any individual to do security work for another person for reward.

Under Schedule 2 of the Security and Guarding Services (Licensing) Regulation, there are three types of security work in which a company holding a license may perform: (i) the provision of security guarding services, (ii) the provision of armored transportation services and (iii) installation, maintenance or repairing of a security device or designing (for any particular premises or place) a security system incorporating a security device.

The Security and Guarding Services Industry Authority was established on June 1, 1995 under Section 4 of the SGSO to administer a licensing scheme to regulate the security industry.

OVERVIEW

Our Company was incorporated as a company with limited liability in Hong Kong on October 8, 2020 by GCD China, which is an investment holding entity and a direct wholly-owned subsidiary of Yuexiu Property. As part of our Reorganization, our Company became the holding company of our Group with our business being conducted through our subsidiaries. Our history can be traced back to 1992 when Yuexiu PD, one of our major operating subsidiaries and a company principally engaged in the property management business, was established on January 2, 1992 by Guangzhou City Construction & Development Holding Company* (廣州市城市建設開發總公司) (the former name of GCCD Group) and is principally engaged in property development.

OUR MAJOR BUSINESS MILESTONES

The following table sets forth the key milestones of our business development:

Year	Milestones
1992	Yuexiu PD, one of our major operating subsidiaries, was incorporated as a company with limited liability in the PRC under the name of Guangzhou Construction & Development Property Management Company* (廣州市建設開發物業公司)
1992	We started providing property management services to properties in Guangzhou developed by Yuexiu Property
1995	We began cooperating with a property management company in Hong Kong to introduce the Hong Kong property management methodology to the properties then under our management
1997	Yuexiu Yicheng, one of our major operating subsidiaries principally engaged in the provision of commercial operation and management services, was incorporated as a company with limited liability in the PRC
1998	Guangzhou Baima, one of our major operating subsidiaries principally engaged in the provision of commercial operation and management services, was incorporated as a company with limited liability in the PRC
2001	Guangzhou Yueguan, one of our major operating subsidiaries, was incorporated as a company with limited liability in the PRC

Year	Milestones
2001	GZ Yuexiuhui, one of our major operating subsidiaries, was incorporated as a company with limited liability in the PRC
2003	Yuexiu PD began to provide property management consultancy services to properties developed by Independent Third Party property developers
2007	We won the bidding for the property management project of the Guangdong Science Center and started providing property management services to public properties
2009	Guangzhou Yuexiu JLL, one of our major operating subsidiaries that provides operation and property management services to high-rise office buildings, was incorporated as a company with limited liability in the PRC and started to operate the Guangzhou International Financial Center
2011	We started providing property management services in Jiangmen, Yantai and Shenyang
2012	We started providing property management services in Wuhan
2014	We started providing property management services in Foshan and Hangzhou
2016	We obtained the OHSAS18000:2007 Occupational Health and Safety Management System Certification, ISO9001:2015 Quality Management System Certification and the ISO14001:2015 Environment Management System Certification qualifications
2017	We started providing property management services in Taicang
2017	The Management Training & Development Academy, which provides employees with different positions and needs with various training sessions and online courses, including management skill enhancement, qualification test tutoring, as well as professional skill training, was established
2019	We started providing property management services in Xiangyang and Chengdu

Year	Milestones
2020	We started providing property management services in Zhengzhou, Shenzhen, Changsha and Xiaogan
2020	We were accredited by CIA and, among others, ranked number 9 among the 2020 Top 100 China Leading Property Management Companies by Service Quality (2020中國物業服務百強服務質量領先企業第9位), and were awarded a 2020 High-end Property Service Leading Brand in China (2020中國高端物業服務領先品牌)
2020	Yuexiu PD acquired 67.0% equity interest in GZMEE and 67.0% indirect equity interest in GZMPM
2021	We were accredited by CIA and ranked number 16 among the 2021 Top 100 Property Management Companies in China (2021中國物業服務百強企業第16位)

OUR CORPORATE DEVELOPMENT

The major corporate developments of our Company and our key operating subsidiaries which were material to our performance during the Track Record Period are set out below.

1. Our Company

Our Company was incorporated as a company with limited liability in Hong Kong on October 8, 2020 under the laws of Hong Kong. Our Company is the holding company of our subsidiaries and its principal business activity is investment holding. Upon incorporation, 100,000 subscriber Shares were issued at HK$1,000.00 by our Company to GCD China, which is a direct wholly-owned subsidiary of Yuexiu Property.

On December 1, 2020, for the purpose of the Reorganization as described in "— Reorganization — Offshore Reorganization — Share Swap" in this section below, our Company allotted and issued 1,018,500,000 Shares to GCD China. Subsequent to such allotment and issuance, GCD China is interested in 1,018,600,000 Shares in our Company and continues to own 100% of the shareholding interest in our Company.

2. Our major operating subsidiaries

Set out below is the information of our major operating subsidiaries:

Yuexiu PD

Yuexiu PD has been an indirect wholly-owned subsidiary of our Company since the completion of the Reorganization. It was established as a company with limited liability under the name of Guangzhou Construction & Development Property Management Company* (廣州市建設開發物業公司) in the PRC on January 2, 1992 by GCCD Group. It had a registered capital of RMB500,000, all of which was contributed by GCCD Group. After a series of equity transfers and capital injections, as at the beginning of the Track Record Period, the registered capital of Yuexiu PD was approximately RMB13.0 million, among which 5.0% was contributed by GCCD and 95.0% was contributed by Broadland International.

On April 30, 2019, GCCD and Broadland International signed the articles in relation to the joint participation of Yuexiu PD (合資經營廣州越秀物業發展有限公司章程), pursuant to which the registered capital of Yuexiu PD was increased to RMB100.0 million, among which 5.0% was contributed by GCCD and 95.0% was contributed by Broadland International. On November 7, 2020, as part of the Reorganization, GCCD entered into an equity transfer agreement with Broadland International to transfer its 5.0% equity interest in Yuexiu PD to Broadland International at a consideration of approximately RMB28.3 million. Subsequent to such transfer, Yuexiu PD became directly wholly-owned by Broadland International.

Yuexiu PD is principally engaged in the provision of property management services.

GZ Yuexiuhui

GZ Yuexiuhui has been an indirect wholly-owned subsidiary of our Company since the completion of the Reorganization. It was established as a company with limited liability in the PRC on August 9, 2001 by Yuexiu PD and Guangzhou Huijing (as defined below). It had a registered capital of RMB500,000, among which 90.0% was contributed by Yuexiu PD and 10.0% was contributed by Guangzhou Huijing.

On November 7, 2020, as part of the Reorganization, Guangzhou Huijing entered into an equity transfer agreement with Yuexiu PD to transfer its 10.0% equity interest in GZ Yuexiuhui to Yuexiu PD at a consideration of approximately RMB6.0 million. Subsequent to such transfer, GZ Yuexiuhui became directly wholly-owned by Yuexiu PD.

GZ Yuexiuhui is principally engaged in the provision of value-added services to non-property owners.

Guangzhou Yuexiu JLL

Guangzhou Yuexiu JLL has been an indirect non wholly-owned subsidiary of our Company since the completion of the Reorganization. It was established as a company with limited liability in the PRC on September 18, 2009 by GCCD and Beijing Jones Lang Lasalle Property Management Services Company Limited* (北京仲量聯行物業管理服務有限公司) ("**Beijing JLL**"), who, save for its shareholding in Guangzhou Yuexiu JLL, is an Independent Third Party. Guangzhou Yuexiu JLL had a registered capital of RMB5.0 million, among which 60.0% was contributed by GCCD and 40.0% was contributed by Beijing JLL.

On July 2, 2020, Beijing JLL entered into an equity transfer agreement with GCCD to transfer its 20.0% equity interest in Guangzhou Yuexiu JLL to GCCD at a consideration of approximately RMB2.4 million. Subsequent to such transfer, Guangzhou Yuexiu JLL became owned as to 80.0% and 20.0% by GCCD and Beijing JLL, respectively. On November 7, 2020, as part of the Reorganization, GCCD entered into an equity transfer agreement with Guangzhou Lexi to transfer its 80.0% equity interest in Guangzhou Yuexiu JLL to Guangzhou Lexi at a consideration of approximately RMB22.1 million. Subsequent to such transfer, Guangzhou Yuexiu JLL became owned as to 80.0% by Guangzhou Lexi and 20.0% by Beijing JLL.

Guangzhou Yuexiu JLL is principally engaged in the provision of property management services.

Yuexiu Yicheng

Yuexiu Yicheng has been an indirect wholly-owned subsidiary of our Company since the completion of the Reorganization. It was established as a company with limited liability in the PRC on December 29, 1997 by Guangzhou Yicheng Development Co., Ltd.* (廣州怡城實業有限公司) ("**Yicheng Development**") and Wang Haiying, an Independent Third Party. It had a registered capital of RMB500,000, among which 90.0% was contributed by Yicheng Development and 10.0% was contributed by Wang Haiying.

After a series of equity transfers and capital injections, as at the beginning of the Track Record Period, Yuexiu Yicheng had a registered capital of RMB5.0 million, among which 14.32% was contributed by GCCD, and 85.68% was contributed by Link Access, which was an indirect wholly-owned subsidiary of Yuexiu Property before the completion of the Reorganization, respectively. On November 7, 2020, as part of the Reorganization, GCCD entered into an equity transfer agreement with Link Access to transfer its 14.32% equity interest in Yuexiu Yicheng to Link Access at a consideration of approximately RMB3.6 million. Subsequent to such transfer, Yuexiu Yicheng became directly wholly-owned by Link Access.

Yuexiu Yicheng is principally engaged in the provision of commercial operation and management services.

YX APT Parking

YX APT Parking has been an indirect wholly-owned subsidiary of our Company since the completion of the Reorganization. It was incorporated as a company with limited liability in Hong Kong on March 14, 1997 under the laws of Hong Kong by two Independent Third Parties. After a series of share transfers taking place since the date of its incorporation, as at the beginning of the Track Record Period, YX APT Parking was held as to 70% by Nation Harvest, being an indirect wholly-owned subsidiary of Yuexiu Property, and 30% by a then wholly-owned subsidiary of Yuexiu Property. On September 23, 2019, Nation Harvest was transferred 30% shareholding in YX APT Parking at nil consideration from the then wholly-owned subsidiary of Yuexiu Property and upon completion of such transfer, Nation Harvest was ultimately interested in the entire shareholding in YX APT Parking. On November 10, 2020, as part of the Reorganization, Nation Harvest transferred the entire shareholding in YX APT Parking to Major Benefit at a total consideration of HK$17,239,827.00. Subsequent to such transfer, YX APT Parking became indirectly wholly-owned by the Company.

YX APT Parking is principally engaged in security and guarding services.

Zhongshan Yuexiu

Zhongshan Yuexiu is an indirect wholly-owned subsidiary of our Company. It was established as a company with limited liability in the PRC on August 19, 2011 by Zhongshan Yuexiu Property Development Co., Ltd.* (中山市越秀地產開發有限公司) ("**Zhongshan Yuexiu PD**"), an indirect non wholly-owned subsidiary of Yuexiu Property. It had a registered capital of RMB3.0 million, all of which was contributed by Zhongshan Yuexiu PD. On June 2, 2017, Zhongshan Yuexiu PD transferred its entire equity interest in Zhongshan Yuexiu to Yuexiu PD at a consideration of approximately RMB3.8 million. Subsequent to such transfer, Zhongshan Yuexiu became directly wholly-owned by Yuexiu PD.

Zhongshan Yuexiu is principally engaged in the provision of property management services.

Guangzhou Yueguan

Guangzhou Yueguan is an indirect wholly-owned subsidiary of our Company. It was established as a company with limited liability in the PRC on July 27, 2001 by GCCD and Yuexiu Yicheng. It had a registered capital of RMB500,000, among which 90.0% was contributed by Yuexiu PD and 10.0% was contributed by Yuexiu Yicheng.

On August 17, 2018, the registered capital of Guangzhou Yueguan was increased to RMB2.0 million, among which 90% was contributed by Yuexiu PD and 10% was contributed by Yuexiu Yicheng, respectively. On March 31, 2020, the registered capital of Guangzhou Yueguan was increased to RMB20.0 million, among which 90% was contributed by Yuexiu PD and 10% was contributed by Yuexiu Yicheng, respectively.

Guangzhou Yueguan is principally engaged in the provision of value-added services to non-property owners.

Zhejiang Yuexiu

Zhejiang Yuexiu has been an indirect wholly-owned subsidiary of our Company since the completion of the Reorganization. It was established as a company with limited liability in the PRC on May 7, 2012 by Hangzhou Yuexiu Property Development Co., Ltd* (杭州越秀房地產開發有限公司) ("**Hangzhou Yuexiu PD**"), an indirect wholly-owned subsidiary of Yuexiu Property. Zhejiang Yuexiu had a registered capital of RMB3.0 million, all of which was contributed by Hangzhou Yuexiu PD.

On April 30, 2014, the registered capital of Zhejiang Yuexiu was increased to RMB10.0 million, all of which was contributed by Hangzhou Yuexiu PD. On April 10, 2017, Hangzhou Yuexiu PD transferred its entire equity interest in Zhejiang Yuexiu to Yuexiu PD at a consideration of approximately RMB10.6 million. Subsequent to such transfer, Zhejiang Yuexiu became directly wholly-owned by Yuexiu PD.

Zhejiang Yuexiu is principally engaged in the provision of property management services.

Yuexiu Shandong

Yuexiu Shandong is an indirect wholly-owned subsidiary of our Company. It was established as a company with limited liability in the PRC on February 24, 2011 by Yantai Yuexiu Property Development Co., Ltd.* (煙台越秀地產開發有限公司) ("**Yantai Yuexiu PD**"), an indirect wholly-owned subsidiary of Yuexiu Property. It had a registered capital of RMB3.0 million, all of which was contributed by Yantai Yuexiu PD. On March 16, 2017, Yantai Yuexiu PD transferred its entire equity interest in Yuexiu Shandong to Yuexiu PD at a consideration of approximately RMB9.8 million. Subsequent to such transfer, Yuexiu Shandong became directly wholly-owned by Yuexiu PD.

Yuexiu Shandong is principally engaged in the provision of property management services.

Guangzhou Baima

Guangzhou Baima has been an indirect wholly-owned subsidiary of our Company since the completion of the Reorganization. It was established as a company with limited liability in the PRC on November 19, 1998 by Guangzhou Baima Garment Co., Ltd.* (廣州白馬服裝市場股份有限公司), an indirect wholly-owned subsidiary of Yuexiu Property, Guangzhou Yuecheng

Investment Consulting Co., Ltd.* (廣州越城投資顧問有限公司) and Guangzhou Liuhua Yihe Economic Development Co., Ltd.* (廣州流花怡和經濟發展有限公司), both of which are Independent Third Parties. It had a registered capital of RMB500,000, among which 47.0% was contributed by Guangzhou Baima Garment Co., Ltd.* (廣州白馬服裝市場股份有限公司), 48.0% was contributed by Guangzhou Yuecheng Investment Consulting Co., Ltd.* (廣州越城投資顧問有限公司) and 5.0% was contributed by Guangzhou Liuhua Yihe Economic Development Co., Ltd.* (廣州流花怡和經濟發展有限公司).

On August 19, 1999, the registered capital of Guangzhou Baima was increased from RMB500,000 to RMB1.5 million, among which 65.0% was contributed by Guangzhou Baima Garment Co., Ltd.* (廣州白馬服裝市場股份有限公司), 30.0% was contributed by Guangzhou Yuecheng Investment Consulting Co., Ltd.* (廣州越城投資顧問有限公司) and 5% was contributed by Guangzhou Liuhua Yihe Economic Development Co., Ltd.* (廣州流花怡和經濟發展有限公司). After a series of equity transfers and capital injections, as at the beginning of the Track Record Period, Guangzhou Baima had a registered capital of RMB5.0 million, among which 65% was contributed by Guangzhou Xingcheng, being an indirect majority-owned subsidiary of Yuexiu Property, and 35% was contributed by Fort Fortune, which was an indirect wholly-owned subsidiary of Yuexiu Property before the completion of the Reorganization. On October 30, 2020, the registered capital of Guangzhou Baima was increased to RMB19.0 million, among which 65% was contributed by Guangzhou Xingcheng and 35% was contributed by Fort Fortune. On November 7, 2020, as part of the Reorganization, Guangzhou Xingcheng entered into an equity transfer agreement with Fort Fortune to transfer its 65.0% equity interest in Guangzhou Baima to Fort Fortune at a consideration of approximately RMB35.3 million. Subsequent to such transfer, Guangzhou Baima became wholly-owned by Fort Fortune.

Guangzhou Baima is principally engaged in the provision of commercial operation and management services.

MAJOR ACQUISITION FROM THE BEGINNING OF THE TRACK RECORD PERIOD AND UP TO THE LATEST PRACTICABLE DATE

Acquisition of 67.0% equity interest in GZMEE and 67.0% indirect equity interest in GZMPM

On November 23, 2020, GZ Metro, Yuexiu PD, GZMEE and GZMPM entered into an equity transfer agreement, pursuant to which GZ Metro as vendor agreed to sell, and Yuexiu PD as purchaser agreed to purchase, 67.0% of the equity interest in GZMEE and 67.0% indirect effective equity interest in GZMPM (indirectly through GZMEE's shareholding in GZMPM) at a consideration of approximately RMB281.7 million (including tax payable of RMB5.0 million), which was determined after arm's length negotiation and represents an approximate 5.4% discount to 67.0% of the appraised value of GZMEE and GZMPM of approximately RMB444.4 million as at June 30, 2020 as valued by an independent valuer based on market approach. As at the date of the said acquisition, GZ Metro is a connected person of Yuexiu Property under Chapter 14A of the Listing Rules. GZ Metro will also be a connected person of our Company upon completion of the Spin-off and the Global Offering. Completion of the aforementioned acquisition occurred on November 30, 2020, and the relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 30, 2020. After such transfer, GZMEE and GZMPM became indirect non wholly-owned subsidiaries of our Company.

GZMEE is principally engaged in (i) the upkeeping and placing of greeneries in train depots owned, operated and managed by GZ Metro in Guangzhou, the PRC; (ii) the cleaning and sanitation of train depots and train stations owned, operated and managed by GZ Metro in Guangzhou, the PRC; (iii) the delivery and collection of train tickets; and (iv) the upkeeping and placing of greeneries in, and the cleaning and sanitation of, other commercial properties. GZMPM is principally engaged in the provision of property management services (including cleaning and sanitation, and safety and security) of (i) the abovementioned train depots and train stations; and (ii) residential properties and commercial properties in Guangzhou, the PRC.

As of December 31, 2020, properties under the management of GZMEE and GZMPM, comprising residential properties, public properties and commercial properties, are all located in Guangzhou, the PRC. As of December 31, 2020, there were in total 36 properties under the management of GZMEE and GZMPM, and none of them recorded a loss. The average property management fee with regards to residential properties and commercial properties under the management of GZMEE and GZMPM during the Track Record Period was approximately RMB1.6 per sq.m. per month and RMB12.0 per sq.m. per month, respectively. During the year ended December 31, 2020, the gross profit margin of GZMEE and GZMPM recorded an increase from 18.5% for the year ended December 31, 2019 to 30.4%, which was primarily due to (i) the reduction in or exemption from payment of social insurance contributions as a result of the regulatory supportive policies issued by the local government in the PRC in response to COVID-19; and (ii) the increment in the services fee rates in 2020 charged for upkeeping and placing of greeneries as well as cleaning and sanitation of certain train depots of GZ Metro.

The table below sets forth financial details of GZMEE and GZMPM during the Track Record Period:

	For the year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	153,225	177,562	217,950
Gross Profit	22,873	32,761	66,183
Gross Profit Margin	14.9%	18.5%	30.4%
Net Profit (after taxation)	4,052	10,347	34,293

To the best of our Directors' knowledge and belief, in terms of cost structure and profitability, projects under the management of GZMEE and GZMPM are similar to those managed by our Group.

As confirmed by our PRC Legal Advisor, the abovementioned acquisition has been properly and legally completed and settled, and all applicable regulatory approvals have been obtained.

PRE-IPO INVESTMENT

Investment by GMIF

On February 8, 2021, our Company, Yuexiu Property, GCD China and GMIF entered into an investment agreement pursuant to which GMIF agreed to subscribe for, and Yuexiu Property and GCD China agreed to procure our Company to issue and allot 90,359,677 Shares to GMIF at a consideration of RMB330.0 million, which is determined after arm's length negotiations between our Company and GMIF on normal commercial terms.

Information of GMIF

GMIF is a company incorporated in Hong Kong and is principally engaged in investment holding. It is a direct wholly-owned subsidiary of GZ Metro. GZ Metro is a wholly-owned subsidiary of the Guangzhou Municipal People's Government of the PRC. As at the Latest Practicable Date, GMIF directly owns approximately 19.9% shareholding in Yuexiu Property and approximately 7.21% shareholding in CHB. We acquainted with GMIF through its shareholding relationship in Yuexiu Property.

The table below sets forth a summary of the Pre-IPO Investment:

Name of investor	GMIF
Date of the agreement in relation to the Pre-IPO Investment	February 8, 2021
Amount of consideration	RMB330.0 million
Basis of consideration	Based on arm's length negotiations between the parties and the appraised value of our Company as at December 1, 2020
Payment date of the consideration	February 8, 2021
Effective shareholding upon Listing	90,359,677 Shares, representing approximately 6.11% of the total number of issued Shares upon Listing, assuming no exercise of the Over-allotment Option and assuming GMIF has not taken up its Assured Entitlement
Effective cost per Share paid	Approximately RMB3.65 (equivalent to approximately HK$4.38)
Discount to the mid-point of the indicative Offer Price range	25.0%
Use of net proceeds and its utilization by our Company	Settlement of listing expenses and balances due to our related parties, as well as replenishment of our working capital. As at the Latest Practicable Date, approximately 11.9% of the net proceeds has been utilised

Lock-up period	GMIF has undertaken not to dispose of or enter into any agreement to dispose of its shareholding in our Company to any person within one year after the completion of the Listing. In the period of 12 months following the expiry of the aforementioned one-year period, on the condition of compliance with applicable laws and regulations and the Articles, GMIF shall not dispose of or enter into any agreement to dispose of the said Shares unless the prior consents from GCD China has been obtained
Any special rights enjoyed	GMIF has the right to appoint one Director to the Board. Such right will be terminated upon Listing
Strategic benefits brought to our Group by the investor . . .	Widening the Shareholder base of our Company, deepening the strategic cooperation between our Company and GZ Metro and creating a synergy between the two entities that will be beneficial in further expanding the business operations of our Company

Joint Sponsors' Confirmation

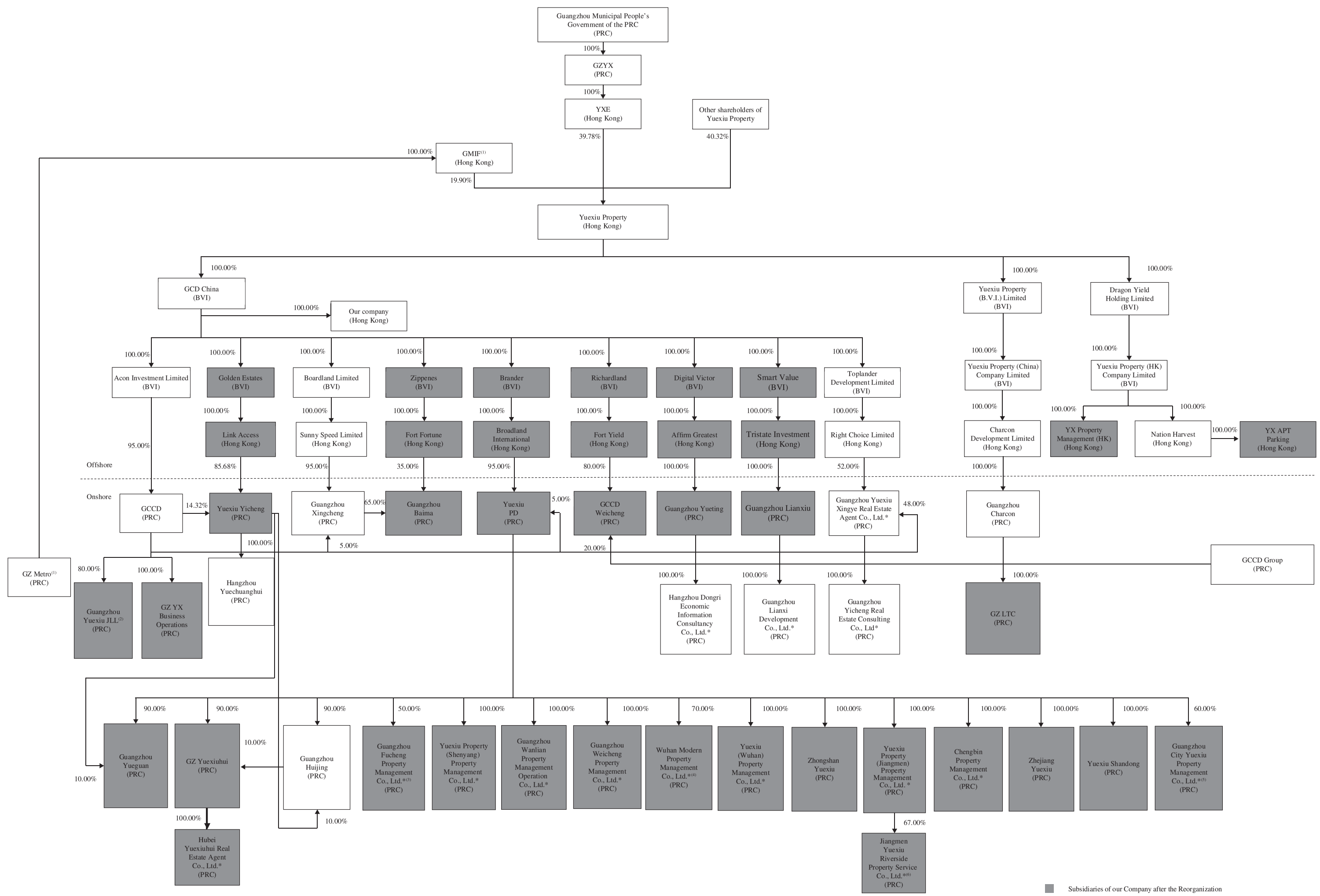
On the basis that (i) the Listing is expected to take place on or after Monday, June 28, 2021 and will be more than 120 clear days after the completion of the Pre-IPO Investment, which is February 8, 2021, and (ii) the Pre-IPO Investor shall have the same right as the other public Shareholders after the Listing, the Joint Sponsors have confirmed that, based on the documents provided by the Company relating to the Pre-IPO Investment, the Pre-IPO Investment is in compliance with the Interim Guidance on pre-IPO investments (HKEx-GL29-12) and the Guidance on pre-IPO investments (HKEx-GL43-12).

Public Float

As GMIF is our connected person under the Listing Rules, the Shares held by GMIF shall not be considered as part of the public float for the purpose of Rule 8.08 of the Listing Rules.

REORGANIZATION

Set out below is the simplified shareholding and corporate structure of our Group immediately prior to the implementation of the Reorganization and the Pre-IPO Investment:



Notes:

(1) GZ Metro is a connected person of Yuexiu Property under the Listing Rules.

(2) The remaining 20.00% equity interest in Guangzhou Yuexiu JLL is owned by Beijing JLL, which, save for its equity interest in Guangzhou Yuexiu JLL, is an Independent Third Party.

(3) The remaining 50.00% equity interest in Guangzhou Fucheng Property Management Co., Ltd. is owned by Urban Property Management Limited, which, save for its equity interest in Guangzhou Fucheng Property Management Co., Ltd.*, is an Independent Third Party.*

(4) The remaining 30.00% equity interest in Wuhan Modern Property Management Co., Ltd. is owned by Wang Tao, which, save for his equity interest in Wuhan Modern Property Management Co., Ltd.*, is an Independent Third Party.*

(5) The remaining 40.00% equity interest in Guangzhou City Yuexiu Property Management Co., Ltd. is ultimately owned by the Guangzhou Municipal People's Government of the PRC.*

(6) The remaining 33.00% equity interest in Jiangmen Yuexiu Riverside Property Service Co., Ltd. is owned by Jiangmen Binjiang Property Management Co., Ltd.*, which save for its equity interest in Jiangmen Yuexiu Riverside Property Service Co., Ltd.*, is an Independent Third Party.*

In preparation for the Listing, our Company underwent the Reorganization that involved the following material steps:

Onshore Reorganization

Consolidation of onshore shareholding interest

On November 7, 2020, GCCD Group entered into an equity transfer agreement with Fort Yield, pursuant to which GCCD Group as vendor agreed to sell, and Fort Yield as purchaser agreed to purchase, 20.0% of the equity interest in GCCD Weicheng at a consideration of approximately RMB1.9 million, which was determined after arm's length negotiation and with reference to the appraised value of GCCD Weicheng as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 17, 2020. After such transfer, GCCD Weicheng became directly wholly-owned by Fort Yield.

On November 7, 2020, Guangzhou Xingcheng Enterprise Development Co., Ltd.* (廣州市興城實業發展有限公司) ("**Guangzhou Xingcheng**") entered into an equity transfer agreement with Fort Fortune, pursuant to which Guangzhou Xingcheng as vendor agreed to sell, and Fort Fortune as purchaser agreed to purchase, 65.0% of the equity interest in Guangzhou Baima at a consideration of approximately RMB35.3 million, which was determined after arm's length negotiation and with reference to the appraised value of Guangzhou Baima as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 18, 2020. After such transfer, Guangzhou Baima became directly wholly-owned by Fort Fortune.

On November 7, 2020, GCCD entered into an equity transfer agreement with Guangzhou Lexi pursuant to which GCCD as vendor agreed to sell, and Guangzhou Lexi as purchaser agreed to purchase, 80.0% of the equity interest in Guangzhou Yuexiu JLL at a consideration of approximately RMB22.1 million, which was determined after arm's length negotiation and with reference to the appraised value of Guangzhou Yuexiu JLL as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on December 7, 2020. After such transfer, Guangzhou Yuexiu JLL became owned as to 80.0% by Guangzhou Lexi and 20.0% by Beijing JLL, an Independent Third Party.

On November 7, 2020, GCCD entered into an equity transfer agreement with Broadland International, pursuant to which GCCD as vendor agreed to sell, and Broadland International as purchaser agreed to purchase, 5.0% of the equity interest in Yuexiu PD at a consideration of approximately RMB28.3 million, which was determined after arm's length negotiation and with reference to the appraised value of Yuexiu PD as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 13, 2020. After such transfer, Yuexiu PD became directly wholly-owned by Broadland International.

On November 7, 2020, GCCD entered into an equity transfer agreement with Guangzhou Yueting, pursuant to which GCCD as vendor agreed to sell, and Guangzhou Yueting as purchaser agreed to purchase, 100.0% of the equity interest in GZ YX Business Operations at a consideration of approximately RMB7.6 million, which was determined after arm's length negotiation and with reference to the appraised value of GZ YX Business Operations as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 16, 2020. After such transfer, GZ YX Business Operations became directly wholly-owned by Guangzhou Yueting.

On November 7, 2020, GCCD entered into an equity transfer agreement with Link Access, pursuant to which GCCD as vendor agreed to sell, and Link Access as purchaser agreed to purchase, 14.32% of the equity interest in Yuexiu Yicheng at a consideration of approximately RMB3.6 million, which was determined after arm's length negotiation and with reference to the appraised value of Yuexiu Yicheng as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 13, 2020. After such transfer, Yuexiu Yicheng became directly wholly-owned by Link Access.

On November 7, 2020, Guangzhou Charcon Real Estate Co., Ltd.* (廣州市祥港房地產開發有限公司) ("**Guangzhou Charcon**") entered into an equity transfer agreement with Guangzhou Lianxiu, pursuant to which Guangzhou Charcon as vendor agreed to sell, and Guangzhou Lianxiu as purchaser agreed to purchase, 100.0% of the equity interest in GZ LTC at a consideration of approximately RMB0.5 million, which was determined after arm's length negotiation and with reference to the appraised value of GZ LTC as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 16, 2020. After such transfer, GZ LTC became directly wholly-owned by Guangzhou Lianxiu.

On November 7, 2020, Guangzhou Huijing Greenery Co., Ltd.* (廣州市薈景綠化有限公司) ("**Guangzhou Huijing**") entered into an equity transfer agreement with Yuexiu PD, pursuant to which Guangzhou Huijing as vendor agreed to sell, and Yuexiu PD as purchaser agreed to purchase, 10.0% of the equity interest in GZ Yuexiuhui at a consideration of approximately RMB6.0 million, which was determined after arm's length negotiation and with reference to the appraised value of GZ Yuexiuhui as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 13, 2020. After such transfer, GZ Yuexiuhui became directly wholly-owned by Yuexiu PD.

Disposal of onshore shareholding interest

On November 7, 2020, for the purpose of streamlining our corporate structure and business operations, Yuexiu Yicheng entered into an equity transfer agreement with Guangzhou Yuexiu Commercial Property Investment Management Co., Ltd.* (廣州越秀商業地產投資管理有限公司) ("**Yuexiu Commercial Property Investment**"), pursuant to which Yuexiu Yicheng as vendor agreed to sell, and Yuexiu Commercial Property Investment as purchaser agreed to purchase, 100.0% of the equity interest in Hangzhou Yuechuanghui Technology Co., Ltd.* (杭州越創慧科技有限公司) ("**Hangzhou Yuechuanghui**") at a consideration of approximately RMB2.9 million, which was determined after arm's length negotiation and with reference to the appraised value of Hangzhou Yuechuanghui as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 13, 2020. After such transfer, Hangzhou Yuechuanghui ceased to be owned by Yuexiu Yicheng. Immediately prior to the disposal, save for licensing the right to use a trademark, Hangzhou Yuechuanghui had no other business activities and it was not subject to any material non-compliances.

On November 7, 2020, for the purpose of streamlining our corporate structure and business operations, Yuexiu PD, Yuexiu Yicheng and GCCD Hongcheng Car Park Management Co., Ltd.* (廣州城建開發宏城車場物業管理有限公司) ("**GCCD Hongcheng**") entered into an equity transfer agreement, pursuant to which Yuexiu PD and Yuexiu Yicheng as vendor agreed to sell, and GCCD Hongcheng as purchaser agreed to purchase, 90.0% and 10.0% of the equity interest in Guangzhou Huijing at an aggregate consideration of approximately RMB5.5 million, which was determined after arm's length negotiation and with reference to the appraised value of Guangzhou Huijing as at July 31, 2020. The relevant registration procedure in respect of such transfer was completed with the relevant industrial and commercial administration authority on November 13, 2020. After such transfer, Guangzhou Huijing ceased to be owned by Yuexiu PD and Yuexiu Yicheng. Immediately prior to the disposal, Guangzhou Huijing was dormant and was not subject to any material non-compliances.

Deregistration of certain companies

On March 19, 2020, for the purpose of streamlining our corporate structure, the then shareholder of Hangzhou Dongri Economic Information Consultancy Co., Ltd.* (杭州東日經濟信息諮詢有限公司), Guangzhou Yueting, resolved to voluntarily deregister such company. The voluntary deregistration was completed on April 10, 2020. Hangzhou Dongri Economic Information Consultancy Co., Ltd.* (杭州東日經濟信息諮詢有限公司) was dormant, solvent and was not subject to any material non-compliances at the time of its deregistration.

On May 7, 2020, for the purpose of streamlining our corporate structure, the then shareholder of Guangzhou Lianxi Development Co., Ltd.* (廣州聯熹實業發展有限公司), Guangzhou Lianxiu, resolved to voluntarily deregister such company. The voluntary deregistration was completed on September 30, 2020. Guangzhou Lianxi Development Co., Ltd.* (廣州聯熹實業發展有限公司) was dormant, solvent and was not subject to any material non-compliances at the time of its deregistration.

Offshore Reorganization

Incorporation of our Company

Our Company was incorporated as a company with limited liability in Hong Kong on October 8, 2020 under the laws of Hong Kong. Our Company is the holding company of our subsidiaries and its principal business activity is investment holding. Upon incorporation, 100,000 subscriber Shares were issued at HK$1,000.00 by our Company to GCD China, which is a direct wholly-owned subsidiary of Yuexiu Property.

Consolidation of offshore shareholding interest

On November 10, 2020, Yuexiu Property (HK) Company Limited (越秀地產(香港)有限公司), an indirect wholly-owned subsidiary of Yuexiu Property, entered into an equity transfer agreement with Ever Famous, pursuant to which Yuexiu Property (HK) Company Limited (越秀地產(香港)有限公司) as vendor agreed to sell, and Ever Famous as purchaser agreed to purchase, 100.0% of the shareholding interest in YX Property Management (HK) at a consideration of approximately HK$35.3 million, which was determined after arm's length negotiation and with reference to the audited net asset value of YX Property Management (HK) as at July 31, 2020. The relevant transfer was completed on November 16, 2020. After such transfer, YX Property Management (HK) became directly wholly-owned by Ever Famous.

On November 10, 2020, Nation Harvest entered into an equity transfer agreement with Major Benefit, pursuant to which Nation Harvest as vendor agreed to sell, and Major Benefit as purchaser agreed to purchase, 100.0% of the shareholding interest in YX APT Parking at a consideration of approximately HK$17.2 million, which was determined after arm's length negotiation and with reference to the audited net asset value of YX APT Parking as at July 31, 2020. The relevant transfer was completed on November 16, 2020. After such transfer, YX APT Parking became directly wholly-owned by Major Benefit.

Loan Capitalization

On November 20, 2020, each of Golden Estates, Zippenes, Brander, Richardland, Greater Rich, Digital Victor, Smart Value, Ever Famous, Major Benefit, Winner Zone and All Plus (the "**Debtors**", all of which are directly wholly-owned by GCD China) entered into a share subscription and set-off agreement with GCD China, pursuant to which GCD China agreed to subscribe for, and each of the Debtors agreed to allot and issue one share in its share capital to GCD China, in consideration for repaying the amount due from each of them to GCD China. The relevant issue and allotment was completed on November 20, 2020. After such issue and allotment, each of the Debtors remained to be directly wholly-owned by GCD China.

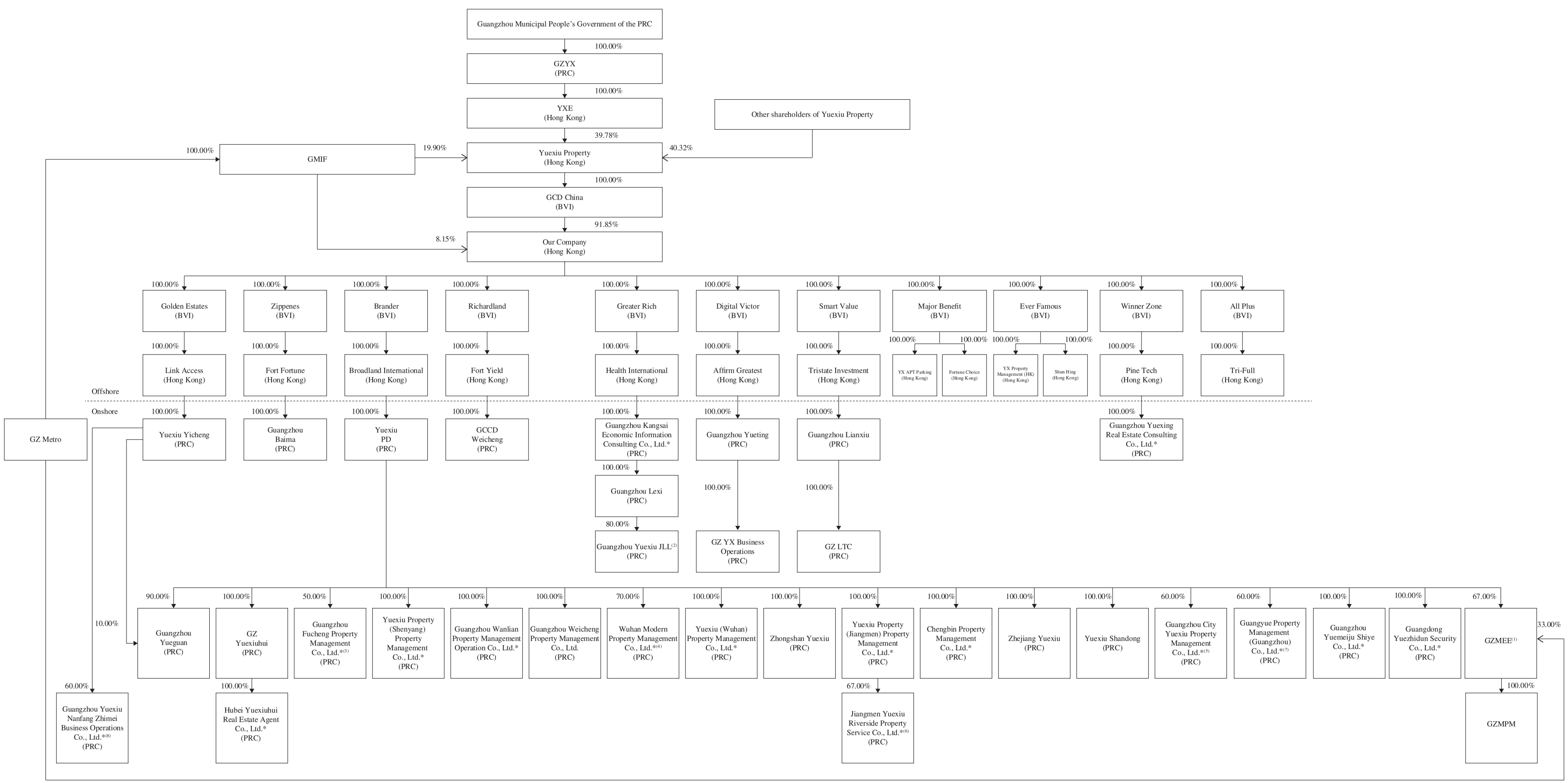
Share Swap

On November 30, 2020, GCD China, our Company, Golden Estates, Zippenes, Brander, Richardland, Greater Rich, Digital Victor, Smart Value, Ever Famous, Major Benefit, Winner Zone and All Plus entered into a sale and purchase agreement, pursuant to which GCD China agrees to transfer the entire issued share capital in each of Golden Estates, Zippenes, Brander, Richardland, Greater Rich, Digital Victor, Smart Value, Ever Famous, Major Benefit, Winner Zone and All Plus to our Company. As consideration, our Company agrees to allot and issue 1,018,500,000 Shares to GCD China. The relevant allotment and issuance was completed on December 1, 2020. Subsequent to such allotment and issuance, GCD China is interested in 1,018,600,000 Shares in the Company, representing 100% of the total number of issued shares in the Company.

CORPORATE STRUCTURE

We have adopted a complex Group structure with a number of subsidiaries where there are properties we manage nearby. This allows for flexibility in the relevant compliance and financial risk management when our Group engages property management projects during our ordinary course of business.

Set out below is the simplified corporate and shareholding structure after completion of the Reorganization and the Pre-IPO Investment, and immediately before the Global Offering:



Notes:

(1) GZMEE is owned indirectly as to 67.0% by our Company and directly as to 33.0% by GZ Metro. Accordingly, GZ Metro is our connected person under the Listing Rules.

(2) The remaining 20.00% equity interest in Guangzhou Yuexiu JLL is owned by Beijing JLL, which, save for its equity interest in Guangzhou Yuexiu JLL, is an Independent Third Party.

(3) The remaining 50.00% equity interest in Guangzhou Fucheng Property Management Co., Ltd. is owned by Urban Property Management Limited, which, save for its equity interest in Guangzhou Fucheng Property Management Co., Ltd.*, is an Independent Third Party.*

(4) The remaining 30.00% equity interest in Wuhan Modern Property Management Co., Ltd. is owned by Wang Tao, which, save for his equity interest in Wuhan Modern Property Management Co., Ltd.*, is an Independent Third Party.*

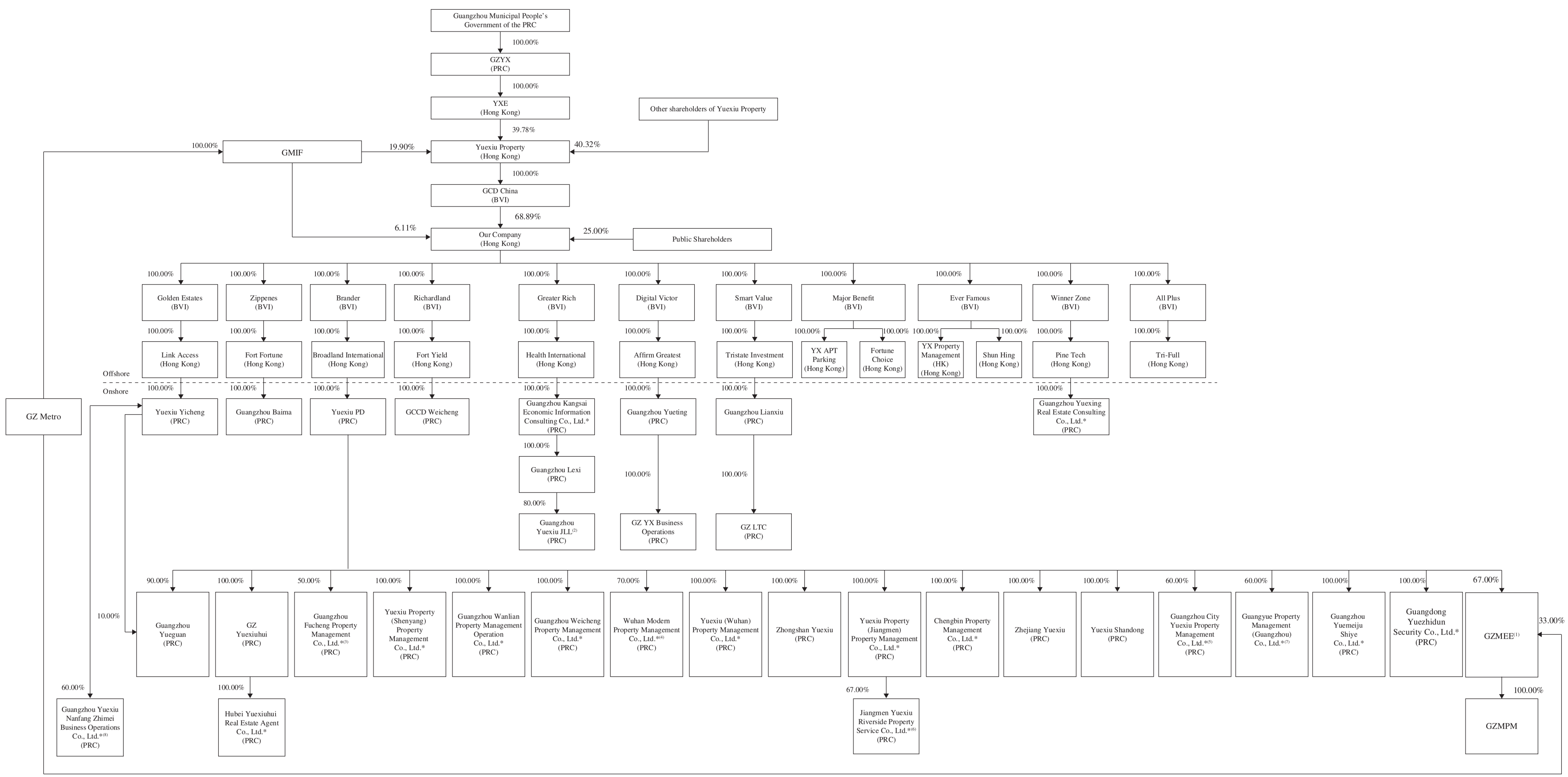
(5) The remaining 40.00% equity interest in Guangzhou City Yuexiu Property Management Co., Ltd. is ultimately owned by the Guangzhou Municipal People's Government of the PRC.*

(6) The remaining 33.00% equity interest in Jiangmen Yuexiu Riverside Property Service Co., Ltd. is owned by Jiangmen Binjiang Property Management Co., Ltd.*, which save for its equity interest in Jiangmen Yuexiu Riverside Property Service Co., Ltd.*, is an Independent Third Party.*

(7) The remaining 40.00% equity interest in Guangyue Property Management (Guangzhou) Co., Ltd. is owned by Guangzhou Liying Technology Development Co., Ltd.*, which, save for its equity interest in Guangyue Property Management (Guangzhou) Co., Ltd.*, is an Independent Third Party.*

(8) The remaining 40.00% equity interest in Guangzhou Yuexiu Nanfang Zhimei Business Operations Co., Ltd. is owned by Guangdong Nanfang Zhimei Industrial Development Co., Ltd.*, which, save for its equity interest on Guangzhou Yuexiu Nanfang Zhimei Business Operations Co., Ltd.*, is an Independent Third Party.*

Set out below is the simplified corporate structure and shareholding of our Group immediately following the completion of the Spin-off and the Global Offering, assuming no exercise of the Over-allotment Option:



Notes:

(1) GZMEE is owned indirectly as to 67.0% by our Company and directly as to 33.0% by GZ Metro. Accordingly, GZ Metro is our connected person under the Listing Rules,

(2) The remaining 20.00% equity interest in Guangzhou Yuexiu JLL is owned by Beijing JLL, which, save for its equity interest in Guangzhou Yuexiu JLL, is an Independent Third Party.

(3) The remaining 50.00% equity interest in Guangzhou Fucheng Property Management Co., Ltd. is owned by Urban Property Management Limited, which, save for its equity interest in Guangzhou Fucheng Property Management Co., Ltd.*, is an Independent Third Party.*

(4) The remaining 30.00% equity interest in Wuhan Modern Property Management Co., Ltd. is owned by Wang Tao, which, save for his equity interest in Wuhan Modern Property Management Co., Ltd.*, is an Independent Third Party.*

(5) The remaining 40.00% equity interest in Guangzhou City Yuexiu Property Management Co., Ltd. is ultimately owned by the Guangzhou Municipal People's Government of the PRC.*

(6) The remaining 33.00% equity interest in Jiangmen Yuexiu Riverside Property Service Co., Ltd. is owned by Jiangmen Binjiang Property Management Co., Ltd.*, which save for its equity interest in Jiangmen Yuexiu Riverside Property Service Co., Ltd.*, is an Independent Third Party.*

(7) The remaining 40.00% equity interest in Guangyue Property Management (Guangzhou) Co., Ltd. is owned by Guangzhou Liying Technology Development Co., Ltd.*, which, save for its equity interest in Guangyue Property Management (Guangzhou) Co., Ltd.*, is an Independent Third Party.*

(8) The remaining 40.00% equity interest in Guangzhou Yuexiu Nanfang Zhimei Business Operations Co., Ltd. is owned by Guangdong Nanfang Zhimei Industrial Development Co., Ltd.*, which, save for its equity interest on Guangzhou Yuexiu Nanfang Zhimei Business Operations Co., Ltd.*, is an Independent Third Party.*

COMPLIANCE WITH PRC LAWS

Our PRC Legal Advisor has confirmed that all relevant approvals and permits required under the PRC laws and regulations in connection with the Reorganization have been obtained and the Reorganization has complied with all applicable PRC laws and regulations.

REASONS FOR THE PROPOSED SPIN-OFF

Pursuant to the Listing Rules and in accordance with the corporate structure and ownership of our Company, the Listing will constitute a spin-off of Yuexiu Property.

The board of directors of Yuexiu Property considers that the Spin-off is in the interests of Yuexiu Property and the Yuexiu Shareholders as a whole based on the following reasons:

(a) The Spin-off will create separate platforms for the Remaining Group and the Group to further develop their respective businesses and will delineate the different businesses of the Remaining Group and the Group;

(b) A separate listing status on the Stock Exchange will enhance the Group's profile and image amongst its customers, suppliers and other business partners, as well as its ability to recruit and retain talents for its business operations;

(c) A separate listing status on the Stock Exchange is expected to facilitate direct access by the Group to the equity and debt securities markets, as well as the bank credit market, providing it with a separate fund raising platform and thereby offering new and more diversified funding sources to finance the Group's existing operations and future expansion;

(d) The Spin-off will allow investors to separately value the Remaining Group and the Group based on their distinct investment identities as well as the respective operational performance and financial results of the Remaining Group and the Group on a standalone basis. This is expected to unlock the intrinsic value of the Group and possibly improve the valuation of the Group which may allow the Group to achieve a fuller valuation potential as a whole; and

(e) The Spin-off will allow the Remaining Group and the Group to pursue their distinct operating priorities and strategies, and to focus on the unique business opportunities in the respective markets in a more effective manner. This will result in enhanced management focus, which should in turn lead to improved decision-making processes, faster response time to market changes and increased operational efficiency for both the Remaining Group and the Group. In addition, as a result of the Spin-off, the Group's management will be under direct and heightened scrutiny from the investing community and it will be possible to measure their performance against the Company's stock market performance relative to its industry peers listed on the Stock Exchange or other international stock exchanges. It will also be possible to link management incentives to such performance, thereby improving management motivation and commitment.

The Spin-off by Yuexiu Property complies with the requirements of Practice Note 15 of the Listing Rules. The Spin-off is not subject to the approval by Yuexiu Shareholders.

OVERVIEW

We are an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area. In November 2020, we acquired GZMEE and GZMPM from GZ Metro, which is our strategic investor, and thereby became a comprehensive property management service provider with metro environmental engineering maintenance and metro property management and operation capabilities.

With nearly 30 years of industry exposure, we consider ourselves as an early mover in the property management sector in China. As a service provider which received first-class property management qualification at state level, we also participated in the revision of the property management service guidelines of Guangzhou, Guangdong Province and China. Our influence in the industry is further evidenced by our titles as the standing director institution of the China Property Management Association (中國物業管理協會), the vice president institution of the Guangdong Property Management Industry Association (廣東省物業管理行業協會), and the president institution of the Guangzhou Property Management Industry Association (廣州市物業管理行業協會).

As of December 31, 2020, we had 215 properties under management, representing a total GFA under management of 32.6 million sq.m., among which 96.1% was attributed to properties located in first-tier, new first-tier and second-tier cities. According to CIA, we ranked 16th among the Top 100 Property Management Companies of 2021 in terms of overall strength; and our market share in terms of GFA under management in 2020 ranked seventh among the Top 100 Property Management Companies providing commercial operation services.

"Diverse property profile", "diverse customer base" and "diverse service offerings" are three integral elements of our identity as a comprehensive urban operation service provider. Integrating space, business and people in the properties we manage, our vision is to create maximum value from a collective whole.

- **Diverse property profile**: We provide services to various types of properties, including residential properties, metro lines and metro stations, metro depots, office buildings, shopping malls, wholesale markets, exhibition centers, city halls, industrial parks and other urban facilities.

- **Diverse customer base**: We regard all people who live, shop, work and stay in the properties under our management as our valued customers.

- **Diverse service offerings**: As a property management service provider, we step beyond the scenarios of traditional property management services and provide comprehensive urban operation solutions for customers from all walks of life.

We offer non-commercial property management and value-added services and commercial property management and operational services. In 2020, we generated revenue of RMB1,168.0 million, of which 69.4% was derived from non-commercial property management and value-added services and 30.6% was derived from commercial property management and operational services.

In terms of non-commercial property management and value-added services, we are committed to providing comprehensive services that are second to none through our "Yue Plus" service brand. By reacting nimbly to the changing preferences of property owners and other customers as we serve them along the property management value chain, we help realize their aspiration for a more enjoyable urban life. Our non-commercial property management and value-added services consist of (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

We have a twenty-year track record in managing and operating commercial properties. Our business mix of asset management, operation management and property management services, together with our ability to advise clients on preliminary planning, design, tenant sourcing and render other value-added services, enable us to become one of the few integrated property management and operational service providers in the market. Our commercial property management and operational services consist of (i) commercial operation and management services; and (ii) market positioning consultancy and tenant sourcing services.

Our financial performance was consistently strong during the Track Record Period in spite of the COVID-19 headwinds. Total revenue increased from RMB762.8 million in 2018 to RMB896.3 million in 2019, and further to RMB1,168.0 million in 2020. Our net profit increased from RMB47.3 million in 2018 to RMB93.2 million in 2019, and further to RMB203.7 million in 2020.

COMPETITIVE STRENGTHS

We believe that the following strengths continue to drive our value growth and set us apart from our competitors:

An urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area

As an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area, we are well positioned to capture the opportunities in the property management services market brought about by profound economic growth. In 2020, we generated revenue of RMB1,168.0 million, of which 69.4% was derived from non-commercial property management and value-added services segment and 30.6% was derived from commercial property management and operational services segment. As of December 31, 2020, we had 215 properties under management, representing a total GFA under management of 32.6 million sq.m., among which 96.1% was attributed to properties located in first-tier, new first-tier and second-tier cities. Our success as a provider of urban operation and integrated property management services could be further illustrated in the following dimensions:

- **Comprehensive services:** "Diverse property profile", "diverse customer base" and "diverse service offerings" are three integral elements of our identity as an urban operation service provider. Integrating space, business and people in the properties we manage, our vision is to create maximum value from a collective whole. We serve a broad range of properties including residential properties, metro lines and metro stations, metro depots, office buildings, shopping malls, wholesale markets, exhibition centers, city halls, industrial parks and other urban facilities.

- **Leading by size:** We had a total GFA under management of 16.4 million sq.m. in the Greater Bay Area as of December 31, 2019. As of December 31, 2020, our total GFA under management in the Greater Bay Area further increased to 25.3 million sq.m, According to CIA, our market share in terms of GFA under management in 2020 ranked seventh among the Top 100 Property Management Companies providing commercial operation services.

- **Outstanding profitability:** In 2020, we had gross profit margin of 34.5% and net profit margin of 17.4%, both of which outperformed the average of the Top 100 Property Management Companies.

- **Robust growth:** We had year-on-year net profit growth rate of 118.6% in 2020.

As an economic powerhouse instrumental to China's future development, the Greater Bay Area has always been our strategic focus. Between 2014 and 2019, it consistently recorded the highest compound population growth rate and the highest GDP per capita of the nation, with an urbanization rate substantially outperforming the national level. On February 18, 2019, the State Council promulgated the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (《粵港澳大灣區發展規劃綱要》), in which the Greater Bay Area was envisioned to be a world-class city cluster. Benefiting from the strong economic fundamentals and favorable government policies, the property management services market in the Greater Bay Area has demonstrated enormous growth potential. According to CIA, the total GFA under management by property management companies in the Greater Bay Area had reached approximately 22.9 billion sq.m. as of December 31, 2020, accounting for 8.8% of the total GFA under management by property management companies in China. As of December 31, 2020, our total GFA under management in the Greater Bay Area was 25.3 million sq.m., accounting for 77.4% of our total GFA under management. In 2020, we derived 82.4% of our total revenue from the Greater Bay Area.

Our Controlling Shareholder, Yuexiu Property, is a prominent property developer with four development platforms (namely, central region, eastern region, western region and railway transportation platforms) deeply rooted in the real estate market of the Greater Bay Area. As of December 31, 2020, Yuexiu Property had a premium landbank of 13.5 million sq.m. in the

Greater Bay Area. Yuexiu Property recorded a contracted sales value of RMB63.7 billion in 2020 in the Greater Bay Area, ranking second among property developers in Guangzhou in terms of attributable sales in 2020 according to CIA. The strong presence of Yuexiu Property in the real estate market of the Greater Bay Area will be our most powerful and reliable backup for us to lead the way in the property management services market of the region.

A transit-oriented integrated property management model with remarkable growth potential

TOD is an urban planning and design model which aims to maximize the use of public transportation in residential or commercial zones. Under the TOD model, a public transport hub is conveniently connected to and surrounded by a mixed-use area which includes destinations of work, commerce, arts, schooling and living. Rapid expansion of cities in China inevitably leads to shortages of space for transportation and property development, and in view of these challenges, we believe that the TOD model will become the mainstream urban planning solution for economically advanced cities. In Japan, Singapore, and Hong Kong, sophisticated TOD models have played a critical role in redefining urban life. In China where TOD model is at an early development stage, integrated property management service providers capable of managing transit-oriented urban complexes are expected to stand out in the market with their early mover advantages.

On November 23, 2020, we acquired GZMEE and GZMPM from GZ Metro, which is our strategic investor, and thereby became a comprehensive property management service provider with metro environmental engineering maintenance and metro property management and operation capabilities. Such a business mix enables us to differentiate from other property management companies listed in Hong Kong. After the acquisitions, our total GFA under management increased by over 5.0 million sq.m., with metro depots, metro lines and metro stations, and residential and commercial properties along the metro network added to our property management portfolio. In servicing metro depots, we undertake cleaning work for special equipment such as metro trains and are therefore able to establish a technological edge that distinguishes ourselves from competitors. Guangzhou metro network is a part of the urban rail transit systems of Guangzhou and the Pearl River Delta and a member of the Community of Metros (CoMET). According to CoMET, Guangzhou metro network outperformed 37 major metro networks in the world in three consecutive years in a number of key safety indicators. Local government currently targets to extend the total mileage of the urban railway transit network of Guangzhou to over 800 kilometers by 2023. As of the Latest Practicable Date, GZ Metro had successfully sourced a number of projects outside of Guangzhou, including but not limited to Metro Line 6 of Changsha, Metro Line 3 of Nanchang, Metro Line 4 of Chongqing and Urban Rail Transit Line 1 of Lijiang. Our partnership with GZ Metro would naturally allow us to scale up our metro related property management business along the path of its geographical expansion.

In addition, our Controlling Shareholder, Yuexiu Property, is one of the largest TOD property developers in China, having GZ Metro as its second largest shareholder. As of December 31, 2020, Yuexiu Property had developed five transit-oriented residential properties, the total GFA of which amounted to nearly 4.0 million sq.m. In 2020, contracted sales value derived from the five transit-oriented residential properties were approximately RMB17.0 billion. We believe that our transit-oriented integrated property management model, which combines transit-oriented property management and property management for metro stations and metro depots, will create a new momentum for our future growth in terms of scale and profitability.

An expert in commercial operations and a leader in the high-end office property management services market in China

We have a twenty-year track record in managing and operating commercial properties. According to Guandian Index Academy (觀點研究院), Yuexiu Property ranked 15th among top 100 Chinese commercial property developers, 12th among top 100 Chinese commercial property developers in terms of commercial real estate operational capability (commercial real estate operational capability is assessed based on a comprehensive consideration of various factors, including operational capability of investment properties; capability in asset management and geographic layout), and fourth among top 20 Chinese commercial office operation service providers in 2020. Average occupancy rate of the commercial properties under our management consistently exceeds 90%. Our business mix of asset management, operation management and property management services, together with our ability to advise clients on preliminary planning, design, tenant sourcing and render other services along our value chain, enable us to become one of the few integrated commercial property management and operational service providers in the market. As of December 31, 2020, the total GFA of the commercial properties under our management was 2.8 million sq.m.. In 2020, our revenue generated from commercial property management and operational services segment amounted to RMB356.9 million, among which 85.0% was generated from commercial operation and management services and 15.0% was generated from market positioning consultancy and tenant sourcing services.

We have a diversified portfolio of commercial properties under our management and operation, which mainly include:

- **Offices:** We manage both commercial office buildings and corporate headquarters office buildings. As of December 31, 2020, the total GFA of the office buildings under our management amounted to 2.3 million sq.m. We have in place a sophisticated operation and management system and industry-leading safety management standards customized for skyscrapers. We have been actively involved by Guangzhou Property Management Association (廣州市物業管理行業協會) in formulating industry standards for commercial office property management services and are a member of the Facility and Equipment Technology Committee of China Property Management Institute (中國物業管理協會設施設備技術委員會). Behind these achievements is our relentless commitment over a decade to offering best-in-class property management and operational services to high-end skyscrapers, including but not limited to the 432-meter Guangzhou International Financial Center (being one of the ten tallest skyscrapers in the world at the time of completion), the 309-meter Guangzhou Yuexiu Financial Tower and the 330-meter Wuhan Yuexiu Fortune Center (being the highest building in Wuhan at the time of completion). Our signature project, Guangzhou International Financial Center, is currently the only commercial property in China which has received LEED, BOMA and RICS certifications. We also closely collaborate with a myriad of Fortune 500 companies who are the tenants of the office buildings under our management and strive to become their trusted partner. Our operation and management capability was further proven during the outbreak of the COVID-19 pandemic. The way we handle this unprecedented public health crisis at the community level was endorsed by the government authorities and received considerable press coverage by influential media including, among others, the Xinhua News Agency. Excellent management capability has enabled us to command a high premium in property management fees. In 2019, the average property management fee rate for office buildings under our management in the PRC amounted RMB22.9 per sq.m. per month, which was higher than the average property management fee rate of the Top 100 Property Management Companies for the same type of properties, being RMB7.0 per month per sq.m., according to CIA.

- **Shopping malls:** We are currently managing several premium shopping malls and have accumulated abundant retailer resources represented by more than 300 household brands across various fields in the Chinese retail industry, including supermarkets, cinemas, fitness centers and restaurants, among others. Over the past few years, we have witnessed the transformation of Guangzhou VT101 Shopping Mall and Guangzhou IFC Shopping Mall into icons of contemporary lifestyle, thanks to our efforts devoted to both projects during their reorientation stages and the implementation of asset enhancement, tenant sourcing and marketing initiatives thereafter.

- **Wholesale markets:** We operate and manage two award-winning wholesale markets, namely Guangzhou White Horse Clothing Market (廣州白馬服裝市場) and Guangzhou Zhonggang Leather Mall (廣州中港皮具城), both of which are top performers in their respective industries. We have established an omnichannel marketing system and a brand incubation system for our tenants. More than 1,800 tenants were operating their business in the two wholesale markets, generating a turnover of over RMB13 billion in 2020.

We provide a wide spectrum of value-added services to our customers. In respect of office buildings we manage, we have developed a series of commercial property management and operational solutions under our "YEService (越商務)" brand, which consist of (i) consultancy services, property leasing services and space operation services for property owners; (ii) reception services, conference services, hassle-free post-decoration support services and value-added construction services for tenants; and (iii) career talks, social gathering support and art exhibition services for employees of our tenants. In 2019, we engaged an internationally acclaimed market research firm to conduct an independent customer satisfaction survey in the office buildings, shopping malls and wholesale markets under our management, pursuant to which our average customer satisfaction rate reached 97%.

The replicable nature of the way we operate and manage commercial properties has allowed us to successfully obtain new engagements from Independent Third Parties. During the Track Record Period, we were contracted to provide (i) preliminary engineering consultancy services to the 330-meter Knowledge Tower of the Sino-Singapore Guangzhou Knowledge City (中新廣州知識城知識塔); (ii) property management consultancy services to the Guangzhou Zhihui Park (廣州智匯Park); and (iii) operational services to the corporate headquarters building of a Chinese smart electric vehicle manufacturer whose shares are listed on the New York Stock Exchange.

Profound capability in providing residential property management services and a branded name of community commerce

We are committed to providing high-quality and comprehensive property management services. Our "Yue Plus" service brand strives to make a tangible difference to property owners, residents and other customers, enabling them to realize their aspiration for a more enjoyable urban life by reacting nimbly to their changing preferences. According to CIA, we ranked 16th among the Top 100 Property Management Companies of 2021 in terms of overall strength.

- **Property management services:** We understand that as a property management service provider, we are entrusted by property owners to preserve and enhance the property value. Our success therefore hinges on the ability to align our property management business with our value creation ethos. In this regard, we have made exceptional achievements. As of December 31, 2020, we had a total of 91 residential projects recognized as exemplary property management communities/buildings at municipal, provincial and state levels, and received over 10 provincial and municipal awards for our excellent performance in managing our properties during the outbreak of COVID-19 in 2020. We are also able to maintain an extraordinary customer satisfaction rate and command a higher property management fee rate. During the years ended December 31, 2018, 2019 and 2020, retention rate of our non-commercial property management contracts was 100.0%, 100.0% and 99.1%, respectively, while our collection rate for non-commercial property management fees amounted to 96.0%, 94.6% and 95.2%, respectively. The average management fee for the residential properties under our management was RMB2.7 per month per sq.m. in 2020, which was higher than the national average of RMB2.1 per month per sq.m. among the Top 100 Property Management Companies, according to CIA.

- **Value-added services:** Our acclaimed property management services have laid a good foundation for the build-up of a trusted and energetic brand, which in turn lends critical support to us as we carry out value-added services business in the communities we manage. Our revenue from value-added services under the non-commercial property management and value-added services segment in 2019 accounted for 36.8% of our total revenue. Highlights of our value-added services include the following:

  (i) **Community commerce services:** We are one of the few property management companies in China that mix residential property management and community commerce specialists under the same management team. As a result, we are able to offer asset management services across the full life cycle of the ancillary commercial facilities of the residential communities with one team, from preliminary planning to tenant sourcing and operation, bringing a pleasant experience of community commerce for our customers at the doorstep. As of December 31, 2020, the total GFA of community commercial properties under our management exceeded 200,000 sq.m. "Living Fun (悦匯時光)", our community commerce platform, represents a lifestyle hub which continues to grow and evolve as an ultimate place to shop, relax, stay and play, where we offer a brand mix with our valuable community retailer resources accumulated over ten years, including nearly 100 anchor commercial customers. In 2020, we launched our first community service center in China which features a combination of community and commercial operations. In 2020, our "Yuexiu Paradiso Riverside • Living Fun (越秀可逸江畔•悦匯時光)" project was awarded the honorary title of "National Exemplary Neighborhood of Community Commercial Service (全國社區商業服務示範街區)" by China Community Commercial Service Committee (中國社區商業工作委員會).

  (ii) **Other value-added services:** Early involvement is key to the growth of our value-added services business. As soon as the property developer obtains the land use rights of a land parcel to develop properties, we work closely with them on preliminary planning, sales office and display unit management, inspection and various other matters prior to the delivery of the property units. For instance, during the preliminary planning stage, we provide practical solutions spanning multiple aspects of smart community operation, such as security management and traffic management. We have also made a significant progress in implementing our refined management standards for sales offices and display units. According to a third party survey, in December 2020, our overall score of sales office and display unit management services stood at 97 points (out of 100 points). In addition, we offer and integrate online and offline services to meet the changing demand of property owners and residents. Types of our value-added service offerings to individual customers include decoration and furnishing packages, community education and health care. We also seek to become a good companion for our customers along their family and personal growth through providing home-living service, home delivery, community group shopping and "Yue Growth" youth education services.

A privileged background as a state-owned enterprise which supports business expansion across multiple property types

Established in 1983, our Controlling Shareholder, Yuexiu Property, has set foot in 21 key cities across China, forming a "1+4" geographical layout with the Greater Bay Area as its strategic focus and a growing presence in East China, Central China, North China and Southwest China. It has developed over 200 high-quality residential projects and more than 40 premium commercial properties, such as Guangzhou International Financial Center. As of December 31, 2020, the total assets and total landbank of Yuexiu Property amounted to approximately RMB263.2 billion and approximately 24.5 million sq.m., respectively. In 2020, Yuexiu Property recorded a contracted sales value of over RMB95.0 billion. According to CIA, in 2020, Yuexiu Property ranked 42nd in terms of total sales and 32nd in terms of attributable sales among property developers in China. Among Fortune China's Top 500 Enterprises in 2020, Yuexiu Property ranked 256th, representing a rise of 64 places since 2019. From 2016 to 2020, Yuexiu Property recorded a CAGR of 31.5% for contracted sales value, and a CAGR of 23.0% for GFA of newly-commenced construction. We believe that the rapid development of Yuexiu Property's real estate business will be a key driver for our future organic growth.

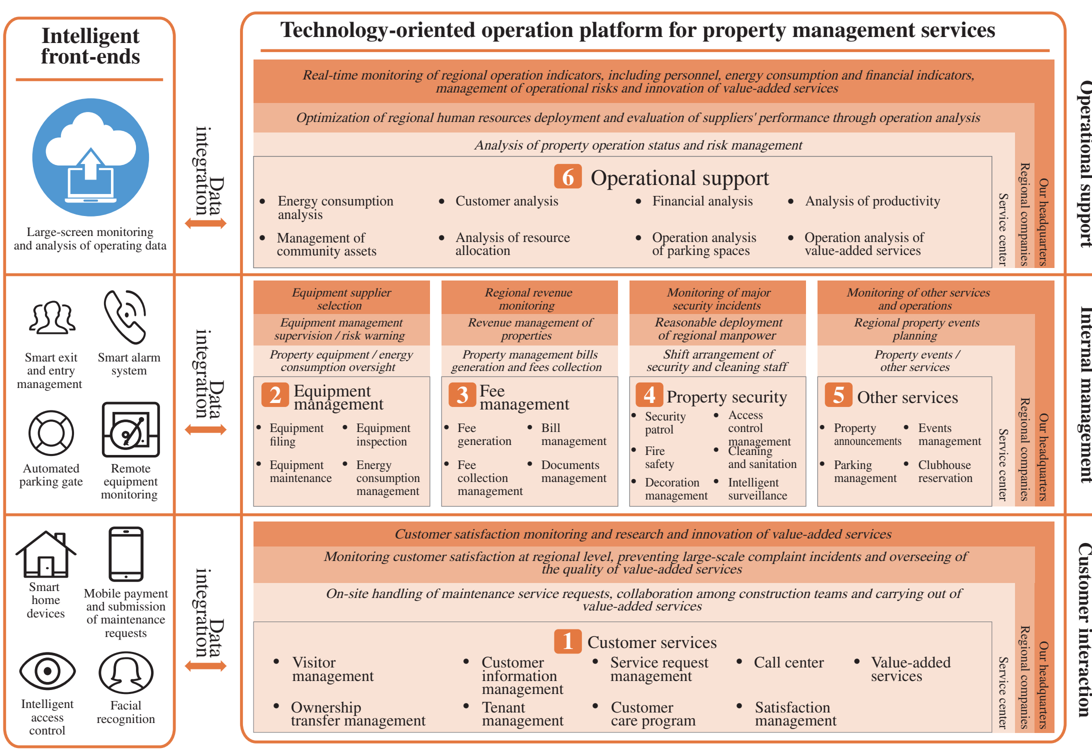
Established in 1985, GZYX, our indirect controlling shareholder, is the second largest state-owned enterprise wholly owned by the SASAC of Guangzhou Municipal Government. It has formed a "4+X" business layout centering around core sectors of real estate, finance, transportation infrastructure and food, and has five subsidiaries listed in domestic and overseas stock exchanges. The overall strength of GZYX Group has seen solid growth. As of December 31, 2020, GZYX Group's total assets reached nearly RMB700 billion, while its revenue amounted to nearly RMB70 billion for the year ended December 31, 2020. GZYX's strong background as a state-owned enterprise as well as its diversified business portfolio will provide us with omnichannel expansion opportunities across industries.

To better align the national and provincial development strategies with our own, we actively promote the integration of social resources, enter into strategic cooperative relationships with government authorities and state-owned enterprises, and have built a multi-dimensional business expansion mechanism for urban services. Guangdong Science Center, a public premise that we have served for ten years, is a landmark of public property in China as well as the world's largest science education venue with comprehensive functions according to Guinness World Records. Guangdong Science Center was recognized as a "National Model Building for Property Management (全國物業管理示範大廈)" for our efficient and standardized property management services. In addition, we are contracted to provide property management services for the manufacturing plants of, among others, Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd. (三菱重工東方燃氣輪機(廣州)有限公司) and a security equipment manufacturer, evidencing our capability in managing properties with a high level of production safety and confidentiality expectations. In the context of the national reform of "Decentralization — Control — Service (放管服)" (i.e. streamlining administration and delegating power, improving regulation, and optimizing services) and the mass upgrade of urban facilities, we have undertaken a number of key projects such as Heaven Blue (藍色天際) in Wuhan.

A technology-oriented development model empowering the continuous enhancement of operation efficiency and customer experience

We firmly believe that technology could make a real difference on our operational efficiency. At the core of our technology system is the IoT-based artificial intelligence decision making engine, which we use to deepen our online interactions with our customers and generate valuable business intelligence. As a key state-owned enterprise in Guangzhou and a local industry leader, we are ahead of the curve in applying innovative technologies. We were invited by the Guangzhou Municipal Government to participate in the formulation of the Standards of Smart Community Construction Based on Civil Information Modelling (《基於CIM智慧社區建設標準》) and execution of the city's "New Urbanization" strategies. In 2020, we were recognized as an "Outstanding Enterprise in Application of Intelligent Technologies (智能化應用優秀企業)" by the Guangzhou Property Management Industry Association.

The diagram illustrates the essence of our technology-oriented development model, and in particular, how different types of intelligent front-ends are being deployed to support our daily operations:



We have established the centralized management and control center ("**CMCC**"), connecting every project under our management. CMCC integrates customer service system, equipment and facility management system, internal control system, on-site service management system and enterprise resource planning system. With the application of industry-leading digital twin technology, our centralized platform visualizes information with respect to revenue and cost analysis, customer satisfaction, operating status of equipment and user portraits. In particular, the platform has three core values:

- **Standardizing processes to fuel expansion**. By centralizing our management standards in the system, we can swiftly replicate our management experiences in newly established or acquired subsidiaries with further strengthened risk management capacity, in order to accelerate our national expansion.

- **Digitalizing operation to enhance efficiency**. We digitalize management of assets and personnel by deploying IoT technology to every important step of our daily operation. Our online management platform records and tracks the use and operation of assets as well as the inspection trajectories of our staff members. Such platform had been launched in 37 property management projects as of December 31, 2020, which enables our project managers or intelligent apparatuses to receive instant notifications of abnormal conditions and assign follow-up tasks to service personnel accordingly. In addition, our automated carpark operation system allows drivers to gain access to and exit from the parking lots with the use of an automated identification system that activates the outer doors, effectively saving our labor costs. Smart technologies also enhance our efficiency in monitoring the equipment of certain properties we manage, by extending the frequency of manual inspection from once a day to once a week and reducing labor input by approximately 30%.

- **Integrating data to customize services**. We utilize technologies such as position sensing and behavior data analytics to generate customer behavior labels, enabling us to achieve tailored servicing and facilitate scalability.

We connect with our customers through "Enjoy Club (悦秀會)" and "Yue + (悦享會)" membership schemes to enhance their satisfaction and loyalty. "Enjoy Club" is a service portal equipped with a variety of functions such as online payment and carpark space management services for customers who live in the residential properties we manage. We gradually expand our service offerings on "Enjoy Club" based on our growing knowledge of their diverse needs through data analytics tools. "Yue +" is a digitalized ecosystem for commercial properties, which facilitates the interactions among tenants across multiple industries, allowing sales synergy to materialize. As of December 31, 2020, our membership schemes had accumulated a total of 1.57 million members.

We have collaborated with Dahua Technology in setting up a joint laboratory of artificial intelligence applications to test and improve the algorithm design of our smart devices and incubate new service scenarios for smart technologies. We have also deepened our cooperation with iFLYTEK Intelligent System Co., Ltd. (訊飛智元信息科技有限公司) in intelligent data processing and image recognition, so as to reinforce our cross-industry effort in embedding cutting-edged technologies into property management. Guangzhou Starry Garden (廣州星匯園), one of the residential property management projects undertaken by us, is currently the only residential community in Guangzhou that has passed the initial evaluation of the "National Intelligent Residential Community Pilot Demonstration Project (全國智能化住宅小區試點示範項目)" by the Science and Technology Commission of the Ministry of Construction of the PRC, and has been awarded the title of "Excellent Smart Technology Application Project (智能化應用優秀項目)" by the Guangzhou Property Management Industry Association.

An experienced management team and a stable talent base with a high degree of professionalism

We believe that our success and future growth depends on the leadership of our excellent management team. Our Directors and senior management have an average of over 16 years of experience in property management, commercial operations and property development. Mr. Lin Feng, our Chairman, has over 20 years of experience in the real estate industry. In addition to sharing his insights into our overall development strategy, Mr. Lin's in-depth knowledge and extensive experience allow us to become industry savvy and take a better grasp of market opportunities, setting us apart from our competitors. Our core management team facilitates the integration of upstream and downstream resources along our industry chain, enabling us to lead the way as an urban operation service provider. To better align our long-term development interest with the career path of our senior management, we regularly evaluate their historical performance, with special weight assigned to the effectiveness of cost control measures implemented. Under the leadership of our visionary management team, we believe we are able to sustain our robust growth and remain well placed in the ever-changing competition landscape.

We place an utmost emphasis on fostering talents, and provide a comprehensive development and training mechanism for our employees. In 2017, we set up Yuexiu Property Management Training & Development Academy (越秀物業培訓發展學院), which consists of a Talent Echelon Platform, a Skill Enhancement Platform, a Standards Export Platform, a Self-demonstration Platform and Online Learning Platform, offering a full range of training resources to our employees. We have also developed multi-layered career advancement and incentive schemes tailored to the needs of new employees, mid-level managers and senior management. These efforts position us well in building a vibrant talent pool essential to our future success.

BUSINESS STRATEGIES

In order to achieve our goals, we have formulated the following strategies:

Strengthen our leading position in the Greater Bay Area and further deepen our business deployment in first-tier, new first-tier and second-tier cities in East China, Central China, North China and Southwest China regions

Leveraging our unique background as a state-owned enterprise rooted in the Greater Bay Area, our expansion initiatives will focus primarily on acquiring high-quality property management projects in the Greater Bay Area from third-party property developers, in an effort to strengthen our leading position in the market. We also aim to enhance our business penetration into first-tier, new first-tier and second-tier cities in East China, Central China, North China and Southwest China regions where Yuexiu Property has an established presence, thereby enlarging our geographical coverage and market share. We intend to source acquisition targets in first-tier, new first-tier and second-tier cities in China which provide high-quality property management or property management related services to large-scale residential premises, public premises, industrial parks, nursing homes and schools, in order to further enhance our market shares in the target regions. In evaluating potential acquisition opportunities, we will focus on the criteria of operational experience, geographical presence, size, profitability, growth potential and compliance risks.

We seek to further capitalize on opportunities in the Greater Bay Area's commercial property management and operational services sector and strategically expand into new growth markets in first-tier and new first-tier cities in China, including Shanghai, Hangzhou, Foshan and Wuhan. Drawing on our extensive experience in managing and operating skyscrapers and our unparalleled business mix of asset management, operation management and property management, we will selectively pursue acquisition opportunities of property management companies with either skyscraper operation capabilities or a sizable business supported by an influential and promising regional brand in target cities.

Our seamless collaboration with our strategic investor, GZ Metro, will play a pivotal role in expanding our transit-oriented integrated property management services. As of December 31, 2020, the total mileage of urban rail transit network under GZ Metro's operation had reached 676.5 kilometers. Local government currently targets to further expand the rail transit network of Guangzhou. According to the Phase III Construction Plan for Urban Rail Transit of Guangzhou (2017-2023) (《廣州市城市軌道交通第三期建設規劃(2017-2023年)》) approved by the NDRC, it is envisaged that the total mileage of the Guangzhou urban railway transit network will be extended to over 800 kilometers, which we believe will create enormous opportunities for us under our strategic cooperation with GZ Metro. Thanks to our well-built capability in serving transit-oriented integrated properties, additional opportunities will emerge while GZYX continues to partner with other metro service operators in China. For instance, GZYX and GZ Metro have entered into a strategic cooperation framework agreement with one metro service operator of a new first-tier city in Central China, which sets out the collaborations in various areas, such as construction and operation of rail transit, transit-oriented property development, property management services and industry-finance integration. Driven by our vision of becoming a leading transit-oriented integrated property management service provider in the PRC, we endeavor to seize the opportunities brought by the increased penetration of the TOD model in the China's real estate industry and further enhance our transit-oriented integrated property management service capability.

We will continue to explore different strategies and opportunities to carry out our businesses in non-commercial and commercial properties. Our expansion initiatives are inspired by key objectives to serve urban communities and enrich city life, which align with the "smart city" policy direction of the PRC Government. In executing these initiatives, we seek to maintain a win-win cooperative relationship with Yuexiu Property, our Controlling Shareholder, as well as other members of the GZYX Group. In addition, we intend to diversify our service offerings and sharpen our competitive edge as an urban service operator by further fostering our "property management +" business network, which can be further illustrated as follows:

- **"Property management + government"**: We will establish strategic cooperative relationships with various levels of state-owned enterprises and government investment vehicles across China to enhance our urban service capabilities;

- **"Property management + hotel"**: We will proactively explore opportunities to offer engineering management and safety management services to hotel properties owned by GZYX Group and gradually extend such services to hotel properties owned by third-parties;

- **"Property management + long-term rental apartment"**: We intend to extend our standardized, quality and intelligent property management services to long-term apartment rental platforms such as "Yuexiu Star Home (越秀星寓)", a self-owned brand of Yuexiu Property, as well as introduce value-added services that cater to the needs of residents, in order to make residents' experience hassle-free and create a premium on the long-term apartment rental services;

- **"Property management + health care"**: By revitalizing the existing public premises and health care facilities in the residential communities under our management, we will gradually transform them into ones that are more adaptive to the needs of the elderly, especially those living alone or disabled. We have also spotted a niche to offer integrated medical and nursing services, organize health management lectures, and promote elderly care volunteer services in the residential communities. It is worth mentioning that Yuexiu Property is on track to further expand its health care business, and has developed a number of mid-to-high-end nursing complexes where medical and nursing services are integrated under one roof. As the property management platform of Yuexiu Property, we are looking forward to embracing a great deal of monetization opportunities as we empower its development and innovation in health care services.

Furthermore, we will also explore "property management + transportation infrastructure", "property management + agriculture" and "property management + finance" and other "property management +" models to reinforce our unique market appeal: offering inter-connected cross-service-type solutions, across industries and geographies.

We intend to apply approximately 60% of the net proceeds from the Global Offering to funding acquisition and investment activities. As of the Last Practicable Date, we have not identified any potential acquisition targets or entered into any finalized investment or acquisition agreements. For more details, see "Future Plans and Use of Proceeds".

Further broaden our value-added service offerings and enhance customer experience

In the wake of the consumption upgrade in China, we will adopt a targeted approach in developing and enriching the form and substance of our value-added services to accommodate the needs in multiple customer engagement scenarios and fulfill their aspiration for a better life. Important areas of value-added services that we provide or intend to provide include on-demand housekeeping services, home decoration services and community education services. To ensure that the way we serve our customers is efficient and up to their expectation, we will take the following actions as we develop our value-added service business.

- **Home decoration services.** Our recent establishment of the brand-new "Yoo-Magic (悦美居)" platform will enable us to optimize the integration of home decoration resources and lift our quality control to a new level. "Yoo-Magic" endeavors to provide comprehensive home decoration solutions which tackle the pain points in the delivery of fine-decorated residential units. We manage to broaden our customer base and achieve scalable growth through three service modules, which are comprised of (i) hard-decoration services for unsold properties owned by developers; (ii) one-stop home decoration solutions offered under our featured soft decoration brand of "Yoo-Magic"; and (iii) community renewal and renovation services.

- **Community commercial operation.** To help property developers cope with the various lifestyle needs of the residents more effectively, we have set up a specialized team to render community commerce advisory services along the full lifecycle of the development of a residential community, from preliminary planning stage, construction stage to operation stage. Our branded community commerce platform, "Living Fun", speaks to our effort in reshaping community living space, where fresh food marketplace, education resources and other amenities are made accessible within walking distance of residents' doorsteps. Going forward, we intend to replicate this brand and the operation and management model thereof in several prosperous city clusters in East China, Central China, North China and Southwest China regions.

- **Value-added services for commercial properties.** We plan to further strengthen our value-added services for commercial properties. In respect of office buildings, we will extend our asset service scenarios to space operation and office sub-leasing. In respect of shopping malls and wholesale markets, we manage to incorporate a variety of new elements into our value-added services, such as online membership shopping services, paid membership schemes, common area leasing and advertising services and marketing support service. In addition, we will analyze the supply chain of key commercial customers and explore business opportunities to offer innovative and personalized value-added services.

We intend to apply approximately 15% of the net proceeds from the Global Offering to expanding our value-added services. For details, see "Future Plans and Use of Proceeds".

Adhere to the technological empowerment strategy and become a "smart city" operator

Smart technologies have been embedded into our daily business operations and will remain crucial to our future growth. We seek to improve our operational efficiency, realize business expansion, tighten risk management and enhance customer experience through digitalization. Specifically, we will achieve this goal by implementing the following measures:

Upgrading and iterating our existing business and operation systems and centralized management and control center will be our priority. In the next couple of years, we will be vigorously exploring how we may further deepen the use of cloud computing, big data analytics, artificial intelligence, digital twin, robotics engineering and other frontier technologies in multiple business scenarios, such as intelligent design and implementation, intelligent integrated development and intelligent equipment supply for non-commercial and commercial properties we manage as well as urban renewal projects undertaken by us, with a view to economizing labor costs while improving the efficiency and quality of property management.

We will continue to enrich the functions of digital service platforms such as "Enjoy Club" and expand their penetration into property owner, tenant and customer groups. These platforms would allow us to possess and structurize behavioral data of corporate clients and their employees as well as customers of shopping malls and wholesale markets. We will then draw corporate and customer portraits based on the behavioral data we collect, and apply big data analytics, artificial intelligence and other cutting-edge technologies to analyze their needs, enabling us to customize our services, diversify our product mix and create new revenue streams.

We will also consider opportunities to collaborate with technology companies, or strategically invest in those providing technology solutions in relation to property management, commercial operations and urban management, in an effort to build up a smart technology infrastructure on which our business operations can depend to improve customer experience and labor efficiency.

We intend to apply approximately 15% of the net proceeds from the Global Offering to funding our investment in information technology systems and smart communities, and upgrading, among others, the hardware, software, intelligent terminal devices, cloud-based applications and IoT equipment. For details, see "Future Plans and Use of Proceeds".

Optimize the talent recruitment, incentivization and development system to accelerate business development

As we implement our strategies and grow our business, we seek to form and maintain a vibrant team of management talents who genuinely understand the need of our customers. Looking forward, we will continue to actively absorb new talents that meet our criteria of education background, work experience, professional qualifications and personal qualities. Special attention will be paid to recruitment of technology professionals specializing in IoT and other intelligent applications.

We manage to advance the operation of "Yuexiu Services Management Training & Development Academy" and "Asset Management Academy (資管學堂)", and establish a micro-course online learning platform for our employees at all levels to possess property management know-how and general management skills anytime, anywhere. In addition, we will develop a training base equipped with digital interfaces and physical settings required for front-line employees to learn and practice professional skills in connection with engineering, security and customer service in a live virtual environment in which scenarios are recreated to resemble actual work-related challenges.

We will continue to optimize our market-based salary structure, performance incentive system and multi-layered evaluation mechanism to absorb, retain and motivate talents. To this end, we intend to introduce advanced performance evaluation tools and talent review and development system. Our ultimate goal is to nurture a performance-oriented corporate culture and establish a sound evaluation and promotion mechanism for our employees.

AWARD AND RECOGNITION

We have been providing property management services in China for nearly 30 years. Our rich experience and high-quality services have enabled us to stand out in the industry, for which we received numerous awards and recognitions. Significant awards and recognitions we received as of the Latest Practicable Date are set forth below:

Year	Award/Recognition	Awarding entity
2021	No. 16 among the 2021 Top 100 Property Management Companies (2021中國物業服務百強企業第16位)	CIA

Year	Award/Recognition	Awarding entity
2020	No. 9 among the 2020 Top 100 China Leading Property Management Companies by Service Quality (2020中國物業服務百強服務質量領先企業第9位)	CIA
2019 – 2020 .	2020 Leading Property Management Company of Guangdong-Hong Kong-Macau Greater Bay Area (2020粵港澳大灣區物業服務市場地位領先企業)	CIA
2020	2020 Service Quality Leading Brand of China Property Service Companies (2020中國物業服務品質領先品牌)	CIA
2020	2020 Specialized Operational Leading Brand of China Property Service Companies (2020中國物業服務專業化運營領先品牌企業)	CIA
2020	2020 High-end Property Service Leading Brand in China (2020中國高端物業服務領先品牌)	CIA
2020	2020 Leading Brand of Diversified Property Services in China (2020中國公建物業服務優秀品牌)	CIA
2020	2020 China Leading Property Management Companies in terms of Characteristic Service (2020中國特色物業服務領先企業)	CIA
2020	2020 Guangdong Property Management Contribution Award (2020廣東省物業管理行業貢獻獎)	Guangdong Property Management Industry Institute (廣東省物業管理行業協會)
2020	Well-known Property Management Enterprise in Greater Bay Area in 2020 (2020大灣區物業服務品牌企業)	Guangdong Property Management Industry Institute (廣東省物業管理行業協會)
2020	One of the 2020 Top 20 Branded Property Management Companies in South China (2020華南品牌物業服務企業20強)	China Property Management Research Institution (中物研協)

Year	Award/Recognition	Awarding entity
2020	One of the 2020 Top 100 Most Valuable Brand of Property Management Service (2020物業服務企業品牌價值100強)	China Property Management Research Institution (中物研協)
2020	2020 Golden Brick Award for Real Estate of China – Leading Enterprise in Smart Property (中國地產金磚獎•智慧物業領先企業)	21st Century Business Herald
2020	2020 Potential Unicorn of Property Management Service (2020物業服務企業潛力獨角獸)	China Property Management Institute (中國物業管理協會)
2019-2020 . . .	One of the 2019 Top 100 Property Management Companies in Guangdong (2019廣東省物業服務企業綜合實力百強)	Guangdong Property Management Industry Institute (廣東省物業管理行業協會)
2019	2019 Leading Property Management Company (2019中國物業服務市場地位領先企業)	CIA
2019	One of the 2019 Top 500 Property Management Companies (2019物業服務企業綜合實力500強)	China Property Management Research Institution (中物研協)

OUR BUSINESS MODEL

We generated our revenue from two business segments during the Track Record Period, namely non-commercial property management and value-added services and commercial property management and operational services.

Non-commercial Property Management and Value-added Services

We provide non-commercial property management and value-added services. In particular, we offer:

- **Property management services**. We provide a wide spectrum of property management services to non-commercial properties, which primarily comprise residential properties, public premises and industrial parks. We offer cleaning, security, gardening and repair and maintenance services, to (i) property owners, property owners' associations and/or residents for properties sold and delivered; and

(ii) property developers for undelivered portion of the properties. During the Track Record Period, our property management fees were charged either on a lump-sum basis or on a commission basis.

- **Value-added services to non-property owners**. Our value-added services to non-property owners primarily include (i) sales office and display unit management and pre-delivery support services; (ii) carpark space sales assistance services; (iii) ancillary property leasing services; and (iv) preliminary planning and design consultancy services.

- **Community value-added services**. We provide community value-added services to meet the needs of property owners and residents of residential properties under our management. These services mainly consist of (i) home-living services; (ii) space operation services; and (iii) decoration, turnkey and move-in furnishing services.

Commercial Property Management and Operational Services

Our profile of commercial properties to which we provide property management and operational services primarily comprise office buildings, shopping malls and wholesale markets. In particular, we provide:

- **Commercial operation and management services**. We provide commercial operation and management services to property owners, developers and tenants, which mainly consist of (i) commercial property management services; and (ii) other value-added services.

- **Market positioning consultancy and tenant sourcing services**. We provide market positioning consultancy and tenant sourcing services to property developers and property owners, which primarily include (i) market positioning and management consultancy services; and (ii) tenant sourcing services.

The following table sets forth a breakdown of the number of properties and GFA under management, as well as the number of properties we were contracted to manage and corresponding contracted GFA as of the dates indicated:

	As of December 31,		
	2018	2019	2020
Contracted GFA[(1)] (sq.m. in thousands)	30,007	36,427	49,909
GFA under management[(2)] (sq.m. in thousands)	19,766	21,934	32,648
Number of properties contracted to manage	154	187	265
Number of properties under management	131	149	215

Notes:

(1) Represents GFA currently being managed or to be managed by us under signed property management service contracts.

(2) Represents GFA currently being managed by us under signed property management service contracts.

The following table sets forth a breakdown of our total revenue by business segment and by service line for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services	**494,278**	**64.8**	**603,478**	**67.3**	**811,168**	**69.4**
— Property management services	252,432	33.1	273,408	30.5	343,735	29.4
— Value-added services to non-property owners	121,110	15.9	205,635	22.9	332,988	28.5
— Community value-added services	120,736	15.8	124,435	13.9	134,445	11.5
Commercial property management and operational services	**268,524**	**35.2**	**292,854**	**32.7**	**356,880**	**30.6**
— Commercial operation and management services	226,385	29.7	251,981	28.1	303,294	26.0
— Market positioning consultancy and tenant sourcing services	42,139	5.5	40,873	4.6	53,586	4.6
Total	**762,802**	**100.0**	**896,332**	**100.0**	**1,168,048**	**100.0**

The following table sets forth a breakdown of our total revenue by business segment and type of ultimate paying customer for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services	**494,278**	**64.8**	**603,478**	**67.3**	**811,168**	**69.4**
— GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	142,502	18.7	228,568	25.5	376,923	32.2
— Independent Third Parties	351,776	46.1	374,910	41.8	434,245	37.2
Commercial property management and operational services	**268,524**	**35.2**	**292,854**	**32.7**	**356,880**	**30.6**
— GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	45,780	6.0	46,983	5.3	71,747	6.1
— Independent Third Parties	222,744	29.2	245,871	27.4	285,133	24.5
Total	**762,802**	**100.0**	**896,332**	**100.0**	**1,168,048**	**100.0**

During the Track Record Period, we provided services to and generated revenue from (i) GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties, and (ii) Independent Third Parties. Our Independent Third Party customers mainly include property owners, residents, tenants, property owners' associations and property developers.

As for our residential property management projects, we provide property management services and value-added services to Independent Third Party customers after the delivery of the residential properties by property developers, which are either GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties, or Independent Third Parties. The property owners may establish a property owners' association for the purpose of managing the residential properties. The property owners' association, if formed, will be operated by the property owners and will be independent of GZYX Group and may select and engage property management service providers at its own discretion. The owners of the relevant properties have the discretion to, regardless of whether or not a property owners' association has been formed, engage or dismiss the property management service provider through the property owners' general meeting attended by property owners collectively owning over two-thirds of the total GFA of sold property units, in which a majority of consent calculated in terms of GFA owned and number of attendees shall be achieved. Thus, GZYX Group would have no discretion to choose property management service provider after the delivery of residential properties.

As for our commercial property management projects, we are engaged by owners or developers of the commercial properties in respect of the property management services we provide. The property owners may establish a property owners' association for the purpose of managing the commercial properties. The property owners' association, if formed, will be operated by the property owners and will be independent of GZYX Group. In the event that there is a contractual arrangement between the property owner and the tenant pursuant to which the tenant, instead of the property owner, shall be liable for the property management fees, we as the property management service provider will enter into a separate property management service contract with the tenant, who shall then become our customer. GZYX Group would not be able to choose property management service provider for our Independent Third Party customers who are the owners, developers or the property owners' associations of the commercial properties at its discretion, as the owners, developers or the property owners' associations of the relevant properties have the sole discretion to engage or dismiss the property management service provider. GZYX Group would, however, be able to choose property management service provider at its discretion for the Independent Third Party customers who are the tenants of the commercial properties owned by GZYX Group.

The following table sets forth a breakdown of the number of bids submitted, the number of successful bids and the corresponding bid win rate by business segment and by type of counterparties of property management service contracts for the years indicated:

	Year ended December 31,								
	2018			2019			2020		
	Number of bids submitted	Number of successful bids	Bid win rate	Number of bids submitted	Number of successful bids	Bid win rate	Number of bids submitted	Number of successful bids	Bid win rate
			%			%			%
Non-commercial property management and value-added services	**18**	**15**	**83.3**	**36**	**19**	**52.8**	**32**	**21**	**65.6**
GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	13	13	100.0	12	12	100.0	16	16	100.0
Independent Third Parties	5	2	40.0	24	7	29.2	16	5	31.3
(i) Property developers	–	–	–	–	–	–	1	1	100.0
(ii) Property owners' association	1	1	100.0	1	1	100.0	1	1	100.0
(iii) Others(1)	4	1	25.0	23	6	26.1	14	3	21.4
Commercial property management and operational services	**4**	**2**	**50.0**	**6**	**3**	**50.0**	**5**	**4**	**80.0**
GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	–	–	–	1	1	100.0	1	1	100.0
Independent Third Parties	4	2	50.0	5	2	40.0	4	3	75.0
Total/Overall	**22**	**17**	**77.3**	**42**	**22**	**52.4**	**37**	**25**	**67.6**

Note:

(1) Others primarily include government entities, public institutions and Independent Third Party property owners of properties with sole ownership structure.

The following table sets forth a breakdown of revenue from property management services and GFA under management in respect of non-commercial properties and commercial properties, by type of project sourcing process for the years indicated:

	Year ended December 31,											
	2018				2019				2020			
	Revenue from property management services		GFA under management		Revenue from property management services		GFA under management		Revenue from property management services		GFA under management	
	RMB	*%*	*sq.m.*	*%*	*RMB*	*%*	*sq.m.*	*%*	*RMB*	*%*	*sq.m.*	*%*
	(in thousands, except for percentages)											
Non-commercial properties	**252,432**	**74.3**	**17,447**	**88.3**	**273,408**	**73.3**	**19,597**	**89.3**	**343,735**	**72.1**	**29,853**	**91.4**
Tender and bidding	134,561	39.6	11,334	57.3	147,086	39.4	12,700	57.9	190,137	39.9	18,058	55.3
Direct engagement	117,871	34.7	6,113	31.0	126,322	33.9	6,897	31.4	153,598	32.2	11,795	36.1
Commercial properties	**87,510**	**25.7**	**2,319**	**11.7**	**99,587**	**26.7**	**2,337**	**10.7**	**132,847**	**27.9**	**2,795**	**8.6**
Tender and bidding	4,574	1.3	363	1.8	17,740	4.8	381	1.7	17,167	3.6	795	2.5
Direct engagement	82,936	24.4	1,956	9.9	81,847	21.9	1,956	8.9	115,680	24.3	2,000	6.1
Total	**339,942**	**100.0**	**19,766**	**100.0**	**372,995**	**100.0**	**21,934**	**100.0**	**476,582**	**100.0**	**32,648**	**100.0**

The following table sets forth a geographical breakdown of our revenue generated from property management services under non-commercial property management and value-added services segment and commercial operation and management services under commercial property management and operational services segment for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management services	**252,432**	**52.7**	**273,408**	**52.0**	**343,735**	**53.1**
— Greater Bay Area	212,390	44.4	225,170	42.9	277,136	42.8
— East China Region	11,401	2.4	11,983	2.3	25,713	4.0
— Central China Region	12,232	2.5	12,343	2.3	14,915	2.3
— North China Region	16,409	3.4	23,912	4.5	25,971	4.0
Commercial operation and management services	**226,385**	**47.3**	**251,981**	**48.0**	**303,294**	**46.9**
— Guangzhou	147,730	30.9	168,821	32.1	217,031	33.5
— Hong Kong	67,412	14.1	67,246	12.8	69,110	10.7
— Shanghai	3,154	0.7	4,513	0.9	4,995	0.8
— Hangzhou	1,870	0.4	3,237	0.6	3,934	0.6
— Wuhan	6,219	1.2	8,164	1.6	8,224	1.3
Total	**478,817**	**100.0**	**525,389**	**100.0**	**647,029**	**100.0**

The following table sets forth our key operating data for the years indicated:

	Year ended December 31,		
	2018	2019	2020
Retention rate			
– Non-commercial properties	100.0%	100.0%	99.1%
– Commercial properties	100.0%	100.0%	97.6%
Renewal rate			
– Non-commercial properties	100.0%	100.0%	66.7%
– Commercial properties	N/A	100.0%	80.0%
Collection rate			
– Non-commercial properties	96.0%	94.6%	95.2%
– Commercial properties	99.6%	99.8%	99.3%
Average property management fee *(RMB per sq.m. per month)*			
– Residential properties	2.7	2.8	2.7
– Office buildings	22.9	22.9	22.8
– Shopping malls	34.3	34.3	35.3

NON-COMMERCIAL PROPERTY MANAGEMENT AND VALUE-ADDED SERVICES

Overview

Our history can be traced back to 1992 when we started to provide non-commercial property management and value-added services in Guangzhou. As of December 31, 2020, we had extended our footprints to 17 cities across nine provinces in the PRC and Hong Kong, with a contracted GFA of 46.1 million sq.m., covering 224 non-commercial properties (including 173 residential properties) in total. Our profile of non-commercial properties primarily consists of residential properties, and to a lesser extent, industrial parks and public premises. We had managed 176 non-commercial properties (including 127 residential properties), with an aggregate GFA under management of 29.9 million sq.m., covering ten cities across six provinces in the PRC and Hong Kong. During the Track Record Period, non-commercial properties under our management were developed by (i) GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties; or (ii) Independent Third Party property developers.

We achieved steady growth in our revenue generated from non-commercial property management and value-added services segment during the Track Record Period. For the years ended December 31, 2018, 2019 and 2020, our revenue from the non-commercial property management and value-added services segment amounted to RMB494.3 million, RMB603.5 million and RMB811.2 million, representing 64.8%, 67.3% and 69.4% of our total revenue during the corresponding years, respectively.

The following table sets forth a breakdown of our revenue from non-commercial property management and value-added services segment by service line for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Property management services	252,432	51.1	273,408	45.3	343,735	42.4
Value-added services to non-property owners	121,110	24.5	205,635	34.1	332,988	41.0
Community value-added services	120,736	24.4	124,435	20.6	134,445	16.6
Total	**494,278**	**100.0**	**603,478**	**100.0**	**811,168**	**100.0**

The table below sets forth a breakdown of the number of non-commercial properties under our management and the aggregate GFA of non-commercial properties under our management as of the dates indicated, and the revenue generated from the property management services under non-commercial property management and value-added services segment for the years indicated, by geographical region and by property developer type:

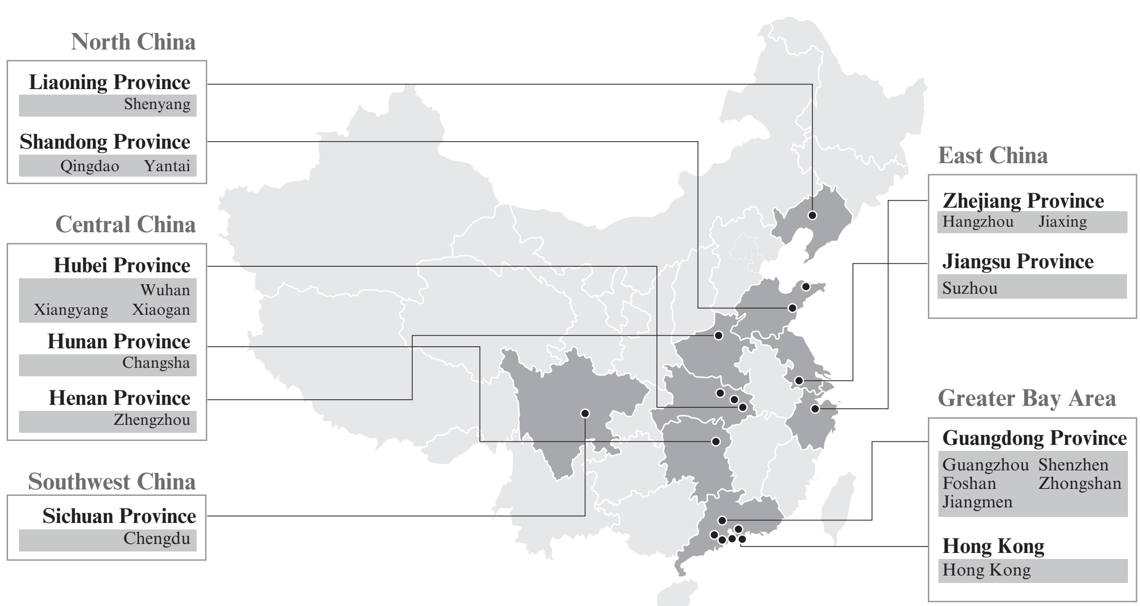
	As of or for the year ended December 31,											
	2018				2019				2020			
	Number	GFA	Revenue		Number	GFA	Revenue		Number	GFA	Revenue	
		sq.m.	*RMB*	*%*		*sq.m.*	*RMB*	*%*		*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)											
PRC	**95**	**17,408**	**251,448**	**99.6**	**111**	**19,558**	**272,395**	**99.6**	**170**	**29,814**	**342,584**	**99.7**
— GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	85	16,190	236,101	93.5	92	18,065	256,095	93.7	139	26,514	319,742	93.0
— Independent Third Party property developers	10	1,217	15,347	6.1	19	1,493	16,300	6.0	31	3,300	22,842	6.7
Hong Kong	**6**	**39**	**984**	**0.4**	**6**	**39**	**1,013**	**0.4**	**6**	**39**	**1,151**	**0.3**
— GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	3	26	548	0.2	3	26	491	0.2	3	26	485	0.1
— Independent Third Party property developers	3	14	436	0.2	3	14	522	0.2	3	14	666	0.2
Total/Overall	**101**	**17,447**	**252,432**	**100.0**	**117**	**19,597**	**273,408**	**100.0**	**176**	**29,853**	**343,735**	**100.0**

The following table sets forth a breakdown of our revenue from property management services under the non-commercial property management and value-added services segment by property developer type for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	236,649	93.7	256,586	93.8	320,227	93.2
Independent Third Parties	15,783	6.3	16,822	6.2	23,508	6.8
Total	**252,432**	**100.0**	**273,408**	**100.0**	**343,735**	**100.0**

Our Geographical Presence

Over the years, we have established a strong presence in the Greater Bay Area and expanded our geographical coverage to ten cities across six provinces in China and Hong Kong as of December 31, 2020, with 176 non-commercial properties (including 127 residential properties) or an aggregate GFA of 29.9 million sq.m. under our management. As of December 31, 2020, we had been contracted to manage 224 non-commercial properties (including 173 residential properties) in 17 cities across nine provinces in China and Hong Kong, representing an aggregate contracted GFA of 46.1 million sq.m. The following map illustrates the locations of non-commercial properties we managed or were contracted to manage as of December 31, 2020.



The following table sets forth the locations of the non-commercial properties we managed or were contracted to manage in the PRC as of December 31, 2020 by city tier:

First-tier cities	New first-tier cities	Second-tier cities	Others
Guangzhou	Hangzhou	Zhongshan	Jiangmen
Shenzhen	Foshan	Yantai	Xiangyang
	Wuhan	Jiaxing	Xiaogan
	Shenyang		
	Suzhou		
	Zhengzhou		
	Qingdao		
	Chengdu		
	Changsha		

The table below sets forth a breakdown of our total GFA under management with respect to non-commercial properties as of the dates indicated, and total revenue generated from property management services under non-commercial property management and value-added services segment for the years indicated by geographical region:

	As of or for the year ended December 31,								
	2018			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA	Revenue	
	sq.m.	*RMB*	*%*	*sq.m.*	*RMB*	*%*	*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)								
Greater Bay Area[(1)]	13,272	212,390	83.0	14,499	225,170	82.4	22,959	277,136	80.6
East China Region[(2)]	915	11,401	5.0	1,452	11,983	4.4	2,798	25,713	7.5
Central China Region[(3)]	1,363	12,232	5.0	1,668	12,343	4.5	1,731	14,915	4.3
North China Region[(4)]	1,897	16,409	7.0	1,979	23,912	8.7	2,366	25,971	7.6
Total	**17,447**	**252,432**	**100.0**	**19,597**	**273,408**	**100.0**	**29,853**	**343,735**	**100.0**

Notes:

(1) Includes Guangdong Province and Hong Kong.

(2) Includes Zhejiang Province and Jiangsu Province.

(3) Includes Hubei Province.

(4) Includes Shandong Province and Liaoning Province.

The following table sets forth a breakdown of our total GFA under management with respect to non-commercial properties as of the dates indicated, and revenue from property management services under our non-commercial property management and value-added services segment by geographical region and by city tier for the years indicated:

	As of or for the year ended December 31,								
	2018			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA	Revenue	
	sq.m.	*RMB*	*%*	*sq.m.*	*RMB*	*%*	*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)								
PRC	**17,408**	**251,448**	**99.6**	**19,558**	**272,395**	**99.6**	**29,814**	**342,584**	**99.7**
— First-tier city(1)	10,762	170,462	67.5	11,665	180,326	66.0	18,863	219,370	63.9
— New first-tier cities(2)	3,950	40,737	16.1	4,874	47,545	17.4	6,657	63,221	18.4
— Second-tier cities(3)	2,252	36,939	14.6	2,337	38,623	14.1	3,149	48,940	14.2
— Others(4)	443	3,310	1.3	682	5,900	2.2	1,145	11,053	3.2
Hong Kong	**39**	**984**	**0.4**	**39**	**1,013**	**0.4**	**39**	**1,151**	**0.3**
Total/Overall	**17,447**	**252,432**	**100.0**	**19,597**	**273,408**	**100.0**	**29,853**	**343,735**	**100.0**

Notes:

(1) Includes Guangzhou.

(2) Include Hangzhou, Foshan, Wuhan, Shenyang, Suzhou and Qingdao.

(3) Include Zhongshan and Yantai.

(4) Includes Jiangmen.

Continuous Growth of the Portfolio of Non-commercial Properties under Our Management

We were committed to expediting our business growth in the non-commercial property management and value-added services segment during the Track Record Period. To this end, we continued to obtain new service engagements from multiple sources. Looking forward, we also seek to achieve strategic business expansion by acquiring property management companies with solid service capabilities and a strong presence in our target regional markets.

The table below indicates the movement of our (i) contracted GFA; and (ii) GFA under management in respect of the non-commercial properties during the Track Record Period:

	Year ended December 31,					
	2018		2019		2020	
	Contracted GFA	GFA under management	Contracted GFA	GFA under management	Contracted GFA	GFA under management
	(sq.m. in thousands)					
As of the beginning of the year	21,599	16,333	27,100	17,447	33,192	19,597
New engagements(1)	5,500	1,114	6,092	2,150	6,450	4,290
(i) GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	5,385	999	5,856	1,914	4,443	2,514
(ii) Independent Third Parties	115	115	236	236	2,007	1,776
Acquisitions(2)	–	–	–	–	6,449	5,970
Terminations(3)	–	–	–	–	4	4
As of the end of the year	**27,100**	**17,447**	**33,192**	**19,597**	**46,086**	**29,853**

Notes:

(1) In relation to residential properties, new engagements primarily include preliminary property management service contracts for new residential properties developed by property developers and property management service contracts for residential properties replacing contracts with their previous property management service providers.

(2) These refer to new engagements obtained through acquisitions of GZMEE and GZMPM in November 2020.

(3) We ceased to provide property management services in two non-commercial property projects sourced from Independent Third Parties after contract expiration. The non-renewal for one of the contracts was a result of the changes on the supplier engagement policies of the property owner's headquarters. Another contract we did not renew concerns an exhibition hall for temporary use, which was dismantled in 2020.

Scope of Services

The non-commercial property management and value-added services we provide are categorized as follows:

- **Property management services**

  — *Cleaning*. We provide general cleaning, garbage clearance and hygiene maintenance services to the affiliated carparks and common areas of the non-commercial properties under our management, such as hallways, staircases, rooftops, and gardens, primarily through our subcontractors.

  — *Security*. We seek to ensure that the non-commercial properties under our management are safe and in good order through quality security services. Our security services primarily consist of preservation of general order, patrolling, video surveillance, carpark security, visitor management, fire safety management and emergency response.

  — *Gardening*. We provide pest control, fertilizing, greening and pruning services to the common areas of the non-commercial properties we manage, mostly through subcontractors.

  — *Repair and maintenance*. The scope of our 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 subcontractors substantially all of the specialized repair and maintenance services in relation to elevators.

- **Value-added services to non-property owners**

  — *Sales office and display unit management and pre-delivery support services*. We offer property management services to sales offices and display units of the property developers, which include, among others, visitor reception, cleaning, security and maintenance services. We also perform quality inspection and cleaning tasks on behalf of property developers before the delivery of residential units to property owners.

  — *Carpark space sales assistance services*. We provide sales assistance services to property developers in respect of their first-hand carpark spaces through sourcing potential buyers and assisting them in entering into property sale and purchase agreements with the buyers.

— *Ancillary property leasing services*. We provide agency services to property developers seeking to lease out their ancillary properties in the residential communities, such as shops, office spaces, clubhouses and recreational facilities.

— *Preliminary planning and design consultancy services*. We provide preliminary planning and design consultancy services to property developers in relation to residential properties and their ancillary commercial facilities to address their various needs arising at different stages of residential property development.

- **Community value-added services**

— *Home-living services*. Our home-living services primarily focus on (i) handyman services; and (ii) online retail services.

— *Space operation services*. We generate revenue from the operation of common areas and spare space of the residential properties under our management. In particular, we operate leasing business in connection with advertisement exhibition spaces distributed over exterior wall, lobby, elevator room, light box, parking lot entry and other facilities in the community. We also lease space in the common areas to third parties for setting up base stations and self-service facilities, such as delivery storage cabinets.

— *Decoration, turnkey and move-in furnishing services*. We provide comprehensive home decoration solutions through our strong network of reputable third-party interior design and decoration service providers and furniture manufactures.

Revenue Model

Service Fees Charged for Property Management Services to Non-commercial Properties

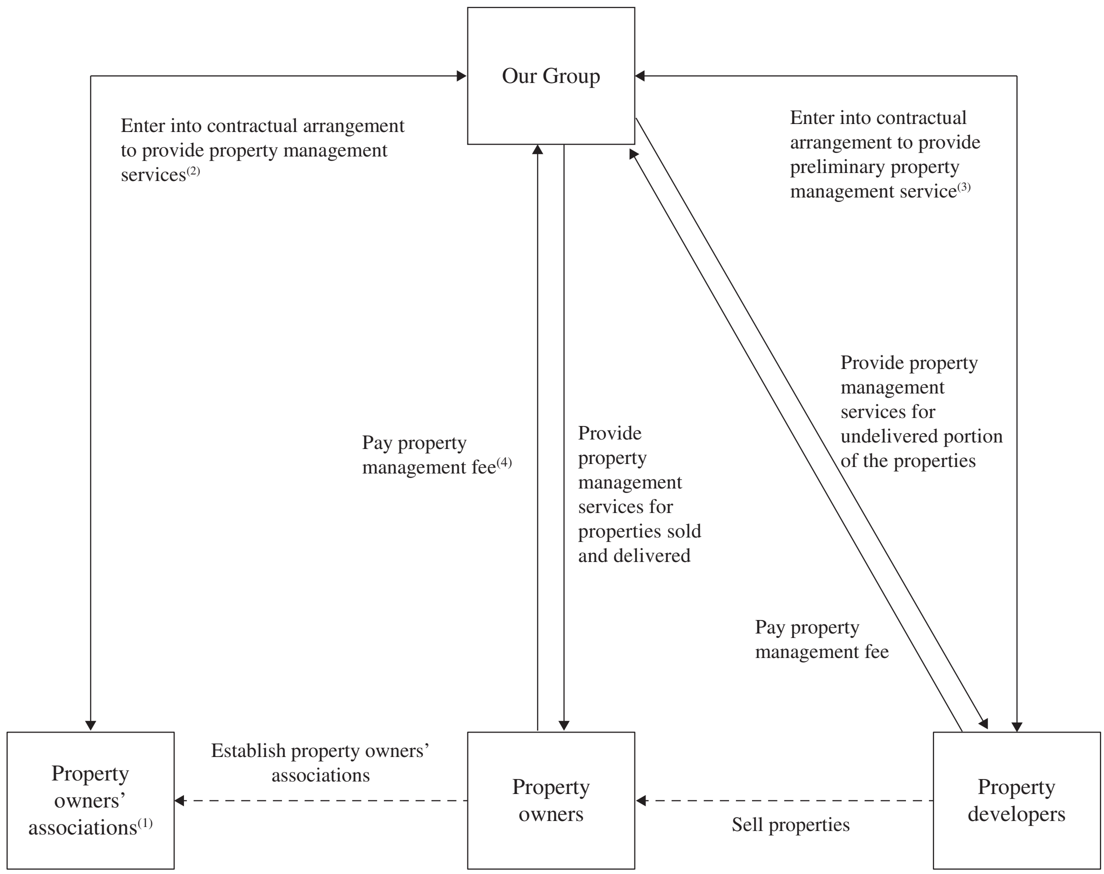
During the Track Record Period, service fees for property management services to non-commercial properties were charged either on a lump-sum basis or on a commission basis. For the years ended December 31, 2018, 2019 and 2020, 90.2%, 89.9% and 90.4% of our revenue generated from property management services provided to non-commercial properties was derived from service fees charged on a lump-sum basis, respectively, while 9.8%, 10.1% and 9.6% of our revenue generated from property management services provided to non-commercial properties was derived from service fees charged on a commission basis for those same years, respectively. For the years ended December 31, 2018, 2019 and 2020, property management fees involving 48.2%, 46.8% and 63.4% of our total GFA under management with respect to non-commercial properties were charged on a lump-sum basis, respectively, with the remaining 51.8%, 53.2% and 36.6% of our total GFA under management with respect to non-commercial properties being charged on a commission basis, respectively.

The following table sets forth a breakdown of our total GFA under management with respect to non-commercial properties as of the dates indicated and revenue generated from property management services under non-commercial property management and value-added services segment for the years indicated by revenue model:

	As of or for the year ended December 31,								
	2018			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA	Revenue	
	sq.m.	*RMB*	*%*	*sq.m.*	*RMB*	*%*	*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)								
Lump-sum basis	8,417	227,579	90.2	9,176	245,843	89.9	18,918	310,703	90.4
Commission basis	9,030	24,853	9.8	10,421	27,565	10.1	10,935	33,032	9.6
Total	**17,447**	**252,432**	**100.0**	**19,597**	**273,408**	**100.0**	**29,853**	**343,735**	**100.0**

We pay close attention to the special needs of property developers, property owners and other customers and 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 types and stages of properties under management, local regulations and market conditions and the nature and requirements of individual properties on a case by case basis. We conduct assessments of our prospective customers by evaluating key factors such as the estimated costs of managing the property, historical property management service fee rates, projected profitability, fee rates charged by competitors as well as whether property management fees of the property were previously charged on a lump-sum basis or a commission basis.

The diagram below illustrates our relationships with various parties under our residential property management service contracts.



Notes:

(1) A property owners' association is authorized under the applicable PRC laws to act on behalf of the property owners.

(2) A property management service contract entered into between a property owners' association and us is legally binding on all property owners pursuant to the applicable PRC laws.

(3) A preliminary property management service contract entered into between a property developer and us before residential units are delivered to property owners is legally binding on the future property owners in accordance with the applicable PRC laws.

(4) Under the lump-sum basis, all fees collected are recognized as revenue and expenses are borne by us. Under the commission basis, we recognize as revenue a pre-determined percentage or amount of property management service fees, and the rest are used to pay for the expenses stipulated in the property management service contract. Shortfalls are generally borne by the property owners.

Property Management Fees Charged on a Lump-sum Basis

Under the lump-sum basis revenue model, we charge a pre-determined and all-inclusive fee for our property management services monthly, quarterly or annually, which we provide in accordance with the property management service contracts we entered into. We are entitled to recognize the full amount of property management fees receivable from property developers, property owners and residents as revenue and bear the costs incurred in providing our property management services. For more information, see "Industry Overview — Non-commercial Property Management Service Market — Business and Fee Model".

Before negotiating and entering into our property management service contracts, we seek to form, as precisely as possible, an estimate as to our cost of sales. Our cost of sales includes expenses associated with, among others, staff remuneration, subcontracting arrangement and utilities. As a result, the costs incurred in the provision of property management services to a property in which service fees are charged on a lump-sum basis directly affect our profitability. In the event that our cost of sales is higher than the service fees we collect, we would not be able to request our customers to pay us the shortfall. We endeavour to offer a wide range of value-added services to the customers to make up for the shortfalls and enhance the profitability. During the Track Record Period, we incurred loss with respect to certain non-commercial properties under our management for which we charged on a lump-sum basis. We incurred loss in an aggregate amount of RMB19.4 million, RMB12.6 million and RMB7.4 million, respectively, with respect to 31, 25 and 13 of non-commercial properties under our management, respectively, for which we charged on a lump-sum basis for the years ended December 31, 2018, 2019 and 2020. The losses were primarily due to (i) increased cost of sales, which reflected our efforts to enhance the satisfaction of our customers by improving the conditions of the non-commercial properties we manage and the quality of our property management services; (ii) the fact that we were unable to adjust the property management fee rates for certain residential properties we had managed for years 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 of projects managed under preliminary property management service contracts; and (iii) high initial costs incurred in residential property management projects we recently undertook. Our total revenue generated from such loss-making non-commercial properties amounted to RMB109.7 million, RMB70.5 million and RMB38.9 million in 2018, 2019 and 2020, respectively, accounting for 22.2%, 11.7% and 4.8%, respectively, of our total revenue generated from the property management services under the non-commercial property management and value-added services segment for the same years. For more information, see "Risk Factors — Risks relating to Our Business and industry — We may fail to effectively anticipate or control our costs in providing our property management services, for which we charge our customers on a lump-sum basis".

The number of our loss-making non-commercial properties had seen continued decline during the Track Record Period. In respect of the two loss-making non-commercial properties governed by property management service contracts with a fixed term, we renewed all of them upon expiration during the Track Record Period, with a corresponding renewal rate of 100%, and successfully turned around these two projects in 2020. We significantly improved the profitability of certain loss-making non-commercial properties primarily due to the adoption of several targeted measures to expedite our revenue growth (such as through unleashing the untapped potential of our community value-added services) and optimize our overall cost structure (such as through making our communities smarter), thereby diversifying our revenue sources and economizing on our operating expenses. For instance, in 2020, we started to further monetize the unused common area by introducing base stations and delivery storage cabinets in some historically loss-making residential properties in Guangzhou. We also implemented various digitalization and standardization measures to reduce labor costs and enhance our profitability, such as (i) upgrading our video surveillance system by centralizing our security management efforts to replace a large number of patrolling guards typically required by a residential community; (ii) upgrading our EBA system to further improve our remote equipment management capability and maintenance efficiency; and (iii) upgrading our carpark operation system by applying automated carpark fee collection technology to minimize labor needs.

Drawing on the achievements we made in turning around loss-making non-commercial properties during the Track Record Period, we intend to continue to implement certain financial growth solutions proven to be effective, with a view to generating profits in the remaining loss-making projects in the foreseeable future. These solutions include (i) accelerating the promotion of our digitalization initiatives and further standardizing our service processes to reduce our reliance on manual labor; (ii) undertaking various energy conservation and cost-saving measures to minimize operating costs; and (iii) diversifying the offerings of our community value-added services to cultivate new revenue streams. Generally, we do not terminate loss-making projects unless (i) there is no objective evidence suggesting improvement despite our continuous efforts to enhance project management efficiency; or (ii) they fail to meet our environmental protection and occupational health and safety standards, provided that such failure cannot be rectified through economically feasible measures so far as we are aware of.

Property Management Fees Charged on a Commission Basis

During the Track Record Period, we derived revenue from certain non-commercial property management service contracts on a commission basis. Revenue generated from non-commercial property management service contracts on a commission basis represented 9.8%, 10.1% and 9.6% of our total revenue from non-commercial property management and value-added services segment for the years ended December 31, 2018, 2019 and 2020, respectively. We recognize a predetermined property management commission fee, generally representing 8% to 10% of the total property management fees paid by the customers, as revenue, while the remainder ("**Client Fund**") serves as working capital to cover and settle the property management costs incurred, which are typically borne by our customers. See "Risk Factors — Risks relating to Our Business and Industry — We may fail to recover all payments on behalf of property owners and residents of the properties managed on a commission basis". We essentially act as an agent, helping recruit, organize and coordinate various property management services. When the ending balance after paying for all property management costs and expenses is positive, the balance is carried over to the next year. We do not have any claim to such balance besides our predetermined commission. As advised by our PRC Legal Advisor, we are not permitted to apply Client Fund for purposes other than those stipulated in the property management service contracts.

For the years ended December 31, 2018, 2019 and 2020, we had 27, 32 and 31 non-commercial projects client funds of which were insufficient to cover their respective costs incurred in the provision of property management services. As of December 31, 2018, 2019 and 2020, the balance of shortfall for these properties amounted to RMB11.9 million, RMB22.1 million and RMB29.0 million, respectively. Such shortfall reflected the payment we made on behalf of our customers but yet to be reimbursed from them. From the perspective of accounting treatment, we recognize shortfall as receivables which are subject to impairment. To assess the recoverability of the shortfall, we take into account various factors, including but not limited to (i) the stage of the project, (ii) credibility and historical payment record of our customers; and (iii) the cost control measures that we anticipate to implement in the future.

In line with market practice, we do not set up independent bank accounts for residential properties under our management to transact property management related business. Our treasury function assists management offices with processing all transactions relating to residential properties. Notwithstanding the absence of independent bank accounts for residential properties under our management, we have in place a sound cash management system and targeted internal control measures which we believe are sufficient to effectively monitor our operating cash flows at project level and minimize the financial risk arising therefrom. For instance, we keep a separate account ledger for each commission-based project to maintain a reasonable degree of independence in financial management. Each cashier in our management offices is not permitted to keep more than RMB1,000 on hand, and any excess amounts are required to be deposited into our bank accounts on the day of receipt. For details, see "— Our Cash Management Policy". We also disclose each project's income and costs to residents and property owners on a regular basis. As advised by our PRC Legal Advisor, there are no compulsory requirements on setting independent bank account for the commission-based residential projects under applicable PRC laws and regulations and local rules in Guangzhou, Shenyang, Wuhan, Foshan, Hangzhou and Jiangmen where our commission-based residential properties under our management are located. Therefore, our PRC Legal Advisor is of the view that such practice does not violate applicable laws and regulation in the PRC.

Service Fees Charged for Value-added Services Provided to Non-property Owners

We typically charge services fees based on the nature and type of value-added services. The table below sets forth the descriptions of the manners in which we charge our customer for sales office and display unit management and pre-delivery support services, carpark space sales assistance services, ancillary property services and preliminary planning and design consulting services.

Type of services	Our typical fee model
• Sales office and display unit management and pre-delivery support services	We typically charge a fixed fee for the provision of sales office and display unit management and pre-delivery support services for the contract term. 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.
• Carpark space sales assistance services	We assist property developers in selling their first-hand carpark spaces in designated carparks of the properties under our management. We charge a percentage of the sales proceeds as our commission, depending on the location of the carpark spaces, the resources and effort we dedicate to facilitating the transactions, and our sales track record.
• Ancillary property leasing services	We typically charge a commission fee calculated as a percentage of rent payables for a certain number of months, subject to the nature of the ancillary properties we are engaged to lease.
• Preliminary planning and design consultancy services	Our service fees for the preliminary planning and design consultancy services are calculated based on a unit price and GFA of each project.

Service Fees Charged for Community Value-added Services

We typically charge a commission fee or a fixed fee depending on the nature of community value-added services rendered. For instance, in respect of our space operation services, we are authorized under the property management service contracts or under property owners' consent of a certain scale as required by the PRC laws to lease out the common areas for advertising purposes and other uses and charge a fixed rental on behalf of the property owners. We are entitled to charge a commission in accordance with the mechanism (i) agreed upon in the relevant provisions of the property management service contracts we entered into with them; or (ii) stipulated in local laws and regulations.

Pricing Policy

We generally price our property management services to non-commercial properties by taking into account factors such as the nature, positioning and geographic locations of the non-commercial properties, local pricing regulations, management fees charged in nearby and comparable properties, budgeted expenses, target profit margins, property owner and resident profiles and the scope and expected standards of our services. During renewal negotiations for our property management service contracts or otherwise as approved by a requisite number of property owners under the applicable PRC laws and regulations, we may propose to raise our property management fee rates.

The price administration and construction administration departments of the State Council are jointly responsible for supervision over and administration of fees charged for property management and related services, and we are also subject to regional guidance prices implemented by the local government authorities in the PRC. In December 2014, the NDRC issued 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) (the "**Circular**"), which requires provincial-level price administration authorities to abolish all price control or guidance policies on residential properties, with certain exceptions. For more information, see "Regulatory Overview — Legal Supervision over Property Management Services — Regulations on Property Management Service Charges". According to CIA, our service fees charged for property management services to residential properties were generally in line with the relevant market trends with respect to property management fees charged by property management companies in the PRC during the Track Record Period. We expect that pricing controls on residential properties will relax as relevant local authorities pass regulations to implement the Circular. For more information, see "Risk Factors — Risks relating to Our Business and Industry — We are susceptible to changes in the regulatory landscape of the PRC property management industry and commercial operation service industry".

For the years ended December 31, 2018, 2019 and 2020, our average property management fee rates for residential properties in the PRC were RMB2.7 per sq.m. per month, RMB2.8 per sq.m. per month and RMB2.7 per sq.m. per month, respectively.

For value-added services to non-property owners and community value-added services, we generally price our service fee with reference to market standards and the rates charged by our competitors.

Payment and Credit Terms

We may charge property management fees on a monthly, quarterly or yearly basis, depending on the terms of our property management service contracts. We typically do not grant credit terms to customers for the property management fees we charge. Property owners or residents are generally required to make the payment on or before the date specified in the monthly, quarterly or annual bill we issue to them. We send reminders and notifications to property owners whose property management fees are overdue through various channels, such as via WeChat, written notice, home visit by staff or email. If the overdue property management fee has not been paid after six months, we may send a demand letter through our attorney, or even file a lawsuit to claim the outstanding amounts if necessary. We charge utility fees from property owners in relation to water and electricity consumed in the common areas pursuant to the cost allocation mechanism provided in the property management service contracts we entered into with them or local laws and regulations.

We primarily accept payments for property management fees through bank transfers, direct billing from customer's bank account, cheques, or WeChat Pay, a third-party online payment platform linked to the "Enjoy Club" mobile application. Payment of property management fees can also be made to us in cash.

For the years ended December 31, 2018, 2019 and 2020, our collection rate for property management fees with respect to non-commercial properties, calculated as a percentage of the property management fees cumulatively collected by the end of the relevant year in the total property management fees receivable for the corresponding year, was 96.0%, 94.6% and 95.2%, respectively. Our Directors believe that, with our continual fee collection efforts, we had maintained a satisfactory property management fee collection level during the Track Record Period. In addition, we are entitled to collect property management fees from GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties in respect of unsold property units in the residential communities developed by them. For the years ended December 31, 2018, 2019 and 2020, the total amount of property management fees charged on these unsold property units amounted to RMB6.3 million, RMB9.5 million and RMB8.6 million, respectively.

For value-added services to non-property owners and community value-added services, our credit terms are granted based on the nature of the services rendered.

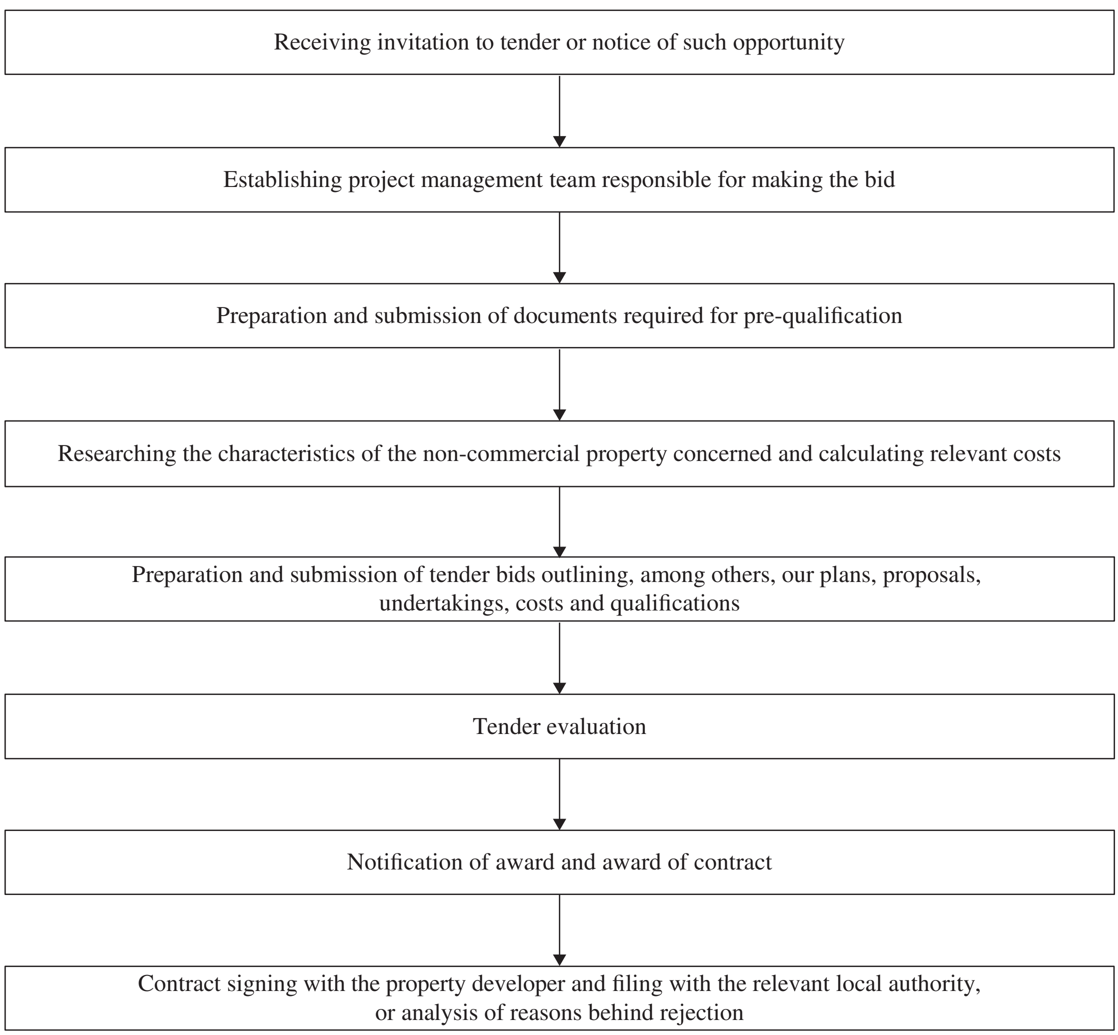
Our Non-commercial Property Management Service Contracts

For the provision of our property management services to non-commercial properties, we generally enter into (i) preliminary property management service contracts with property developers at the construction and pre-delivery stage of residential property development projects; or (ii) property management service contracts with property owners' associations which act on behalf of property owners after the formation thereof.

Preliminary Property Management Service Contracts with Property Developers

During the Track Record Period, we procured most of our preliminary property management service contracts from property developers through tender and bidding procedures regulated by the applicable PRC laws. According to the Regulations on Property Management (《物業管理條例》) and the Interim Measures for Tender and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》), the property developer of residential properties and commercial properties in the same property management area shall engage qualified property management enterprises through a tender and bidding process. If there are fewer than three bidder or for small-scale properties, the developer can select and hire qualified property management enterprises by directly entering into an agreement with the approval of the real estate administrative department of the district or county government of the place where the property is located. As advised by CIA, the property developers usually initiate tendering procedures to engage property management companies after they have obtained the land use rights of land parcel for the relevant residential property projects. Thus, we usually have the opportunities to submit tender bids after a property developer obtains the land use rights of a land parcel to develop properties, and in the event of successful bidding, the property developer normally contracts us approximately one to three months before the commencement of pre-sales.

Set forth below is a flow chart illustrating each stage of our typical tender process for obtaining preliminary property management service contracts:



Upon engagement by the property developers, we as the property management company 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. Under the 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 residential property owners as the property sale and purchase agreements that residential property owners enter into with property developers shall incorporate the terms of the preliminary property management service contracts. Accordingly, it is a contractual obligation for residential property owners to pay property management fees directly to us.

The key terms and arrangements of our preliminary property management service contracts entered into with property developers for residential properties typically include the following:

- *Scope of services*. We are typically responsible for providing standard property management services, including gardening, cleaning, security and repair and maintenance services. We may also be responsible for providing other auxiliary property management services such as services in relation to the usage of carpark spaces.

- *Performance standards*. Property management service contracts we entered into would set forth the expected standards for our property management services and the requirements for regular checks and maintenance of equipment and facilities in the public area.

- *Property developer's obligations*. The property developer is primarily responsible for, among other things, ensuring that its purchasers understand and commit to their obligations in relation to the payment of property management fees, carrying out repair work if necessary, and providing us with office facilities, documents and other support necessary for discharging contractual obligations.

- *Property management fees*. Property management service contracts we entered into would set forth the amount of monthly property management fees payable either on a lump-sum basis or on a commission basis. The property developer is generally responsible for paying the property management fees for completed but unsold property units as well as sold but undelivered property units.

- *Term of services*. Our preliminary property management service contracts generally do not have fixed terms and automatically terminate when a new property management service contract entered into by the property owners' association on behalf of property owners and property owners' general meeting becomes effective. If the property management service contract expires with no decision to appoint or renew being made by property owners or property owners' general meeting, and we agree to continue to provide our services under the original property management service contract, such contract will be extended until a decision to appoint or renew is made.

- *Dispute resolution*. Any disputes arising from the performance of the contractual obligations shall be settled primarily by negotiation or mediation, failing which the relevant disputes shall be resolved through arbitration or litigation.

As of December 31, 2020, 25 residential properties under our management had established property owners' associations, accounting for approximately 19.7% of the total number of residential properties under our management. During the Track Record Period, no residential property management service contract was terminated by property owners or property owners' association. As advised by our PRC Legal Advisor, in the most likely circumstances where no property owners' association is formed after the delivery of the properties, so long as we continue to provide property management services to the relevant residential property, we are entitled to the property management fees for the continued services we provide.

Property Management Service Contracts with Property Owners' Associations

After the delivery of the residential properties by property developers to the property owners, property owners may, under the applicable PRC laws, initiate a property owners' general meeting and vote for the establishment of a property owners' association to manage the residential properties on behalf of the property owners, including handling the daily communication with residential property management service providers. Under the applicable PRC laws, residential property owners may engage a property management company through the property owners' general meeting. The property owners' association will then be authorized by the property owners to enter into a property management service contract with the property management service provider engaged on behalf of the property owners. The property owners' association may either hire a property management service provider through the tender and bidding process or select one based on specific standards to do with terms and conditions of service, quality and price. Property owners' associations are independent from us. In order to secure and/or continue to secure property management service contracts, we must consistently provide quality services at competitive prices.

Our property management service contracts with property owners' associations typically include the following key terms and arrangements:

- *Scope of services*. We are typically responsible for providing basic property management services, including gardening, cleaning, security and repair and maintenance services.

- *Performance scope and standards*. Property management service contracts we entered into would set forth the scope and expected standards for our property management services, including the areas to which our services relate, as well as the frequency for performing certain services, such as cleaning of common area, garbage clearance and inspection of sewage pipes.

- *Property management fees*. Property management fees would be charged either on a lump-sum basis or a commission basis from property owners and residents. When payable on a lump-sum basis, our property management fees are generally charged by area. Property owners and residents are liable for a daily-accumulating surcharge at a certain percentage of the overdue amount in the event of overdue payment.

- *Our rights and obligations*. We are responsible for providing property management services pursuant to the scope and standards set forth in the property management service contracts, and are generally allowed to engage subcontractors to perform certain services.

- *Rights and obligations of property owners' association*. The property owners' association is primarily responsible for reviewing the property management rules and the implementation thereof, reviewing our annual property management service plan, providing us with office space free of charge and assisting us in collecting property management fee in the event that property owners refuse to cooperate.

- *Terms of service and termination*. Property management service contracts entered into with the property owners' association typically have a term of three years subject to renewal based on the performance of our services. Upon the expiry of a property management service contract, the term of the contract at issue shall be extended until the new property management contract entered into between the relevant property owners' association and the new property management service provider comes into effect. Both the property owners' association and we are entitled to terminate the contract under specified circumstances in connection with breach of contract. Such circumstances include, among others, failure of us to perform services pursuant to the required standards.

- *Dispute resolution*. Any disputes arising from the performance of the contractual obligations shall be settled primarily by negotiation or mediation, failing which the relevant disputes shall be resolved through court proceedings.

According to the applicable PRC laws and regulations, the establishment of the property owners' association is a result of the election by the property owners. The property owners' association represents their interest in matters concerning property management. The property owners' association's decisions are binding on all property owners. As advised by our PRC Legal Advisor, contracts between property owners' associations and property management companies, including the legal rights and obligations of property owners under such contracts, are valid and legally binding on property owners, even if the property owners are not parties to such contracts. As a result, we have legal claims against property owners for accrued and outstanding property management fees. Property owners and residents have the right to be informed of and supervise the use of public funds and the management of common areas and public facilities.

Retention and Renewal of Non-commercial Property Management Service Contracts

The following table sets forth the retention rates in connection with our non-commercial property management service contracts during the Track Record Period:

	Year ended December 31,		
	2018	**2019**	**2020**
Retention rate(1)	100.0%	100.0%	99.1%

Note:

(1) We retained 124 out of 124 contracts for the year ended December 31, 2018, 154 out of 154 contracts for the year ended December 31, 2019, and 224 out of 226 contracts for the year ended December 31, 2020.

The following table sets forth the renewal rates in connection with our non-commercial property management service contracts during the Track Record Period:

	Year ended December 31,		
	2018	**2019**	**2020**
Expired	1	5	6
Renewed	1	5	4(1)
Renewal rate	100.0%	100.0%	66.7%

Note:

(1) We ceased to provide property management services in two non-commercial property projects sourced from Independent Third Parties after contract expiration. The non-renewal for one of the contracts was a result of the changes on the supplier engagement policies of the property owner's headquarters. Another contract we did not renew concerns an exhibition hall for temporary use, which was dismantled in 2020 as a result of the property owner's adjustment to its business plan.

The following table sets forth the retention rates in connection with our non-commercial property management service contracts entered into with GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties during the Track Record Period.

	Year ended December 31,		
	2018	2019	2020
Retention rate[(1)]	100.0%	100.0%	100.0%

Note:

(1) We retained 110 out of 110 contracts for the year ended December 31, 2018, 132 out of 132 contracts for the year ended December 31, 2019, and 188 out of 188 contracts for the year ended December 31, 2020.

The following table sets forth the renewal rates in connection with our non-commercial property management service contracts entered into with GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties during the Track Record Period:

	Year ended December 31,		
	2018	2019	2020
Expired	–	1	–
Renewed	–	1	–
Renewal rate	N/A	100.0%	N/A

During the Track Record Period, most of our property management service contracts in respect of both non-commercial properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties and non-commercial properties developed by Independent Third Party property developers were awarded through a standard tender process. For the years ended December 31, 2018, 2019 and 2020, our bid win rates for properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties were 100.0% (out of 13 bids submitted), 100.0% (out of 12 bids submitted), and 100.0% (out of 16 bids submitted), respectively. Our high bid win rates for non-commercial properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties were primarily attributable to our years of close collaboration with GZYX Group and our capability of delivering quality property management services to customers in a manner that aligns with GZYX Group's business philosophy. For the years ended December 31, 2018, 2019 and 2020, our bid win rates for non-commercial properties developed by Independent Third Party property developers were 40.0% (out of 5 bids submitted), 29.2% (out of 24 bids submitted) and 31.3% (out of 16 bids submitted), respectively.

Expiration Schedule of Non-commercial Property Management Service Contracts

The following table sets out the expiration schedule of property management service contracts for our non-commercial property management service projects as of December 31, 2020:

	Contracted GFA		Number of contracts	
	(Sq.m. in thousands)	%		%
Projects governed by property management service contracts without fixed term[(1)]	**37,106**	**80.5**	**160**	**71.4**
Projects governed by property management service contracts expiring in	**8,980**	**19.5**	**64**	**28.6**
Year ending December 31, 2021	2,319	5.0	20	8.9
Year ending December 31, 2022	2,881	6.3	21	9.4
Year ending December 31, 2023 and beyond	3,780	8.2	23	10.3
Total	**46,086**	**100.0**	**224**	**100.0**

Note:

(1) A property management service contract without fixed term primarily refers to (i) 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 replacing property management service contract entered into by the property owners' association; and (ii) a property management service contract which had expired but not been renewed yet as of December 31, 2020 either because the relevant property owners' general meeting of the property was yet to be convened or the property owners' association was yet to be formed to deal with contract renewal or replacement of property management service provider, or we were still in the negotiation process with the property owners' associations for the renewal of our engagement. In scenario (ii), as confirmed by our PRC Legal Advisor, since we continued to provide property management services after contract expiration, the expired contract shall be classified as a de facto property management service contract without a fixed term, which is enforceable under PRC law.

Value-added Services to Non-property Owners

Overview

Capitalizing on our property management expertise, we provide value-added services to non-property owners in order to address their needs at various stages of property development and management. Our service offerings principally comprise: (i) sales office and display unit management and pre-delivery support services; (ii) carpark space sales assistance services; (iii) ancillary property lease services; and (iv) preliminary planning and design consultancy services.

The following table sets forth a breakdown of our revenue generated from value-added services to non-property owners under the non-commercial property management and value-added services segment by service type for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sales office and display unit management and pre-delivery support services	54,456	45.0	80,404	39.1	89,318	26.8
Carpark space sales assistance services	15,323	12.7	32,305	15.7	140,338	42.1
Ancillary property leasing services	32,629	26.9	48,338	23.5	44,146	13.3
Preliminary planning and design consultancy services	18,702	15.4	44,588	21.7	59,186	17.8
Total	**121,110**	**100.0**	**205,635**	**100.0**	**332,988**	**100.0**

For the years ended December 31, 2018, 2019 and 2020, our revenue generated from value-added services to non-property owners amounted to RMB121.1 million, RMB205.6 million and RMB333.0 million, respectively, accounting for 15.9%, 22.9% and 28.5% of our total revenue for the respective years. During the Track Record Period, we generated our revenue of value-added services to non-property owners entirely from GZYX and its joint ventures and associates or other related parties. Going forward, we intend to diversify the source of our engagements in relation to value-added services to non-property owners by extending our service offerings to Independent Third Party property developers.

Sales Office and Display Unit Management and Pre-delivery Support Services

We provide property management services to sales offices and display units of property developers, such as visitor reception, cleaning, security and maintenance services, to ensure the orderliness during the residential property sales activities of the property developers. Property developers also engage us to carry out quality inspection and cleaning services before the delivery of residential units to property owners.

We typically charge property developers a fixed service fee based on a basket of factors such as the service scope, service standards and staffing requirements.

Carpark Space Sales Assistance Services

We offer sales assistance services to property developers in respect of first-hand carpark spaces in the residential properties they developed through sourcing potential purchases of carpark spaces and assisting property developers in entering into property sale and purchase agreements with the buyers.

Upon the conclusion of a carpark space sale transaction, we generally charge the seller, being the property developer, a commission calculated at a certain percentage of the actual purchase price.

Ancillary Property Leasing Services

We assist property developers in leasing out their ancillary properties in the residential communities, such as shops, office spaces, clubhouses and recreational facilities.

We generally charge the property developers a fixed commission fee calculated as a percentage of rent payables for a certain number of months, subject to the nature of the ancillary properties we are engaged to lease.

Preliminary Planning and Design Consultancy Services

Leveraging our front-line experiences interacting with property owners and residents during the course of providing property management services, we offer a variety of preliminary planning and design consultancy services to property developers, enabling them to better adapt their residential properties to the ever-changing lifestyle needs of the end users. For instance, at the preliminary planning stage, we advise on traffic planning and garbage clearance of the residential communities. Our consultancy services also involve review of construction blueprints from multiple perspectives, such as the engineering design of property management premises, landscaping, decoration, display units design and club house operation model. In addition, we are capable of providing advisory services in respect of the full cycle of the development of ancillary commercial facilities of the residential properties, from feasibility study and early planning to tenant sourcing and management.

We generally charge a fee calculated based on a unit price and the GFA of each project for our preliminary planning and design consultancy services.

Community Value-added Services

Overview

Over the years, we have devoted a tremendous amount of effort to creating value for and nurturing the sense of belonging of the property owners and residents in the residential properties under our management. To this end, we offer community value-added services to property owners and residents to address their daily needs and enhance their living experience, which mainly include: (i) home-living services; (ii) space operation services; and (iii) decoration, turnkey and move-in furnishing services. The individual service contracts we enter into with our customers for the provision of community value-added services are of on-demand nature and generally independent from the property management service contracts, as a result of which we would need to remain competitive in terms of both service standards and price to continually grow our customer base for community value-added services. Other than space operation services the provision of which would require property owners' consents, we are not aware of any legal restrictions under the applicable PRC laws and regulations prohibiting us from or limiting our ability of carrying out community value-added services business in the residential properties under our management, after having consulted our PRC Legal Advisor.

The following table sets forth a breakdown of our revenue generated from community value-added services under the non-commercial property management and value-added services segment by service type for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Home-living services	81,606	67.6	82,530	66.3	85,302	63.4
Space operation services	37,354	30.9	38,584	31.0	42,206	31.4
Decoration, turnkey and move-in furnishing services	1,776	1.5	3,321	2.7	6,937	5.2
Total	**120,736**	**100.0**	**124,435**	**100.0**	**134,445**	**100.0**

For the years ended December 31, 2018, 2019 and 2020, our revenue generated from community value-added services amounted to RMB120.7 million, RMB124.4 million and RMB134.4 million, respectively, accounting for 15.8%, 13.9% and 11.5% of our total revenue for the respective years.

Home-living Services

Our home-living services mainly include the following:

Handyman services

Our handyman services include, among others, housekeeping service, groceries purchase assistance service, laundry service, and home appliances and furniture repair and maintenance service.

Online retail services

Through the "Enjoy Club" mobile application and membership program, we provide online retail and home delivery services to property owners and residents by reselling groceries, seasonal products, other daily necessities and online education resources we purchased from third-party merchants.

Space Operation Services

We are committed to monetizing the common area and spare space resources of the residential properties under our management. In particular, we operate leasing business in connection with advertisement exhibition spaces distributed over exterior wall, lobbies, elevators, light boxes, carpark entries and other facilities in the community. We also lease space in the common areas to third parties for setting up base stations and self-service facilities, such as delivery storage cabinets.

For space operation services, we are permitted 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 the property owners and us in a proportion (i) agreed upon in the property management service contracts; or (ii) provided in the relevant laws and local regulations. The proceeds from such income shared by the property owners are deposited with a special bank account and will be used primarily to replenish repair and maintenance funds. We are not required to distribute the proceeds attributable to the property owners to the individual property owners.

Decoration, turnkey and move-in furnishing services

Our strong network of reputable third-party interior design and decoration service providers and furniture manufactures enables us to deliver (i) hard-decoration services; (ii) soft-decoration services; (iii) turnkey furnishing packages; and (iv) home refurbishment services, to property owners, assisting them in preparing a move-in ready residence.

COMMERCIAL PROPERTY MANAGEMENT AND OPERATIONAL SERVICES

Overview

We provide commercial property management and operational services to commercial properties, including office buildings, shopping malls and wholesale markets. As of December 31, 2020, a total of 39 commercial properties were under our management, representing a GFA under management of 2.8 million sq.m. Among the commercial properties we managed, 29 commercial properties were developed and owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties. As of December 31, 2020, we were contracted to manage a total of 41 commercial properties, representing a contracted GFA of 3.8 million sq.m. During the Track Record Period, our revenue from commercial property management and operational services segment continually grew, which amounted to RMB268.5 million, RMB292.9 million and RMB356.9 million for the years ended December 31, 2018, 2019 and 2020, representing 35.2%, 32.7% and 30.6% of our total revenue, respectively.

The following table sets forth a breakdown of our revenue from commercial property management and operational services segment by service line for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Commercial operation and management services	226,385	84.3	251,981	86.0	303,294	85.0
Market positioning consultancy and tenant sourcing services	42,139	15.7	40,873	14.0	53,586	15.0
Total	**268,524**	**100.0**	**292,854**	**100.0**	**356,880**	**100.0**

The following table sets forth a breakdown of the number of commercial properties under our management and aggregate GFA under management in respect of commercial properties as of the dates indicated, and revenue generated from commercial operation and management services under our commercial property management and operational services segment for the years indicated, by geographical region and property developer type:

	As of or for the year ended December 31,											
	2018				2019				2020			
	Number	GFA	Revenue		Number	GFA	Revenue		Number	GFA	Revenue	
		sq.m.	*RMB*	*%*		*sq.m.*	*RMB*	*%*		*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)											
PRC	**23**	**2,252**	**158,973**	**70.2**	**23**	**2,252**	**184,734**	**73.3**	**29**	**2,697**	**234,184**	**77.2**
— GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	20	1,965	144,747	63.9	20	1,965	155,922	61.9	23	2,320	201,239	66.3
— Independent Third Party property developers	3	287	14,226	6.3	3	287	28,812	11.4	6	377	32,945	10.9
Hong Kong	**7**	**67**	**67,412**	**29.8**	**9**	**85**	**67,247**	**26.7**	**10**	**98**	**69,110**	**22.8**
— GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	5	49	6,099	2.7	5	49	5,859	2.3	6	56	6,751	2.2
— Independent Third Party property developers	2	18	61,313	27.1	4	35	61,388	24.4	4	42	62,359	20.6
Total/Overall	**30**	**2,319**	**226,385**	**100.0**	**32**	**2,337**	**251,981**	**100.0**	**39**	**2,795**	**303,294**	**100.0**

Our Geographical Presence

Our commercial property management and operational services are deeply rooted in Guangzhou, which is one of the core cities for the strategic development of the Greater Bay Area and instrumental to the Belt and Road Initiative, with a fast-growing commercial property market. We also seek to expand our geographical presence along with the strategic development of GZYX to other major cities in China featuring robust economic growth potential. As of December 31, 2020, we managed a total of 39 commercial properties and had been contracted to manage 41 commercial properties in the PRC and Hong Kong.

During the Track Record Period, we prioritized our business growth in regions with good economic fundamentals and focused on managing commercial properties in first-tier cities (Guangzhou and Shanghai) and new first-tier cities (Hangzhou and Wuhan) in the PRC and Hong Kong.

The table below sets forth a breakdown of our total GFA under management with respect to commercial properties as of the dates indicated, and total revenue generated from commercial operation and management services under commercial property management and operational services segment for the years indicated by city:

	As of or for the year ended December 31,								
	2018			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA	Revenue	
	sq.m.	*RMB*	*%*	*sq.m.*	*RMB*	*%*	*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)								
Guangzhou	1,782	147,730	65.3	1,782	168,821	67.0	2,218	217,031	71.6
Hong Kong	67	67,412	29.8	85	67,246	26.7	98	69,110	22.8
Shanghai	62	3,154	1.4	62	4,513	1.8	62	4,995	1.6
Hangzhou	160	1,870	0.8	160	3,237	1.3	160	3,934	1.3
Wuhan	248	6,219	2.7	248	8,164	3.2	258	8,224	2.7
Total	**2,319**	**226,385**	**100.0**	**2,337**	**251,981**	**100.0**	**2,795**	**303,294**	**100.0**

The following table sets forth a breakdown of our total GFA under management with respect to commercial properties as of the dates indicated, and revenue from commercial operation and management services under commercial property management and operational services segment by city tier for the years indicated:

	As of or for the year ended December 31,								
	2018			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA	Revenue	
	sq.m.	*RMB*	*%*	*sq.m.*	*RMB*	*%*	*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)								
PRC	**2,252**	**158,973**	**70.2**	**2,252**	**184,735**	**73.3**	**2,697**	**234,184**	**77.2**
— First-tier cities(1)	1,844	150,884	66.6	1,844	173,334	68.8	2,280	222,026	73.2
— New first-tier cities(2)	408	8,089	3.6	408	11,401	4.5	417	12,158	4.0
Hong Kong	**67**	**67,412**	**29.8**	**85**	**67,246**	**26.7**	**98**	**69,110**	**22.8**
Total/Overall	**2,319**	**226,385**	**100.0**	**2,337**	**251,981**	**100.0**	**2,795**	**303,294**	**100.0**

Notes:

(1) Include Guangzhou and Shanghai.

(2) Include Hangzhou and Wuhan.

Scope of Services

The commercial property management and operational services we provide are categorized as follows:

- **Commercial operation and management services**

  — *Commercial property management services*. We provide security, cleaning, repair and maintenance and gardening services to property owners, tenants and property developers of the commercial properties.

  — *Other value-added services*. Other value-added services we provide include, among others, carpark management and operation services and space operation services (including advertising space leasing and common area leasing services).

  As of December 31, 2020, we leased carpark spaces with GFA of 196,585 sq.m. for provision of our carpark management and operation services and commercial properties with GFA of 12,151 sq.m. for provision of our commercial operation and management services from GZYX, Yuexiu Property and their respective associates.

- **Market positioning consultancy and tenant sourcing services**

  — *Market positioning and management consultancy services*. We provide management consultancy and positioning services for commercial properties based on our market research. We also offer engineering consultancy services and property management consultancy services and advise on marketing and promotion plans.

  — *Tenant sourcing services*. We source and negotiate with target tenants for property developers or property owners before and after the opening of the commercial properties based on their respective positioning.

Our Portfolio of Commercial Properties under Commercial Operation and Management Services

Our extensive industry experience in commercial operation and management services is evidenced by a diverse portfolio of commercial properties we have established over years, which primarily includes office buildings and shopping malls. Details of our portfolio are set out as follows:

Office Buildings

Project Overview

The following table sets forth information of certain office buildings in operation to which we provided commercial operation and management services as of December 31, 2020.

Project	Year of grand opening	Location	GFA(6)
			sq.m.
Guangzhou International Finance Center (廣州國際金融中心) — Office Tower(1)	2011	Guangzhou	191,292
Yuexiu Financial Tower (越秀金融大廈)(1)	2015	Guangzhou	177,377
VT101 Victory Plaza (VT101維多利廣場) — Office Towers(3)	2005	Guangzhou	89,596
Fortune Plaza (財富廣場) — Office Towers(2)	2003	Guangzhou	68,736
City Development Plaza (城建大廈)(2)	1997	Guangzhou	77,472
Yuexiu Fortune Century Plaza (越秀•財富世紀廣場)(3)	2012	Guangzhou	137,199
Lisheng Square (荔勝廣場)(5)	2018	Guangzhou	78,678
Wansheng Square (萬勝廣場)(1)	2016	Guangzhou	179,715
Star International Building (星匯國際大廈)(3)	2005	Guangzhou	65,708
Shanghai Yuexiu Tower (上海越秀大廈)(4)	2010	Shanghai	48,637
Hangzhou Victory Business Center (杭州越秀維多利中心)(2)	2017	Hangzhou	48,078
Yuexiu Fortune Center (越秀•財富中心)(1)	2016	Wuhan	139,937

Notes:

(1) Office buildings solely developed and owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties.

(2) Office buildings developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties, and jointly owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties and Independent Third Parties.

(3) Office buildings developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties, and owned by Independent Third Parties.

(4) Office building developed by an Independent Third Party property developer, and owned by an associate of Yuexiu Property.

(5) Office building developed and owned by GZ Metro, which was an Independent Third Party when we started to provide commercial property management services in 2018.

(6) Represents the GFA to which we provided commercial operation and management services, excluding the GFA of carparks.

The following table sets forth certain information of each of the office buildings not yet in operation to which we were contracted to provide commercial operation and management services as of December 31, 2020.

Project	Expected year of grand opening[(2)]	Location	GFA[(3)]
			sq.m.
Guangzhou International Commercial Center (廣州環貿中心) — Office Tower[(1)]	2021	Guangzhou	109,458
Yuexiu International Financial Center (越秀國際金融中心) — Office Towers[(1)]	2022 and beyond	Guangzhou	123,599
Yuexiu International Financial City (越秀國際金融匯) – Office Towers[(1)]	2022 and beyond	Wuhan	257,475
Total			490,532

Notes:

(1) Office buildings solely developed and owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties.

(2) Expected year of grand opening represents the year in which the office tower is expected to commence commercial operation pursuant to the confirmation from the property developer. The actual grand opening time of an office building is subject to various factors, including but not limited to construction progress, tenant sourcing status and other circumstances not readily foreseeable by our Directors and the property developer.

(3) Represents the GFA to which we were contracted to provide commercial operation and management services, excluding the GFA of carparks.

Shopping Malls

The following table sets forth information of certain shopping malls in operation to which we provided commercial operation and management services as of December 31, 2020.

Project	Year of grand opening	Location	GFA[(2)]
			sq.m.
Guangzhou IFC Shopping Mall (國金天地)[(1)]	2011	Guangzhou	46,989
VT101 Victory Plaza — Shopping Mall[(1)]	2003	Guangzhou	27,698
Starry Victoria Shopping Center (星匯維港購物中心)[(1)]	2015	Wuhan	45,471

Notes:

(1) Shopping malls solely developed and owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties.

(2) Represents the GFA to which we provided commercial operation and management services, excluding the GFA of carparks.

The following table sets forth certain information of each of the shopping malls not yet in operation to which we were contracted to provide commercial operation and management services as of December 31, 2020.

Project	Expected year of grand opening[(2)]	Location	GFA[(3)]
			sq.m.
Guangzhou International Commercial Center — Shopping Mall[(1)]	2021	Guangzhou	44,775
Yuexiu International Financial City — Shopping Mall[(1)]	2022 and beyond	Wuhan	92,604
Total			137,379

Notes:

(1) Shopping mall solely developed and owned by an associate of Yuexiu Property.

(2) Expected year of grand opening represents the year in which the shopping mall is expected to commence commercial operation pursuant to the confirmation from the property developer. The actual grand opening time of a shopping mall is subject to various factors, including but not limited to construction progress, tenant sourcing status and other circumstances not readily foreseeable by our Directors and the property developer.

(3) Represents the GFA to which we were contracted to provide commercial operation and management services, excluding the GFA of carparks.

Our Signature Projects

The following provides details of the different features and strengths of our signature projects.

Guangzhou International Finance Center — Urban Complex (Office Building + Shopping Mall + Hotel + Serviced Apartment)

Guangzhou International Finance Center is a landmark urban complex comprising a 432-meter office building (being one of the ten tallest skyscrapers in the world at the time of completion), a high-end serviced apartment, a luxurious five-star hotel and a shopping mall, which is located in Pearl River New City, the central business district of the city. The office building is home to many Fortune 500 companies and industry-leading domestic conglomerates. The project was awarded the Lubetkin Prize by the Royal Institute of British Architects Lubetkin, LEED EB:O+M (v4) Platinum certification by the U.S. Green Building Council (USGBC), while its operation team gained recognitions of Facility Management Team of the Year and Sustainability Achievement of the Year by Royal Institution of Chartered Surveyors (RICS) in 2020. Guangzhou International Finance Center is also the first super high-rise building in South China certified by Building Owners Managers Association (China) under the BOMA 360 Performance Program for its distinguished building management and operation capability. As of December 31, 2020, Guangzhou International Finance Center's GFA under our management was approximately 238,000 sq.m. (excluding the GFA of carpark).

Guangzhou Yuexiu Financial Tower — Office Building

Situated in Pearl River New City, the 309-meter Yuexiu Financial Tower is another high-end office building developed by Yuexiu Property. The office building's tenant base comprises a number of Fortune 500 companies. The project secured LEED EB:O+M (v4) Platinum certification by USGBC with the world's highest score of the year, and obtained the WELL Platinum Pre-certification by the International WELL Building Institute (IWBI), demonstrating its leadership in green building transformation. As of December 31, 2020, Yuexiu Financial Tower's GFA under our management was approximately 177,000 sq.m. (excluding the GFA of carpark).

Guangzhou VT101 Victoria Plaza — Urban Complex (Office Building + Shopping Mall)

With its unique location in the heart of Tianhe Road commercial district, a sophisticated commercial district which is seamlessly connected to two metro lines, VT101 Victoria Plaza has become an exclusive office address. Its intelligent office building operation system offers flexible solutions to fit the needs of tenants, enabling truly inspiring office experience. Awards it has received include Guangdong Property Service Demonstration Unit and 2020 Sustainable Development Building of Tianhe Central Business District. Bringing together an extraordinary range of fashion & lifestyle and art & culture experiences, VT101 Victoria Plaza Shopping Mall is set to become an iconic shopping destination of the city. As of December 31, 2020, VT101 Victoria Plaza's GFA under management was approximately 117,000 sq.m. (excluding the GFA of carpark).

Wuhan Yuexiu Fortune Center — Urban Complex (Office Building + Shopping Mall)

The 330-meter Wuhan Yuexiu Fortune Center (being the tallest building in Wuhan at the time of completion) is located at the core of Wuhan. The development integrates contemporary workspaces overlooking riverside scenery and a large-scale commercial podium seamlessly connected with the urban rail transit system. The office building has attracted certain high-profile tenants, such as Fortune 500 companies. In 2018, it was honored with the Most Influential City Landmark Award presented by Bo'ao 21st Century Real Estate Forum. The commercial podium, Starry Victoria Shopping Center is a retail destination featuring an irresistible collection of leisure and lifestyle labels, which offers authentic gourmet dining and unique entertainment experiences to its discerning customers. As of December 31, 2020, Yuexiu Fortune Center's GFA under our management was approximately 185,000 sq.m. (excluding the GFA of carpark).

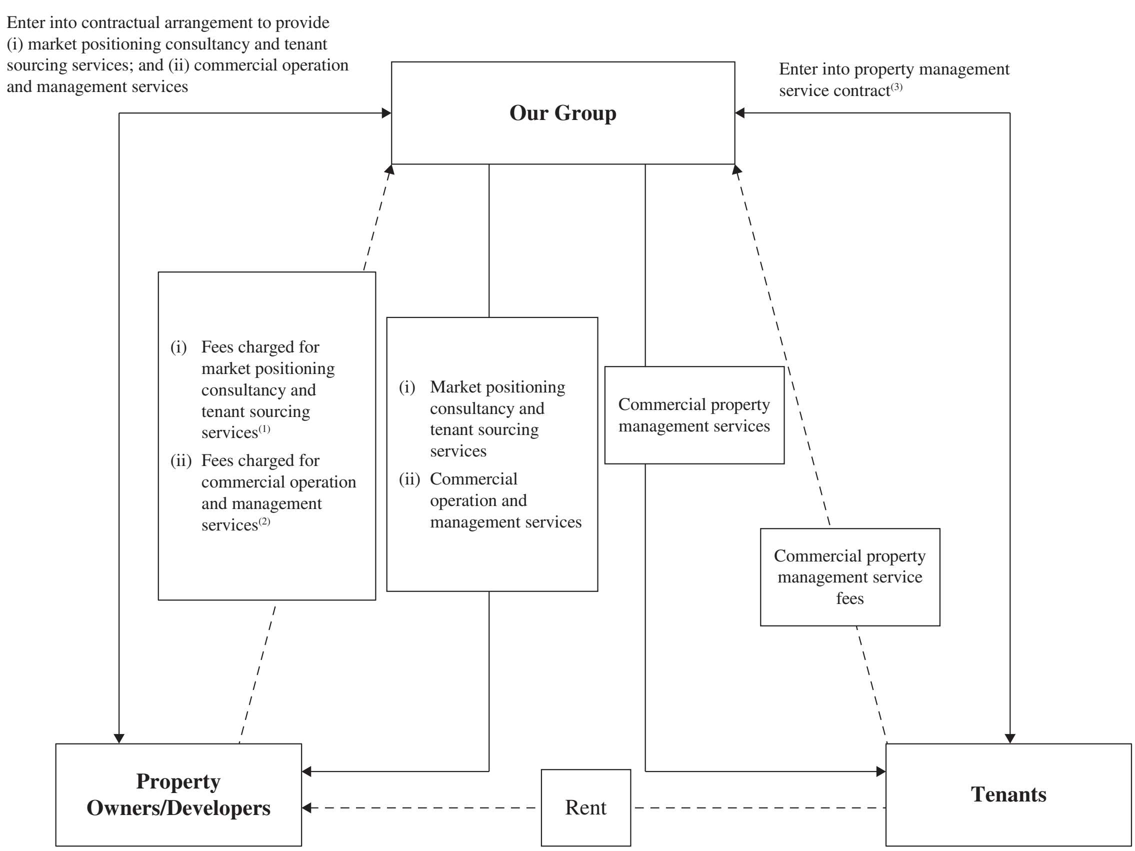
Business Expansion

During the Track Record Period, we primarily provide commercial operation and management services to office buildings and shopping malls developed or owned by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties. Our proven track record of managing and operating commercial properties, particularly high-rise office buildings, has enabled us to expand our service offerings and obtain new engagements from Independent Third Party property developers. Since 2020, we have been contracted by Independent Third Parties to (i) provide property management services to certain corporate headquarter office buildings; and (ii) provide management consultancy services to small- and medium-sized property management companies which seek to enhance their service capability in respect of commercial properties.

Going forward, we intend to further increase our business penetration in the Greater Bay Area, where we have an established presence. In particular, leveraging our in-depth industry knowledge, we manage to capture the opportunities brought about by the continuous growth in demand arising from the newly developed corporate headquarter office buildings in the midst of the rapid business expansion of Chinese tech giants and unicorns.

Revenue Model

The diagram below illustrates our relationships with various parties under our commercial property management and operational services segment during the Track Record Period:



Notes:

(1) Service fees for market positioning and management consultancy services are generally fixed in the contracts. For tenant sourcing services we render to office buildings and shopping malls, we typically charge a fixed commission fee equivalent to the rental of a certain number of months.

(2) Property management fees for commercial properties are charged either on a commission basis or on a lump-sum basis. For other value-added services, we generally charge a fixed fee.

(3) In the event that a unit in a commercial property is rented out to a tenant by the property owner/developer with which we enter into a preliminary property management service contract, and that under the lease agreement entered into between the property owner and the tenant, the tenant shall undertake the obligation to pay the property management fee. We typically enter into a separate property management service contract with such tenant to set out certain rights and obligations.

(4) With respect to some of the properties that we are engaged by property owners to provide property management services as well as tenant sourcing services, in addition to the fixed commission fee we charge the property owners for tenant sourcing services, we charge only tenants for the management fees after the properties are rented out.

Service Fees Charged for Commercial Operation and Management Services

The following table sets forth the types of our commercial operation and management services and the corresponding fee models we typically apply.

Type of services	**Our typical fee model**
• Commercial property management services	Property management service fees for commercial properties are changed either on a commission basis or on a lump-sum basis.
• Other value-added services . . .	We generally charge a fixed fee for other value-added services, subject to the particular scope thereof.

During the Track Record Period, our commercial property management fees were charged either on a commission basis or on a lump-sum basis. For the years ended December 31, 2018, 2019 and 2020, 44.9%, 38.9% and 30.5% of our revenue generated from commercial property management services was charged on a commission basis, respectively, while 55.1%, 61.1% and 69.5% of our revenue generated from commercial property management was charged on a lump-sum basis for the same years, respectively. For the years ended December 31, 2018, 2019 and 2020, property management fees involving 66.2%, 66.5% and 62.9% of our total GFA under management with respect to commercial properties were charged on a commission basis, respectively, with the remaining 33.8%, 33.5% and 37.1% of our total GFA under management with respect to commercial properties being charged on a lump-sum basis, respectively.

The following table sets forth a breakdown of our total GFA under management with respect to commercial properties as of the dates indicated and revenue generated from commercial property management services for the years indicated by revenue model:

	As of or for the year ended December 31,								
	2018			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA	Revenue	
	sq.m.	*RMB*	*%*	*sq.m.*	*RMB*	*%*	*sq.m.*	*RMB*	*%*
	(in thousands, except for numbers and percentages)								
Commission basis	1,536	39,328	44.9	1,553	38,695	38.9	1,758	40,525	30.5
Lump-sum basis	783	48,182	55.1	783	60,892	61.1	1,037	92,322	69.5
Total[(1)]	**2,319**	**87,510**	**100.0**	**2,337**	**99,587**	**100.0**	**2,795**	**132,847**	**100.0**

Note:

(1) Excludes the revenue generated from certain value-added operational and ancillary services under commercial operation and management services, which were charged neither on a commission basis nor on a lump-sum basis.

We attend to the special needs of property developers, property owners and other clients and take into account a number of factors in determining whether to charge fees on a commission basis or on a lump-sum basis, such as the types and stages of properties under development, local regulations and market conditions and the nature and requirements of individual properties on a case by case basis.

Property Management Fees Charged on a Commission Basis

Revenue generated from our commercial property management service contracts on a commission basis represented 44.9%, 38.9% and 30.5% of our total revenue from commercial property management services for the years ended December 31, 2018, 2019 and 2020, respectively. We recognize a predetermined property management commission fee, generally representing 7.5% to 10% of the property management fees, as revenue, while the remainder serves as working capital to cover the property management costs incurred, which are typically borne by our customers who pay us property management fees. We essentially act as an agent, helping recruit, organize and coordinate various property management services. For the years ended December 31, 2018, 2019 and 2020, we had five, six and six commercial projects client funds of which were insufficient to cover their respective costs incurred in the provision of property management services. As of December 31, 2018, 2019 and 2020, the balance of shortfall for these properties amounted to RMB19.5 million, RMB25.7 million and RMB22.7 million, respectively. Such shortfall reflected the payment we made on behalf of our customers but yet to be reimbursed by them. From the perspective of accounting treatment, we recognize shortfall as receivables which are subject to impairment. To assess the recoverability of the shortfall, we take into account various factors, including but not limited to (i) the stage of the project, (ii) credibility and historical payment record of our customers; and (iii) the cost control measures that we anticipate to implement in the future. See “Risk Factors — Risks relating to Our Business and Industry — We may fail to recover all payments on behalf of property owners and residents of the properties managed on a commission”. When the ending balance after paying for all property management costs and expenses is positive, the balance is carried over to the next year. We do not have any claim to such balance besides our predetermined commission.

Property Management Fees Charged on a Lump-sum Basis

We adopt a lump-sum basis revenue model when charging property management fees for a certain number of commercial properties, including office buildings and shopping malls, which is similar in nature to those for non-commercial properties. For details, see “— Non-commercial Property Management and Value-added Services — Revenue Model — Service Fees Charged for Property Management Services to Non-commercial Properties — Property Management Fees Charged on a Lump-sum Basis”.

Service Fees Charged for Market Positioning Consultancy and Tenant Sourcing Services

As with market positioning consultancy and tenant sourcing services, we typically charge services fees from property developers or owners based on the nature and type of services we provide. The table below sets forth the descriptions of the manners in which we charge our clients for market positioning and management consultancy services and tenant sourcing services.

Type of services	**Our typical fee model**
• Market positioning and management consultancy services	Service fees are generally fixed in the contract.
• Tenant sourcing services	We typically charge a commission fee for tenant sourcing services we provide to office buildings and shopping malls.

Pricing Policy

For our market positioning consultancy and tenant sourcing services, we generally price our services with reference to, among others, (i) size and location of the properties; (ii) our judgment on the complexity of tenant sourcing; and (iii) duration of services.

We generally price our commercial operation and management services by taking into account factors such as (i) the positioning, location and surroundings of the properties; (ii) the scope of services and the expected service standards; (iii) management cost estimates; and (iv) the competitive landscape of the local commercial property management services sector. During renewal negotiations for our property management service contracts, we may propose to raise our property management fee rates. As advised by our PRC Legal Advisor, commercial properties are not subject to the pricing regulations imposed by the PRC Government. For the years ended December 31, 2018, 2019 and 2020, our average property management fee rates for office buildings in the PRC were RMB22.9 per sq.m. per month, RMB22.9 per sq.m. per month and RMB22.8 per sq.m. per month. During the same years, our average property management fee rates for shopping malls in the PRC were RMB34.3 per sq.m. per month, RMB34.3 per sq.m. per month and RMB35.3 per sq.m. per month, respectively.

Payment and Credit Terms

The following table sets forth our typical payment and credit terms of our service fees generated under the commercial property management and operational services segment by service line and by type of services during the Track Record Period:

Type of services	Our typical payment and credit terms
Commercial operation and management services	
• Commercial property management services	Monthly service fees on a commission basis or on a lump-sum basis generally payable to us on or before the tenth day of each month
• Other value-added services . . .	With respect to other value-added services: • ***Space operation services***: We retain a certain portion of the fees collected as service fees and remit the rest to property owners • ***Carpark space operation services***: We generally receive prepaid carpark space rent from tenants and parking fees from visitors
Market positioning consultancy and tenant sourcing services	
• Market positioning and management consultancy services	Fixed service fees generally payable to us by installments depending on the progress of the project
• Tenant sourcing services	Service fees we charge and the credit terms thereof are categorized as follows: • Commission fees calculated as a certain percentage of the total monthly rental income of the entire property, which are generally payable to us on a monthly basis • Commission fees equivalent to rent payables for a certain number of months calculated based on the average monthly rent of the first year upon the entering into of the tenancy agreement by the property owner and the new tenant, which are generally payable to us on a quarterly basis

Our Commercial Operation and Management Service Contracts

For the provision of our commercial operation and management services, we generally enter into (i) preliminary property management service contracts with property developers; (ii) property management service contracts with property owners' association; and (iii) property management service contracts with tenants.

Preliminary Property Management Service Contracts with Property Developers

The key terms of the preliminary property management service contracts for commercial properties are similar to those for residential properties in material aspects, except for the nature of property we are engaged to operate. For details, see "— Non-commercial Property Management and Value-added Services — Our Non-commercial Property Management Service Contracts — Preliminary Property Management Service Contracts with Property Developers".

Property Management Service Contracts with Property Owners' Association

- *Scope of services*. Our contracts set forth the scope of commercial property management services that we are responsible for, including but not limited to cleaning, gardening, security and repair and maintenance.

- *Performance scope and standards.* We are generally expected to perform our services in accordance with the scope and standards specified in our contracts with the property owners' association, which usually cover, among others, exterior wall cleaning frequency, security and patrolling measures, property management service indicators and qualifications of managers and technicians.

- *Property management fees*. The property management service contract would set forth the amount of property management fees either on a lump-sum or commission basis. We are generally entitled to an agreed-upon property management fee payable by the property owners, tenants or other occupants on the fifth day of each month.

- *Our rights and obligations*. We are responsible for providing property management services pursuant to the scope and standards set forth in the property management service contracts, and are generally allowed to engage subcontractors to perform certain services.

- *Rights and obligations of property owners' association*. Property owners' association is primarily responsible for (i) supervising our property management services; (ii) providing office space to us for property management service purposes; (iii) ensuring timely payment of property management fees by the property owners; and (iv) assisting us in various matters within the property area, such as property services, promotion and community events.

- *Term of services*. Our contracts typically have a fixed term of three years. We are generally given the priority to extend the contract term upon the approval of the property owners' general meeting or the property owners' association.

- *Dispute resolution*. Any contractual disputes shall be settled first by amicable negotiations, failing which each party may resort to court proceedings.

Property Management Service Contracts with Tenants

- *Scope of services*. Our contracts set forth the scope of commercial property management services to be provided by us, which normally includes security, gardening, cleaning, repair and maintenance and certain renovation services.

- *Performance standards*. Property management service contracts we entered into would set forth the expected standards for our property management services and the requirements for regular checks and maintenance of equipment and facilities in the public area.

- *Property management fees*. Our contracts set forth, among others, the amounts of property management fees, security deposits, and utility fees. For overdue service fees, the tenant shall pay a penalty equal to a daily-accumulating surcharge at a certain percentage of the overdue amount.

- *Our rights and obligations*. We are responsible for providing property management services within the scope and in accordance with the standards set forth in the agreement provided by us to our customers.

- *Rights and obligations of tenants*. Tenants are primarily responsible for, among other things, (i) overseeing the property management work undertaken by us and our implementation of the relevant property management rules; (ii) committing to their obligations under the convention of property management; (iii) cooperating with us in organizing production safety promotional campaigns and community cultural events; and (iv) appointing a designated representative to facilitate the daily communication and coordination with us.

- *Term of services*. The term of such contracts typically equals to the term of the lease agreement entered into between the tenant and the property owner.

- *Dispute resolution*. Any disputes arising from the performance of the contractual obligations shall be settled primarily by negotiation or mediation, failing which the relevant disputes shall be resolved through court proceedings.

The Tender Process

As advised by our PRC Legal Advisor, under applicable PRC laws and regulations, unlike residential properties, for commercial properties with a sole ownership structure, it is not required for property developers to go through tender process to engage commercial property management and operational service providers. In practice, a majority of our commercial property management and operational service contracts were secured through direct engagements.

The following table sets forth the retention rates in connection with our commercial property management service contracts during the Track Record Period:

	Year ended December 31,		
	2018	**2019**	**2020**
Retention rate[(1)]	100.0%	100.0%	97.6%

Note:

(1) We retained 30 out of 30 contracts for the year ended December 31, 2018, 33 out of 33 contracts for the year ended December 31, 2019, and 41 out of 42 contracts for the year ended December 31, 2020.

The following table sets forth the renewal rates in connection with our commercial property management service contracts during the Track Record Period:

	Year ended December 31,		
	2018	**2019**	**2020**
Expired	–	4	5
Renewed	–	4	4
Renewal rate	N/A	100.0%	80.0%

The following table sets forth the retention rates in connection with our commercial property management service contracts entered into with GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties during the Track Record Period.

	Year ended December 31,		
	2018	**2019**	**2020**
Retention rate[(1)]	100.0%	100.0%	100.0%

Note:

(1) We retained 25 out of 25 contracts for the year ended December 31, 2018, 26 out of 26 contracts for the year ended December 31, 2019, and 31 out of 31 contracts for the year ended December 31, 2020.

The following table sets forth the renewal rates in connection with our commercial property management service contracts entered into with GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties during the Track Record Period:

	Year ended December 31,		
	2018	2019	2020
Expired	–	3	3
Renewed	–	3	3
Renewal rate	N/A	100.0%	100.0%

During the Track Record Period, our property management service contracts in respect of both commercial properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties and commercial properties developed by Independent Third Party property developers were primarily obtained through direct engagements. In 2019 and 2020, we submitted one bid each for commercial properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties and won them all, while in 2018 we did not submit the bid. For the years ended December 31, 2018, 2019 and 2020, our bid win rates for commercial properties developed by Independent Third Party property developers were 50.0% (out of 4 bids submitted), 40.0% (out of 5 bids submitted) and 75.0% (out of 4 bids submitted), respectively.

Expiration Schedule of Commercial Property Management Service Contracts

The following table sets out the expiration schedule of property management service contracts for our commercial property management service projects as of December 31, 2020:

	Contracted GFA		Number of contracts	
	(Sq.m. in thousands)	%		%
Projects governed by property management service contracts without fixed term[(1)]	**1,575**	**41.2**	**16**	**39.0**
Projects governed by property management service contracts expiring in	**2,248**	**58.8**	**25**	**61.0**
Year ending December 31, 2021	202	5.3	7	17.1
Year ending December 31, 2022	467	12.2	6	14.6
Year ending December 31, 2023 and beyond	1,579	41.3	12	29.3
Total	**3,822**	**100.0**	**41**	**100.0**

Note:

(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 replacing property management service contract entered into by the property owners' association.

EFFECTS OF THE COVID-19 PANDEMIC

Effects of the COVID-19 Pandemic on Our Business Operations

A global pandemic caused by COVID-19 broke out in January 2020 and has impacted the global economy. In an effort to contain its spread, stringent measures, such as travel restrictions, mandatory quarantine requirements and social distancing measures have been imposed in the PRC and Hong Kong, which have adversely affected the macroeconomic conditions. Since early 2020, the PRC Government has implemented a series of fiscal and monetary policies to stabilize the social sentiment and expedite the resumption of economic growth, such as offering provisional relief of social insurance contributions by corporations affected by the COVID-19 pandemic, while state-owned enterprises took the initiative in making rent concessions to merchants (in particular small- and medium-sized enterprises) in the first half of 2020 to help businesses stay afloat. In Hong Kong, the authorities have launched responsive measures to assist the affected industries and the public, including introducing several rounds of anti-epidemic fund measures to relieve financial burdens of individuals and businesses and keep workers in employment. These efforts have played a meaningful role in mitigating the negative impact of the COVID-19 pandemic and partially contributed to the significant increase of our gross profit margin of property management services under the non-commercial property management and value-added services segment from 6.5% for the year ended December 31, 2019 to 21.6% for the year ended December 31, 2020. However, government relief measures in response to COVID-19 which benefited our margin expansion historically were one-off in nature and will not be recurring in the foreseeable future.

There were certain confirmed COVID-19 cases at the residential properties under our management. In order to minimize the number of infected cases, we have introduced targeted and tightened sanitary and monitory protocol and implemented the local governments' epidemic disease control and prevention measures to the ground. Since the outbreak of the COVID-19 pandemic and up to the Latest Practicable Date, we did not encounter material disruptions to the services provided by our subcontractors and utilities service providers and the supply of materials from our suppliers. Our Directors confirm that we did not encounter and are not expected to experience any labor shortage as a result of the outbreak of COVID-19 pandemic. In view of such, our Directors believe that our Group can continue to provide our services and discharge our obligations under existing contracts.

The COVID-19 pandemic has to a greater extent affected our non-commercial property management services and commercial operation and management services. In the first quarter of 2020, we experienced delay in property management fee collection with respect to certain residential communities located in regions hard hit by the virus, such as Wuhan City. We incurred additional labor costs relating to overtime wages of our staff members and subcontractors during the course of implementing stricter sanitary and monitory measures at the residential communities under our management. In addition, due to the social distancing measures imposed by the local governments from time to time in view of the development of the disease and the decline in the number of customers and visitors, certain tenants of shopping malls under our management had to temporarily suspend their operations, which had in turn adversely affected (i) our ability to collect property management fees on a timely basis; and (ii) our revenue generated from value-added services, such as advertising space leasing and management services and display unit management services. Nevertheless, our Directors are of the view that the aforesaid effects on the results of operations and financial condition of our Group are temporary and manageable. With the transmission of the disease under control in the PRC since the second quarter of 2020, quarantine measures and social distancing restrictions were loosened to allow gradual recovery of economic activities. We subsequently resumed normal business operations and recorded growth in both business segments for the year ended December 31, 2020.

To the best knowledge of our Directors after consulting Yuexiu Property, while the development schedules of certain property development projects could be affected to a limited extent by the epidemic control measures implemented by the PRC in the first half of 2020, there will be no material delay in the delivery of the properties developed by Yuexiu Property and its subsidiaries. Our Directors are not aware of circumstances that would suggest otherwise after having made reasonable enquiry to Yuexiu Property, and are of the view that the effects of the COVID-19 Pandemic on the development schedules of the properties we were contracted to manage as of the Latest Practicable Date will unlikely have a material adverse impact on the results of operations and financial condition of our Group.

Our Contingency Plan and Responses towards the COVID-19 Pandemic

The COVID-19 pandemic has been a great test of our crisis management capability. We have adopted the following hygiene and precautionary measures across the properties under our management since January 2020 to safeguard the wellbeing of our customers and employees.

- *Logistics support.* We regularly store epidemic control supplies such as sanitizers, surgical masks, plastic gloves, body temperature measurement equipment at each property under our management and designate persons-in-charge to administer the procurement and use thereof.

- *Exit and entry management.* We implement flexible visitor and vehicle control measures to adapt to the developments of the disease. Security guards measure the body temperature of each resident and visitor at the entrance gates. Those with abnormal body temperatures are not allowed to enter into the properties we manage and shall be subject to temporary quarantine measures immediately.

- *Customer services.* We frequently disseminate epidemic control information and health tips to the property owners, residents and tenants at the customer service centers of each property under our management and through social media.

- *Returning resident management.* For property owners and residents who return to the city, especially from regions that were most heavily affected by the COVID-19 pandemic, we record their information in collaboration with local governments and assist in the implementation of quarantine measures where necessary.

- *Disinfection and ventilation.* We routinely disinfect and maintain cleanliness and good ventilation of common areas of the properties under our management.

Our Directors confirm that the additional costs associated with the enhanced measures will not have a significant impact on our Group's results of operations and financial condition in 2020.

Effects of the COVID-19 Pandemic on Our Business Strategies

According to CIA, although the outbreak of the COVID-19 pandemic has caused short-term economic slowdowns in the PRC and Hong Kong, it is expected that once the outbreak is effectively contained, the outlook for the property management services remain positive. Our Directors therefore confirm that the COVID-19 pandemic will not cause any major disruptions to the implementation of our business strategies set out in "— Business Strategies" and our Group will utilize the net proceeds from the Global Offering in the same manner as envisaged in "Future Plan and Use of Proceeds".

We believe that the outbreak of the COVID-19 pandemic has provided a unique opportunity for us to meditate on how we could deliver real value to our customers and refine our development strategies for the years ahead. During the fight against the spread of the virus, property management companies served as a bridge among government authorities, community workers and residents. Our efforts in containing the virus have enabled us to establish a closer tie with the property owners, residents and tenants, through which we could better understand their needs and strengthen our service capability. For instance, lockdown measures imposed in many regions resulted in residents' increasing demand for our community value-added services, such as handyman services and online retail services provided through the "Enjoy Club" mobile application. This represents a vast potential in the development of smart communities. Hence, looking forward, we manage to take a more technology-oriented approach to broaden our service offerings, enhance customer experience and improve operation efficiency.

TECHNOLOGY AND OUR INTELLIGENT PLATFORM

We believe that information technology is critical to our transformation and future growth and has become one of our competitive edges that set us apart from other market players. We embrace smart technology solutions by employing them to various business scenarios in order to improve customer experience and reduce our reliance on manual labor.

Digitalized Operation and Management

Our centralized management and control center ("**CMCC**") is equipped with the "Sky Eyes" video surveillance system which monitors over a hundred of properties across the PRC under our management, with audio speakers attached to the cameras installed in indoor and outdoor areas. Integrating data generated from customer relationship management ("**CRM**") system, enterprise resource planning ("**ERP**") system, finance system, facilities management ("**FM**") system and carpark operation system, CMCC substantially bolsters our emergency response capability and improves our remote equipment management efficiency. Important areas of our information technology infrastructures that support the establishment of CMCC include the following:

- ***Customer services***. Our CRM system comprises a national call center, which we use to receive and transmit a large volume of enquiries and complaints from customers, as well as mobile applications such as "Enjoy Club".

- ***Remote equipment management***. Our proprietary FM system enables us to digitalize our management of equipment and facilities along their entire life cycle. EBA system is a typical application of IoT technology which collects and visualizes key operating data of our equipment and facilities through sensors, allowing us to largely replace manual inspections. Our on-site managers will receive instant notification where system failures arise, effectively reducing their response time and facilitating maintenance efficiency.

- ***Internal control***. We have established the ERP system to standardize the management processes for budgeting, contracts, fee collections and payments and further enhance our cost control efforts.

We have collaborated with Dahua Technology in setting up a joint laboratory of artificial intelligence applications to develop algorithms based on camera footage, which are currently undergoing trial applications in a number of residential property management scenarios such as trespassing, lost & found and facial recognition. We also strive to reduce labor costs, handle abnormalities promptly and enhance service quality through our AI-empowered automated error reporting and work assignment system.

Online Service Platforms

We believe that property management services have been redefined in this digitalized era, and in an effort to brace for the challenges ahead and remain competitive, we extend our contact points with our customers through "Enjoy Club" mobile application, WeChat official accounts and mini programs, to enhance resident satisfaction and reduce our operating costs. For instance, we promote seamless integration of the online services into our typical offline value-added services through "Enjoy Club", allowing our users to (i) pay property management fees; (ii) submit repair and maintenance requests; (iii) share parking spaces; and (iv) access notices about community activities, at their fingertips. We offer the aforesaid services free of charge.

According to the Administrative Measures on Internet Information Services (互聯網信息服務管理辦法) issued by the State Council, which came into effect on September 25, 2000 and was subsequently amended on January 8, 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 use online service platforms merely as a tool to facilitate the provision of our property management and value-added services and we do not generate revenue directly from such online service platforms in the form of paid Internet information services. In particular, we sell groceries, seasonal products, other daily necessities and online education resources in our online service platforms and make profits from the difference between the purchase price from third-party merchants and the sale price. We do not grant any third-party merchants access to our online service platforms and therefore our online services do not amount to value-added telecommunication services within the meaning of applicable PRC laws. Based on the foregoing, our PRC Legal Advisor is of the view that (i) our online services as mentioned above are regarded as "non-commercial Internet information services"; and (ii) a license for value-added telecommunication services is not necessary for us to provide non-commercial Internet information services.

Data Protection and Privacy

We have comprehensive internal control measures in place to protect data stored in our internal database from unauthorized access, and ensure the availability, confidentiality and reliability of the data. Our certified general information storage and customer privacy information storage systems constitute a reliable two-layered protection mechanism for us to handle a massive amount of data with different degrees of confidentiality expectation. We formulated targeted strategies for system access with different risk levels and restrict access to critical systems. We classify our staff based on their positions and responsibilities and grant them different access rights to ensure that sensitive information which concerns the privacy of our customers is accessible on a need-to-know basis. Our application system records every access to confidential information. In addition, we monitor the use of data by our staff with high-level access rights through auditing processes and retain permanent record thereof.

SALES AND MARKETING

Our sales and marketing team is primarily responsible for planning and developing our overall marketing strategy, attending tender and bidding process to acquire new projects, as well as exploring mergers and acquisitions and equity cooperation opportunities that serve our market expansion objectives. We have sales and marketing workforce at both headquarters and regional levels to ensure effective top-down implementation of our business development strategies.

During the Track Record Period, we generated most of the revenue from properties developed by GZYX Group. We expect that properties developed by GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties will remain a stable source of revenue in the foreseeable future. In addition to maintaining long-term and stable cooperation with GZYX Group, we seek to diversify our service profile by enhancing our exposure to projects from third-party property developers. To this end, we have a number of incentive measures in place to encourage our employees to take the initiative in obtaining new engagements from external sources. We are currently looking into the possibility of establishing the regional contact person mechanism to strengthen our bonds with local property management industry associations and relevant government agencies, which we believe may in turn facilitate our exploration of project opportunities.

We manage our service brand through both online and offline communication channels. Our online promotion platform represents a matrix of official websites and WeChat official accounts, which we use to present the latest developments and promotional activities of the projects under our management. We also routinely organize offline cultural events and charity functions based on our review of the feedback solicited through our resident satisfaction surveys with a view to improving customer stickiness.

CUSTOMERS

Overview

We have a steadily growing customer base primarily consisting of property owners and residents, property developers, property owners' associations and tenants. The table below sets forth the types of our major customers for each of our two business segments:

Business Segments	Major Customers
Non-commercial property management and value-added services	Property owners and residents, property developers, property owners' associations and tenants
Commercial property management and operational services	Property developers, property owners and tenants

For the years ended December 31, 2018, 2019 and 2020, revenue derived from our five largest customers amounted to RMB199.2 million, RMB285.2 million and RMB459.3 million, respectively, accounting for approximately 26.1%, 31.8% and 39.3% of our total revenue for the corresponding years, respectively. For the years ended December 31, 2018, 2019 and 2020, revenue derived from our largest customer, GZYX and its subsidiaries, joint ventures and associates or other related parties amounted to RMB188.3 million, RMB275.6 million and RMB448.7 million, respectively, accounting for approximately 24.7%, 30.7% and 38.4% of our total revenue for the corresponding years, respectively. For more information on the typical terms of contracts we entered into with our five largest customers, see "— Non-commercial Property Management and Value-added Services — Our Non-commercial Property Management Service Contracts" and "— Commercial Property Management and Operational Services — Our Commercial Operation and Management Service Contracts".

Other than GZYX and its subsidiaries, joint ventures, associates or other related parties, the remaining customers among the five largest customers during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, we were not aware of any arrangements or incidents which would lead to cessation or termination of our relationships with any of our five largest customers during the Track Record Period. As of the Latest Practicable Date, none of our Directors, Shareholders, members of senior management, their respective close associates or any other member of our Group who, to the best knowledge of our Directors, owned more than 5% of our issued share capital held any interest in any of the five largest customers other than GZYX and its subsidiaries, joint ventures, associates or other related parties . During the Track Record Period, other than GZYX and its subsidiaries, joint ventures, associates or other related parties, none of our largest five customers was also our suppliers.

Our Top Five Customers

The following table sets forth certain details of our top five customers for the year ended December 31, 2018:

Rank	Customer	Business nature	Major services provided	Length of business relationship with us	Payment terms	Revenue	Percentage of total revenue
						RMB'000	*%*
1. . .	GZYX and its subsidiaries, joint ventures, associates or other related parties	Comprehensive state-owned conglomerate with a presence in real estate, finance, transportation infrastructure and food sectors	• Value-added services to non-property owners • Commercial operation and management services • Community value-added services • Market positioning consultancy and tenant sourcing services • Non-commercial property management services	Since 1992	By month/ quarter/year	188,282	24.7
2. . .	Customer A	Engineering company	• Non-commercial property management services	Since 2006	By quarter	3,565	0.5
3. . .	Customer B	Property management company	• Community value-added services	Since 2017	By quarter	3,225	0.4
4. . .	Customer C	Power company	• Non-commercial property management services	Since 2017	By quarter	2,132	0.3
5. . .	Customer D	Public premises	• Non-commercial property management services	Since 2007	By quarter	1,998	0.3
Total.						**199,202**	**26.1**

The following table sets forth certain details of our top five customers for the year ended December 31, 2019:

Rank	Customer	Business nature	Major services provided	Length of business relationship with us	Payment terms	Revenue	Percentage of total revenue
						RMB'000	*%*
1. . .	GZYX and its subsidiaries, joint ventures, associates or other related parties	Comprehensive state-owned conglomerate with a presence in real estate, finance, transportation infrastructure and food sectors; urban rail transportation company	• Value-added services to non-property owners • Commercial operation and management services • Community value-added services • Market positioning consultancy and tenant sourcing services • Non-commercial property management services	Since 1992	By month/ quarter/year	275,551	30.7
2. . .	Customer A	Engineering company	• Non-commercial property management services	Since 2006	By quarter	3,607	0.4
3. . .	Customer D	Public premises	• Non-commercial property management services	Since 2007	By quarter	2,198	0.2
4. . .	Customer C	Power company	• Non-commercial property management services	Since 2017	By quarter	2,065	0.2
5. . .	Customer F	Property management company	• Community value-added services	Since 2017	By quarter	1,758	0.2
Total .						**285,179**	**31.8**

The following table sets forth certain details of our top five customers for the year ended December 31, 2020:

Rank	Customer	Business nature	Major services provided	Length of business relationship with us	Payment terms	Revenue	Percentage of total revenue
						RMB'000	*%*
1. . .	GZYX and its subsidiaries, joint ventures, associates or other related parties	Comprehensive state-owned conglomerate with a presence in real estate, finance, transportation infrastructure and food sectors; urban rail transportation company	• Value-added services to non-property owners • Commercial operation and management services • Community value-added services • Market positioning consultancy and tenant sourcing services • Non-commercial property management services	Since 1992	By month/ quarter/year	448,670	38.4
2. . .	Customer D	Public premises	• Non-commercial property management services	Since 2007	By quarter	3,657	0.3
3. . .	Customer A	Engineering company	• Non-commercial property management services	Since 2006	By quarter	3,663	0.3
4. . .	Customer E	Media and advertisement company	• Commercial operation and management services	Since 2019	By month	1,815	0.2
5. . . .	Customer G	Consultancy firm	• Commercial operation and management services	Since 2019	By month	1,485	0.1
Total .						**459,290**	**39.3**

SUPPLIERS

Overview

During the Track Record Period, our suppliers are generally subcontractors providing cleaning, gardening and repair and maintenance services and landlords. The table below sets forth the types of our major suppliers for each of our two business segments:

Business Segment	Major Suppliers
Non-commercial property management and value-added services	Subcontractors providing cleaning, gardening, repair and maintenance services and landlords
Commercial property management and operational services	Subcontractors providing cleaning, gardening, repair and maintenance services and landlords

For the years ended December 31, 2018, 2019 and 2020, purchases from our five largest suppliers amounted to RMB99.0 million, RMB74.6 million and RMB65.9 million, respectively, accounting for approximately 40.1%, 28.1% and 19.9% of our total purchases for the corresponding years, respectively. For the years ended December 31, 2018, 2019 and 2020, purchases from our largest supplier amounted to RMB78.6 million, RMB48.0 million and RMB30.5 million, respectively, accounting for approximately 31.8%, 18.1% and 9.2%, of our total purchases for the corresponding years, respectively.

Except for GZYX and its subsidiaries, joint ventures, associates or other related parties, all other suppliers among our five largest suppliers during the Track Record Period were Independent Third Parties. 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, other than GZYX and its subsidiaries, joint ventures, associates or other related parties, none of our Directors, Shareholders, members of senior management, their respective close associates or any other member of our Group who, to the best knowledge of our Directors, owned more than 5% of the our issued share capital held any interest in any of the five largest suppliers.

Our Top Five Suppliers

The following table sets forth details of our top five suppliers for the year ended December 31, 2018:

Rank	Supplier	Business nature	Major procurement	Length of business relationship with us	Payment terms	Purchase amount	Percentage of total purchases
						RMB'000	*%*
1. . .	GZYX and its subsidiaries, joint ventures, associates or other related parties	Comprehensive state-owned conglomerate with a presence in real estate, finance, transportation infrastructure and food sectors	• Rental services	Since 2010	By quarter	78,579	31.8
2. . .	Supplier A	Cleaning company	• Cleaning services	Since 2015	By month	8,087	3.3
3. . .	Supplier B	Cleaning company	• Cleaning services	Since 2008	By month	6,492	2.6
4. . .	Supplier C	Gardening company	• Gardening services	Since 2018	By month	3,134	1.3
5. . .	Supplier D	Elevator company	• Maintenance services	Since 2000	By quarter	2,664	1.1
Total .						**98,955**	**40.1**

The following table sets forth details of our top five suppliers for the year ended December 31, 2019:

Rank	Supplier	Business nature	Major procurement	Length of business relationship with us	Payment terms	Purchase amount	Percentage of total purchases
						RMB'000	*%*
1. . .	GZYX and its subsidiaries, joint ventures, associates or other related parties	Comprehensive state-owned conglomerate with a presence in real estate, finance, transportation infrastructure and food sectors; urban rail transportation company	• Rental services	Since 2010	By quarter	48,017	18.1
2. . .	Supplier B	Cleaning company	• Cleaning services	Since 2008	By month	9,961	3.8
3. . .	Supplier E	Cleaning company	• Cleaning services	Since 2012	By month	6,681	2.5
4. . .	Supplier A	Cleaning company	• Cleaning services	Since 2015	By month	6,635	2.5
5. . .	Supplier F	Cleaning company	• Cleaning services	Since 2016	By month	3,300	1.2
Total .						**74,595**	**28.1**

The following table sets forth details of our top five suppliers for the year ended December 31, 2020:

Rank	Supplier	Business nature	Major procurement	Length of business relationship with us	Payment terms	Purchase amount	Percentage of total purchases
						RMB'000	*%*
1. . .	GZYX and its subsidiaries, joint ventures, associates or other related parties	Comprehensive state-owned conglomerate with a presence in real estate, finance, transportation infrastructure and food sectors; urban rail transportation company	• Rental services	Since 2010	By quarter	30,484	9.2
2. . .	Supplier B	Cleaning company	• Cleaning services	Since 2008	By month	11,812	3.6
3. . .	Supplier E	Cleaning company	• Cleaning services	Since 2012	By month	10,734	3.2
4. . .	Supplier D	Elevator company	• Maintenance services	Since 2000	By quarter	7,250	2.2
5. . .	Supplier F	Cleaning company	• Cleaning services	Since 2016	By month	5,668	1.7
Total.						**65,948**	**19.9**

Our five largest suppliers generally grant us credit terms ranging from 30 to 90 business days per contract, and payment to our suppliers are typically settled by wire transfer.

SUBCONTRACTING

We delegate certain labor-intensive services, primarily including cleaning, gardening and repair and maintenance services, to subcontractors on an as-need basis, in order to reduce our operating costs, improve service quality and dedicate more resources to management and other value-added services. We believe such subcontracting arrangements allow us to draw upon the human resources and technical expertise of the subcontractors, reduce our labor costs and enhance the overall profitability of our operations. For the years ended December 31, 2018, 2019 and 2020, our subcontracting costs amounted to RMB51.6 million, RMB58.3 million and RMB69.0 million, respectively, representing approximately 9.1%, 8.9%, and 9.0%, respectively, of our total cost of sales.

Selection and Management of Subcontractors

We have maintained long-standing business relationships with most of our subcontractors. We aim to create and maintain an effective and comprehensive system for subcontractor management. We constantly monitor and evaluate the subcontractors on their ability to meet our requirements. To ensure the overall quality of our subcontractors, we maintain a list of qualified subcontractors, the selection of which are based on factors including, among others, its background, qualifications and past performance in providing subcontracted services to us. We typically inspect the work of subcontractors on a periodic basis and record any issues detected.

Our subcontractors during the Track Record Period primarily consisted of Independent Third Parties engaged by us through tender and bidding processes. We adopt such tender and bidding processes with a view to ensuring their fee rates are consistent with the prevailing market prices.

Key Terms of Agreements with Our Subcontractors

Our agreements with subcontractors typically include the following key terms:

- *Service scope and performance standards*. The agreements with our subcontractors would set forth the scope and standard requirements of the subcontractor's services or goods. These requirements would typically include the areas which the subcontracting services cover. For agreements in relation to services such as repair and maintenance of elevators, we may specify our expected standards as to elevators' conditions and the types of inspections we require. We also require our subcontractors to adhere to certain service standards, such as those in relation to quality, safety, reporting times, uniforms and etiquette guidelines.

- *Our rights and obligations*. Generally, we have both the right and obligation to supervise and evaluate our subcontractors. We are also responsible for providing them with the necessary support to complete their services. For agreements in relation to services such as repair and maintenance of elevators, we may be required to utilize the related facility in accordance with the operation instructions of the subcontractors. Generally, as stipulated in the service contract, we settle payments with our subcontractors on a monthly basis. We are entitled to collect damages for breach of contract or deduct subcontracting fees if our subcontractors fail to adhere to our performance scope and standards.

- *Rights and obligations of subcontractors*. Subcontractors are responsible for providing services in accordance with the scope, standards and frequency prescribed in the relevant subcontracting agreements. In addition, subcontractors are responsible for obtaining all licenses, permits and certificates necessary for conducting their business operations in compliance with applicable laws and regulations.

- *Risk allocation*. As stipulated in our agreements, subcontractors are required to manage their staff providing the contracted services and there is no employment relationship between us and the staff of our subcontractors. Our subcontractors are responsible for compensating their own employees who suffer personal injury or property loss in the course of providing the contracted services. They are also responsible for damages to, or losses of, any person or property arising out of the default of such subcontractor in the course of providing the contracted services.

- *Term of services*. The term of our agreements with subcontractors generally ranges from one year to two years and may be renewed by mutual consent. We will consider re-engaging the subcontractors based on the quality of their services or goods.

- *Termination and renewal*. We monitor and review the performance of subcontractors on a monthly basis. Generally, we have the right to terminate the agreement if our subcontractors fail to adhere to their stipulated rights and obligations, make repeated mistakes or if we receive multiple complaints from our customers in relation to their services.

CUSTOMER/SUPPLIER OVERLAP

GZYX and its subsidiaries, joint ventures, associates or other related parties, our largest customer during the Track Record Period, were also our largest supplier during the same period.

During the Track Record Period, we provided value-added services to non-property owners, commercial operation and management services, community value-added services, market positioning consultancy and tenant sourcing services, and residential property management services to GZYX and its subsidiaries, joint ventures, associates or other related parties and also rented premises from GZYX and its subsidiaries, joint ventures, associates or other related parties. For the years ended December 31, 2018, 2019 and 2020, revenue derived from GZYX and its subsidiaries, joint ventures, associates or other related parties amounted to RMB188.3 million, RMB275.6 million and RMB448.7 million, respectively, accounting for approximately 24.7%, 30.7% and 38.4% of our total revenue for the corresponding years, respectively. For the years ended December 31, 2018, 2019 and 2020, purchases from GZYX and its subsidiaries, joint ventures, associates or other related parties amounted to RMB78.6 million, RMB48.0 million and RMB30.5 million, respectively, accounting for approximately 31.8%, 18.1% and 9.1%, of our total purchases for the corresponding years, respectively. For our relationship with GZYX and its subsidiaries, joint ventures, associates or other related parties, see "Relationship with Controlling Shareholders" in this Prospectus.

QUALITY CONTROL

We drive our business growth through the persistent pursuit of distinguished service quality. We standardize our service procedures and ensure strict adherence thereto by having in place an all-round quality control system and a competent quality control team to monitor the service quality of our employees and suppliers.

Quality Control over Property Management Services

We operate our property management service business in accordance with ISO9001:2015 Quality Management System Certification, which is valid through February 2022. We have also obtained ISO14001:2015 Environment Management System Certification, ISO45001:2018 Occupational Health and Safety Management System Certification and OHSAS18001:2007 Occupational Health and Safety Management System Certification, which serve as the foundation for the establishment of our internal management system in respect of environmental protection and employees' health and safety. In addition to obtaining the aforesaid certifications, we seek to realize the expected services standards through implementing a series of detailed guidelines covering all material aspects in the provision of property management services, including but not limited to the code of conduct for employees, customer engagement, security and safety measures and procurement management.

We value the feedback and complaints from our customers and have set up various channels to collect their input on how we could serve them better in the future. Our customers may share with us their suggestions or raise their complaints by dialing our national service hotline. We also periodically engage third-party consulting firms to conduct resident satisfaction survey, and in order to generate more objective and meaningful results, over the years we have been working closely with the consulting firms engaged by us to optimize the survey methodology and increase the depth and width of survey questions.

Quality Control over Subcontractors

Our expected quality standards for outsourced services are typically stipulated in our agreements with subcontractors. We closely monitor the quality of services rendered by our subcontractors and evaluate their performance on a monthly basis. In the event of substandard performance, we may require our subcontractors to take appropriate and necessary rectification measures. For details, see "— Subcontracting — Key Terms of Agreements with Our Subcontractors".

INTELLECTUAL PROPERTY

We regard intellectual property rights key to our business. We primarily rely on the applicable laws and regulations on patents, utility models, trademarks, trade secrets as well as confidentiality agreements to protect our intellectual property rights. As of the Latest Practicable Date, we registered 13 trademarks (including "TOUCH Management"(全觸點管理), "Living Fun" (悅匯時光), "Joy Tour" (悅驛), "Joy + Voyage" (悅+再出發), and "Joy TEMP"(悅溫度)), three patents and 10 copyrights. For more information about our registered intellectual property and intellectual property applications, see "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Material Intellectual Property Rights".

As of the Latest Practicable Date, we were not aware of (i) any infringement which could have a material adverse effect on our business operations by us against any intellectual property rights of any third party or by any third party against any of our intellectual property rights; or (ii) any disputes with third parties with respect to intellectual property rights.

COMPETITION

According to CIA, the PRC property management industry is fragmented and competitive, with approximately 0.13 million property management service providers in operation as of December 31, 2019.

We have been deeply rooted in the Greater Bay Area for nearly 30 years, continuously expanding the scope of property management and consolidating our competitive advantages in this area. As of December 31, 2020, out of our 215 properties under management across China and Hong Kong, 177 were located in the Greater Bay Area, representing approximately 77.4% of our GFA under property management, which according to CIA, was the second highest among the Top 20 Property Management Companies in China. We ranked 45th in terms of GFA under management of non-commercial properties and 62th in terms of GFA under management of commercial properties in the PRC among the Top 100 Property Management Companies in 2020.

For details relating to the industry and markets in which we operate, please refer to the section headed "Industry Overview" in this Prospectus.

EMPLOYEES

We believe the high-quality employees with considerable expertise and rich experience are crucial to our business growth. We have established a series of policies and measures to acquire and train talents suitable for our development.

As of December 31, 2020, we had a total of 10,477 employees in the PRC and Hong Kong. The following table sets forth a breakdown of our employees by function:

Function	Number of employees	% of our employees
Non-commercial property management services	8,278	79.0
Commercial operation and management services	1,829	17.5
Human resources and administration	225	2.1
Finance management	145	1.4
Total	10,477	100.0

The following table sets forth a breakdown of our full-time employees by geographical location as of December 31, 2020:

Geographic location	Number of employees	% of our employees
Greater Bay Area	8,717	83.2
Central China Region	774	7.4
East China Region	506	4.8
North China Region	454	4.3
Southwest China Region	26	0.2
Total	10,477	100.0

As of the Latest Practicable Date, our employees had formed a labor union. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant difficulties in recruiting suitable employees for our business operations, nor did we have any material disputes with our employees, or experience any strike, labor disputes or industrial actions that may have a material adverse effect on our business, financial position and results of operations.

Corporate Culture

Through our efforts in establishing a highly efficient management system and customizing our services, we endeavor to deepen the value we deliver to customers who live, shop, stay and work in the non-commercial and commercial properties under our management, making each of them a more livable, comfortable and enjoyable one.

Recruiting

We regard high quality personnel as a key component to the stable development of our business, and therefore, we put a great emphasis on recruiting and training quality employees. Our recruiting processes generally consists of the following stages:

- *Recruitment*. We have different recruiting sources for different types of employees. For recruitment of management staff, we usually select our candidates through headhunting, recruitment process outsourcing, online advertisements, and employee referrals. For recruitment of other employees, we mainly rely on online advertisements and employee referrals.

- *Screening*. Our screening and selection processes primarily comprises three rounds of interviews. We may arrange additional tests for certain positions, the forms of which includes written test, work presentation, and simulation case analysis.

- *Internal review and selection*. We comprehensively review and assess our candidates' educational background and credentials, working experience, competency and integrity.

- *Offer*. Once a candidate is internally approved, we send offer letter with salary package to the candidate.

Training and Development

We have provided comprehensive training programs to our employees. The details of these programs are as follows:

- "Y*uexiu Property Management Training & Development Academy*". Yuexiu Property Management Training & Development Academy developed a comprehensive platform, which provides employees with different positions and needs with various training sessions and online courses, including management skill enhancement, qualification test tutoring, as well as professional skill training. The platform also serves as an online interactive platform for our employees to present themselves. In addition, we launched numerous training programs tailored for our employees with different positions, which include "*Sailing Program*" (啟航計劃) for new recruits and entry-level employees, "*Sunflower Program*" (向日葵計劃) for management trainees, "*Kapok Program*" (紅棉計劃) for project managers, and "*Ivy Program*" (常青藤計劃) for mid-level and senior management.

- "*Guangzhou Yuexiu JLL Asset Management Academy*". Yuezhong Yicheng Asset Management Academy designed different classes for employees with different career paths, including "*Elevation Class*" (越高班) for project manager candidates, "*Elite Class*" (精銳班) for department manager candidates, "*Elaboration Class*" (深耕班) tailored for junior employees, and "*Elementary Class*" (新越班) for new recruits and graduates.

SOCIAL, HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

We are committed to operating our business in compliance with applicable PRC laws and regulations in relation to labor, safety and environmental protection matters. We have conducted our operations in accordance with standards represented by ISO 9001:2015, ISO 14000:2015, OHSAS 18001:2007, SA 8000:2014, ISO 50001:2011, ISO 37001:2016 and ISO 27001:2013. We have adopted internal policies for occupational safety and employee health management. During the Track Record Period and up to the Latest Practicable Date, we had complied with PRC laws and regulations in relation to workplace safety in all material respects and had not had any incidents that have materially and adversely affected our operations.

We consider the environmental protection important and are committed to operating our business in compliance with applicable environmental protection laws and regulations. During the Track Record Period, we have complied with the LEED green building evaluation standard, BOMA standard and WELL Building Standard to further promote our vision of green building. In addition, we have implemented reasonable measures in our business operations to comply 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. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties for non-compliance of PRC environmental laws or regulations in the PRC.

INSURANCE

We believe that our insurance coverage is in line with the industry practice and is sufficient to cover our current operation. We maintain insurance policies against major risks and liabilities arising from our business operations, primarily including (i) liability insurance to cover liabilities for property damages or personal injury suffered by our employees and third parties arising out of or in relation to our business operations; (ii) property insurance for damages to property owned by us or in our custody; and (iii) commercial complementary medical insurance for some of our employees. In accordance with our agreements with subcontractors, the subcontractors shall purchase accident insurance for their employees who provide services to us.

We believe we have maintain property and liability insurance with coverage in line with the practice of similar 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 details, please refer to the section headed "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not sufficiently cover the risks related to our business" in this Prospectus.

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 transactions through bank transfers to lower the risks relating to managing cash. Our employees are required to deposit cash received into the relevant bank accounts on the day of receipt, and must seek approval for withdrawal and usage of such cash.

Set forth below are our cash handling policies and internal control measures for different types of cash flow transactions.

Cash flow transactions	Cash handling policies and internal control measures
Cash inflow relating to payments of property management fees, deposits or service fees from our customers	We typically have designated cashiers or customer service personnel for cash collection who verify that the correctness of cash amount collected prior to issuing receipts. Each transaction is required to be duly recorded and subject to the review of the relevant supervisors.
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 must be pre-approved by the responsible supervising personnel at a higher level. Once approved, such payments must be made directly from the bank accounts of our subsidiaries and branches.
Cash inventories and deposits . .	Our subsidiaries and branch offices are typically not allowed to keep more than RMB10,000 in cash on hand. We typically require that excess amounts be deposited into the bank accounts of our subsidiaries and branch offices on the day they are received. We check cash balances in inventory on a daily basis, and assign accounting personnel to report, analyze and resolve discrepancies or other issues they discover and record the results of their findings.
Cash transfers to the bank accounts of our subsidiaries and branch offices	We receive cash through online payments, credit or debit card payments, bank transfers and other methods. Cash collected from these methods are directly deposited into the bank accounts of our subsidiaries and branch offices.

Cash flow transactions	Cash handling policies and internal control measures
Opening and managing bank accounts of our subsidiaries and branch offices	Our subsidiaries and branch offices must adhere to our internal policies and procedures when it comes 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.

PROPERTIES

Owned Properties

As of the Latest Practicable Date, we owned two properties in the PRC with an aggregated GFA of approximately 1,596 sq.m., which we used as office and employee dormitory. We have obtained the building title certificate for such property.

Leased Properties

As of the Latest Practicable Date, we leased 56 properties in the PRC with an aggregated GFA of approximately 121,645 sq.m., which are primarily used as dormitories, offices and spaces used for provision of our commercial operation and management services. As of the Latest Practicable Date, in Hong Kong we leased three properties as our offices and 10 carparks in private buildings.

As of the Latest Practicable Date, we had not registered the lease agreement for 31 of our leased properties in the PRC. For details, see "Risk Factors — Risks Relating to Our Business and Industry — Some of our lease agreements were not registered with the relevant government authorities and may in turn subject us to administrative fines".

According to section 6(1) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Prospectus is exempted from compliance with the requirements of section 38(1) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all of our Group's interests in land or buildings, for the reason that, as of December 31, 2020, we had no single property with a carrying amount of 15% or more of our total assets.

CERTIFICATES, LICENSES AND PATENTS

As advised by our PRC Legal Advisor, our Directors confirm that, during the Track Record Period and as of the Latest Practicable Date, we had obtained all material certificates, licenses, approvals and permits from relevant authorities for our current operations in the all material respects other than ones that we are currently renewing. We are required to renew such certificates, licenses, approvals and permits from time to time, and we do not expect any material difficulties in such renewals, and our PRC Legal Advisor concurs, so long as we comply with the applicable requirements and conditions set by the relevant laws and regulations.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time we may be involved in legal proceedings or disputes in the ordinary course of business from time to time. During the Track Record Period and as of the Latest Practicable Date, we were not aware of any litigation, arbitration proceedings or administrative proceedings against us or our Directors which may have a material adverse effect on our business, financial condition or results of operations.

Non-compliance

Save for the following historical non-compliance incidents, our Directors are not aware of any material non-compliance of our Group with the applicable laws and regulations during the Track Record Period and as of the Latest Practicable Date:

Social Insurance and Housing Provident Fund Contributions

Non-compliance Incidents and Reasons for the Non-compliance

During the Track Record Period, we did not register for and/or make full contributions to social insurance and housing provident funds for certain employees primarily because some of our employees declined to make their social insurance and housing provident fund contributions of their own accord.

Legal Consequences and Potential Maximum Penalties

Under the Regulations on Administration of Housing Provident Fund (住房公積金管理條例), (i) for housing provident fund registrations that we fail to complete before the prescribed deadlines, we may be subject to a fine ranging from RMB10,000 to RMB50,000 for each non-compliant subsidiary or branch and (ii) for housing provident fund contributions that we fail to pay within the prescribed deadlines, we may be subject to any order by the relevant people's court to make such payments. According to the Social Insurance Law of the PRC (中華人民共和國社會保險法), for outstanding social insurance fund contributions that we did not fully pay within the prescribed deadlines, we may be subject to a penalty rate of 0.05% compounded daily from the date the relevant contributions became payable. If payment is not made within the prescribed period, we may be liable to a fine of one to three times of the outstanding contribution amount. Based on the outstanding amount of our social insurance and housing provident fund contribution of RMB8.4 million and RMB5.5 million as of December 31, 2020, respectively, 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.

Remedies and Rectification Measures

We made provisions in the amounts of RMB3.5 million, RMB5.1 million and RMB5.3 million on our financial statements in respect of such potential liabilities in 2018, 2019 and 2020, respectively. For the most of the PRC subsidiaries, we have obtained written confirmations from local social insurance and housing provident fund authorities (being the social insurance department and housing provident fund management center at city or district level), each stating that: (i) the social insurance and housing fund contributions were made by relevant subsidiary; and (ii) no administrative penalty has been imposed. Our PRC Legal Advisor is of the view that the relevant confirmations were issued by the competent authorities.

Our Directors have considered the following in assessing our exposures relating to social insurance and housing provident fund contributions: (i) written confirmations from local social insurance and housing provident fund authorities as stated above; (ii) their assessment of various factors including the nature and amount involved; and (iii) during the Track Record Period and as of the Latest Practicable Date, we had not received any notification from relevant PRC authorities alleging that we had not fully contributed to the social insurance premiums and housing provident funds and demanding payment of the same before a stipulated deadline. During the Track Record Period and as of the Latest Practicable Date, we were also not aware of any complaints from relevant PRC authorities made by our employees or demands from our employees for payment of social insurance premiums and housing provident fund contributions, nor had we received any legal documentation from the labor arbitration tribunals or the PRC courts regarding material disputes in this regard. Nevertheless, in the event that we are required by the relevant authorities to make full contributions, we will proceed accordingly.

In addition, we have implemented relevant internal controls to ensure that we will make full contributions in relation to the social insurance and housing provident funds. We have established internal policy about social insurance and housing provident funds under the Labor Law of the PRC and related regulations to monitor our compliance with such laws and regulations. We will review the calculation result of social insurance and housing provident funds for all eligible employees and communicate with local human resources, social insurance bureau and housing provident fund management center on a regular basis, to ensure we acquire the most updated information about the relevant laws and regulations.

In view of the above, our PRC Legal Advisor is of the view that the risk of us being penalized for our aforementioned failure to register for and/or make full contributions to the social insurance and housing provident funds for our employees is remote, while our Directors are of the view that it will not have a material adverse effect on our business operations nor will such events constitute a material legal obstacle for the Listing.

Dispatched Staff

Historical Non-compliance Incident and Reasons for the Non-compliance

On November 23, 2020, Yuexiu PD acquired 67.0% of the equity interest in GZMEE and 67.0% indirect effective equity interest in GZMPM. After the acquisition, both GZMEE and GZMPM became our subsidiaries. As of February 1, 2021, 84% of the total number of workers at GZMEE and GZMPM were dispatched staff that were hired above the threshold of 10% as required by the Interim Provisions on Labor Dispatch (勞務派遣暫行規定) (the "**Interim Provisions**") which came into effect on March 1, 2014, primarily because responsible personnel at GZMEE and GZMPM (i) did not adequately understand relevant regulatory requirements; and (ii) chose to apply with this approach due to the labor intensive nature, high turnover rate and obstacles confronted in relation to recruitment of these dispatched staff, so that they can be managed more effectively. These dispatched staff were mainly hired for positions with supporting nature. Such non-compliance incident was rectified in May 2021.

Legal Consequences and Potential Maximum Penalties

Pursuant to the Interim Provisions, an employer shall strictly control the number of dispatched staff to make sure that it does not exceed 10% of the total number of its workers. In the event of violation of the Interim Provisions, the relevant labor department would order the violating company to rectify such violation. If the violating company does not rectify within a prescribed period, it will be imposed a fine of RMB5,000 to RMB10,000 for each person over the limit. As a result, the potential maximum fine which may be imposed on us amounted to RMB16.1 million as of the Latest Practicable Date.

As advised by our PRC Legal Advisor, given that we have already rectified the aforesaid non-compliance incident, the risk of us being subject to administrative fine from relevant authorities is low. During the Track Record Period and as of the Latest Practicable Date, we had not received any request from relevant authorities to rectify such incidents.

Remedies and Rectification Measures

To rectify such situation, we have brought the number of dispatched staff within the limit allowed by the Interim Provisions by subcontracting the services provided by dispatched staff to third-party service providers. We have also enhanced certain internal control measures such as preparing a control list to monitor the proportion of dispatched staff and such list will be submitted to the head of human resource department of the subsidiary each month for review. Based on the above, our Directors are of the view that such incident will not have a material adverse impact on our business or results of operations. Our Directors confirm that such non-compliance incident was rectified in May 2021, and there had been no new non-compliance incident in relation to dispatched staff after the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

We face various risks during our business operations, see "Risk Factors — Risks Relating to Doing Business in the PRC." We have established a risk management system and relevant policies and procedures which we consider appropriate for our business operations. These policies and procedures are essential to the achievement of sound corporate governance and the healthy growth of our business performance. In particular, we have adopted, among other things, the following risk management measures:

- establishing an audit committee under the Board to monitor the integrity of our financial statements and review significant financial reporting judgments contained in our annual and interim reports. Our audit committee consists of three members: Ms. Hui Lai Kwan, Mr. Hung Shing Ming and Mr. Chan Yuen Hang Kenneth. For the qualifications and experiences of these members, see "Directors and Senior Management";

- adopting adequate internal control policies to ensure the continuing compliance with the Listing Rules, including but not limited to the detection and administration of notifiable and connected transactions and other disclosure matters;

- providing regular anti-corruption and anti-bribery compliance training for senior management and employees in order to cultivate a good compliance culture;

- organizing training seminars for our Directors and senior management to satisfy the requirements of the Listings Rules.

Anti-corruption and Anti-bribery Measures

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:

- we provide anti-fraud and ethics training to our new employees and distribute our anti-corruption and anti-bribery policy to all employees through employee handbooks and announcements;

- we require all employees to sign the anti-corruption practice commitment on an annual basis to indicate that each of them are aware of and voluntarily abide by our anti-corruption requirements;

- we have established a set of rules, such as requiring separation of duties so that the same person cannot be equipped with the authority to propose funding and approve funding at the same time, to implement financial control measures in order to manage corruption and bribery risks, so that financial transactions are accurately, completely and timely recorded;

- we have established a committee consisting of our management team to identify improper conduct of our employees and monitor inter-department activities. The primary duties of the committee include providing anti-corruption and anti-bribery compliance advice, investigating potential corruption or fraudulent incidents, and initiating anti-fraud promotional activities with our Group; and

- we have a whistleblowing and complaint handling process through written submissions, WeChat official accounts, telephone or email, and we will conduct investigations for any suspected cases of bribery, corruption or other related misconduct or fraudulent activities. In cases where misconduct is found, we may take disciplinary actions as appropriate, report to the relevant regulatory authorities and/or initiate legal actions to recover any losses suffered by us as a result of such misconduct; and

- we have established a set of rules, such as continuously evaluating relevant corruption and bribery risk of our suppliers, to implement procurement management measures in order to make sure our suppliers also adhere to our anti-corruption and anti-bribery measures.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we were in compliance with anti-corruption and anti-bribery laws and regulations in the PRC and Hong Kong, and were not subject to any administrative penalties or investigations from any regulatory authorities in respect of such activities.

OVERVIEW

Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), our Company will be indirectly owned by Yuexiu Property as to 68.89% through its wholly-owned subsidiary, namely GCD China. In view of the above and given that (i) Yuexiu Property is indirectly owned by YXE as to approximately 39.78%; and (ii) YXE is wholly-owned by GZYX as at the Latest Practicable Date, GZYX, YXE, Yuexiu Property and GCD China are a group of Controlling Shareholders of our Company under the Listing Rules.

GZYX

GZYX is a company established in the PRC with limited liability and is beneficially wholly-owned by the Guangzhou Municipal People's Government of the PRC. GZYX and its subsidiaries (other than our Group) engages in various businesses segments, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investment and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other businesses.

YXE

YXE is an investment and property holding company incorporated in Hong Kong with limited liability.

Yuexiu Property

Yuexiu Property, being a company incorporated in Hong Kong with limited liability, is a listed company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00123). Yuexiu Property and its subsidiaries (other than our Group) (i.e. the Remaining Group) will principally engage in the businesses of development and sale of properties and properties investment after the Spin-off.

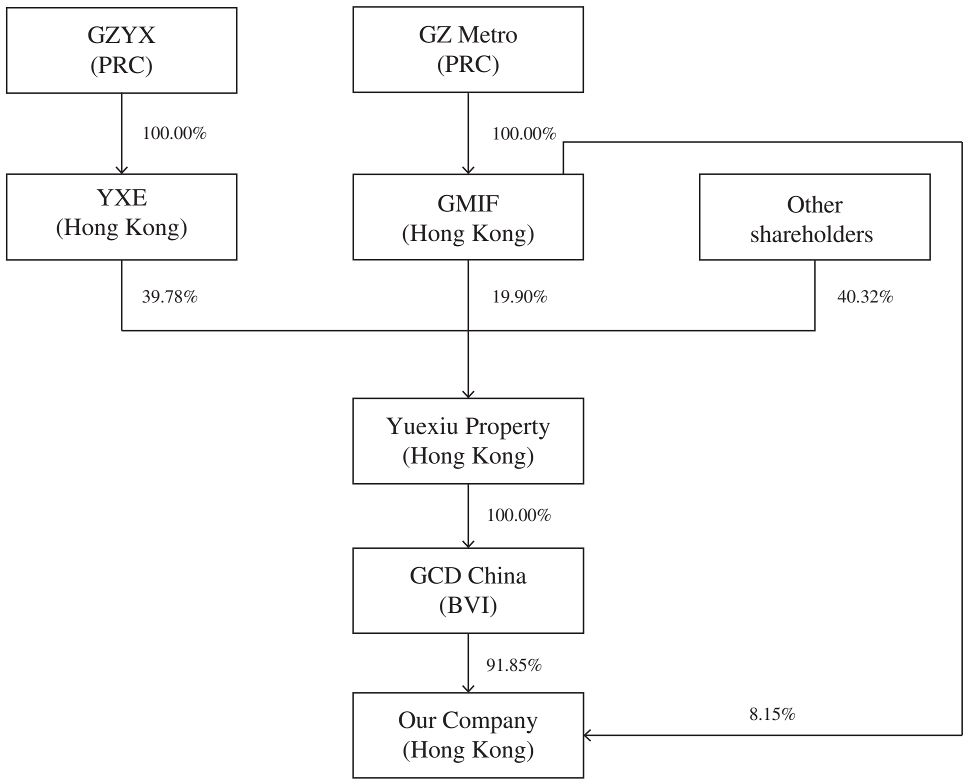
The following table sets forth (i) the revenue and net profit (after tax) of each of our Group and Yuexiu Property; and (ii) the percentage of the revenue/the net profit (after tax) of our Group to that of Yuexiu Property, during the Track Record Period:

	For the year ended December 31,					
	2018		2019		2020	
	Revenue	Net profit (after tax)	Revenue	Net profit (after tax)	Revenue	Net profit (after tax)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Our Group	762,802	47,314	896,332	93,207	1,168,048	203,710
Yuexiu Property	26,433,444	3,039,493	38,339,112	4,730,508	46,234,259	4,682,900
Percentage of the revenue/the net profit (after tax) of our Group to that of Yuexiu Property	2.89%	1.56%	2.34%	1.97%	2.53%	4.35%

GCD China

GCD China is an investment holding company incorporated in the BVI with limited liability.

As of the Latest Practicable Date, the simplified corporate structure regarding the relationship among our Company, GZYX, YXE, Yuexiu Property and GCD China is set out below:



INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE CLOSE ASSOCIATES

Having considered the following factors, our Directors are of the view that our Group is capable of carrying on our business independently from our Controlling Shareholders and their respective close associates following the completion of the Global Offering, details of which are set out below:

Business and operational independence

Majority of customers are third-party property owners

Although majority of our GFA under management was attributable to properties developed, solely or jointly with other parties, by the Remaining Group and the GZYX Group (including their respective joint ventures and associates) (the "**Internal Projects**"), given that the property management fees are payable by individual property owners after the properties are delivered, the vast majority of our customers are third-party property owners who are independent from our Controlling Shareholders. Accordingly, most of our revenue was derived from Independent Third Parties during the Track Record Period which accounted for approximately 61.6% (or above) of our total revenue for the respective years/period. In addition, we recorded a continued increase in the revenue from Independent Third Parties during the Track Record Period from approximately RMB574.5 million for the year ended December 31, 2018 to RMB620.8 million for the year ended December 31, 2019 by approximately 8.1%, then to approximately RMB719.4 million for the year ended December 31, 2020 by approximately 15.9%.

Set out below is a breakdown of our revenue generated from services provided to (i) GZYX, Yuexiu Property and their respective joint ventures, associates or other related parties; and (ii) Independent Third Parties, for the years ended December 31, 2018, 2019 and 2020:

	Year ended December 31,					
	2018		2019		2020	
	Revenue *(RMB'000)*	% of total revenue	Revenue *(RMB'000)*	% of total revenue	Revenue *(RMB'000)*	% of total revenue
GZYX, Yuexiu Property and their respective joint ventures, associates or other related parties	188,282	24.7%	275,551	30.7%	448,670	38.4%
Independent Third Parties	574,520	75.3%	620,781	69.3%	719,378	61.6%
Total	762,802	100.0%	896,332	100.0%	1,168,048	100.0%

In addition to maintaining our current business cooperation with the Remaining Group and the GZYX Group, we endeavor to enhance our market development capabilities and to diversify our property management portfolio. To this end, we intend to actively obtain property management service contracts of property projects developed and controlled by other third parties (i.e. those who are not from the Remaining Group, the GZYX Group or their respective joint ventures and associates) (the "**External Projects**") by way of, amongst others, participating in tender and bidding processes for External Projects, forming joint ventures and other forms of business cooperation with property management companies who are Independent Third Parties, and acquiring property management companies with existing property management services contracts for External Projects.

During the Track Record Period, we had been paying efforts to increase our participation in External Projects and had achieved an increasing percentage of External Projects in our management portfolio. During the Track Record Period, we had achieved a continuous increase in the percentage of External Projects to both of (i) the total GFA under management; and (ii) the total number of projects. Please refer to the below table for further details:

	As of December 31,		
	2018	**2019**	**2020**
GFA under management of External Projects *(million sq.m.)*	1.5	1.8	3.7
Percentage of External Projects to the total GFA under management	7.8%	8.3%	11.4%
Number of External Projects	18	29	44
Percentage of External Projects to the total number of projects	13.7%	19.5%	20.5%

Taking into account of the above, our Directors believe that our reliance on the Remaining Group and the GZYX Group will be further reduced in future.

Standard tender process directed by the PRC government

According to the Regulation on Property Management (《物業管理條例》), Interim Measures for Bidding Management of Pre-property Management (《前期物業管理招標投標管理暫行辦法》) and other relevant regulations, property developers in the PRC typically enter into preliminary property management service contracts (the "**Preliminary Contracts**") with property management service providers before sale and delivery of the newly developed properties. Under the PRC laws and regulations, residential property developers are required to engage property management service providers through a tender and bidding process unless otherwise approved by the competent PRC authorities. According to CIA, such tender and bidding process is well-established and the selection of the winning bidder is based on merits of the bidders' profiles and proposals. Under the PRC laws, a bid evaluation committee shall be formed to consider and make tender decision. The committee shall consist of an odd number of members. Further, the committee shall consist of no less than five members, one of whom is the property developer's representative, and the number of the independent experts in property management shall not be less than two-thirds of the total number of members of the committee. The experts are selected on a random list compiled by the local real estate administrative department.

There are no regulatory requirements on property developers to conduct tender and bidding process for the procurement of property management services for commercial properties. Nonetheless, we still have to go through a selection process in order to obtain the contracts for commercial property management services. In general, the selection process includes: (i) submission of a proposal by our Group regarding the provision of commercial property management services upon receiving invitation from the property developer; and (ii) review and assessment of the proposal by the relevant property developer as to whether or not to award the contracts to our Group based on various factors, including but not limited to, our experience, the scope and quality of services provided, pricing standard and brand image. The renewal of the relevant contracts is determined pursuant to the termination and renewal clause of the relevant contracts and may be automatic or may require a selection process as provided therein.

During the Track Record Period, we had, according to the industry practice, obtained most of the Preliminary Contracts through the standard tender process under the regulation of the applicable PRC laws and regulations. Although most of the Preliminary Contracts of our Group during the Track Record Period were related to Internal Projects, in view of the above regulations on the tender and bidding processes, such Preliminary Contracts were granted to us based on merits of our profile and proposal and regardless of our shareholding relationship with the Remaining Group or the GZYX Group. We do not enjoy a preferential right to be engaged as the management service provider for Preliminary Contracts and will not be automatically awarded with such contracts simply by reason of our relationship with the Remaining Group or the GZYX Group.

Property owners' choice

After properties are delivered by property developers, we provide property management services directly to independent individual property owners, who may be represented by property owners' associations. The property owners' association, once formed, will be operated by the property owners, and will be entitled to enter into the property management contract with the property management service provider selected by the general meeting on behalf of the property owners. The property owners' association, which is independent of the Remaining Group or the GZYX Group, has the right to engage or dismiss us as the property management service provider after reviewing and evaluating our performance.

According to the Regulation on Property Management (《物業管理條例》) of the PRC, a general meeting of the property owners of a property can engage or dismiss a property management service provider with affirmative votes of property owners who own more than half of the total construction area of the property and who account for more than half of the total number of the property owners. The general meeting can initiate the selection of a new property management service provider through a public tender procedure or enter into contract with a specific property management service provider directly, based on certain selection criteria, including the term of the services, the overall service quality and the service fee. After obtaining the approval from the general meeting of the property owners, the property owners' association will enter into a contract with the selected property management service provider.

Unlike residential properties, property developers of commercial properties may continue to own and lease out the commercial properties in return of rental income after development. Accordingly, for commercial properties, property owners (principally include property developers or entities who acquired the commercial properties from property developers) typically have discretion to choose the property management service providers. Please refer to the below table for the breakdowns of source of revenue attributed to properties/services where the Remaining Group, the GZYX Group and their respective joint ventures or associates have discretion to choose the property management service providers:

	For the year ended December 31,					
	2018		2019		2020	
	Revenue	% to total revenue	Revenue	% to total revenue	Revenue	% to total revenue
	(RMB'000)		*(RMB'000)*		*(RMB'000)*	
Non-commercial property management and value-added services	**494,278**	**64.8**	**603,478**	**67.3**	**811,168**	**69.4**
• Remaining Group, the GZYX Group and their respective joint ventures, associates or other related parties	142,502	18.7	228,568	25.5	376,923	32.2
• Independent Third Parties where the Remaining Group, the GZYX Group and their respective joint ventures, associates or other related parties have no discretion to choose property management service provider	351,776	46.1	374,910	41.8	434,245	37.2
Commercial property management and operational service	**268,524**	**35.2**	**292,854**	**32.7**	**356,880**	**30.6**
• Remaining Group, the GZYX Group and their respective joint ventures, associates or other related parties	45,780	6.0	46,983	5.2	71,747	6.1
• Independent Third Parties *(Note 1)* where the Remaining Group, the GZYX Group and their respective joint ventures, associates or other related parties have no discretion to choose property management service provider	67,411	8.8	70,642	7.9	74,838	6.5
• Independent Third Parties *(Note 2)* where the Remaining Group, the GZYX Group and their respective joint ventures, associates or other related parties have discretion to choose property management service provider	155,333	20.4	175,229	19.6	210,295	18.0
Total	**762,802**	**100.0**	**896,332**	**100.0**	**1,168,048**	**100.0**

Notes:

1. These Independent Third Parties, being owners of such commercial properties, have discretion to choose property management service provider.

2. These Independent Third Parties, being tenants of such commercial properties, have no discretion to choose property management service provider.

In view of the above, (i) in case of non-commercial properties, the Remaining Group, the GZYX Group and their respective close associates (as the property developers) do not have any material influence over the selection (or replacement) of the property management service provider by individual property owners; and (ii) in case of commercial properties, property owners (whether they are individuals or entities or the Remaining Group , the GZYX Group and their respective close associates), would have influence over the selection (or replacement) of the property management service provider. However, given that (i) the majority of these individual property owners (i.e. our customers) are parties other than our Controlling Shareholders and their respective close associates; and (ii) our revenue derived from Independent Third Parties where the Remaining Group, the GZYX Group and their respective joint ventures or associates have discretion to appoint property management service providers only accounted for not more than 20.4% of our total revenue during the Track Record Period, there is no over reliance by our Group on our Controlling Shareholders and their respective close associates for generation of revenue at the post-delivery stage.

Continuing connected transactions

Save for certain continuing connected transactions conducted in the ordinary course of business of our Group as set out in the section headed "Connected Transactions" in this prospectus, our Directors do not expect that there will be any other continuing connected transactions between our Group and our Controlling Shareholders or their respective close associates upon or shortly after completion of the Global Offering. The continuing connected transactions will be conducted on normal commercial terms in accordance with the pricing policy of our Group, our Controlling Shareholders and their respective close associates, and are not prejudicial to the interests of any of the parties. Accordingly, such continuing connected transactions are not expected to affect our business and operational independence.

We have been providing property management and other related value-added services to the Remaining Group and the GZYX Group for over 28 years since 1992, and both have developed a mutual and deep understanding of each other's business operations. Accordingly, we consider that we are familiar with the specific requirements and expected deliverables of the Remaining Group and the GZYX Group, which helps reduce communication costs, accumulate tacit knowledge of service provisions, establish mutual trust and has enabled us to provide high-quality services that could satisfy their specific requirements. As a result, we have competitive advantage which distinguishes us from other competitors, and it is expected that the Remaining Group and the GZYX Group will continue to engage us for provision of property management and other related value-added services. Throughout the Track Record Period, we had continuously achieved a high success rate of over 95% in the tendering and bidding for Preliminary Contracts for properties developed by the Remaining Group and the GZYX Group.

Going forward, given (a) the long standing cooperation relationship between our Group and the Remaining Group and the GZYX Group; (b) our familiarity with the requirements of the Remaining Group and the GZYX Group and our capability to provide quality services; (c) the mutual benefits for our Group, the Remaining Group and the GZYX Group to maintain such reciprocal relationship; and (d) we will continue to be a subsidiary of Yuexiu Property upon Listing, we expect to maintain our current business relationship with the Remaining Group and the GZYX Group, and it is unlikely for such relationship to be materially and adversely changed or terminated.

Licenses required for operations

As confirmed by the PRC Legal Advisor, we hold and enjoy the benefit of all the relevant licenses and permits that are material to our business operations in the PRC other than the ones that we are currently renewing.

Operational facilities

As at the Latest Practicable Date and save as disclosed in the section headed "Connected Transactions" in this prospectus, all necessary properties and facilities required for our business operations are independent of our Controlling Shareholders and their respective close associates.

Access to customers, suppliers and business partners

We have a large and diversified base of customers that are unrelated to our Controlling Shareholders and/or their respective close associates. We have independent access to such customers, our suppliers as well as our other business partners.

Employees

As of the Latest Practicable Date, all of our full-time employees were recruited primarily through independent recruitment methods, such as recruitment websites, recruitment programs, advertisements, recruitment agencies, and internal referrals.

Financial independence

All loans, advances and balances due to or from our Controlling Shareholders or their close associates which were not arising out of the ordinary course of business will be fully settled before the Listing. As at the Latest Practicable Date, there was no asset pledge or financial guarantee given by our Controlling Shareholders for our Group.

We have our own internal control and financial and accounting department and respective systems, which are independent from that of our Controlling Shareholders and their respective close associates. Accounting functions and financial decision making will be carried out by our Group independently and according to our own business needs and financial conditions. In addition, we have in place independent internal control, independent treasury function for cash collection and payment, and independent third-party funding channels. Accordingly, we believe we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

Management independence

Board composition

The Board comprises 9 Directors with 3 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors. 3 of our Directors, namely Mr. Wu Wei, Mr. Lin Feng and Mr. Yao Xiaosheng, are also a director and/or senior management of our Controlling Shareholders. Such overlapping directors (the "**Overlapping Director(s)**") represent only a minority on the Board.

Mr. Wu Wei is our executive Director (and chief executive officer) and a deputy general manager of Yuexiu Property. He has been appointed as the deputy general manager of Yuexiu Property since February 2017 and responsible for the overall management and operation, promotion of business objectives and information technology management of Yuexiu Property. Mr. Lin Feng is our non-executive Director (and chairman of the Board) and an executive director (and vice chairman of the board and general manager) of Yuexiu Property. He has been appointed as an executive director of Yuexiu Property since August 2018 and is responsible for implementing objectives, policies and strategies approved and delegated by the board of Yuexiu Property. Mr. Yao Xiaosheng is our non-executive Director and the business director of the finance department of each of GZYX and YXE. He has been appointed as the business director of the finance department of each of GZYX and YXE since July 2020 and responsible for their financial, capital and business planning and the management and operation. Save for the above, none of our Directors hold any directorship and/or senior management role in our Controlling Shareholders. In addition, we have an independent senior management team to carry out the business operation of our Group independently from our Controlling Shareholders.

Roles of the Board members

Our executive Directors will be responsible for overseeing the day-to-day operation and management of our Group. Save for Mr. Wu Wei who is also a senior management of Yuexiu Property, we have 2 executive Directors, namely Mr. Mao Liangmin and Mr. Zhang Jin, who do not hold any directorship and/or senior management position in our Controlling Shareholders and will have full dedicated responsibilities in our Group. Moreover, it is expected that our non-executive Directors will take up a strategic role in formulating our development plans and in particular, the development of possible further synergies between our Group and our Controlling Shareholders and their respective close associates. Since Mr. Lin Feng and Mr. Yao Xiaosheng are our non-executive Directors, they will not be involved in the day-to-day management or affairs and operations of our businesses.

Although Mr. Zhang Jin is interested in approximately 0.01% of the issued shares of Yuexiu Property, given that such shareholding is immaterial, it will not compromise his independence of judgment in discharging his fiduciary duty as our Director. Moreover, Mr. Zhang Jin does not hold any directorship or senior management position, or participate in the management or decision-making process of Yuexiu Property. In view of the above, Mr. Zhang Jin is not required to abstain from voting at the Board meetings in respect of matters involving the Controlling Shareholders or their close associates after Listing.

Abstention from voting

In the event of any actual or potential conflict of interest between our Controlling Shareholders (or their respective close associates) and our Group, our Directors will (i) report such conflict of interest to our independent non-executive Directors as soon as practicable upon becoming aware of it; (ii) convene a Board meeting to review and evaluate the implications and risk exposure of such conflict; and (iii) monitor any material irregular business activities. Our Director(s) holding directorship and/or senior management position(s) in the relevant company (excluding our Group) which has material interests in the relevant resolution, will abstain from voting on the relevant Board resolution and shall not be counted in the quorum of relevant board meetings, and other Directors will vote and decide on the relevant matter. In addition, our Nomination Committee will from time to time review the Overlapping Directors' independence in terms of performing duties as our Directors to ensure effective management of potential conflict of interest. Given the arrangements mentioned above, our Directors believe that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates following the completion of the Spin-off.

Besides, as part of our Company's corporate governance measures, our Directors (including the independent non-executive Directors) are entitled to seek independent professional advice from external parties in appropriate circumstances at our Company's expenses. Given that the Overlapping Directors account for a minority on our Board, our Directors believe that the chance that all of our executive Directors and non-executive Directors have to abstain from voting on a resolution is low, and hence, we have sufficient number of Directors to determine and vote on matters which may involve conflicts of interest between our Company and our Controlling Shareholders. In view of the above, we will be able to function properly and with sufficient level of independence.

DELINEATION OF OUR BUSINESS FROM OUR CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE CLOSE ASSOCIATES

Following the completion of the Spin-off and the Listing, the Remaining Group will principally engage in (i) development and sales of properties; and (ii) properties investment (the "**Remaining Business**"), whilst our Group will focus on the provision of (i) non-commercial property management and related value-added services; and (ii) commercial property management and operational services (the "**Spun-off Business**"). The Remaining Business and the Spun-off Business can be clearly delineated, and their key differences are summarized in the table below:

	Remaining Business	Spun-off Business
Principal Business	Development and sale of properties, and properties investment	Property management business, including the provision of other related value-added services and operational services
Major Source of Revenue	– Sale proceeds pursuant to sale and purchase agreements for property units sold to purchasers (i.e. property owners) – Rental income pursuant to tenancy agreements for property units leased to tenants (i.e. property occupants)	– Property management fees pursuant to property management contracts for such services provided to property developers, property owners, property owners' associations and property occupants – Service fees for other value-added services and operational services provided to property developers, property owners and property occupants
Major Services/ Products Rendered	– Sale of property units – Leasing of property units	– Non-commercial property management and related value-added services – Commercial property management and operational services For further details, please refer to the section headed "Business" in this prospectus.

	Remaining Business	Spun-off Business
Target Customers	– Property owners who are looking to purchase properties developed by the Remaining Group in the first-hand property market – Property occupants who are looking to rent properties from the Remaining Group	– Property developers – Property owners/property owners' associations/property occupants of properties managed by us
Major Suppliers . .	Engineering and construction companies for property development activities	Companies providing cleaning, security, greening and gardening, and facilities maintenance services for property management activities
Competitive Landscape	The Remaining Group is a property developer in the PRC and its major competitors are other property developers who develop and sell properties in the PRC	We are a property management service provider in the PRC and our major competitors are other property management service providers who provide property management services in the PRC

Each of our Controlling Shareholders and their respective close associates is engaged in separate and distinct business area which does not overlap with our Group's business, save for certain excluded business as explained below.

Excluded Business

During the Track Record Period, the following entities of the Remaining Group (collectively, the "**Excluded Companies**") also provided commercial property management and operational services in respect of certain properties in the PRC (the "**Excluded Business**"). Details of the Excluded Companies and their respective Excluded Business are set out below:

i. Guangzhou Yuexiu Asset Management Company Limited* (廣州越秀資產管理有限公司) ("**Yuexiu Asset Management**"), which provides tenant sourcing services;

ii. Foshan City Chuangyue Commercial Management Company Limited* (佛山市創越商業管理有限公司) ("**Foshan Chuangyue**"), which provides commercial property management and operational services; and

iii. Wuhan Yuexiu Commercial Management Company Limited* (武漢越秀商業管理有限公司) ("**Wuhan CM**"), which provides coworking space services.

The location, GFA and type of properties covered under the Excluded Business as at December 31, 2020 are set out below:

Location of properties under management	GFA of properties under management	Types of properties under management
	(sq.m.)	
Yuexiu Asset Management (Note 1)		
1. Guangzhou City, Guangdong Province, the PRC	238,281	Complex
2. Pudong District, Shanghai, the PRC	48,637	Office building
Foshan Chuangyue		
1. Foshan City, Guangdong Province, the PRC	182,566	Complex
Wuhan CM (Note 2)		
1. Wuhan City, Hubei Province, the PRC	2,515	Office building

Notes:

1. Yuexiu Asset Management only provides tenant sourcing services in respect of these properties.

2. Wuhan CM only provides coworking space services and the total GFA under management refers to the coworking space operated by it.

Although both our Group and the Excluded Companies provide commercial property management and operational services, the Excluded Business does not amount to any direct or material competition with the business of our Group on the following basis:

Yuexiu Asset Management

i. the principal business of Yuexiu Asset Management is asset management rather than provision of tenant sourcing services. The asset management business of Yuexiu Asset Management primarily refers to the provision of management and administration services in respect of Yuexiu REIT which includes, amongst others, formulating and implementing strategies of capital/assets enhancement and restructuring, and sourcing investment and/or disposal opportunities. In view of the above, such asset management business is substantially different from the commercial property management and operational services provided by our Group in terms of nature of services and target customer; and

ii. according to the comparison table set out below, the business scale of our Group far exceeds that of the Excluded Business of Yuexiu Asset Management in terms of both revenue and GFA under management. For the years ended December 31, 2018, 2019 and 2020, the revenue from the Excluded Business of Yuexiu Asset Management only represented approximately 2.4%, 2.1% and 1.5% of the total revenue of our Group. As of December 31, 2018, 2019 and 2020, the GFA under management of Yuexiu Asset Management only represented approximately 1.5%, 1.3% and 0.9% of the total GFA under management of our Group. Given that the business scale of Yuexiu Asset Management's Excluded Business is insignificant when compared to that of our Group and that Yuexiu Asset Management has no intention to expand the Excluded Business, even if there is any competition between Yuexiu Asset Management and our Group, such competition, if any, is not material and will not bring upon any material adverse impact on the business operations or financial results of our Group.

	As of or for the year ended December 31,		
	2018	**2019**	**2020**
Yuexiu Asset Management (Note)			
Revenue *(RMB'000)*	18,632	18,557	17,818
Percentage of revenue of Yuexiu Asset Management to the total revenue of our Group *(%)*	2.4%	2.1%	1.5%
Total GFA under management *(sq.m.)*	286,918	286,918	286,918
Percentage of the total GFA under management of Yuexiu Asset Management to that of our Group *(%)*	1.5%	1.3%	0.9%

Note: Refers to the revenue and GFA under management relating to Yuexiu Asset Management's tenant sourcing business.

Foshan Chuangyue

i. Foshan Chuangyue recorded a continued decrease in revenue during the Track Record Period (see below table). In the future, it is expected that Foshan Chuangyue may not be able to secure any recurring or sustainable business, and may eventually cease to operate, for the following reasons:

   a. in 2019, the indirect interests in the only property project managed by Foshan Chuangyue were transferred to an Independent Third Party by the Remaining Group and such new property owner had ceased to engage Foshan Chuangyue in providing leasing management services since then. Accordingly, there is no guarantee whether such new property owner will continue to engage Foshan Chuangyue in providing other services; and

b. Foshan Chuangyue has no intention to expand the Excluded Business.

In view of the diminishing business scale, it is unlikely for Foshan Chuangyue to amount to any material competition against our Group.

ii. according to the table set out below, the business scale of our Group far exceeds that of Foshan Chuangyue in terms of both revenue and GFA under management, and the revenue of Foshan Chuangyue has substantially decreased continuously during the Track Record Period. For the years ended December 31, 2018, 2019 and 2020, the revenue of Foshan Chuangyue only represented approximately 1.7%, 0.8% and 0.5% of the total revenue of our Group. As of December 31, 2018, 2019 and 2020, the GFA under management of Foshan Chuangyue only represented approximately 0.9%, 0.8% and 0.6% of the total GFA under management of our Group. Given that the business scale of Foshan Chuangyue is insignificant when compared to that of our Group and that Foshan Chuangyue has no intention to expand the Excluded Business, even if there is any competition between Foshan Chuangyue and our Group, such competition, if any, is not material and will not bring upon any material adverse impact on the business operations or financial results of our Group:

	As of or for the year ended December 31,		
	2018	**2019**	**2020**
Foshan Chuangyue (*Note*)			
Revenue *(RMB'000)*	12,876	7,584	5,937
Percentage of revenue of Foshan Chuangyue to the total revenue of our Group	1.7%	0.8%	0.5%
Total GFA under management *(sq.m.)*	182,566	182,566	182,566
Percentage of the total GFA under management of Foshan Chuangyue to that of our Group	0.9%	0.8%	0.6%

Note: Refers to revenue and GFA under management relating to the provision of commercial property management and operational services.

Wuhan CM

i. coworking space business is the only business activity of Wuhan CM and is limited to the operation of 1 coworking space project in Wuhan City where our Group has no coworking space operation. Given that there is no geographical overlapping in the coworking space business between our Group and Wuhan CM, and Wuhan CM has no intention to expand its Excluded Business, there is no material competition between Wuhan CM and our Group;

ii. the business model of Wuhan CM's coworking space business is different from that of our Group. Wuhan CM leases properties for its coworking space operation in return of service fee whilst our Group provides coworking space services (as part of our value-added services) to property owners by utilizing and upgrading the common areas of properties managed by us; and

iii. according to the comparison table set out below, the business scale of our Group far exceeds that of Wuhan CM in terms of both revenue and GFA under management. For the years ended December 31, 2018, 2019 and 2020, the revenue of Wuhan CM only represented approximately less than 0.1%, 0.2% and 0.2% of the total revenue of our Group. As of December 31, 2018, 2019 and 2020, the GFA under management of Wuhan CM only represented less than 0.1% of the total GFA under management of our Group. Given that the business scale of Wuhan CM is insignificant when compared to that of our Group and that Wuhan CM has no intention to expand the Excluded Business, even if there is any competition between Wuhan CM and our Group, such competition, if any, is not material and will not bring upon any material adverse impact on the business operations or financial results of our Group:

	As of or for the year ended December 31,		
	2018	**2019**	**2020**
Wuhan CM *(Note)*			
Revenue *(RMB'000)*	37	1,641	2,266
Percentage of the revenue of Wuhan CM to the total revenue of our Group	0.0*%	0.2%	0.2%
Total GFA under management *(sq.m.)*	2,515	2,515	2,515
Percentage of the total GFA under management of Wuhan CM to that of our Group	0.0*%	0.0*%	0.0*%

* Represents negligible amount

Note: Refers to the revenue and GFA under management relating to the coworking space business.

Reasons for not including the Excluded Companies in our Group

Pursuant to the Enterprise State-owned Assets Law, the Measures for the Supervision and Administration of the Trading of State-owned Assets in Enterprises and the Administrative Measures for the Disposal of Assets of GZYX, given that the Excluded Companies are ultimately owned by the Guangzhou Municipal People's Government of the PRC, the transfer of equity interests in these Excluded Companies is subject to the approvals from both GZYX level and/or Yuexiu Property level. There are numerous documentary requirements prior to obtaining the abovementioned approvals, including (i) preparation of audited report for the Excluded Companies; and (ii) preparation of a valuation report and other materials based on the results of the abovementioned audited report for the review and vetting by, amongst others, the separate committees at different levels, comprising representatives from each of GZYX, Yuexiu Property and the Guangzhou State-owned Assets Supervision and Administration Commission (廣州市國有資產監督管理委員會), respectively. After the vetting documents have been submitted to the committees, the relevant committees will review the vetting documents and discuss the proposals repeatedly which may take several rounds of discussions. At the same time, registration relating to state-owned assets as well as the relevant equity transfer documentation will be required. The abovementioned procedures are time consuming, burdensome and will incur additional administrative costs and expenses.

In addition, (i) the business scale of the Excluded Business is insignificant when compared to our Group in terms of both revenue and GFA under management; (ii) Foshan Chuangyue may not be able to secure any recurring or sustainable business in future; and (iii) the business model of Wuhan CM is different from our Group. In view of the above, the Company does not consider the inclusion of the Excluded Companies will bring upon substantial commercial benefits to our Group and our Shareholders and hence, the Excluded Companies are not included in our Group.

In the future, with a view to avoid any material competition or any material conflicts of interests between our Group and the Excluded Companies, the following measures will be implemented:

i. in order to avoid any conflicts of interests, the overlapping directors of each of Foshan Chuangyue and Wuhan CM (i.e. director who is also a director of our Group) will abstain from voting on the board resolutions of the relevant companies in the event of any conflict of interests between the Excluded Companies and our Group. Yuexiu Property will also replace the overlapping directors with directors who are independent of our Group in the board of Foshan Chuangyue and Wuhan CM prior to the Listing to strengthen the management independence;

ii. save for the abovementioned services currently provided, and to be provided by way of extension of time following expiry of the existing contract terms (the "**Renewed Services**"), by the Excluded Companies, the Remaining Group (including the Excluded Companies) does not intend to expand or conduct any other business that competes, or will compete, directly or indirectly with the Spun-off Business;

iii. our Controlling Shareholders (namely GZYX, YXE, Yuexiu Property and GCD China) will enter into a Non-competition Undertaking in favor of our Group pursuant to which each of them, so long as it remains as a controlling shareholder of our Company, will not, and shall procure YX Associated Entities (as defined below) (including the Excluded Companies) not to, engage in the business which competes, or will compete, directly or indirectly with the Spun-off Business (except through our Group or otherwise specified therein); and

iv. pursuant to the Non-competition Undertaking, in respect of the Renewed Services, each of the Excluded Companies shall ensure that (a) the GFA under management shall not exceed the existing level; and (b) the scope of services provided shall not be materially different to that currently provided by them, except for cessation of services.

Having considered the above factors, our Directors believed that the Excluded Business is substantially delineated from that of our Group, and therefore, does not and is not likely to compete directly or materially with our business. In order to eliminate any potential competition between our Group and the Remaining Group (including the Excluded Companies), each of our Controlling Shareholders has entered into the Non-competition Undertaking in favor of our Group. For details of the provisions of the Non-competition Undertaking, please refer to the paragraph headed "— Non-competition Undertaking" in this section.

Save as disclosed above, our Controlling Shareholders, our Directors and their respective close associates do not have any interests in any businesses which directly or indirectly compete or may compete with the principal business of our Group which are required to be disclosed under Rule 8.10 of the Listing Rules. As at the Latest Practicable Date, there is no present intention to include the Excluded Business into our Group. Should there be any plan for us to acquire any of such business, our Group will comply with the relevant Listing Rules and applicable laws and regulations accordingly.

NON-COMPETITION UNDERTAKING

On June 11, 2021, each of our Controlling Shareholders (collectively, the "**Covenantors**") entered into the Non-competition Undertaking in favor of our Group pursuant to which it has, among other things, irrevocably and unconditionally undertaken to our Group that at any time during the Relevant Period (as defined below) that it will and will procure the YX Associated Entities (as defined below) to follow the provisions below:

(i) unless otherwise specified in the Non-competition Undertaking, the Covenantors shall not, and shall within its power procure that each of the YX Associated Entities will not, directly or indirectly, engage in, participate in or assist to engage or participate in, whether on its own account or in conjunction with any other person or company, any business or activity that constitutes or may constitute direct or indirect competition with the Spun-off Business;

(ii) the Covenantors shall procure that each of the Excluded Companies: (a) will not expand their Excluded Business; (b) in respect of the Renewed Services, each of the Excluded Companies shall ensure that (1) the GFA under management shall not exceed the existing level; and (2) the scope of services provided shall not be materially different to that currently provided by them, except for cessation of services; and (c) will not engage in or participate in any Spun-off Business, save for the Excluded Business and the Renewed Services;

(iii) when any of the Covenantors and/or any of the YX Associated Entities is/are offered or become/becomes aware of any new business opportunity (the "**New Business Opportunity**") that is or may be in direct or indirect competition with the Spun-off Business:

(a) it shall, and shall procure that the YX Associated Entities, refer such New Business Opportunity to our Company on a timely basis by giving written notice (the "**Offer Notice**") within 30 Business Days of identifying such New Business Opportunity containing the information and other details reasonably necessary for our Company to consider whether to pursue such New Business Opportunity;

(b) upon receiving the Offer Notice, our Company shall seek approval from a board committee who does not have an interest in the New Business Opportunity (the "**Independent Board**") as to whether to pursue or decline the New Business Opportunity (any Director who has actual or potential interest in the New Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the Independent Board) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such New Business Opportunity). The Independent Board shall consider the financial impact of pursuing the New Business Opportunity offered, whether the nature of the New 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 may appoint independent financial advisors and legal advisor to assist in the decision making process in relation to such New Business Opportunity. The Independent Board shall, within 30 Business Days of receipt of the written notice referred above, inform our Controlling Shareholders in writing on behalf of our Company its decision whether to pursue or decline the New Business Opportunity; and

(c) the relevant Controlling Shareholder shall be entitled but not obliged to pursue such New Business Opportunity if it has received a notice from the Independent Board declining such New Business Opportunity or if the Independent Board failed to respond within such 30 Business Days' period mentioned above. If there is any material change in the nature, terms or conditions of such New Business Opportunity pursued by the relevant Controlling Shareholder, it shall refer such revised New Business Opportunity to our Company as if it were a separate New Business Opportunity;

(iv) when any of the Covenantors and/or any of the YX Associated Entities propose(s) to transfer or sell to any third party of any Excluded Business:

(a) the relevant Covenantors and/or YX Associated Entities shall send a prior notice to our Group in writing ("**Transfer Notice**"). The Transfer Notice shall contain terms on which the relevant Covenantors and/or YX Associated Entities propose(s) to transfer or sell such competitive business or its interests, and all relevant information required by our Group. Our Group will, within 30 Business Days upon receipt of the Transfer Notice, give a written reply to the relevant Covenantors and/or YX Associated Entities. The relevant Covenantors and/or YX Associated Entities undertake(s) that it/they shall not issue/express to any third party any Transfer Notice or intention, whether legally binding or not, to transfer or sell to such third party such competitive business or its interests before receiving the aforementioned reply from our Group;

(b) where our Group intends to acquire such competitive business or interests, the relevant Covenantors and/or YX Associated Entities shall transfer or sell such competitive business or interests on normal commercial terms; and

(c) where our Group refuses to acquire such competitive business or interests, or fails to give a reply to the relevant Covenantors and/or YX Associated Entities in respect of the Transfer Notice within the specified time, or where our Group refuses to acquire such competitive business or its interests on such terms as set out in the Transfer Notice but within the specified time sends a written notice to the relevant Covenantors and/or YX Associated Entities to set out the transfer conditions that are acceptable to our Group and, if the relevant Covenantors and/or YX Associated Entities is/are still unable to accept the transfer conditions offered by our Group through amicable negotiation, then the relevant Covenantors and/or YX Associated Entities may transfer or sell to any third party such competitive business or its interests, provided that it/they must do so on such conditions that are exactly the same as those set out in the Transfer Notice; and

(v) each of the Covenantors will provide and procure YX Associated Entities to provide on best endeavor basis, all information necessary for the annual review by our independent non-executive Directors for the enforcement of the Non-competition Undertaking. They will make an annual declaration in our annual report on the compliance with the Non-competition Undertaking in accordance with the principle of voluntary disclosure in the corporate governance report.

Regarding the above:

"**YX Associated Entities**" means entities directly or indirectly held as to 30% or more by each of our Controlling Shareholders (namely GZYX, YXE, Yuexiu Property and GCD China), but, for the purpose of the Non-competition Undertaking only, excluding our Group; and

"**Relevant Period**" means the period commencing from the Listing Date and ending on the earlier of (a) the date on which any of the Covenantors and its close associates (as defined under the Listing Rules) individually and/or collectively, directly or indirectly, hold less than 30% of our Company's total issued Shares; or (b) the date on which our Shares cease to be listed on the Stock Exchange.

CORPORATE GOVERNANCE MEASURES

Our Company has adopted the following measures to manage the existing or potential conflict of interests, if any, between our Group and our Controlling Shareholders and their close associates:

(a) our independent non-executive Directors will review the Non-competition Undertaking and its compliance situation on an annual basis;

(b) each of our Controlling Shareholders has undertaken to provide all information necessary to our Company for the annual review by our independent non-executive Directors on the enforcement of and compliance with the Non-competition Undertaking;

(c) if our Board is required to make a decision on whether to accept a business opportunity under the Non-competition Undertaking, such decision shall be made by those Directors who do not have any material interest in such business opportunity and/or who do not assume any ongoing senior managerial or directorship role in the relevant Controlling Shareholders and YX Associated Entities (other than our Group) which has/have any material interest in the resolution;

(d) our Company will disclose the decision made and/or matter reviewed by our independent non-executive Directors relating to compliance and enforcement of the Non-competition Undertaking in our annual reports and/or by way of an announcement;

(e) 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 who possess sufficient experience and 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 further details of our independent non-executive Directors, please refer to the section headed "Directors and Senior Management" in this prospectus;

(f) our Directors will (i) report any conflict or potential conflict of interest involving our Controlling Shareholders and YX Associated Entities to our independent non-executive Directors as soon as practicable upon becoming aware of such conflict; (ii) convene a Board meeting to review and evaluate the implications and risk exposure of such conflict; and (iii) monitor any material irregular business activities. The conflicted Directors will be required to abstain from participating in the Board meetings where resolutions with material potential conflicts of interest are discussed, unless specifically requested by the majority of independent non-executive Directors;

(g) our Directors will comply with the Articles of Association which require the interested Director not to vote (nor be counted in the quorum) on any Board resolution approving any contract or arrangement or other proposal in which he/she or any of his/her close associate is materially interested;

(h) our Directors, including our independent non-executive Directors, will be entitled to seek independent professional advice from external parties in appropriate circumstances at our Company's expense;

(i) our Company will monitor potential or proposed transaction between our Group and our connected persons, and ensure compliance with Chapter 14A of the Listing Rules including, where applicable, the announcement, reporting, annual review and independent Shareholders' approval requirements;

(j) as required by the Listing Rules, our independent non-executive Directors shall review any connected transactions (including continuing connected transactions) 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;

(k) we have appointed Luk Fook Capital (HK) Limited as our compliance adviser to provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules including various requirements relating to directors' duties and internal control;

(l) our Audit Committee will conduct a review on the effectiveness of the above internal control measures on an annual basis; and

(m) our Nomination Committee will from time to time review the independence of our Directors in terms of performing their duties as our Directors to ensure effective management of conflict of interest.

OVERVIEW

We have entered into a number of agreements with our connected persons, the details of which are set out below. The transactions disclosed in this section will constitute our continuing connected transactions under Chapter 14A of the Listing Rules upon Listing.

(A) CONTINUING CONNECTED TRANSACTIONS FULLY EXEMPTED FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Hong Kong Trademark Licensing

On June 7, 2021, we entered into a Hong Kong trademark licensing agreement with GZYX (the "**Hong Kong Trademark Licensing Agreement**"), pursuant to which GZYX agreed to irrevocably and unconditionally grant to our Group the right to use certain trademarks (the "**Hong Kong Licensed Trademarks**") registered in Hong Kong at a nominal consideration of HK$1 for a term commencing from the date of agreement up to and including December 31, 2023. For details of the Hong Kong Licensed Trademarks, please refer to "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Material intellectual property rights" in this prospectus. Pursuant to the Hong Kong Trademark Licensing Agreement, GZYX has undertaken to renew and maintain the registration of the Hong Kong Licensed Trademarks upon expiry.

As at the Latest Practicable Date, GZYX is one of our Controlling Shareholders and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Hong Kong Trademark Licensing Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the Hong Kong Licensed Trademarks is granted to our Group at a nominal consideration of HK$1, the transactions contemplated under the Hong Kong Trademark Licensing Agreement will be within the de minimis threshold provided under Rules 14A.76 of the Listing Rules upon Listing and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. PRC Trademark Licensing

On June 7, 2021, we entered into a PRC trademark licensing agreement with GZYX (the "**PRC Trademark Licensing Agreement**"), pursuant to which GZYX agreed to irrevocably and unconditionally grant to our Group the right to use certain trademarks (the "**PRC Licensed Trademarks**") registered in the PRC at a nominal consideration of RMB1 for a term commencing from the date of agreement up to and including December 31, 2023. For details of the PRC Licensed Trademarks, please refer to "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Material intellectual property rights" in this prospectus. Pursuant to the PRC Trademark Licensing Agreement, GZYX has undertaken to renew and maintain the registration of the PRC Licensed Trademarks upon expiry.

As at the Latest Practicable Date, GZYX is one of our Controlling Shareholders and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions contemplated under the PRC Trademark Licensing Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the PRC Licensed Trademarks is granted to our Group at a nominal consideration of RMB1, the transactions contemplated under the PRC Trademark Licensing Agreement will be within the de minimis threshold provided under Rules 14A.76 of the Listing Rules upon Listing and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Software Licensing

On June 7, 2021, we entered into a software licensing agreement with Yuexiu Property (the "**Software Licensing Agreement**"), pursuant to which Yuexiu Property agreed to irrevocably and unconditionally grant to our Group the right to use certain software owned by the Remaining Group (the "**Software**") at a nominal consideration of RMB1 for a term commencing from the date of agreement up to and including December 31, 2023. For details of the Software, please refer to "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Material intellectual property rights" in this prospectus. Pursuant to the Software Licensing Agreement, Yuexiu Property has undertaken to renew and maintain the registration of the Software upon expiry.

As at the Latest Practicable Date, Yuexiu Property is one of our Controlling Shareholders and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Software Licensing Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the Software is granted to our Group at a nominal consideration of RMB1, the transactions contemplated under the Software Licensing Agreement will be within the de minimis threshold provided under Rules 14A.76 of the Listing Rules upon Listing and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4. Shared Services

On June 7, 2021, we entered into a shared services framework agreement (the "**Shared Services Framework Agreement**") with Yuexiu Property, pursuant to which the Remaining Group would provide to our Group certain non-essential administrative services, such as information technology support and handling of settlement instructions and usage and/or maintenance of certain administrative and financial software as well as information technology hardware procured by the Remaining Group (collectively, the "**Shared Services**") on a cost-sharing basis for a term commencing from the Listing Date up to and including December 31, 2023.

In April 2020, to optimize the overall administrative cost structure and maximise cost efficiency, Yuexiu Property commenced to conduct a free trial run on centralizing and sharing the Shared Services among itself and certain of its subsidiaries. During the Track Record Period, we did not enter into any agreement with Yuexiu Property in relation to the Shared Services and did not record any relevant historical transaction amount.

Upon the Listing, we will implement shared services arrangement pursuant to the Shared Services Framework Agreement with Yuexiu Property where we (being a subsidiary of Yuexiu Property) will share with Yuexiu Property and its subsidiaries the Shared Services as detailed above in order to optimize the overall administrative cost structure and maximise cost efficiency. It is estimated that the maximum future amount of the expenses to be borne by/allocated to us for the Shared Services for the years ending December 31, 2021, 2022 and 2023 will be at a range of approximately RMB3.0 million to RMB4.3 million per year.

As at the Latest Practicable Date, Yuexiu Property is one of our Controlling Shareholders and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Shared Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the Shared Services shared between our Group and the Remaining Group are on a cost-sharing basis, and are identifiable and are allocated to our Group and the Remaining Group on a fair and equitable basis, the transactions contemplated under the Shared Services Framework Agreement 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 and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. GZ Metro Property Lease

Description of and reasons for the transaction

During the Track Record Period, GZMEE and GZMPM (our subsidiaries acquired in November 2020) have leased certain properties from GZ Metro and its associates as summarized below:

	Total GFA leased		
	Year ended December 31,		
	2018	2019	2020
	(sq.m.)	*(sq.m.)*	*(sq.m.)*
Office and other ancillary premises for self-use	2,240	2,240	2,240
Carpark spaces for provision of carpark space services	31,072	31,072	22,842
Others	15,560	15,560	15,560
Total	48,872	48,872	40,642

All of the existing leases between our Group (including GZMEE and GZMPM) (as tenants) and GZ Metro and its associates (as landlords) as of the Latest Practicable Date (the "**GZ Metro Existing Leases**") were entered into (i) in the ordinary and usual course of business of our Group; and (ii) on normal commercial terms with the rent determined on an arm's length basis with reference to prevailing market rates of similar properties in the vicinity.

Accounting implication on the GZ Metro Existing Leases

In accordance with HKFRS16 "Leases", we recognized right-of-use assets relating to some of the GZ Metro Existing Leases with total leased GFA of approximately 24,686 sq.m. for self-use and provision of carpark space services (the "**GZ Metro Non-exempt Leases**") which amounted to approximately RMB2.3 million in total on the audited consolidated balance sheets of GZMEE and GZMPM as of December 31, 2020. For the purpose of Chapter 14A of the Listing Rules, the GZ Metro Non-exempt Leases were accounted for as one-off acquisitions of capital asset under HKFRS16. Accordingly, the reporting, annual review, announcement, circular and independent Shareholders' approval requirements regarding continuing connected transactions in Chapter 14A of the Listing Rules will not be applicable to the GZ Metro Non-exempt Leases.

Save and except for the GZ Metro Non-exempt Leases, all of the other GZ Metro Existing Leases (the "**GZ Metro Exempt Leases**") are exempt from recognition as right-of-use assets on our balance sheet under HKFRS16 because they are considered as (i) short-term leases (i.e. leases of 12 months or less) or (ii) leases of low-value assets. Therefore, the rental payments under the GZ Metro Exempt Leases were and will be recorded as expenses over the term of the relevant lease in our profit or loss accounts.

Our Group is using the properties under the GZ Metro Exempt Leases for self-use. To avoid disruption to the continued operations of our Group, we will, after the Listing, continue to rent the properties from GZ Metro and its associates under the GZ Metro Exempt Leases. In addition, to cater for the development of our businesses, we also expect to rent and/or obtain license to use additional GFA for such purposes from GZ Metro and its associates after the Listing.

GZ Metro property lease framework agreement

On June 7, 2021, we entered into a property lease framework agreement with GZ Metro (the "**GZ Metro Property Lease Framework Agreement**") with a term commencing from the Listing Date up to and including December 31, 2023 to govern our short-term leases of properties from GZ Metro and its associates which is exempt from recognition as right-of-use assets under HKFRS16. Pursuant to the GZ Metro Property Lease Framework Agreement, our Group will lease certain properties for office and other ancillary usage from GZ Metro and its associates. The specific rent concerned and other relevant matters will be negotiated by the relevant subsidiaries of both parties with reference to the then prevailing market rates and in good faith which will be set out in separate lease agreements in accordance with the principles set out in the GZ Metro Property Lease Framework Agreement.

During the Track Record Period, the total rental paid by us was set out as below:

	Year ended December 31,		
	2018	**2019**	**2020**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total rental	–	–	133

Save for GZMEE and GZMPM which were acquired by us in November 2020, none of the members of our Group had leased any properties from GZ Metro or its associates during the Track Record Period, and hence, we had only started to record historical transaction amounts, being the rental payable for the month of December 2020, after the completion of the acquisition of GZMEE and GZMPM in November 2020. The historical transaction amounts recorded by GZMEE and GZMPM was approximately RMB44,540, RMB46,265 and RMB1,599,063 for the years ended December 31, 2018, 2019 and 2020, respectively. The increase in the historical transaction amounts in the year ended December 31, 2020 is primarily due to the changes of accounting treatment from HKFRS16 (where such property leases are accounted for as one-off acquisitions of capital asset) to non-HKFRS16 (where such property leases are accounted for as continuing connected transactions) in respect of certain property leases. For details of the acquisition of GZMEE and GZMPM, please refer to the section headed "History, Reorganization and Corporate Structure" in this prospectus.

Our Directors estimate that the maximum annual rental payable by us under the GZ Metro Property Lease Framework Agreement for each of the three years ending December 31, 2023 will not exceed the following annual caps set out as below:

	Year ending December 31,		
	2021	**2022**	**2023**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total rental[(Note)]	1,978	2,373	2,848

Note: Represents the maximum annual rental payable by us (including GZMEE and GZMPM).

The rental to be paid under the GZ Metro Property Lease Framework Agreement shall be determined on arm's length basis with reference to (i) the historical transaction amounts recorded by GZMEE and GZMPM during the Track Record Period; and (ii) the prevailing market rent of similar property located in similar areas offered by Independent Third Parties.

In arriving at the above annual caps, our Directors have considered:

(i) the historical rental amounts recorded by GZMEE and GZMPM during the Track Record Period;

(ii) the terms, such as the rental, under the existing lease agreements;

(iii) the total rental amounts paid by GZMEE and GZMPM for the two months ended February 28, 2021 of approximately RMB303,000 based on the existing leasing agreements;

(iv) the expected increment in market rents of similar properties in the vicinity; and

(v) the expected increase in our demand for leased properties based on our business development plan to expand our business reach.

As at the Latest Practicable Date, GZ Metro is a substantial shareholder of our subsidiaries, and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions contemplated under the GZ Metro Property Lease Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As (i) GZ Metro is a connected person of our Company at the subsidiary level; and (ii) each of the applicable percentage ratios under the Listing Rules in respect of the annual caps is expected to less than 1% on an annual basis, the transactions under the GZ Metro Property Lease Framework Agreement will be within the de minimis threshold provided under Rules 14A.76 of the Listing Rules upon Listing and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(B) CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPTED FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

6. Property Lease

Description of and reasons for the transaction

During the Track Record Period, we have leased certain properties from GZYX, Yuexiu Property and their respective associates as summarized below:

	Total GFA leased		
	Year ended December 31,		
	2018	**2019**	**2020**
	(sq.m.)	*(sq.m.)*	*(sq.m.)*
Carpark spaces for provision of carpark space management and operation services	178,921	196,585	196,585
Commercial properties for provision of commercial operation and management services	11,656	12,151	12,151
Office and other ancillary premises for self-use	2,926	2,926	2,926
Total	193,503	211,661	211,661

According to CIA, in respect of the operation of carparks and commercial properties, property owners/property developers have the right to decide whether to (i) engage property management service providers to manage the operation of carparks and commercial properties; or (ii) rent out the carparks and commercial properties to property management service providers for operation. Based on the negotiations with the relevant property owners/property developers, we had rented certain carparks and commercial properties from them to conduct our operation and management business for such properties and the above arrangement is consistent with the industry practice according to CIA.

All of the existing leases between our Group (as tenants) and GZYX, Yuexiu Property and their respective associates (as the case may be) (as landlords) as of the Latest Practicable Date (the "**Existing Leases**") were entered into (i) in the ordinary and usual course of business of our Group; and (ii) on normal commercial terms with the rent determined on an arm's length basis with reference to prevailing market rates of similar properties in the vicinity.

Accounting implication on the Existing Leases

In accordance with HKFRS16 "Leases", we recognized right-of-use assets relating to some of the Existing Leases with total leased GFA of 130,283 sq.m. for provision of carpark space management and operation services, commercial operation and management services and self-use (the "**Non-exempt Leases**") which amounted to approximately RMB37.3 million (as right-of-use assets) on our balance sheet as of December 31, 2020. For the purpose of Chapter 14A of the Listing Rules, the Non-exempt Leases were accounted for as one-off acquisitions of capital asset under HKFRS16. Accordingly, the reporting, annual review, announcement, circular and independent Shareholders' approval requirements regarding continuing connected transactions under Chapter 14A of the Listing Rules will not be applicable to the Non-exempt Leases.

Save and except for the Non-exempt Leases, all of the other Existing Leases (the "**Exempt Leases**") are exempt from recognition as right-of-use assets on our balance sheet under HKFRS16 because they are considered as (i) short-term leases (i.e. leases of 12 months or less) or (ii) leases of low-value assets. Therefore, the rental payments under the Exempt Leases were and will be recorded as expenses over the term of the relevant lease in our profit or loss accounts.

Our Group is using the properties under the Exempt Leases for provision of carpark space management and operation business and self-use. To avoid disruption to the continued operations of our Group, we will, after the Listing, continue to rent the properties from GZYX, Yuexiu Property and their respective associates under the Exempt Leases. In addition, to cater for the development of our businesses, we also expect to rent and/or obtain license to use additional GFA for such purposes from GZYX, Yuexiu Property and their respective associates after the Listing.

Property lease framework agreement

On June 7, 2021, we entered into a property lease framework agreement with Yuexiu Property (the "**Property Lease Framework Agreement**") with a term commencing from the Listing Date up to and including December 31, 2023 to govern our short-term leases of properties from Yuexiu Property and its associates which is exempt from recognition as right-of-use assets under HKFRS16. Pursuant to the Property Lease Framework Agreement, our Group will lease certain car parking spaces for providing carpark space management and operation services and other office premises for self-use from Yuexiu Property and its associates. The specific rent concerned and other relevant matters will be negotiated by the relevant parties to the specific transaction with reference to the then prevailing market rates and in good faith which will be set out in separate lease agreements in accordance with the principles set out in the Property Lease Framework Agreement.

During the Track Record Period, the total rental paid by us was set out as below:

	Year ended December 31,		
	2018	**2019**	**2020**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total rental	19,418	22,314	23,091

Our Directors estimate that the maximum annual rental payable by us under the Property Lease Framework Agreement for each of the three years ending December 31, 2023 will not exceed the following annual caps set out as below:

	Year ending December 31,		
	2021	**2022**	**2023**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total rental	25,400	27,940	30,734

The rental to be paid under the Property Lease Framework Agreement shall be determined on arm's length basis with reference to (i) the location, type, quality and size of the properties; and (ii) the prevailing market rent of similar property located in similar areas offered by Independent Third Parties.

In arriving at the above annual caps, our Directors have considered the following factors:

(i) the historical rental amounts during the Track Record Period;

(ii) the terms, such as the rental, under the existing lease agreements;

(iii) the total rental amounts paid by us for the two months ended February 28, 2021 of approximately RMB4.1 million based on the existing leasing agreements;

(iv) the expected increment in market rents of similar properties in the vicinity; and

(v) the expected increase in our demand for leased properties based on our business development plan to expand our business reach.

As at the Latest Practicable Date, Yuexiu Property is our Controlling Shareholder and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Property Lease Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Property Lease Framework Agreement will be subject to the reporting, annual review and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

7. Property Management Services

Description of the transaction

On June 7, 2021, we entered into a property management services framework agreement with GZYX and Yuexiu Property (the "**Property Management Services Framework Agreement**"), pursuant to which our Group agreed to provide to GZYX, Yuexiu Property and their respective associates property management services on non-commercial properties (the "**Property Management Services**"), for a term commencing from the Listing Date up to and including December 31, 2023.

Historical transaction amounts

During the Track Record Period, the total amount of fees paid to our Group for the Property Management Services was set out as below:

	Year ended December 31,		
	2018	**2019**	**2020**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the Property Management Services	16,150	12,867	10,155

Annual caps

Our Directors estimate that the maximum annual fee payable to us under the Property Management Services Framework Agreement for each of the three years ending December 31, 2023 will not exceed the following annual caps set out as below:

	Year ending December 31,		
	2021	**2022**	**2023**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the Property Management Services	12,889	15,703	18,833

Pricing policy

The service fees that we will charge for the Property Management Services shall be determined after arm's length negotiations and taking into account (i) the location, type, quality and size of the properties; (ii) the scope and standard of the services to be provided; (iii) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services; (iv) local government's pricing guidance/regulations on property management fees in the PRC, for example, guideline published by local governments of Guangzhou on property management fees charged for residential properties in Guangzhou; and (v) the prevailing market rate generally offered by us to Independent Third Parties in respect of similar services. In general, we will charge higher property management fees for (i) residential properties located in first-tier cities than those located in new first-tier cities and second-tier cities; and (ii) high-end properties than for mid and low-end properties. We will consider the GFA of the property to be managed to estimate the costs so as to ensure the service fees we charge would cover our costs.

Basis of annual caps

In arriving at the above annual caps, our Directors have considered the following factors:

(i) the historical transaction amounts during the Track Record Period;

(ii) the number, GFA under management and terms (including service fee) of existing projects/service contracts as of December 31, 2020;

(iii) the related service fees received from GZXY, Yuexiu Property and their respective associates for the two months ended February 28, 2021 of approximately RMB1.6 million, based on our unaudited management accounts;

(iv) the high retention rates for property management service contracts in connection with our property management service contracts entered into with GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties which were 100.0% throughout the Track Record Period;

(v) the expected increase in the demand for our services with reference to the historical contracted sales GFA achieved by Yuexiu Property and its pipeline projects in the future. Based on the annual reports of Yuexiu Property, Yuexiu Property had achieved a continuous increase at a CAGR of approximately 25.5% in its contracted sales GFA of approximately 2.22 million sq.m., 2.77 million sq.m. and 3.49 million sq.m. for the years ended December 31, 2017, 2018 and 2019, respectively. According to the interim report of Yuexiu Property, as of June 30, 2020, Yuexiu Property had a total landbank of approximately 23.63 million sq.m. with a total of 76 projects located in 19 cities in the PRC, which can meet its development for the next three to five years;

(vi) the estimated service fee to be received from Yuexiu Property and its associates (calculated based on the estimated additional total GFA under management to be delivered by Yuexiu Property for the year ending December 31, 2021, the estimated fees per sq.m. at which similar services will be charged and the historical percentage of property management service fee attributable to Yuexiu Property and its associates). The additional total GFA under management delivered by Yuexiu Property and its associates increased from approximately 1.9 million sq.m. for the year ended December 31, 2019 to 2.5 million sq.m. for the year ended December 31, 2020 by 32% and it is estimated that the additional total GFA under management to be delivered by Yuexiu Property and its associates will continue to increase for the years ending December 31, 2021, 2022 and 2023; and

(vii) the expected increase in the service fees to be charged by us considering the expected inflation and increment in the operational costs as incurred by us.

Listing Rules implications

As at the Latest Practicable Date, GZYX and Yuexiu Property are our Controlling Shareholders and are therefore connected persons of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Property Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Property Management Services Framework Agreement will be subject to the reporting, annual review and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

8. Commercial Operation and Management Services

Description of the transaction

On June 7, 2021, we entered into a commercial operation and management services framework agreement (the "**Commercial Operation and Management Services Framework Agreement**") with GZYX and Yuexiu Property, pursuant to which our Group agreed to provide to GZYX, Yuexiu Property and their respective associates commercial operation and management services on commercial properties, including but not limited to, (i) commercial property management services; and (ii) carpark space management and operation services ("**Commercial Operation and Management Services**"), for a term commencing from the Listing Date up to and including December 31, 2023.

Historical transaction amounts

During the Track Record Period, the total amount of fees paid to our Group for the Commercial Operation and Management Services was set out as below:

	Year ended December 31,		
	2018	2019	2020
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the Commercial Operation and Management Services	3,388	4,193	12,295

Annual caps

Our Directors estimate that the maximum annual fee payable to us under the Commercial Operation and Management Services Framework Agreement for each of the three years ending December 31, 2023 will not exceed the following annual caps set out as below:

	Year ending December 31,		
	2021	2022	2023
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the Commercial Operation and Management Services	38,652	41,665	52,803

Pricing policy

The service fees that we will charge for the Commercial Operation and Management Services shall be determined after arm's length negotiations with reference to (i) the location, type, quality and size of the properties; (ii) the scope and standard of the services to be provided; (iii) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services; and (iv) the prevailing market rate generally offered by us to Independent Third Parties in respect of similar services. In general, we will charge higher service fees for (i) commercial properties located in first-tier cities than those located in new first-tier cities and second-tier cities; (ii) commercial complexes than single office buildings; and (iii) Grade A plus offices than Grade A offices and other offices. We will consider the GFA of the property to be managed to estimate the costs so as to ensure the service fees we charge would cover our costs.

Basis of annual caps

In arriving at the above annual caps, our Directors have considered the following factors:

(i) the historical transaction amounts and growth trend for such services during the Track Record Period. In particular, the historical transaction amounts for such services increased by approximately 193.2% from the year ended December 31, 2019 to the year ended December 31, 2020;

(ii) the number, GFA under management and terms (including service fee) of existing projects/service contracts as of December 31, 2020;

(iii) the related service fees received from GZYX, Yuexiu Property and their respective associates for the two months ended February 28, 2021 of approximately RMB1.0 million, based on our unaudited management accounts;

(iv) the expected increase in the demand for our services with reference to:

(a) the opening of a new commercial complex in Guangzhou (including office buildings and shopping malls with a total estimated GFA under management of approximately 154,233 sq.m.) in or around 2021 developed by Yuexiu Property which we have started to provide commercial management support services to property developers/ property owners since the fourth quarter of 2020, and commercial operation and management services (including services in respect of unoccupied property units), and carpark space management and operation services upon opening of the commercial complex;

(b) the opening of two new commercial complexes in Wuhan (including office buildings, shopping street and shopping malls with a total estimated GFA under management of approximately 350,079 sq.m.) and in Guangzhou (including office buildings and commercial podium with a total estimated GFA under management of approximately 127,704 sq.m.) in or around 2022 developed by Yuexiu Property which require provision of commercial operation and management services (including support services provided to property developers/property owners and services in respect of unoccupied property units), and carpark space management and operation services from us;

(c) the opening of a new commercial hub in Guangzhou (including mainly office buildings with a total estimated GFA of 103,931 sq.m.) in or around 2023 developed by the GZYX Group which require provision of commercial operation and management services (including support services provided to property developers/property owners and services in respect of unoccupied property units), and carpark space management and operation services from us; and

(d) Yuexiu Property's pipeline projects in the future. Based on the annual reports of Yuexiu Property, Yuexiu Property had achieved a continuous increase with a CAGR of approximately 25.5% in its contracted sales GFA of approximately 2.22 million sq.m., 2.77 million sq.m. and 3.49 million sq.m. for the years ended December 31, 2017, 2018 and 2019, respectively. According to the interim report of Yuexiu Property, as of June 30, 2020, Yuexiu Property had a total landbank of approximately 23.63 million sq.m. with a total of 76 projects located in 19 cities in the PRC, which can meet its development for the next three to five years;

(v) as we had not been engaged to provide commercial operation and management services for any newly opened commercial properties during the Track Record Period, the increase in the proposed annual caps is primarily resulted from the expected increase in service fees to be charged on the support services and services in respect of unoccupied property units from the new commercial complexes to be opened in 2021 and 2022 as detailed in paragraph (iv) above; and

(vi) the expected increase in the service fees to be charged by us considering the expected inflation and increment in the operational costs as incurred by us.

Listing Rules implications

As at the Latest Practicable Date, GZYX and Yuexiu Property are our Controlling Shareholders and are therefore connected persons of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Commercial Operation and Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Commercial Operation and Management Services Framework Agreement will be subject to the reporting, annual review and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

9. GZ Metro Property Management and Related Services

Description of the transaction

On November 23, 2020, we entered into a property management and related services framework agreement (the "**GZ Metro Property Management and Related Services Framework Agreement**") with GZ Metro, pursuant to which we agreed to provide the following services to properties owned, operated and used by GZ Metro and its associates, including (i) property management services (including sanitary services) for train stations, train depots, residential properties and commercial properties; (ii) the upkeeping and placing of greeneries in train depots and other commercial properties; (iii) other ancillary services; and (iv) other value-added services, ("**GZ Metro Property Management and Related Services**"), for a term commencing from November 30, 2020 up to and including December 31, 2022.

Historical transaction amounts

During the Track Record Period, the total amount of fees paid to us for the GZ Metro Property Management and Related Services was set out as below:

	Year ended December 31,		
	2018	2019	2020
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the GZ Metro Property Management and Related Services*(Note)*	–	1,917	22,500

Note: Based on the management accounts of GZMEE and GZMPM, the historical transaction amounts for such services is approximately RMB130.0 million, RMB151.0 million and RMB184.0 million for the years ended December 31, 2018, 2019 and 2020. For details of the acquisition of GZMEE and GZMPM, please refer to the section headed "History, Reorganization and Corporate Structure" in this prospectus.

Annual caps

Our Directors estimate that the maximum annual fee payable under the GZ Metro Property Management and Related Services Framework Agreement for each of the two years ending December 31, 2022 will not exceed the following annual caps set out as below:

	Year ending December 31,	
	2021	2022
	(RMB'000)	*(RMB'000)*
Total service fees for the GZ Metro Property Management and Related Services*(Note)*	264,000	316,800

Note: Represents the maximum annual fee payable to us (including GZMEE and GZMPM).

Pricing policy

The service fees that we will charge for the GZ Metro Property Management and Related Services shall be determined after arm's length negotiations with reference to (i) the scope of services to be rendered (as mentioned in the description of the transaction above); (ii) where applicable, the outcome of tendering processes; (iii) local government's pricing guidance/regulations on property management fees in the PRC, for example guideline published by local governments of Guangzhou on property management fees charged for residential properties in Guangzhou; and (iv) those charged to Independent Third Parties.

Basis of annual caps

In arriving at the above annual caps, our Directors have considered the following factors:

(i) the significant increase in the proposed annual caps is primarily due to the acquisition of GZMEE and GZMPM, whose accounts (including the estimated transaction amounts with GZ Metro and its associates) are consolidated to our Group upon completion of the acquisition in November 2020;

(ii) the historical transaction amount (including that of GZMEE and GZMPM) and the growth trend during the Track Record Period;

(iii) the respective services agreements already entered into that will continue to be in force up to December 31, 2022;

(iv) the related service fees received for the GZ Metro Property Management and Related Services for the two months ended February 28, 2021 of approximately RMB30.8 million, based on our unaudited management accounts; and

(v) the expected growth in business volume for services rendered to GZ Metro and its associates for the two years ending December 31, 2022.

Listing Rules implications

As at the Latest Practicable Date, GZ Metro is a substantial shareholder of our subsidiaries, and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions contemplated under the GZ Metro Property Management and Related Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As (i) GZ Metro is a connected person of our Company at the subsidiary level; (ii) our Board has approved the GZ Metro Property Management and Related Services Framework Agreement and the transactions contemplated thereunder; and (iii) all the independent non-executive Directors have confirmed that the terms of the GZ Metro Property Management and Related Services Framework Agreement are fair and reasonable, on normal commercial terms or better and in the interests of our Company and the Shareholders as a whole, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement pursuant to Rule 14A.101 of the Listing Rules.

(C) CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

10. Value-Added Services (including non-property owner value added services and community value-added services)

Description of the transaction

On June 7, 2021, we entered into a value-added services framework agreement (the "**Value-Added Services Framework Agreement**") with GZYX and Yuexiu Property, pursuant to which our Group agreed to provide to GZYX, Yuexiu Property and their respective associates value-added services, including (i) non-property owner value-added services (such as preliminary planning and design consultancy services, sales office and display unit management and pre-delivery support services, carpark space sales assistance services and ancillary property leasing services); and (ii) community value-added services (such as home-living services) ("**Value-Added Services**"), for a term commencing from the Listing Date up to and including December 31, 2023.

Historical transaction amounts

During the Track Record Period, the total amount of fees paid to our Group for the Value-Added Services was set out as below:

	Year ended December 31,		
	2018	**2019**	**2020**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the Value-Added Services	126,606	215,701	350,282

Annual caps

Our Directors estimate that the maximum annual fee payable under the Value-Added Services Framework Agreement for each of the three years ending December 31, 2023 will not exceed the following annual caps set out as below:

	Year ending December 31,		
	2021	**2022**	**2023**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the Value-Added Services	461,125	569,599	711,999

Pricing policy

The service fees that we will charge for the Value-Added Services shall be determined after arm's length negotiations with reference to (i) the location, quality and size of the properties; (ii) the scope and standard of the services to be provided; (iii) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services; and (iv) the prevailing market rate generally offered by us to Independent Third Parties in respect of similar services. In general, we will charge higher service fees for Value-Added Services to be provided to non-property owners and property owners and residents of (i) properties located in first-tier cities than those located in new first-tier cities and second-tier cities; and (ii) high-end properties than mid and low-end properties.

Basis of annual caps

In arriving at the above annual caps, our Directors have considered the following factors:

(i) the historical transaction amounts and growth trend for such services during the Track Record Period. In particular, the historical transaction amounts for such services increased by approximately 70.4% from the year ended December 31, 2018 to the year ended December 31, 2019, and approximately 62.4% from the year ended December 31, 2019 to the year ended December 31, 2020;

(ii) the number and terms (including service fee) of existing service contracts as of December 31, 2020;

(iii) the related service fees received from GZYX, Yuexiu Property and their respective associates for the two months ended February 28, 2021 of approximately RMB37.7 million, based on our unaudited management accounts;

(iv) the expected increase in the demand for our services with reference to the historical contracted sales GFA achieved by Yuexiu Property and its pipeline projects in the future. Based on the annual reports of Yuexiu Property, Yuexiu Property had achieved a continuous increase with a CAGR of approximately 25.5% in its contracted sales GFA of approximately 2.22 million sq.m., 2.77 million sq.m. and 3.49 million sq.m. for the years ended December 31, 2017, 2018 and 2019, respectively. According to the interim report of Yuexiu Property, as of June 30, 2020, Yuexiu Property had a total landbank of approximately 23.63 million sq.m. with a total of 76 projects located in 19 cities in the PRC, which can meet its development for the next three to five years;

(v) the expected increase in revenue from carpark space sales assistance services as we continue to increase our penetration rate in such services. During the Track Record Period, our revenue from carpark space sales assistance services received from GZYX, Yuexiu Property and their respective associates recorded a continuous increase, with a CAGR of approximately 202.8%, from approximately RMB15.3 million for the year ended December 31, 2018 to RMB32.3 million for year ended December 31, 2019, then to RMB140.3 million for the year ended December 31, 2020;

(vi) the expected increase in revenue from preliminary planning and design consultancy services as we have gradually increased our service fee to market level since 2019; and

(vii) the expected increase in the service fees to be charged by us considering the expected inflation and increment in the operational costs as incurred by us.

Listing Rules implications

As at the Latest Practicable Date, GZYX and Yuexiu Property are our Controlling Shareholders and are therefore connected persons of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Value-Added Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the highest of the applicable percentage ratios under the Listing Rules in respect of the annual caps is expected to be more than 5% on an annual basis, the transactions under the Value-Added Services Framework Agreement will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

11. Market Positioning Consultancy and Tenant Sourcing Services

Description of the transaction

On June 7, 2021, we entered into a market positioning consultancy and tenant sourcing services framework agreement (the "**Market Positioning Consultancy and Tenant Sourcing Services Framework Agreement**") with GZYX and Yuexiu Property, pursuant to which our Group agreed to provide to GZYX, Yuexiu Property and their respective associates market positioning consultancy and tenant sourcing services on commercial properties, including but not limited to, market research and positioning services where we conduct market research and feasibility analysis and advise on how to position and manage the relevant properties with regards to the property nature, target tenants mix and property management etc., tenant sourcing, tenant management and rent collection services ("**Market Positioning Consultancy and Tenant Sourcing Services**"), for a term commencing from the Listing Date up to and including December 31, 2023.

Historical transaction amounts

During the Track Record Period, the total amount of fees paid to our Group for the Market Positioning Consultancy and Tenant Sourcing Services was set out as below:

	Year ended December 31,		
	2018	**2019**	**2020**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the Market Positioning Consultancy and Tenant Sourcing Services	42,138	40,873	53,438

Annual caps

Our Directors estimate that the maximum annual fee payable to us under the Market Positioning Consultancy and Tenant Sourcing Services Framework Agreement for each of the three years ending December 31, 2023 will not exceed the following annual caps set out as below:

	Year ending December 31,		
	2021	**2022**	**2023**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total service fees for the Market Positioning Consultancy and Tenant Sourcing Services	116,880	166,379	207,973

Pricing policy

The service fees that we will charge for the Market Positioning Consultancy and Tenant Sourcing Services shall be determined after arm's length negotiations with reference to (i) the location, quality and size of the properties; (ii) the scope and standard of the services to be provided; (iii) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services; and (iv) the prevailing market rate generally offered by us to Independent Third Parties in respect of similar services. In general, we will charge higher service fees for Market Positioning Consultancy and Tenant Sourcing Services for (i) commercial properties located in first-tier cities than those located in new first-tier cities and in second-tier cities; (ii) commercial complexes than single office building; and (iii) Grade A plus offices than Grade A offices and other offices.

Our market positioning consultancy services are one-off services provided to commercial property projects charged at a fixed service fee generally payable to us by installments depending on the progress of the project. Our tenant sourcing, tenant management and rent collection services are recurring services provided to commercial property units charged at a commission fee which may either (i) be calculated at a certain percentage of the total monthly rental income of the entire property; or (ii) be equivalent to rent payables for a certain number of months calculated based on the average monthly rent of the first year upon the entering into of the tenancy agreement. The pricing policies in respect of services provided to connected person and Independent Third Parties are the same.

Basis of annual caps

In arriving at the above annual caps, our Directors have considered the following factors:

(i) the historical transaction amounts and growth trend for such services during the Track Record Period;

(ii) the number, GFA under management and terms (including service fee) of existing projects/service contracts as of December 31, 2020;

(iii) the related service fees received from GZYX, Yuexiu Property and their respective associates for the two months ended February 28, 2021 of approximately RMB13.8 million, based on our unaudited management accounts;

(iv) the expected increase in the demand for our services with reference to:

(a) the opening of two new commercial complexes in Guangzhou (including office buildings and shopping malls with a total estimated GFA under management of approximately 154,233 sq.m.) in or around 2021 and in Wuhan (including office buildings, shopping street and shopping malls with a total estimated GFA under management of approximately 350,079 sq.m.) in or around 2022 developed by Yuexiu Property which require provision of market research and positioning, tenant sourcing, tenant management and rent collection services from us;

(b) the opening of a new commercial complex in Guangzhou (including office buildings and commercial podium with a total estimated GFA under management of approximately 127,704 sq.m.) in or around 2022 developed by Yuexiu Property and a new commercial hub in Guangzhou (including mainly office buildings with a total estimated GFA of 103,931 sq.m.) in or around 2023 developed by the GZYX Group which would require provision of tenant sourcing, tenant management and rent collection services from us;

(c) the opening of a new commercial complex (including office buildings, shopping street and shopping malls) in or around 2024 developed by Yuexiu Property and located in Guangzhou (with a total estimated GFA under management of approximately 207,941 sq. m.) which requires provision of market research and position services from us prior to its opening;

(d) Yuexiu Property's pipeline projects in the future. Based on the annual reports of Yuexiu Property, Yuexiu Property had achieved a continuous increase with a CAGR of approximately 25.5% in its contracted sales GFA of approximately 2.22 million sq.m., 2.77 million sq.m. and 3.49 million sq.m. for the years ended December 31, 2017, 2018 and 2019. According to the interim report of Yuexiu Property, as of June 30, 2020, Yuexiu Property had a total landbank of approximately 23.63 million sq.m. with a total of 76 projects located in 19 cities in the PRC, which can meet its development for the next three to five years; and

(e) in view of the above, it is expected the demand for our services will continue to increase in future. In particular, it is estimated that we will provide (i) feasibility analysis services for approximately 10 property projects and market positioning consultancy services for approximately 3 to 5 property projects per year, as part of our market research and positioning services; (ii) pre-delivery tenant sourcing services for approximately 5 additional property projects (with approximately 0.9 million GFA in total) for the three years ending December 31, 2023; and (iii) post-delivery tenant sourcing, tenant management and rent collection services for approximately 4 additional property projects (with approximately 0.7 million GFA in total) for the three years ending December 31, 2023, to GZYX, Yuexiu Property and their respective associates for the years ending December 31, 2021, 2022 and 2023;

(v) the expected increase in rental of the commercial properties to which such services are/will be provided as our service fee of tenant sourcing, tenant management and rent collection is determined with reference to the rental of the relevant commercial properties. According to CIA, due to the continuing increase in population and hence the demand for the relevant services, the rental of the commercial properties in first-tier and second-tier cities in the PRC will generally increase in the next three years; and

(vi) the expected increase in the service fees to be charged by us considering the expected inflation and increment in the operational costs as incurred by us.

Listing Rules implications

As at the Latest Practicable Date, GZYX and Yuexiu Property are our Controlling Shareholders and are therefore connected persons of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Market Positioning Consultancy and Tenant Sourcing Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the highest of the applicable percentage ratios under the Listing Rules in respect of the annual caps is expected to be more than 5% on an annual basis, the transactions under the Market Positioning Consultancy and Tenant Sourcing Services Framework Agreement will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

12. Bank Deposits Agreement

Description of the transaction

On June 11, 2021, we entered into a bank deposits agreement (the "**Bank Deposits Agreement**") with CHB pursuant to which we may, in our ordinary and usual course of business, place and maintain bank deposits (the "**Bank Deposits**") with CHB Group on normal commercial terms from time to time for a term commencing from the Listing Date up to and including December 31, 2022, and the placing and maintenance of any such bank deposits shall be subject to the terms and conditions of CHB Group applicable to independent customers of similar size to our Group from time to time.

We are principally engaged in the provision of property management services. We have to maintain deposits with banks, primarily in Hong Kong and China, from time to time as part of our treasury activities and in order to satisfy our business needs in the ordinary and usual course of business. CHB, as a reputable and long-established authorized institution in Hong Kong, is able to provide different banking and related services in support of our business and treasury activities. We believe that it would be in the interest of our Group to engage the services of the CHB Group, being the placing of bank deposits with the CHB Group in this case, on a non-exclusive basis subject to our internal control procedures and the applicable annual caps.

The Bank Deposits Agreement provides that the interest rates and other terms applicable to any Bank Deposits shall from time to time be determined based on (i) in the case of deposits in Hong Kong, interest rates and other terms offered by the CHB Group and at least two other independent banks in Hong Kong to our Group; and (ii) in the case of deposits in China, interest rates for deposits in China set with reference to the standard interest rates published by the PBOC and interest rates and other terms offered by the CHB Group and at least two other independent banks in China to our Group. In order to ensure that the interest rates and other terms of the Bank Deposits are on normal commercial terms and no less favorable to us, we will compare the quotations offered by the CHB Group with those of at least two other independent banks. We may also take into account factors, including (among others) quality of services, safety of deposits, bank reputation and cooperation history, in making decisions to place deposits with any banks. Standard documentation, in such form acceptable to the CHB Group and our Group, may be executed in order to facilitate the transactions.

Historical highest daily balance

During the Track Record Period, the historical highest daily outstanding balance of the Bank Deposits actually placed by our Group with CHB Group on any given day was set out as below:

	Year ended December 31,		
	2018	2019	2020
	(RMB'000) *(approximately)*	*(RMB'000)* *(approximately)*	*(RMB'000)* *(approximately)*
Highest daily outstanding balance of the Bank Deposits on any given day during the year	3,555	11,721	15,624

Daily cap for future balance

Our Directors estimate that the highest daily outstanding balance (including accrued interests) of the Bank Deposits to be placed by our Group with CHB Group on any given day for each of the two years ending December 31, 2022 will not exceed the following daily caps set out as below:

	Year ending December 31,	
	2021	2022
	(RMB'000)	*(RMB'000)*
Highest daily outstanding balance (including accrued interests) of the Bank Deposits on any given day during the year	2,515,000	2,085,000

Basis of daily caps

In arriving at the above daily caps under the Bank Deposits Agreement, our Directors have considered the following factors:

(i) historical highest daily outstanding balance of the Bank Deposits actually placed by our Group with CHB Group on any given day during the Track Record Period;

(ii) our cash and cash equivalents of approximately RMB994.6 million as at December 31, 2020;

(iii) the expected increase of our total assets, and the level of cash and cash equivalents as well as charged deposits to be held or maintained by us from time to time as the scale of our business and operation continues to grow; and

(iv) the gross proceeds from the Global Offering of approximately HK$2,771.7 million (equivalent to RMB2,289.0 million) (assuming an Offer Price of HK$6.52 per Share, being the high end of the indicative Offer Price range, and assuming the Over-allotment Option is exercised in full).

Listing Rules implications

As at the Latest Practicable Date, CHB is a subsidiary of YXE, a controlling shareholder of our Company, and therefore, CHB is a connected person of our Company under the Listing Rules. Accordingly, the transactions contemplated under the Bank Deposits Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the highest of the applicable percentage ratios under the Listing Rules in respect of the annual caps is expected to be more than 5% on an annual basis, the transactions under the Bank Deposits Agreement will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

APPLICATION FOR WAIVER

The transactions described in "— (B) Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement" constitute our continuing connected transactions under the Listing Rules, which is exempted from the independent Shareholders' approval requirement but subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

The transactions described in "— (C) continuing connected transactions subject to the reporting, annual review, announcement and independent Shareholders' approval requirements" constitute our continuing connected transactions under the Listing Rules, which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers exempting us from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "— (B) Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement"; and the announcement and independent Shareholders' approval requirements in respect of the continuing connected transactions as disclosed in "— (C) Continuing connected transactions subject to the reporting, annual review, announcement and independent

Shareholders' approval requirements", subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above). Apart from the above waivers sought on the strict compliance of the announcement and independent Shareholders' approval requirements, we will comply with the relevant requirements under Chapter 14A of the Listing Rules.

If any terms of the transactions contemplated under the agreements mentioned above are altered or if our Company enters into any new agreements with any connected person in the future, we will fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless we apply for and obtain a separate waiver from the Stock Exchange.

DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions as disclosed in "— (B) Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement" and "— (C) Continuing connected transactions subject to the reporting, annual review, announcement and independent Shareholders' approval requirements" 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 annual caps of the continuing connected transactions as disclosed in "— (B) Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement" and "— (C) Continuing connected transactions subject to the reporting, annual review, announcement and independent Shareholders' approval requirements" in this section are fair and reasonable and are in the interests of our Shareholders as a whole.

JOINT SPONSORS' VIEW

The Joint Sponsors, after discussions with our management on the proposed annual caps and reasons for entering into each of the non-exempt continuing connected transactions described in this section, are of the view that (i) the continuing connected transactions as disclosed in "— (B) Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement" and "— (C) Continuing connected transactions subject to the reporting, annual review, announcement and independent Shareholders' approval requirements" have been and will be carried out in the ordinary and usual course of our business, on normal commercial terms or better, are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (ii) the proposed annual caps (where applicable) of such continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

1. our Group will adopt internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain threshold, the relevant staff must report the proposed transaction to the head of the relevant business department in order for our Company to commence necessary assessment and approval procedures to ensure compliance with the Listing Rules;

2. our Company will provide information and supporting documents to our independent non-executive Directors and auditors for them to conduct annual review of the continuing connected transactions of our Group;

3. our independent non-executive Directors will provide annual confirmation to our Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole as required by the Listing Rules; and

4. the auditors of our Company will provide annual confirmation to our Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by our Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects, or have exceeded the cap as required by the Listing Rules.

DIRECTORS

Our Board

Our Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. Our Board is responsible for and has general powers over the management and conduct of our businesses. Our Board is also responsible for, among others, devising appropriate investment plans, preparing our annual financial budgets and exercising other legitimate powers, functions and duties as conferred under the Articles. The table below sets out certain information regarding our Directors:

Name	Age	Current position(s)	Date of joining our Group	Date of appointment as a Director	Main roles and responsibilities	Relationship with other Director(s) and the senior management
Mr. Lin Feng (林峰)	50	Non-executive Director & chairman of our Board	July 1994	January 27, 2021	Providing strategic advice and making recommendations on business plans, strategic developments and management decisions to our Board	None
Mr. Wu Wei (吳煒)	49	Executive Director & chief executive officer (行政總裁)	July 2004	January 27, 2021	Responsible for the overall management, formulation and implementation of business strategies (including acquisition plans) of our Group	None
Mr. Mao Liangmin (毛良敏)	40	Executive Director & vice president (Standing) (常務副總裁)	February 2020	January 27, 2021	Responsible for the overall management and property management business of our Group	None
Mr. Zhang Jin (張勁)	49	Executive Director & vice president (副總裁)	November 1997	January 27, 2021	Responsible for the overall management and commercial operations of our Group	None

Name	Age	Current position(s)	Date of joining our Group	Date of appointment as a Director	Main roles and responsibilities	Relationship with other Director(s) and the senior management
Mr. Yao Xiaosheng (姚曉生)	42	Non-executive Director	July 2005	January 27, 2021	Responsible for providing guidance and formulating business strategies on the overall development of our Group	None
Mr. Yang Zhaoxuan (楊昭煊)	43	Non-executive Director	February 9, 2021	February 9, 2021	Responsible for providing guidance and formulating business strategies on the overall development of our Group	None
Ms. Hui Lai Kwan (許麗君)	50	Independent non-executive Director	February 1, 2021	February 1, 2021	Supervising and providing independent advice and judgement to our Board	None
Mr. Hung Shing Ming (洪誠明)	44	Independent non-executive Director	February 1, 2021	February 1, 2021	Supervising and providing independent advice and judgement to our Board	None
Mr. Chan Yuen Hang Kenneth (陳元亨)	47	Independent non-executive Director	February 1, 2021	February 1, 2021	Supervising and providing independent advice and judgement to our Board	None

Mr. Lin Feng (林峰), aged 50, was appointed as a Director on January 27, 2021 and was redesignated as a non-executive Director and appointed as the chairman of our Board on February 1, 2021. He is responsible for providing strategic advice and making recommendations on business plans, strategic developments and management decisions to our Board.

Mr. Lin has over 26 years' experience in overall strategic planning and corporate operations, investment and financial decisions and financial management relating to real estate development industry. The following table shows the key working experience of Mr. Lin:

Period	Entity	Position(s)	Main roles and responsibilities
July 1994 to present	GCCD (including Guangzhou City Construction & Development Holding Company* (廣州市城市建設開發總公司))	Previous positions include deputy general manager of the accounting department and the management department, general manager of the finance department and general manager of the investment department; current position being director and general manager	Financial management, making investment decisions and financing management
January 2012 to present	Yuexiu Property	Previous positions include assistant to general manager and deputy general manager; current position being vice chairman of the board of directors, executive director and general manager	Overall strategic planning and corporate operations and facilitating the achievement of operational targets

Mr. Lin has obtained the qualification of an accountant of the PRC Ministry of Finance* (中華人民共和國財政部) in May 1998.

Mr. Lin obtained a bachelor's degree in economics from Guangdong Commercial College* (廣東商學院) (now known as Guangdong University of Finance & Economics* (廣東財經大學)) in the PRC in June 1994.

Mr. Wu Wei (吳煒), aged 49, was appointed as a Director on January 27, 2021 and was redesignated as an executive Director and appointed as our chief executive officer (行政總裁) on February 1, 2021. During the Track Record Period, Mr. Wu has been responsible for strategic planning, overall operations and management, implementation of information systems and improvement of business objectives of Yuexiu Property and our Group. In particular, Mr. Wu had assisted in devising our Group's strategies and development direction with reference to the 13th Five-Year Plan for the National Economic and Social Development of the PRC ("**Five-Year Plan**") and the 14th Five-Year Plan. Mr. Wu also supervised the implementation of our Group's initiatives under the Five-Year Plans, including revamp of our Group's organisational structure and establishment of our digitalised operation and management systems. Furthermore, he had maintained an effective communication platform between members of Yuexiu Property and our Group, including facilitating discussion on project progress, budget management, internal resources allocation and project rectification works, thereby increasing operation efficiency. As our executive Director and our chief executive officer, Mr. Wu is responsible for the overall management, formulation and implementation of business strategies (including acquisition plans) of our Group.

Mr. Wu currently holds the following positions in the subsidiaries of our Company as set out below:

	Name of entity	Position
1.	Yuexiu PD	Chairman of the board of directors
2.	GCCD Weicheng	Chairman of the board of directors

Mr. Wu has over 16 years' experience in strategic planning, overall operations and management, and implementation of information systems. The following table shows the key working experience of Mr. Wu:

Period	Entity	Position	Main roles and responsibilities
July 2004 to August 2006	GZYX	Officer of the corporate management department	In charge of business operation and management
August 2006 to June 2008	GZYX	Deputy general manager of the corporate management department	Assisting general manager in exercise of planning and management duties
June 2008 to July 2009.	GZYX	Senior supervisor of the corporate management department	Assisting general manager in exercise of planning and management duties

Period	Entity	Position	Main roles and responsibilities
July 2009 to December 2012	GZYX	Deputy general manager of the management department	In charge of strategic planning, overall management and operation
December 2012 to February 2017	GZYX	General manager of the management department	In charge of strategic planning, overall management and operation, and improvement of business objectives
February 2017 to present	GCCD	Director	Provide opinion and judgement to the board of directors
	Yuexiu Property	Deputy general manager	In charge of strategic planning, overall operations and management, implementation of information systems and improvement of business objectives

Mr. Wu obtained the qualification of an engineer granted by the Changsha Research Institute of Mining and Metallurgy of the Ministry of Metallurgy Industry* (冶金工業部長沙礦冶研究院) in the PRC in August 1999.

Mr. Wu obtained a master's degree in management science and engineering from South China University of Technology* (華南理工大學) in the PRC in July 2004.

Mr. Mao Liangmin (毛良敏), aged 40, was appointed as a Director on January 27, 2021 and was redesignated as an executive Director and appointed as the vice president (Standing) (常務副總裁) on February 1, 2021. He is responsible for the overall management and property management business of our Group.

Mr. Mao currently holds the following positions in the subsidiaries of our Company as set out below:

	Name of entity	Position
1.	Yuexiu PD	Director and general manager
2.	GCCD Weicheng	Manager
3.	GZ Yuexiuhui	Director
4.	Guangzhou Fucheng Property Management Co., Ltd.* (廣州市富城物業管理有限公司)	Director
5.	Guangzhou Wanlian Property Management Operation Co., Ltd.* (廣州萬聯物業管理經營有限公司)	Director
6.	Guangzhou City Yuexiu Property Management Co., Ltd.* (廣州市越秀物業管理有限公司)	Director
7.	Yuexiu Property (Shandong) Property Management Co., Ltd.* (越秀地產(山東)物業管理有限公司)	Chairman of the board of directors
8.	Zhejiang Yuexiu	Chairman of the board of directors
9.	Yuexiu (Wuhan) Property Management Co., Ltd.* (PRC) (越秀(武漢)物業服務有限公司)	Chairman of the board of directors
10.	Shenyang Yuexiu	Chairman of the board of directors
11.	Chengbin Property Management Co., Ltd.* (廣州城濱物業管理有限公司)	Chairman of the board of directors
12.	Zhongshan Yuexiu Real Estate Property Management Co., Ltd.* (中山市越秀地產物業管理有限公司)	Chairman of the board of directors
13.	Yuexiu Property (Jiangmen) Property Management Co., Ltd.* (越秀地產(江門)物業管理有限公司)	Chairman of the board of directors
14.	Guangzhou Yuemeiju Shiye Co., Ltd.* (廣州悅美居實業有限公司)	Chairman of the board of directors
15.	GZMEE	Chairman of the board of directors
16.	GZMPM	Chairman of the board of directors

Mr. Mao has over 19 years' experience in property management. The following table shows the key working experience of Mr. Mao:

Period	Entity	Position	Main roles and responsibilities
July 2001 to March 2004	Dongguan Licheng Property Management Co., Ltd.* (東莞麗城物業管理公司)	Last position being director of management office	In charge of overall management and operation
March 2004 to April 2006	Shenzhen Anye Property Management Co., Ltd.* (深圳市安業物業管理有限公司) ("**Shenzhen Anye**")	Project manager	In charge of business operation and management
May 2006 to August 2007	Shenzhen Anye	Assistant to the general manager	Assisting general manager in exercise of planning and management duties
September 2007 to December 2008	Shenzhen Zhiping Property Development Co., Ltd.* 深圳市之平物業發展有限公司 ("**Shenzhen Zhiping**")	Head of the expert consultant group	In charge of strategic planning, overall management and operation
January 2009 to August 2013	Shenzhen Zhiping	General manager for Southwest region in the PRC	In charge of strategic planning, overall management and operation
August 2013 to August 2018	Shenzhen Zhiping	Group vice president	In charge of strategic planning, overall management and operation, and improvement of business objectives

Period	Entity	Position	Main roles and responsibilities
September 2018 to January 2019	Chongqing Tianjiao Aishenghuo Service Co., Ltd.* (重慶天驕愛生活服務股份有限公司)	Group deputy general manager	In charge of strategic planning, overall management and operation, and improvement of business objectives
February 2019 to February 2020	Kaisa Prosperity Holdings Limited, a company listed on the Stock Exchange (stock code: 2168)	Assistant to the chief officer	Assisting chief officer in exercise of planning and management duties
February 2020 to present	Yuexiu PD	General manager	In charge of overall operation, management strategy making and business decision making

Mr. Mao obtained the qualification of a registered property management specialist (註冊物業管理師) granted by the PRC Ministry of Housing and City & Villages Construction* (中華人民共和國住房和城鄉建設部) in October 2014.

Mr. Mao completed the Chinese Real Estate International EMBA programme organised by the National University of Singapore Business School in Singapore and Faculty of Construction Management and Real Estate of Chongqing University* (重慶大學) in the PRC in December 2013. He completed the specialist course in land and real estate development management (property management) at Zhongkai Technical College of Agriculture and Technology* (仲愷農業技術學院) in the PRC in June 2001.

Mr. Zhang Jin (張勁), aged 49, was appointed as a Director on January 27, 2021 and was redesignated as an executive Director and appointed as a vice president (副總裁) on February 1, 2021. He is responsible for the overall management and commercial operations of our Group.

Mr. Zhang currently holds the following positions in the subsidiaries of our Company as set out below:

	Name of entity	Position
1.	Yuexiu Yicheng	Chairman of the board of directors
2.	Guangzhou Yuexiu JLL	Chairman of the board of directors and general manager

Mr. Zhang has over 23 years' experience in property management and commercial operations. The following table shows the key working experience of Mr. Zhang:

Period	Entity	Position(s)	Main roles and responsibilities
November 1997 to January 2017	Yuexiu Yicheng (formerly known as Guangzhou Yicheng Property Management Co., Ltd.* (廣州怡城物業管理有限公司))	Started as officer; last position being deputy general manager	In charge of business operation and management, including overseeing customer relationship management and staff performance evaluation
January 2017 to October 2018	Guangzhou Baima	General manager	In charge of strategic planning, overall management and operation, and improvement of business objectives
October 2018 to June 2020	Guangzhou Yuexiu JLL	Vice chairman of board of directors	Provide opinion and judgement to the board of directors
March 2020 to present	Yuexiu Yicheng	Chairman of board of directors	Provide opinion and judgement to the board of directors
June 2020 to present	Guangzhou Yuexiu JLL	Chairman of board of directors	Provide opinion and judgement to the board of directors

Mr. Zhang obtained the qualification of a property management specialist granted by the Guangdong Provincial Office for Human Resources and Social Security* (廣東省人力資源和社會保障廳) in the PRC in February 2012.

Mr. Zhang completed the specialist course in marketing sales at Guangzhou Municipal Broadcasting Television University* (廣州市廣播電視大學) in the PRC in March 2005.

Mr. Yao Xiaosheng (姚曉生), aged 42, was appointed as a Director on January 27, 2021 and was redesignated as a non-executive Director on February 1, 2021. He is responsible for providing guidance and formulating business strategies on the overall development of our Group.

Mr. Yao has over 15 years' experience in corporate management. The following table shows the key working experience of Mr. Yao:

Period	Entity	Position	Main roles and responsibilities
July 2005 to November 2008 . . .	GZYX	Officer of the corporate management department	Operations analysis and related management
November 2008 to January 2009	GZYX	Manager of the management department	Overall operations analysis and operations management
February 2009 to December 2010	GZYX	Manager of the general office	Management of administrative affairs
January 2011 to November 2011	GZYX	Manager of the general office	Management of administrative and secretarial matters
November 2011 to January 2016	GZYX and YXE	Deputy general manager of the general office	Coordination and management of administrative matters
January 2016 to July 2020	GZYX and YXE	Deputy general manager of the finance department	Management of financial capital operations
July 2020 to February 2021	GZYX and YXE	Business director of the finance department	Financial capital business planning and operations management
February 2021 to present	GZYX and YXE	General manager of the capital operations department	Coordination of capital operations of subordinate sectors

Mr. Yao has been a holder of the designation Chartered Global Management Accountant issued by The Chartered Institute of Management Accountants in the United Kingdom since August 2018. He also obtained the qualification of business administration economist (工商管理經濟師) granted by the Guangzhou Municipal Human Resources Bureau* (廣州市人事局) in January 2009.

Mr. Yao obtained a master's degree in industrial economics (產業經濟學) from Jinan University* (暨南大學) in the PRC in June 2005.

Mr. Yang Zhaoxuan (楊昭煊), aged 43, was appointed as a non-executive Director on February 9, 2021. He is responsible for providing guidance and formulating business strategies on the overall development of our Group.

Mr. Yang has over 15 years' experience in accounting and finance industries. The following table shows the key working experience of Mr. Yang:

Period	Entity	Position(s)	Main roles and responsibilities
August 2005 to May 2017	GZ Metro	Positions include budget officer, financial analysis manager and capital management manager	In charge of budget planning, financial strategies, financial analysis and financing and capital management
May 2017 to April 2020	Guangzhou Railways Investment Construction Group Co., Ltd.* (廣州鐵路投資建設集團有限公司)	Deputy general manager of financial planning department	In charge of investment and financing, capital management, overall budgeting, financial planning and overall management
April 2020 to present	GZ Metro	Deputy general manager of operation business department	In charge of strategic planning, financial management, efficiency examination, resources operations and overall management

Mr. Yang has been registered as a certified public accountant of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since November 2003.

Mr. Yang obtained a master's degree in business administration from the South China University of Technology* (華南理工大學) in the PRC in June 2013.

Ms. Hui Lai Kwan (許麗君), aged 50, was appointed as an independent non-executive Director on February 1, 2021. Ms. Hui is responsible for providing independent advice and judgement to our Board.

Ms. Hui has over 20 years of experience in the accounting, finance and advisory areas. The following table shows the key working experience of Ms. Hui:

Period	Entity	Position(s)	Main roles and responsibilities
August 1992 to December 2010	KPMG	Last position as senior manager	Provision of technical support services to audit team on listing matters and review of prospectuses as senior manager
December 2014 to November 2015	Manulife Financial Asia Limited	Director in regional controllers department	Provision of regional management information reporting and budgeting for Manulife Asia business units
May 2016 to February 2018	Aviva Life Insurance Company Limited	Head of finance in finance department	Accounting and financial management, investment reporting and fund operations
February 2018 to August 2018	Asana (Hong Kong) Limited	Chief financial officer	Accounting and financial management and securing strategic investments
September 2018 to present	Golden Advice Enterprises Limited	Consultant	Financial and operational review and provision of corporate governance and process improvements advice

Ms. Hui has been a member of the Hong Kong Institute of Certified Public Accountants since January 1996. She has also been registered as a teacher under Section 45(1) of the Education Ordinance (Cap 279 of the laws of Hong Kong) and has been included in the Register of Child Care Workers and the Register of Supervisors under Regulation 4(2)(a) of the Child Care Services Regulations since December 2012.

Ms. Hui obtained a bachelor of social science degree in economics from The University of Hong Kong in Hong Kong in December 1992. She also completed the postgraduate diploma in early childhood education and the certification course for kindergarten principals at the Hong Kong Baptist University and the School of Continuing Education of the Hong Kong Baptist University in November 2012 and June 2013, respectively.

Mr. Hung Shing Ming (洪誠明), aged 44, was appointed as an independent non-executive Director on February 1, 2021. Mr. Hung is responsible for providing independent advice and judgement to our Board.

Mr. Hung has approximately 18 years' experience in the investment and commercial banking industry with a focus on the real estate sector. In September 2018, Mr. Hung joined Kidsland International Holdings Limited, a company listed on the Stock Exchange (stock code: 2122) ("**KIHL**"), as an assistant chief executive officer and the chief financial officer. The following table shows the key working experience of Mr. Hung:

Period	Entity	Position	Main roles and responsibilities
March 2007 to December 2014	Morgan Stanley Asia Limited	Executive director of investment banking	Provision of corporate finance advisory services
December 2014 to September 2018 . . .	DBS Bank Ltd., Hong Kong Branch	Managing director and head of real estate and strategic coverage of institutional banking group	Provision of commercial banking and corporate finance advisory services
September 2018 to present	KIHL	Assistant chief executive officer and chief financial officer	Strategic planning, overall management and operations and corporate finance management
January 2019 to present	KIHL	Executive director	Strategic development and corporate finance management

Mr. Hung obtained a master of philosophy degree from the University of Cambridge in the United Kingdom in May 2002. He obtained a bachelor of science degree in economics from University College London in the United Kingdom in August 1999.

Mr. Chan Yuen Hang Kenneth (陳元亨), aged 47, was appointed as an independent non-executive Director on February 1, 2021. Mr. Chan is responsible for providing independent advice and judgement to our Board.

The following table shows the key working experience of Mr. Chan:

Period	Entity	Last position	Main roles and responsibilities
December 1998 to December 1999	PricewaterhouseCoopers	Analyst	Provision of business consulting services
March 2000 to August 2000	Accenture (previously known as Andersen Consulting (Hong Kong) Limited)	Analyst	Provision of business consulting services
August 2003 to November 2003 . . .	McKinsey & Company	Associate	Provision of strategic business consulting services
September 2007 to April 2009	Freshfields Bruckhaus Deringer	Solicitor	Provision of legal advice
June 2009 to March 2011	Mayer Brown JSM	Solicitor	Provision of legal advice
February 2012 to June 2015	HKT Services Limited	Group legal adviser	Provision of legal advice
June 2015 to February 2017	CBA International Financial Services Limited	Senior legal counsel	Provision of legal advice
March 2017 to present	The Hong Kong Jockey Club	Legal counsel	Provision of legal advice

Mr. Chan has been admitted as a solicitor of The High Court of Hong Kong in November 2007 and admitted as a solicitor of The Supreme Court of England and Wales in May 2008.

Mr. Chan obtained a bachelor of engineering degree with first class honours in electrical and electronic engineering from Imperial College of Science, Technology and Medicine in the United Kingdom in August 1996, as well as a master of philosophy degree from the University of Cambridge in the United Kingdom in November 1998, after being awarded the British Chevening Scholarship by the Foreign and Commonwealth Office of the British Government. Mr. Chan also obtained a bachelor of laws degree from the University of London through long distance learning in August 2002.

General

Save as disclosed in this section above, none of our Directors has any other directorships in any other listed companies in Hong Kong or overseas during the three years immediately prior to the date of this prospectus.

Please refer to the section headed "Appendix IV — Statutory and General Information — C. Further Information about Our Directors" in this Prospectus for details of our Director's respective interests or short positions (if any) in our Shares and particulars of our Directors' service contracts and letters of appointment.

Save as disclosed in this section above, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of, or paragraph 41(3) of Appendix 1A to the Listing Rules.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day operations and management of our business. The table below sets out certain information in respect of members of our senior management:

Name	Age	Current position	Date of joining our Group	Date of appointment as senior management	Main roles and responsibilities	Relationship with other Director(s) and the senior management
Ms. Cheng Ru (成茹)	43	Vice president (副總裁)	May 2008	February 1, 2021	Responsible for community businesses and diversified businesses, and to provide assistance for the chief executive officer in relation to operational management	None
Mr. Chen Dongpeng (陳冬鵬)	36	Chief financial officer (財務總監)	July 2015	February 1, 2021	Responsible for financial and budget management and capital operations	None

Ms. Cheng Ru (成茹), aged 43, was appointed as a vice president of our Company on February 1, 2021. She is responsible for community businesses and diversified businesses, and to provide assistance for the chief executive officer in relation to operational management.

Ms. Cheng has over 12 years' experience in corporate management of property management businesses. The following table shows the key working experience of Ms. Cheng:

Period	Entity	Position(s)	Main roles and responsibilities
May 2008 to May 2016	Guangzhou Urban Construction Property Development Co., Ltd.* (廣州城建開發物業有限公司) ("**GUCPD**")	Started as supervisor for corporate management of composite department (綜合部); last position as manager of composite department and management department	In charge of overall management and operation of the relevant departments
May 2016 to July 2017.	GUCPD	Manager of development operations division of property services business department	In charge of overall management and operation of the relevant departments
August 2017 to June 2019	GCCD	Assistant to general manager of property services business department	Assisting general manager in strategic planning, overall management and operation and developing new business objectives
June 2019 to present	GCCD	Deputy general manager of property services business department	In charge of strategic planning, overall management and operation, and improvement of business objectives

Ms. Cheng has been registered as a certified public accountant of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since January 2010. She also obtained the qualification certificate for intermediate level of speciality in real estate economics (房地產經濟) issued by the Guangzhou Municipal Human Resources Office* (廣州市人事局) in the PRC in February 2010. Ms. Cheng also obtained the qualification of a property management specialist granted by the Guangdong Provincial Office for Human Resources and Social Security* (廣東省人力資源和社會保障廳) in the PRC in January 2013.

Ms. Cheng obtained a bachelor's degree in monetary banking studies (貨幣銀行學) from Wuhan University* (武漢大學) in the PRC in July 2000.

Mr. Chen Dongpeng (陳冬鵬), aged 36, was appointed as the chief financial officer (財務總監) of our Company on February 1, 2021. He is responsible for financial and budget management and capital operations.

Mr. Chen has over 13 years' experience in the accounting and finance industries. The following table shows the key working experience of Mr. Chen:

Period	Entity	Position	Main roles and responsibilities
July 2007 to June 2015	Deloitte, Guangzhou branch	Last position being audit manager	Provision of audit and consulting professional services
July 2015 to April 2017	GZYX	Senior supervisor of finance department (財務部高級主管)	Promotion of financial management and advancement of and budget management
January 2017 to May 2017	GCCD	Secondee, finance department	Preparation of consolidated financial statements and budget
June 2017 to present	Guangzhou Yuexiu Commercial Real Estate Investment Management Co., Ltd.* (廣州越秀商業地產投資管理有限公司)	Assistant to general manager of finance department of Guangzhou Yuexiu Real Estate Commercial Division (廣州越秀地產商業板塊)	Assisting general manager in strategic planning, overall management and operation and developing new business objectives
June 2019 to June 2020	Guangzhou Yuexiu Real Estate Commercial Division Wuhan Company* (廣州越秀地產商業板塊武漢公司)	Deputy general manager	In charge of overall financial management and planning operations

Mr. Chen has been registered as a certified public accountant of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since April 2014. He obtained the qualification certificate for intermediate level of speciality in audit issued by the Guangdong Provincial Office for Human Resources and Social Security* (廣東省人力資源和社會保障廳) in the PRC in March 2016. Mr. Chen also obtained the qualification to practise in the securities industries in the PRC in May 2016.

Mr. Chen obtained a master's degree in business administration from Sun Yat-sen University* (中山大學) in the PRC in December 2020. He was awarded the certificate for completing the international module on sustainability and crisis management programme by Antwerp Management School in Belgium in July 2019. Mr. Chen obtained a bachelor's degree in Japanese literature from Jinan University* (暨南大學) in the PRC in June 2007.

COMPANY SECRETARY

Mr. Yu Tat Fung (余達峯) was appointed as our company secretary on February 8, 2021. He is responsible for company secretarial matters of our Group.

Mr. Yu has been the company secretary of Yuexiu Property and Yuexiu Transport Infrastructure Limited (listed on the Stock Exchange with stock code: 1052) since October 2004. He has been the company secretary and compliance manager of Yuexiu REIT Asset Management Limited, the manager of Yuexiu Real Estate Investment Trust (listed on the Stock Exchange with stock code: 405), since October 2005 and March 2010, respectively. Mr. Yu has also been the company secretary and group general counsel of YXE since January 2014 and February 2017, respectively. Throughout the said positions, Mr. Yu has been responsible for advising respective board of directors on, among others, corporate governance and compliance matters.

Mr. Yu obtained a bachelor's degree in social sciences from The University of Hong Kong in November 1981. He attained the Solicitors' Final Examination in England in November 1983. Mr. Yu was admitted as a solicitor of the Supreme Court of Hong Kong in April 1986. He was also admitted to the Bar of the Province of British Columbia in Canada in February 1995.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant Listing Rules and/or in consideration of the business development needs of the Group, we have established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Investment Committee:

Audit Committee

Our Company has established the Audit Committee on February 1, 2021 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 responsibilities of our Audit Committee include but are not limited to:

– reviewing the financial information of our Company and its disclosure;

– supervising the financing reporting system and risk management and internal control system of our Company;

– improving the communication between the internal auditor and the external auditor;

– proposing the appointment, reappointment or removal of an external auditor; and

– reviewing and supervising the independence and objectivity of the external auditor and the effectiveness of the auditing procedure in accordance with applicable standards.

The Audit Committee consists of three members, namely Ms. Hui Lai Kwan, Mr. Hung Shing Ming and Mr. Chan Yuen Hang Kenneth. Ms. Hui Lai Kwan is the chairlady of the Audit Committee.

Remuneration Committee

Our Company has established the Remuneration Committee on February 1, 2021 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B.1 of the CG Code as set out in Appendix 14 to the Listing Rules. Among other things, the primary duties of the Remuneration Committee are to review, determine and make recommendations to our Board on the policy and structure or the remuneration payable to our Directors and senior management and making recommendations on employee benefit arrangements.

The Remuneration Committee consists of four members, namely Mr. Lin Feng, Ms. Hui Lai Kwan, Mr. Hung Shing Ming and Mr. Chan Yuen Hang Kenneth. Mr. Hung Shing Ming is the chairman of the Remuneration Committee.

Nomination Committee

Our Company has established the Nomination Committee on February 1, 2021 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. Among other things, the primary duties of the Nomination Committee are to make recommendations to our Board regarding the candidates to fill vacancies on our Board and to review the structure, size and composition of our Board and the board diversity policy adopted by our Company (the **"Board Diversity Policy"**) on a regular basis.

The Nomination Committee consists of five members, namely Mr. Lin Feng, Mr. Wu Wei, Ms. Hui Lai Kwan, Mr. Hung Shing Ming and Mr. Chan Yuen Hang Kenneth. Mr. Lin Feng is the chairman of the Nomination Committee.

Investment Committee

Our Company has established the Investment Committee on June 2, 2021 for the purposes of, among other things, assessing the performance of past investment projects of the Group, studying potential investment projects for the future development of the Group, and making recommendations to the Board accordingly.

The Investment Committee consists of seven members, namely, Mr. Lin Feng, Mr. Wu Wei, Mr. Mao Liangmin, Mr. Zhang Jin, Mr. Yao Xiaosheng, Mr. Yang Zhaoxuan and Mr. Hung Shing Ming. Mr. Lin Feng is the chairman of the Investment Committee.

REMUNERATION POLICY

Our Directors and senior management of our Company receive compensation in the form of fees, salaries, contributions to pension schemes, other allowances, other benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and performance of our Directors and senior management, as well as the performance of our Group.

Our Group regularly reviews and determines the remuneration and compensation packages of our Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, respective responsibilities of our Directors and senior management and performance of our Group.

Following the Listing, the Remuneration Committee will review and determine the remuneration and compensation packages of our Directors with reference to their experience, responsibilities, workload and time devoted to our Group and performance of our Group.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

For each of the years ended December 31, 2018, 2019 and 2020, the aggregate amount of remuneration (including director's fee, salaries and allowances and retirement benefits scheme contribution, other benefits in kind and/or discretionary bonuses) paid by us to our Directors were approximately RMB1.22 million, RMB1.21 million and RMB3.11 million, respectively. There is no arrangement under which any Director has waived or agreed to waive future emoluments, nor has there been any waiver of emoluments by any Director during the current financial year.

For each of the years ended December 31, 2018, 2019 and 2020, the aggregate amount of remuneration (including salaries and allowances, other benefits in kind, discretionary bonuses and retirement benefits scheme contribution) paid by us to the five highest paid individuals, including our Directors, were approximately RMB6.76 million, RMB6.81 million and RMB8.21 million, respectively.

No payment was made 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 in respect of the Track Record Period.

Save as disclosed above, no other emoluments had been paid, or are payable, by us to any of our Directors in respect of the Track Record Period.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors for the financial year ending December 31, 2021 will be approximately RMB3.60 million.

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 Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

BOARD DIVERSITY POLICY

Our Board has adopted the Board Diversity Policy which sets out the approach to achieve diversity on our Board in order to enhance the quality of its performance. The Board Diversity Policy provides that our Company should endeavor to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service.

Our Board, comprising members of both genders, has a balanced mix of experiences and backgrounds, including but not limited to experiences in real estate development, property management, commercial operations, accounting, finance, advisory services, investment and commercial banking and legal profession. Our Board members obtained degrees in various disciplines including economics, management science and engineering, industrial economics, business administration and law. We have three independent non-executive Directors with different industry backgrounds, and they together represent one-third of the members of our Board.

After Listing, our Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and monitor and report annually in our corporate governance report about the implementation of the Board Diversity Policy.

COMPLIANCE ADVISER

We have appointed Luk Fook Capital (HK) Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on, among other matters, the following:

(i) before its publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where our Company proposes to use the net proceeds of the Global Offering in a manner different from that set out in this prospectus or where our business activities, development or results materially deviate from any forecast, estimate, or other information in this prospectus; and

(iv) where the Stock Exchange makes any inquiry of us under Rule 13.10 of the Listing Rules.

The term of appointment of our compliance adviser will commence on the Listing Date and will end on the date on which our Company complies with Rule 13.46 of the Listing Rules and distributes its annual report in respect of its financial results for the first full financing year commencing after the Listing Date. Such appointment may be subject to extension by mutual agreement.

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), the following persons will have an interest and/or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or be, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

		As at the date of this prospectus		Immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised)	
Name of shareholder	**Capacity/ nature of interest**	**Number of Shares** *(Note 1)*	**Approximate shareholding percentage**	**Number of Shares** *(Note 1)*	**Approximate shareholding percentage**
GZYX	Interest in a controlled corporation *(Note 2)*	1,018,600,000 (L)	91.9%	1,018,600,000 (L)	68.9%
YXE	Interest in a controlled corporation *(Note 2)*	1,018,600,000 (L)	91.9%	1,018,600,000 (L)	68.9%
Yuexiu Property	Interest in a controlled corporation *(Note 2)*	1,018,600,000 (L)	91.9%	1,018,600,000 (L)	68.9%
GCD China	Beneficial owner *(Note 2)*	1,018,600,000 (L)	91.9%	1,018,600,000 (L)	68.9%
GZ Metro	Interested in a controlled corporation *(Note 3)*	90,359,677 (L)	8.1%	90,359,677 (L)	6.1%
GMIF	Beneficial owner *(Note 3)*	90,359,677 (L)	8.1%	90,359,677 (L)	6.1%

Notes:

(1) The letter "L" denotes a long position in the Shares.

(2) Given that (i) GCD China is wholly owned by Yuexiu Property; (ii) Yuexiu Property is indirectly owned by YXE as to approximately 39.8%; and (iii) YXE is wholly-owned by GZYX, by virtue of the SFO, each of GZYX, YXE and Yuexiu Property is deemed to be interested in the Shares held by GCD China.

(3) Given that GMIF is directly wholly-owned by GZ Metro, by virtue of the SFO, GZ Metro is deemed to be interested in the Shares held by GMIF.

Save as disclosed hereinabove, our Directors are not aware of any person who will, immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised), have an interest and/or a short position in the Shares or underlying Shares which will be required to be disclosed to our Company or the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or be, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

Assuming the Over-allotment Option is not exercised, the issued Shares of our Company immediately following completion of the Global Offering will be as follows:

Issued and to be issued, fully paid or credited as fully paid	
Shares in issue as at the date of this Prospectus	1,108,959,677
Shares to be issued pursuant to the Global Offering	369,660,000
Shares in total	1,478,619,677

Assuming the Over-allotment Option is exercised in full, the issued Shares of our Company immediately following completion of the Global Offering will be as follows:

Issued and to be issued, fully paid or credited as fully paid	
Shares in issue as at the date of this Prospectus	1,108,959,677
Shares to be issued pursuant to the Global Offering	369,660,000
Shares to be issued pursuant to the Over-allotment Option	55,449,000
Shares in total	1,534,068,677

ASSUMPTIONS

The above tables assume the Global Offering becomes unconditional and the issue of Shares pursuant thereto are made as described herein. They do not take into account any Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to our Directors as referred to below.

RANKING

The Offer Shares and the Shares which may be issued pursuant to the exercise of the Over-allotment Option shall carry the same rights as all existing Shares in issue on the date of the allotment and issue of such Shares, and in particular will be entitled to all dividends or other distributions declared, made or paid after the date of this Prospectus.

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to allot and issue Shares, particulars of which are set out in "Appendix IV — Statutory and General Information — A. Further Information about our Company — 6. Resolution passed by the Shareholders" in this Prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to repurchase Shares, particulars of which are set out in "Appendix IV — Statutory and General Information — A. Further Information about our Company — 6. Resolution passed by the Shareholders" in this Prospectus.

THE CORNERSTONE PLACING

The Company has entered into separate cornerstone investment agreements with the following investors (collectively "**Cornerstone Investors**", and each a "**Cornerstone Investor**"), pursuant to which the Cornerstone Investors in aggregate have agreed to subscribe at the Offer Price such number of Offer Shares as may be purchased with an investment amount of HK$777.2 million[1] (the "**Cornerstone Placing**").

Based on the Offer Price of HK$4.88 (being the low end of the Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 159,267,500, representing approximately (i) 10.76% of the total Shares in issue upon the completion of the Global Offering and 43.09% of the Offer Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised; or (ii) 10.39% of the total Shares in issue upon completion of the Global Offering and 37.47% of the Offer Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is fully exercised.

Based on the Offer Price of HK$5.70 (being the mid-point of the Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 136,356,000, representing approximately (i) 9.23% of the total Shares in issue upon the completion of the Global Offering and 36.87% of the Offer Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised; or (ii) 8.89% of the total Shares in issue upon completion of the Global Offering and 32.07% of the Offer Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is fully exercised.

Based on the Offer Price of HK$6.52 (being the high end of the Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 119,205,500, representing approximately (i) 8.05% of the total Shares in issue upon the completion of the Global Offering and 32.26% of the Offer Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised; or (ii) 7.79% of the total Shares in issue upon completion of the Global Offering and 28.04% of the Offer Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is fully exercised.

To the best knowledge of the Company, (i) there is no side agreement or arrangement between the Group and each of the Cornerstone Investors for the purpose of the Cornerstone Placing; (ii) none of the Cornerstone Investors are accustomed to take instructions from the Company, the Directors, chief executive of the Company, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors are financed by the Company, the Directors, chief executive of the Company, Controlling Shareholders, substantial Shareholders, or existing Shareholders or any of its subsidiaries or their respective close associates.

Note:

1 Calculated based on an exchange rate of HK$1.00: RMB0.82585 and US$1.00 to HK$7.7566 for illustrative purpose. The actual investment amount of the relevant Cornerstone Investors may change due to the actual exchange rate to be used as prescribed in the cornerstone investment agreements.

Each of the Cornerstone Investors (save for Keltic and Kaiser SPC) expects to fund its subscription under the Cornerstone Placing by its own internal resources or the funds under its management. No special rights have been granted to the Cornerstone Investors pursuant to the cornerstone investment agreements. None of the Cornerstone Investors or any of their affiliates, directors, officers, employees, agents or representatives, has accepted or entered into any agreement or arrangement to accept any direct or indirect benefits by side letter or otherwise, from the Company, any member of the Group, or any of their respective affiliates, directors, officers, employees, agents or representatives in the Global Offering or otherwise has engaged in any conduct or activity inconsistent with, or in contravention of, Guidance Letter HKEX-GL51-13.

The Offer Shares to be subscribed for by each Cornerstone Investor may be affected by any 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" in this prospectus and the number of Offer Shares under the International Offering may be deducted to satisfy the public demands under the Hong Kong Public Offering. 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 June 25, 2021.

The Cornerstone Placing forms part of the International Offering. Our Company is of the view that, leveraging on the Cornerstone Investors' experience, the Cornerstone Placing will help to raise the profile of our Company and signify that such investors have confidence in our business and prospect. The Cornerstone Investors conduct their investments in the Company as they are confident in the prospect of the property management industry in the PRC and the Company's business and prospect. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Offer Shares in issue. None of the Cornerstone Investors will subscribe for any Offer Shares under the Global Offering (other than pursuant to the respective cornerstone investment agreements). Immediately following completion of the Global Offering, none of the Cornerstone Investors will have any Board representation in the Company, nor will any of the Cornerstone Investors become a substantial Shareholder (as defined in the Listing Rules). All Cornerstone Investors will be counted as part of the public float under Rule 8.24 of the Listing Rules.

Pursuant to the cornerstone investment agreements entered into with each Cornerstone Investor, there will not be any deferred delivery of the Offer Shares to be subscribed by the Cornerstone Investors, nor will there be any deferred settlement of payment for such Offer Shares. Each of the Cornerstone Investors agrees to settle the payment before the Listing becomes unconditional pursuant to their respective cornerstone investment agreements.

To the extent that the Offer Shares will be subscribed for by a qualified domestic institutional investor (the "**QDII**") as the nominee of the relevant Cornerstone Investors, the relevant Cornerstone Investors will procure the QDII to comply with the terms of the cornerstone investment agreements in order to ensure the compliance of the relevant Cornerstone Investors with their obligations under the cornerstone investment agreements.

CORNERSTONE INVESTORS

The Company has entered into cornerstone investment agreements with (i) New China Asset Management (Hong Kong) Limited (新華資產管理(香港)有限公司) ("**New China Asset Management**"); (ii) Kaiser Private Equity Fund SPC-SPI ("**Kaiser SPC**"); (iii) Crotona Assets Limited ("**Crotona**"); (iv) SensePower Management Limited ("**SensePower**"); (v) Sunfly Holding Co., Ltd.* (昇輝控股有限公司) ("**Sunfly Holding**"); (vi) Keltic Investment (HK) Limited ("**Keltic**"); (vii) Mr. Jiang Ganjun (江淦鈞先生) ("**Mr. Jiang**"); (viii) Mr. Ke Jiansheng (柯建生先生) ("**Mr. Ke**"); (ix) Wealthking Investments Limited ("**Wealthking Investments**"); and (x) Goingup Inc Limited (尚慧企業有限公司) ("**Goingup**"), in respect of the Cornerstone Placing.

				Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment option is exercised in full	
	Investment amount	Hong Kong dollar equivalent[1]	Total number of Offer Shares to be subscribed by the Cornerstone Investors[2]	Percentage of the total Shares in issue immediately upon completion of the Global Offering	Percentage of the total number of Offer Shares	Percentage of the total Shares in issue immediately upon completion of the Global Offering	Percentage of the total number of Offer Shares
	(approximate)	*(approximate) (HK$)*		*(approximate)*	*(approximate)*	*(approximate)*	*(approximate)*
Based on the Offer Price of:							
HK$4.88 (being the low end of the indicative Offer Price range)							
1. New China Asset Management	US$10 million	77,566,000	15,894,500	1.07	4.30	1.04	3.74
2. Kaiser SPC	US$20 million	155,132,000	31,789,000	2.15	8.60	2.07	7.48
3. Crotona	US$10 million	77,566,000	15,894,500	1.07	4.30	1.04	3.74
4. SensePower	US$5 million	38,783,000	7,947,000	0.54	2.15	0.52	1.87
5. Sunfly Holding	US$10 million	77,566,000	15,894,500	1.07	4.30	1.04	3.74
6. Keltic	HKD183 million	183,000,000	37,500,000	2.54	10.14	2.44	8.82
7. Mr. Jiang	RMB50 million	60,543,682	12,406,000	0.84	3.36	0.81	2.92
8. Mr. Ke	RMB50 million	60,543,682	12,406,000	0.84	3.36	0.81	2.92
9. Wealthking Investments	US$3 million	23,269,800	4,768,000	0.32	1.29	0.31	1.12
10. Goingup	US$3 million	23,269,800	4,768,000	0.32	1.29	0.31	1.12
HK$5.70 (being the mid-point of the indicative Offer Price range)							
1. New China Asset Management	US$10 million	77,566,000	13,608,000	0.92	3.68	0.89	3.20
2. Kaiser SPC	US$20 million	155,132,000	27,216,000	1.84	7.36	1.77	6.40
3. Crotona	US$10 million	77,566,000	13,608,000	0.92	3.68	0.89	3.20
4. SensePower	US$5 million	38,783,000	6,804,000	0.46	1.84	0.44	1.60
5. Sunfly Holding	US$10 million	77,566,000	13,608,000	0.92	3.68	0.89	3.20
6. Keltic	HKD183 million	183,000,000	32,105,000	2.17	8.69	2.09	7.55
7. Mr. Jiang	RMB50 million	60,543,682	10,621,500	0.72	2.87	0.69	2.50
8. Mr. Ke	RMB50 million	60,543,682	10,621,500	0.72	2.87	0.69	2.50
9. Wealthking Investments	US$3 million	23,269,800	4,082,000	0.28	1.10	0.27	0.96
10. Goingup	US$3 million	23,269,800	4,082,000	0.28	1.10	0.27	0.96

	Investment amount	Hong Kong dollar equivalent[1]	Total number of Offer Shares to be subscribed by the Cornerstone Investors[2]	Assuming the Over-allotment Option is not exercised: Percentage of the total Shares in issue immediately upon completion of the Global Offering	Assuming the Over-allotment Option is not exercised: Percentage of the total number of Offer Shares	Assuming the Over-allotment option is exercised in full: Percentage of the total Shares in issue immediately upon completion of the Global Offering	Assuming the Over-allotment option is exercised in full: Percentage of the total number of Offer Shares
	(approximate)	*(approximate)* *(HK$)*		*(approximate)*	*(approximate)*	*(approximate)*	*(approximate)*
HK$6.52 (being the high end of the indicative Offer Price range)							
1. New China Asset Management	US$10 million	77,566,000	11,896,500	0.80	3.22	0.78	2.80
2. Kaiser SPC	US$20 million	155,132,000	23,793,000	1.61	6.44	1.55	5.60
3. Crotona	US$10 million	77,566,000	11,896,500	0.80	3.22	0.78	2.80
4. SensePower	US$5 million	38,783,000	5,948,000	0.40	1.61	0.39	1.40
5. Sunfly Holding	US$10 million	77,566,000	11,896,500	0.80	3.22	0.78	2.80
6. Keltic	HKD183 million	183,000,000	28,067,000	1.90	7.59	1.83	6.60
7. Mr. Jiang	RMB50 million	60,543,682	9,285,500	0.63	2.51	0.61	2.18
8. Mr. Ke	RMB50 million	60,543,682	9,285,500	0.63	2.51	0.61	2.18
9. Wealthking Investments	US$3 million	23,269,800	3,568,500	0.24	0.97	0.23	0.84
10. Goingup	US$3 million	23,269,800	3,568,500	0.24	0.97	0.23	0.84

Notes:

1 Calculated based on an exchange rate of HK$1.00: RMB0.82585 and US$1.00:HK$7.7566 for illustrative purpose. The actual investment amount of the relevant Cornerstone Investors may change due to the actual exchange rate to be used as prescribed in the cornerstone investment agreements.

2 The actual number of Offer Shares allocated to each Cornerstone Investor may vary due to the actual exchange rate as determined pursuant to the terms of the cornerstone investment agreements, subject to rounding down to the nearest whole board lot of 500 Offer Shares.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing:

New China Asset Management

New China Asset Management, in its capacity as investment manager acting as agent on behalf of its discretionary account, has agreed to subscribe for the Offer Shares pursuant to the relevant cornerstone investment agreement. New China Asset Management is an overseas investment platform of New China Life Insurance Company Limited ("**NCL**") and is funded by NCL, which is a major nationwide life insurance company in China and is dual-listed on the Stock Exchange (stock code: 1336) and Shanghai Stock Exchange (stock code: 601336.SH). Over 99% of shares of New China Asset Management are controlled by NCL. The business scope of New China Asset Management includes asset management and related services permitted by laws and regulations. New China Asset Management is a licensed corporation regulated by SFC and is licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities. New China Asset Management is authorized by NCL to conduct fully discretionary investment management.

No approval from the shareholders of NCL, the Stock Exchange or the Shanghai Stock Exchange is required for the investment of New China Asset Management in the Company as described in this section.

The Company became acquainted with New China Asset Management through introduction by one of the Underwriters, and the Company did not have any relationship with New China Asset Management prior to the introduction made by such underwriter. To the best knowledge of the Company, each of New China Asset Management and its ultimate beneficial owner is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

Kaiser SPC

Kaiser SPC is an exempted segregated portfolio company incorporated in the Cayman Islands. Kaiser SPC has agreed to subscribe for the Shares on behalf and for the account of SP I, a segregated portfolio of Kaiser SPC. Kaiser SPC is a fund wholly-owned by Kaiser Financial Group International Limited, a financial service group established in 1997 (together with its subsidiaries as "**Kaiser Financial Group**"). Kaiser Financial Group Company Limited was incorporated in Hong Kong and is an investment holding company wholly-owned by Kaiser Financial Group. Kaiser Financial Group, with its base in Hong Kong, is licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under SFO. Kaiser Financial Group provides a variety of services including securities brokerage, trading of index futures, stock options and metal futures and asset management. SP I is a discretionary fund and an Independent Third Party.

Kaiser SPC may obtain external financing from BOCOM International Securities Limited, one of our Underwriters, to fund partly the subscription of the Offer Shares. BOCOM International Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3329), is the ultimate beneficial owner of BOCOM International Securities Limited. The loan, if obtained, will be provided on normal commercial terms and in the ordinary and usual course of business of BOCOM International Securities Limited based on arm's length negotiations. Kaiser SPC intends to pledge all or part of the Offer Shares subscribed by it to BOCOM International Securities Limited as security of the loan facilities. Under the financing arrangement, Kaiser SPC may be required to repay the loan before due date if certain common event of default occurs. In this regard, BOCOM International Securities Limited may have the right to enforce the security interests in the Offer Shares when certain common event of default occurs, depending on the relevant security at any time after the occurrence of certain common event of default. Kaiser SPC has agreed and undertaken to the Company that it will procure BOCOM International Securities Limited, and BOCOM International Securities Limited has agreed and undertaken to the Company that it will not deal with the shares pledged under the financing arrangement at any time in the six months after the Listing Date.

The Company became acquainted with Kaiser SPC through introduction by one of the Underwriters, and the Company did not have any relationship with Kaiser SPC prior to the introduction made by such underwriter. To the best knowledge of the Company, each of Kaiser SPC and Kaiser Financial Group International Limited is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

Crotona

Crotona is a company incorporated in British Virgin Islands and its principal business is investment. It is a wholly-owned subsidiary of Kingdee International Software Group Company Limited ("**Kingdee**"), whose shares are listing on the Stock Exchange (stock code: 0268).

Kingdee was established in 1993. Adhering to the core values of "acting in all conscience, with integrity and righteousness", Kingdee is committed to serving enterprises and strives to provide them with the most trustworthy services platform. Through persistent efforts to explore China's Cloud enterprise service market, Kingdee has retained the largest share in the enterprise application software sector for fast-growing enterprises for 16 consecutive years, and has grasped the biggest share in the enterprise-grade ERM SaaS (as known as Cloud ERP) and financial Cloud services industry for the forth consecutive year. Kingdee's diverse Cloud services and products are the preferred choices of leading enterprises. They include "Kingdee Cloud Cosmic" (a new generation of enterprise-grade PaaS platform), "Kingdee Cloud Constellation" (SaaS solutions for large enterprises), "Kingdee Cloud Galaxy" (SaaS solutions for medium-sized enterprises), "Kingdee Cloud Stellar" (SaaS solutions for micro and small-sized enterprises). With its strengths in management software and Cloud services, Kingdee provides services and products to more than 6.8 million enterprises, government agencies and other organizations around the world.

No approval from the shareholders of Kingdee or the Stock Exchange is required for the investment of Crotona in the Company as described in this section.

A subsidiary of Kingdee has been a service provider of a subsidiary of Yuexiu Property, one of the Controlling Shareholders of our Group, and has provided information technology supporting services to the subsidiary of Yuexiu Property since 2019. Notwithstanding the aforesaid, the investment opportunity of Crotona as the cornerstone investor of the Company was referred by one of the underwriters. To the best knowledge of the Company, each of Crotona and Kingdee is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

SensePower

SensePower is a company incorporated in the British Virgin Islands which is principally engaged in investment holding. It is an indirect wholly-owned subsidiary of SenseTime Group Inc. ("**SenseTime**"), the ultimate beneficial owner of which is an individual, Prof. Tang Xiao'ou, a professor at the Department of Information Engineering of the Chinese University of Hong Kong. SenseTime is primarily engaged in developing innovative AI technologies, including deep learning platform and supercomputing center. It has launched a series of artificial intelligence technologies, including face recognition, image recognition, text recognition, medical image recognition, video analysis, driverless and remote sensing.

The Company became acquainted with SensePower through introduction by one of the Underwriters, and the Company did not have any relationship with SensePower prior to the introduction made by such underwriter. To the best knowledge of the Company, each of SensePower and its ultimate beneficial owner is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

Sunfly Holding

Sunfly Holding is a company established in the PRC, which provides supporting services to government and real estate customers, including communication network, public security, intelligent transportation, intelligent supervision, intelligent community, intelligent city, building intellectualization, LED lighting system, complete electrical equipment system and EMC energy-saving transformation. It is a wholly-owned subsidiary of Sunfly Intelligent Technology Co., Ltd* (昇輝智能科技股份有限公司) ("**Sunfly Tech**"), a company established in the PRC which is engaged in the products and services of the complete electrical equipment system, LED lighting system and intelligent community business, and the shares of which are listed on ChiNext of Shenzhen Stock Exchange (stock code: 300423.SZ). For the purpose of this cornerstone investment, Sunfly Holding has engaged CCB Principal Asset Management Co., Ltd. (建信基金管理有限責任公司) ("**CCB Asset**"), an asset manager which is a QDII approved by the relevant PRC authorities, to subscribe for or purchase and hold such Offer Shares on its behalf.

CCB Asset is a member of the same group of companies as CCBI, which is a Joint Sponsor, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager of the Global Offering. Accordingly, CCB Asset is a connected client of CCBI. We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, its consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit CCB Asset to participate in the Global Offering in its capacity as the QDII manager subject to certain conditions.

No approval from the shareholders of Sunfly Tech or the Shenzhen Stock Exchange is required for the investment of Sunfly Holding in the Company as described in this section.

The Company became acquainted with Sunfly Holding through introduction by one of the Underwriters, and the Company did not have any relationship with Sunfly Holding prior to the introduction made by such underwriter. To the best knowledge of the Company, each of Sunfly Holding and its ultimate beneficial owner is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

Keltic

Keltic is an investment management company headquartered in Hong Kong, and has been involved in the investments in funds and secondary market securities. Keltic employs a main investment strategy of purchasing and investing in equity in primary and secondary markets in Hong Kong 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 on 28 September 2016 with a registered capital of RMB250 million and is not a listed company and wholly-owned by Mr. Li Weiguo (李衛國), an Independent Third Party. Mr. Li, 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) ("**Oriental Yuhong**"), a company listed on the Shenzhen Stock Exchange (stock code: 002271.SZ). Oriental Yuhong is currently a supplier of a subsidiary of Yuexiu Property, one of the Controlling Shareholders of our Group, and has provided waterproof materials and installation services to the subsidiary of Yuexiu Property since 2019.

Notwithstanding the above, the investment opportunity of Keltic as the cornerstone investor of the Company was referred by one of the underwriters. To the best knowledge of the Company, each of Keltic and its ultimate beneficial owner is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

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 Sponsors, Joint Representatives, Joint Global Coordinators and Joint Bookrunners, ABCI Capital. 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 or purchased by Keltic may be charged to ABCI Affiliate as security for the loan facilities.

Mr. Jiang

Mr. Jiang is a director of Suofeiya Home Collection Co., Ltd.* (索菲亞家居股份有限公司) ("**Suofeiya**"). Suofeiya is a company listed on the Shenzhen Stock Exchange (stock code: 002572.SZ), and was established in the PRC on July 15, 2003. It is a provider of household furniture solutions and is principally engaged in the design, manufacture and sales of custom furniture and matching household products. For the purpose of this cornerstone investment, Mr. Jiang has engaged CCB Asset, an asset manager which is a QDII approved by the relevant PRC authorities, to subscribe for or purchase and hold such Offer Shares on his behalf.

CCB Asset is a member of the same group of companies as CCBI, which is a Joint Sponsor, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager of the Global Offering. Accordingly, CCB Asset is a connected client of CCBI. We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, its consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit CCB Asset to participate in the Global Offering in its capacity as the QDII manager subject to certain conditions.

The Company became acquainted with Mr. Jiang through the introduction by one of the Underwriters, and the Company did not have any relationship with Mr. Jiang prior to the introduction made by such underwriter. To the best knowledge of the Company, Mr. Jiang is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

Mr. Ke

Mr. Ke is also a director of Suofeiya. For the purpose of this cornerstone investment, Mr. Ke has engaged CCB Asset, an asset manager which is a QDII approved by the relevant PRC authorities, to subscribe for or purchase and hold such Offer Shares on his behalf.

CCB Asset is a member of the same group of companies as CCBI, which is a Joint Sponsor, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager of the Global Offering. Accordingly, CCB Asset is a connected client of CCBI. We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, its consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit CCB Asset to participate in the Global Offering in its capacity as the QDII manager subject to certain conditions.

The Company became acquainted with Mr. Ke through the introduction by one of the Underwriters, and the Company did not have any relationship with Mr. Ke prior to the introduction made by such underwriter. To the best knowledge of the Company, Mr. Ke is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

Wealthking Investments

Wealthking Investments is an investment company incorporated with limited liability as an exempted company in the Cayman Islands on 26 July 2002, and the shares of which are listed on the Stock Exchange (stock code: 1140). Wealthking Investments and its subsidiaries are cross-border investors with a focus on China's fast-growing industries and the relevant investment opportunities.

No approval from the shareholders of Wealthking Investments or the Stock Exchange is required for the investment of Wealthking Investments in the Company as described in this section.

The Company became acquainted with Wealthking Investments through introduction by one of the Underwriters, and the Company did not have any relationship with Wealthking Investments prior to the introduction made by such underwriter. To the best knowledge of the Company, Wealthking Investments is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

Goingup

Goingup is a private company incorporated in Hong Kong on November 30, 2018 with major business in trading and investment. Goingup is wholly-owned by Mr. Cai Weike (蔡偉科). Mr. Cai has extensive investment experience in shares, bonds and other financial products in secondary market.

The Company became acquainted with Goingup through introduction by one of the Underwriters, and the Company did not have any relationship with Goingup prior to the introduction made by such underwriter. To the best knowledge of the Company, each of Goingup and its ultimate beneficial owner is an Independent Third Party, is not our connected person (as defined under the Listing Rules), and is not an existing Shareholder nor a close associate of any of our existing Shareholders.

CONDITIONS PRECEDENT

The obligation of each of the Cornerstone Investors to acquire for Offer Shares under the respective cornerstone investment agreement is subject to, among other things, the following conditions precedent:

(a) the Underwriting Agreements being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently varied or waived by agreement of the parties thereto) by no later than the time and date as specified in those Underwriting Agreements and the Underwriting Agreements not having been terminated;

(b) the Joint Representatives (for themselves and on behalf of the Underwriters) and the Company having determined the Offer Price in accordance with the Underwriting Agreements and the price determination agreement being entered into by them;

(c) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Offer Shares (including the Offer Shares under the Cornerstone Placing, as well as any other applicable waivers), and that such waiver, permission or approval not having been revoked prior to the commencement of dealings in the Offer Shares on the Hong Kong Stock Exchange;

(d) the representations, warranties, undertakings and acknowledgements of the Cornerstone Investor and the Company are accurate and true and not misleading and there being no material breach of the relevant cornerstone investment agreement on the part of the Cornerstone Investor; and

(e) no laws having been enacted or promulgated by any Governmental Authority (as defined in the relevant cornerstone investment agreement) which prohibits the consummation of the transactions contemplated in the Hong Kong Public Offering, the International Offering, or the cornerstone investment agreement and there shall be no effective orders nor injunctions from a court of competent jurisdiction having been in effect precluding or prohibiting consummation of such transactions.

RESTRICTIONS ON THE CORNERSTONE INVESTORS' INVESTMENT

Each of the Cornerstone Investors has agreed that unless it has obtained prior written consent of each of the Company and the Joint Sponsor(s), it will not, at any time during the period of six (6) months from and inclusive of the Listing Date (the "**Lock-up Period**"), whether directly or indirectly, (a) dispose of (as defined in the relevant cornerstone investment agreement) any of the relevant Offer Shares, any shares or interest in any company or entity holding any of the relevant Offer Shares, or (b) agree or contract to, or publicly announce any intention to enter into any such transaction described above, or (c) for corporate cornerstone investors, allow itself to undergo a change of control (as defined in the Hong Kong Takeovers Code) at the level of its ultimate beneficial owner, or (d) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transactions.

You should read the following discussion and analysis in conjunction with consolidated financial statements, including the notes thereto set out in "Appendix I — Accountant's Report" to this Prospectus and the selected historical financial information presented elsewhere in this Prospectus. Our consolidated financial statements were prepared in accordance with HKFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make considering 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, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections headed "Risk Factors", "Forward-Looking Statements" and elsewhere in this Prospectus.

OVERVIEW

We generated our revenue from two business segments during the Track Record Period, namely (i) non-commercial property management and value-added services, and (ii) commercial property management and operational services. Our services for non-commercial properties can be categorized into: (i) property management services, mainly including cleaning, security, gardening and repair and maintenance services; (ii) value-added services to non-property owners, mainly including sales office and display unit management and pre-delivery support services, carpark space sales assistance services, ancillary property leasing services and preliminary planning and design consultancy services; and (iii) community value-added services, mainly including home-living services, space operation services, decoration, turnkey and move-in furnishing services. Our services for commercial properties can be categorized into: (i) commercial operation and management services; and (ii) market positioning consultancy and tenant sourcing services.

During the Track Record Period, both our non-commercial property management and value-added services and commercial property management and operational services segments experienced continual growth in both revenue and profit. In 2018, 2019 and 2020, our total revenue was RMB762.8 million, RMB896.3 million, and RMB1,168.0 million, respectively, and our profit for the year was RMB47.3 million, RMB93.2 million, and RMB203.7 million, respectively.

BASIS OF PRESENTATION

Our Company was incorporated in Hong Kong on October 8, 2020. In preparation for the Global Offering, we have undergone a series of corporate reorganization transactions. For details, see "History, Reorganization and Corporate Structure" in this Prospectus. Upon the completion of the Reorganization, our Company became the holding company of the companies now comprising our Group.

Our historical financial information has been prepared in accordance with all applicable HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants. Our historical financial information has been prepared on a historical cost basis, except for financial assets at FVOCI which are measured at fair value. For more information on the basis of presentation and preparation of the historical financial information, see notes 1.3 and 2.1 to the Accountant's Report in Appendix I to this Prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the following are the key factors affecting our results of operations.

Contracted GFA and GFA under Management

Our results of operations are affected by the amount 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, the aggregate contracted GFA of our non-commercial properties amounted to 27.1 million sq.m., 33.2 million sq.m. and 46.1 million sq.m., respectively; and the aggregate contracted GFA of our commercial properties amounted to 2.9 million sq.m., 3.2 million sq.m. and 3.8 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 in relation to which 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 for non-commercial properties amounted to 17.4 million sq.m., 19.6 million sq.m. and 29.9 million sq.m. as of December 31, 2018, 2019 and 2020, respectively, and that for our commercial properties amounted to 2.3 million sq.m., 2.3 million sq.m. and 2.8 million sq.m. as of the respective dates.

In addition, the demand of our value-added services was also driven by our GFA under management. Accordingly, our ability to maintain and grow our contracted GFA and GFA under management would have a significant impact on our results of operations.

Business Mix

Our results of operations are affected by our business mix. During the Track Record Period, we operated different business lines under our two business segments, namely non-commercial property management and value-added services and commercial property management and operational services. Our profit margin varies across different service lines and depend on types of products and services we offered, fees received and costs borne by us under different contractual arrangements. As a result, any change in the structure of revenue contribution from these service lines under the two business segments may have a corresponding impact on our overall profit margin.

The following table sets forth the revenue contribution by business segment and service line and the respective gross profit margin for the years indicated:

	Year ended December 31,								
	2018			2019			2020		
	Revenue	Revenue contribution	Gross profit margin	Revenue	Revenue contribution	Gross profit margin	Revenue	Revenue contribution	Gross profit margin
	RMB'000	*%*	*%*	*RMB'000*	*%*	*%*	*RMB'000*	*%*	*%*
Non-commercial property management and value-added services	**494,278**	**64.8**	**21.3**	**603,478**	**67.3**	**25.0**	**811,168**	**69.4**	**36.1**
– Property management services	252,432	33.1	5.3	273,408	30.5	6.5	343,735	29.4	21.6
– Value-added services to non-property owners	121,110	15.9	43.5	205,635	22.9	44.7	332,988	28.5	50.5
– Community value-added services	120,736	15.8	32.2	124,435	13.9	33.0	134,445	11.5	37.8
Commercial property management and operational services	**268,524**	**35.2**	**34.4**	**292,854**	**32.7**	**31.7**	**356,880**	**30.6**	**30.8**
– Commercial operation and management services	226,385	29.7	38.7	251,981	28.1	34.5	303,294	26.0	29.2
– Market positioning consultancy and tenant sourcing services	42,139	5.5	11.3	40,873	4.6	14.2	53,586	4.6	40.4
Total	**762,802**	**100.0**	**25.9**	**896,332**	**100.0**	**27.2**	**1,168,048**	**100.0**	**34.5**

In general, the gross profit margins for our value-added services to non-property owners, community value-added services and commercial operation and management services are generally higher than the gross profit margins for our other service lines, in particular, property management services which are relatively more labor-intensive. In the long term, we strive to improve our overall gross profit margin through increasing our business scale to realize economies of scale, focusing on the development of businesses with a relatively higher gross profit margin, as well as improving our cost management and pricing standardization. For further details regarding the change in our gross profit margin during the Track Record Period, see "— Results of Operations — Gross Profit and Gross Profit Margin".

Ability to Mitigate the Impact of Rising Staff Costs and Subcontracting Costs

As property management is a labor-intensive industry and we have outsourced certain services such as cleaning and gardening services to subcontractors, our staff costs and subcontracting costs in aggregate constitute a substantial portion of our cost of sales and accounted for 63.0%, 60.5%, and 60.0% of our total cost of sales in 2018, 2019 and 2020, respectively. During the Track Record Period, our staff costs and subcontracting costs increased substantially as a result of the expansion of our business as well as increases in minimum wages and the market price for workers in real estate industry as a result of the development of economy. We have adopted reasonable approaches to control our staff costs and subcontracting costs, such as using more intelligent equipment to reduce our reliance on manual labor, however any significant increase in our staff costs or subcontracting costs may negatively affect our profit margin and reduce our profitability.

For illustration purpose only, the following table sets forth a sensitivity analysis of our profit for the years with reference to the fluctuation of our staff costs and subcontracting costs during the Track Record Period. The following table demonstrates the impact of the hypothetical increase in our staff costs and subcontracting costs on our profit, with all other factors remain constant.

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	47,314	93,207	203,710
Staff costs in cost of sales	304,688	336,637	389,715
Subcontracting costs in cost of sales	51,562	58,271	68,982
Total	**356,250**	**394,908**	**458,697**

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Assuming 5% increase in our labor costs and subcontracting costs			
Impact on profit before tax	(17,813)	(19,745)	(22,935)
Impact on profit for the year[(1)]	(13,359)	(14,809)	(17,201)
Assuming 10% increase in our labor costs and subcontracting costs			
Impact on profit before tax	(35,625)	(39,491)	(45,870)
Impact on profit for the year[(1)]	(26,719)	(29,618)	(34,402)

Note:

(1) Impact on profit for the year was calculated assuming EIT of 25%.

Brand Positioning and Pricing of Services

Our financial condition and results of operations are affected by our ability to maintain or increase the fee rates we charge for our services, which is, in part, affected by our brand recognition and industry position. According to CIA, we are an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area. We have built up strong brand reputation, which has an impact on our ability to maintain and increase our fee rates we charged for our services. We generally price our services by taking into account a number of factors, including (i) the requirements of scope and quality of our services; (ii) management fees charged in nearby and comparable properties; (iii) quality, facilities and software system implemented in the property; (iv) our estimated costs and targeted profit margins; (v) profiles of property owners and residents; (vi) local government's guidance price on property management fees (where applicable). In determining our pricing, we have to achieve a balance between pricing our services sufficiently competitive while ensuring an attractive profit margin. Failure to balance various factors in determining our pricing could materially and adversely affect our financial condition and results of operations.

Competition

According to CIA, the property management industry in the PRC is fragmented and highly competitive with numerous market participants. Our ability to effectively compete with our competitors and maintain or improve our market position is therefore important and depends on our ability to differentiate us from our competitors in the industry through ensuring our service quality and consistency. Our ability to maintain such position will affect our ability to source new and renew existing property management service and expand the number of property projects we managed and our GFA under management. If we fail to source new or renew existing property management contracts and expand our GFA under management and services, we may lose market position in our principal business lines and our revenue and profitability may decrease. For more details about the industry and markets that we operate in, see "Risk Factors — Risks Relating to Our Business and Industry — We may experience intense competition and fail to compete effectively", "Business — Competition" and "Industry Overview — Competition" in this Prospectus.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ESTIMATES AND JUDGMENTS

We have identified certain accounting policies and estimates, which we consider significant in the preparation of our financial statements in accordance with HKFRSs. These significant accounting policies are set forth in note 2 to the Accountant's Report in Appendix I to this Prospectus, which are important for an understanding of our financial condition and results of operations. Some of our accounting policies involve subjective assumptions, estimates and judgments that are discussed in note 4 to the Accountant's Report in Appendix I to this Prospectus. We continually evaluate these estimates and judgments based on our own historical experience, knowledge and assessment of current business and other conditions, and other factors including expectations of future events that are believed to be reasonable under the circumstances. Since the use of estimates and judgments is an integral component of the financial reporting process, our actual results could differ from those estimates and judgments. Uncertainty about these estimates and judgments could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Our management has identified below the accounting policies, estimates and judgments that they believe are critical to the preparation of our financial statements.

Critical Accounting Policies

Revenue Recognition

We provide non-commercial property management and value-added services and commercial property management and operational services. Revenue is recognized when the control of services is transferred to the customer. Depending on the terms of the contracts and the laws that apply to the contract, control of services may be transferred over time or at a point in time. Except for commission income from carpark space sales assistance services and revenue from consultancy services which are recognized at a point in time, our revenue is mainly recognized over time.

We distinguish whether we are a principal or an agent in the transactions with our customers. When we are acting as a principal, the associated revenue is recognized in gross amount and when we are acting as an agent, the associated revenue is recognized in net amount.

Non-commercial Property Management and Value-added Services

We provide non-commercial property management services and value-added services in the PRC and Hong Kong, including property management services in respect of residential properties, public premises and industrial parks, value-added services to non-property owners and community value-added services.

For non-commercial property management services, we bill a fixed amount for services provided on a monthly/quarterly basis and recognizes as revenue in the amount to which we have a right to invoice and that corresponds directly with the value of performance completed. For non-commercial property management service income provided under a lump-sum basis, where we act as a principal and are primarily responsible for providing the property management services to the property owners, we recognize the fees received or receivable from property owners as our revenue and all related property management costs as our cost of services. For non-commercial property management service income provided under a commission basis, we act as an agent and are primarily responsible for arranging and monitoring the services as provided by other suppliers to the property owners. We recognize the commission, which is calculated by certain fixed amount or percentage of the total property management fees received or receivable from the property units.

Value-added services to non-property owners mainly include (i) sales office and display unit management and pre-delivery support services which are billed on a monthly basis and are recognized as revenue over time when such services are rendered; (ii) carpark space sales assistance services which are recognized as revenue on a net basis when the underlying sales contracts are signed; and (iii) preliminary planning and design consultancy services which are recognized as revenue when such services are rendered and accepted by the customer.

Community value-added services revenue mainly includes (i) revenue from home-living services which is charged for each service provided and recognized when the relevant services are rendered; (ii) revenue from space operation services which is charged for each service provided and recognized when the relevant services are rendered; and (iii) revenue from other community value-added services which is charged for each service provided and recognized when the relevant services are rendered.

Commercial Property Management and Operational Services

We enter into commercial property management and operational service contracts with property developers or owners of office buildings, shopping malls and wholesale markets, pursuant to which we provide the following services:

- commercial operation and management services provided to property developers, owners or tenants, including commercial property management services and other value-added services; and

- market positioning consultancy and tenant sourcing services to property developers and property owners, including market positioning and management consultancy services and tenant sourcing services.

Commercial property management services provided to property owners, developers and tenants are provided under a lump sum basis or a commission basis. When we act as a principal, revenue is recognized on a gross basis when the related services are rendered and all the related management costs are recognized as the cost of services. When we act as an agent and are primarily responsible for arranging and monitoring the services as provided by other suppliers to the property owners, developers and tenants, we recognize the commission, which is calculated by certain fixed amount or percentage of the total commercial property management fees received or receivable from the property units.

Revenue from market positioning and management consultancy services is recognized when relevant market positioning reports and management consultancy services are delivered and accepted by property developers or owners.

For tenant sourcing services and other value-added services, we bill a fixed amount for services provided on a monthly basis and recognize as revenue the amount to which we have a right to invoice and that corresponds directly with the value of performance completed.

If a contract contains multiple services, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, we present the contract in the consolidated balance sheets as a contract asset or a contract liability, depending on the relationship between our performance and the customer's payment.

A contract asset is our right to consideration in exchange for services that we have transferred to a customer.

If a customer pays consideration or we have a right to an amount of consideration that is unconditional, before we transfer services to the customer, we present the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is our obligation to transfer services to a customer for which we have received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when we have an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Leases

We lease certain properties and car parks. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Our lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date of which the leased asset for our use. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date

- amounts expected to be payable by us under residual value guarantees

- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and

- payments of penalties for terminating the lease, if the lease term reflects our exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for our leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of properties and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Critical Estimates and Judgments

Allowance on Doubtful Receivables

We make allowances on receivables based on assumptions about risk of default and expected loss rates. We used judgment in making these assumptions and selecting the inputs to the impairment calculation, based on our past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and doubtful debt expenses in the periods in which such estimate has been changed.

Current and Deferred Income Tax

We are subject to corporate income taxes in the PRC and Hong Kong. Significant judgment is required in determining the amount of the provision for income taxes and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact income tax and deferred tax provisions in the period in which such determination are made. Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. Where the expectation is different from the original estimate, such difference will impact the recognition of deferred income tax assets and income tax in the period in which such estimate is changed.

DESCRIPTION OF CERTAIN COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statement of profit or loss for the years indicated:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	762,802	896,332	1,168,048
Cost of sales	(565,288)	(652,915)	(764,757)
Gross profit	**197,514**	**243,417**	**403,291**
Administrative expenses	(110,136)	(116,804)	(143,919)
Net impairment losses on financial assets	(9,063)	(4,844)	(2,563)
Other income	39,371	68,558	45,166
Other (losses)/gains-net	(726)	604	488
Operating profit	**116,960**	**190,931**	**302,463**
Finance income	1,760	2,140	6,973
Finance costs	(52,848)	(64,763)	(29,225)
Finance costs-net	(51,088)	(62,623)	(22,252)
Profit before income tax	**65,872**	**128,308**	**280,211**
Income tax expenses	(18,558)	(35,101)	(76,501)
Profit for the year	**47,314**	**93,207**	**203,710**
Profit attributable to:			
— Owners of the Company	45,458	91,327	199,131
— Non-controlling interests	1,856	1,880	4,579

Non-HKFRS Measures

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also presented adjusted profit, adjusted total equity, adjusted total bank borrowings, 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 that we do not consider indicative of the actual performance of our business.

We define adjusted profit as profit for the year excluding interest income from loans to related parties and interest expense of entrusted loan from bank. We define adjusted total equity as total equity excluding interest income from loans to related parties and interest expense of entrusted loan from bank. We define adjusted bank borrowings as sum of long-term and short-term interest-bearing bank borrowings excluding entrusted loan from bank.

We calculate adjusted net profit margin by dividing adjusted profit for the year by revenue for the same year. We calculate adjusted gearing ratio by dividing adjusted bank borrowings by adjusted total equity as of the respective dates.

These non-HKFRS measures eliminate the effect of loan due from a related party and entrusted loan from bank and related interests which are not related to our ordinary course of business and are non-recurring in nature. 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 in each year of the Track Record Period presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	47,314	93,207	203,710
Less:			
– Interest income from loans to related parties, net of tax	29,381	45,787	19,569
Add:			
– Interest expense of entrusted loan from bank, net of tax	33,283	43,313	17,368
Adjusted profit	**51,216**	**90,733**	**201,509**

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,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Total equity	183,663	268,295	760,680
Add/(less):			
– Interest income from loans to related parties and interest expense of entrusted loan from bank, net of tax	3,902	(2,474)	(2,201)
Adjusted total equity	**187,565**	**265,821**	**758,479**

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

	As of December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Sum of long-term and short-term interest-bearing bank borrowings	1,080,000	981,000	–
Less:			
– Entrusted loan from bank	1,080,000	981,000	–
Adjusted bank borrowings	**–**	**–**	**–**

The following table sets forth the impact of the loan due from a related party and entrusted loan from bank and related interests on net profit margins and gearing ratios during the Track Record Period after excluding aforementioned loans and interests from bank from our financial results as of the dates and for the years indicated:

	As of and for the year ended December 31,		
	2018	2019	2020
Before adjusting for loan due from a related party and entrusted loan from bank and related interests:			
Net profit margin(1)	6.2%	10.4%	17.4%
Gearing ratio(2)	588.0%	365.6%	–
After adjusting for loan due from a related party and entrusted loan from bank and related interests:			
Net profit margin(1)	6.7%	10.1%	17.3%
Gearing ratio(2)	–	–	–

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

(2) Gearing ratio is calculated based on total bank borrowings divided by total equity, multiplied by 100%.

Revenue

During the Track Record Period, we derived our revenue from two business segments, namely (i) non-commercial property management and value-added services, and (ii) commercial property management and operational services.

The following table sets forth a breakdown of our revenue by business segment for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services	494,278	64.8	603,478	67.3	811,168	69.4
Commercial property management and operational services	268,524	35.2	292,854	32.7	356,880	30.6
Total	**762,802**	**100.0**	**896,332**	**100.0**	**1,168,048**	**100.0**

The following table sets forth a breakdown of our total revenue by ultimate paying customer for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services						
— GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	142,502	18.7	228,568	25.5	376,923	32.2
— Independent Third Parties	351,776	46.1	374,910	41.8	434,245	37.2
	494,278	**64.8**	**603,478**	**67.3**	**811,168**	**69.4**

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Commercial property management and operational services						
— GZYX and Yuexiu Property and their respective joint ventures, associates or other related parties	45,780	6.0	46,983	5.3	71,747	6.1
— Independent Third Parties	222,744	29.2	245,871	27.4	285,133	24.5
	268,524	**35.2**	**292,854**	**32.7**	**356,880**	**30.6**
Total	**762,802**	**100.0**	**896,332**	**100.0**	**1,168,048**	**100.0**

We manage and operate a diversified property portfolio of commercial and other non-commercial properties across the PRC and Hong Kong. Our largest revenue contributors came from the Greater Bay Area, contributing in aggregate 85.4%, 84.1%, and 82.4% of our total revenue in 2018, 2019 and 2020, respectively.

The following table sets forth a breakdown of our total revenue by geographic region for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services						
— Greater Bay Area(1)	402,446	52.8	486,725	54.3	633,538	54.3
— East China Region(2)	32,857	4.3	46,342	5.2	92,690	7.9
— Central China Region(3)	26,556	3.5	23,195	2.6	31,709	2.7
— North China Region(4)	32,419	4.2	47,216	5.3	52,972	4.6
— Southwest China Region(5)	–	–	–	–	259	0.0
	494,278	**64.8**	**603,478**	**67.3**	**811,168**	**69.4**

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Commercial property management and operational services						
— Greater Bay Area[(1)]	249,081	32.7	267,406	29.8	328,607	28.1
— East China Region[(2)]	8,432	1.1	10,920	1.2	13,324	1.1
— Central China Region[(3)]	11,011	1.4	14,528	1.6	14,949	1.3
	268,524	**35.2**	**292,854**	**32.7**	**356,880**	**30.6**
Total	**762,802**	**100.0**	**896,332**	**100.0**	**1,168,048**	**100.0**

Notes:

(1) Includes Guangdong Province and Hong Kong.

(2) Includes Zhejiang Province and Jiangsu Province.

(3) Includes Hubei Province, Henan Province and Hunan Province.

(4) Includes Shandong Province and Liaoning Province.

(5) Includes Sichuan Province.

The following table sets forth a breakdown of our total revenue by city tier for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services						
PRC	493,294	64.7	602,465	67.2	810,017	69.3
— First-tier cities	344,500	45.2	416,644	46.5	529,137	45.3
— New first-tier cities	89,869	11.8	120,237	13.4	197,769	16.9
— Second-tier cities	52,595	6.9	49,968	5.6	61,455	5.3
— Others	6,330	0.8	15,616	1.7	21,656	1.9
Hong Kong	984	0.1	1,013	0.1	1,151	0.1
	494,278	**64.8**	**603,478**	**67.3**	**811,168**	**69.4**

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Commercial property management and operational services						
PRC	201,112	26.4	225,607	25.2	287,770	24.6
— First-tier cities	184,823	24.2	204,672	22.8	264,491	22.6
— New first-tier cities	16,289	2.1	20,935	2.3	23,279	2.0
Hong Kong	67,412	8.8	67,247	7.5	69,110	5.9
	268,524	**35.2**	**292,854**	**32.7**	**356,880**	**30.6**
Total	**762,802**	**100.0**	**896,332**	**100.0**	**1,168,048**	**100.0**

Non-commercial Property Management and Value-added Services

Our non-commercial property management and value-added services segment comprises: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

The following table sets forth a breakdown of our revenue from non-commercial property management services segment by service line for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Property management services	252,432	51.1	273,408	45.3	343,735	42.4
Value-added services to non-property owners	121,110	24.5	205,635	34.1	332,988	41.0
Community value-added services	120,736	24.4	124,435	20.6	134,445	16.6
Total	**494,278**	**100.0**	**603,478**	**100.0**	**811,168**	**100.0**

Property Management Services

We provide a wide spectrum of property management services to non-commercial properties, which primarily comprise residential properties, public premises and industrial parks. We offer cleaning, security, gardening and repair and maintenance services, to (i) property owners, property owners' associations and/or residents for properties sold and delivered and (ii) property developers for undelivered portion of the properties.

Our revenue generated from property management services under our non-commercial property management and value-added services segment amounted to RMB252.4 million, RMB273.4 million and RMB343.7 million in 2018, 2019 and 2020, respectively.

In 2018, 2019 and 2020, our average property management fee rates for residential properties in the PRC were RMB2.7 per sq.m. per month, RMB2.8 per sq.m. per month and RMB2.7 per sq.m. per month, respectively. During the Track Record Period, vast majority of our revenue generated from the provision of property management services under the non-commercial property management and value-added services segment was charged on a lump-sum basis, while small portion was charged on a commission basis. The following table sets out the breakdown of our revenue from provision of property management services under our non-commercial property management and value-added services segment by revenue model for the years indicated:

	Year ended December 31,					
	2018		**2019**		**2020**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Lump-sum basis	227,579	90.2	245,843	89.9	310,703	90.4
Commission basis	24,853	9.8	27,565	10.1	33,032	9.6
Total	**252,432**	**100.0**	**273,408**	**100.0**	**343,735**	**100.0**

Value-added Services to Non-property owners

Our value-added services to non-property owners primarily include (i) sales office and display unit management and pre-delivery support services; (ii) carpark space sales assistance services; (iii) ancillary property leasing services; and (iv) preliminary planning and design consultancy services.

Our revenue generated from value-added services to non-property owners under our non-commercial property management and value-added services segment amounted to RMB121.1 million, RMB205.6 million and RMB333.0 million in 2018, 2019 and 2020, respectively.

Community Value-added Services

We provide community value-added services to meet the needs of property owners and residents of residential properties under our management. These services mainly consist of (i) home-living services; (ii) space operation services; and (iii) decoration, turnkey and move-in furnishing services.

Our revenue generated from community value-added services under our non-commercial property management and value-added services segment amounted to RMB120.7 million, RMB124.4 million and RMB134.4 million in 2018, 2019 and 2020, respectively.

Commercial Property Management and Operational Services

Our commercial property management and operational services comprise: (i) commercial operation and management services; and (ii) market positioning consultancy and tenant sourcing services.

The following table sets forth a breakdown of our revenue from the commercial property management and operational services segment by service line for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Commercial operation and management services	226,385	84.3	251,981	86.0	303,294	85.0
Market positioning, consultancy and tenant sourcing services	42,139	15.7	40,873	14.0	53,586	15.0
Total	**268,524**	**100.0**	**292,854**	**100.0**	**356,880**	**100.0**

Commercial Operation and Management Services

We provide commercial operation and management services, which mainly consist of (i) commercial property management services; and (ii) other value-added services.

Our revenue generated from commercial operation and management services under our commercial property management and operational services segment amounted to RMB226.4 million, RMB252.0 million and RMB303.3 million in 2018, 2019 and 2020, respectively.

In 2018, 2019 and 2020, our average property management fee rates for office buildings in the PRC were RMB22.9 per sq.m per month, RMB22.9 per sq.m per month and RMB22.8 per sq.m. per month, respectively. During the same years, our average property management fee rates for shopping malls in the PRC were RMB34.3 per sq.m. per month, RMB34.3 per sq.m. per month and RMB35.3 per sq.m. per month, respectively.

During the Track Record Period, we charged property management fees for provision of commercial property management services under our commercial property management and operational services segment either on a lump-sum basis or on a commission basis. The following table sets out the breakdown of our revenue from provision of commercial property management services under our commercial property management and operational services segment by revenue model for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Lump-sum basis	48,182	55.1	60,892	61.1	92,322	69.5
Commission basis	39,328	44.9	38,695	38.9	40,525	30.5
Total[1]	**87,510**	**100.0**	**99,587**	**100.0**	**132,847**	**100.0**

Note:

1. The total revenue amount does not include the revenue generated from our certain value-added operational and ancillary services under commercial property management and operational services segment, which were charged neither on a commission basis nor on a lump-sum basis.

Market Positioning, Consultancy and Tenant Sourcing Services

Our market positioning consultancy and tenant sourcing services primarily include (i) market positioning and management consultancy services; and (ii) tenant sourcing services.

Our revenue generated from market positioning, consultancy and tenant sourcing services under our commercial property management and operational services segment amounted to RMB42.1 million, RMB40.9 million and RMB53.6 million in 2018, 2019 and 2020, respectively.

Cost of Sales

Our cost of sales represents costs and expenses directly attributable to the provision of our services, which mainly comprises (i) staff costs, (ii) subcontracting costs, (iii) depreciation and amortization and (iv) maintenance. The following table sets forth a breakdown of our cost of sales for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	304,688	53.9	336,637	51.6	389,715	51.0
Depreciation and amortization	69,272	12.3	75,318	11.5	70,917	9.3
Subcontracting costs	51,562	9.1	58,271	8.9	68,982	9.0
Maintenance	44,960	8.0	59,974	9.2	64,248	8.4
Utilities costs	28,328	5.0	32,901	5.0	46,461	6.1
Commission fee	10,308	1.8	15,247	2.3	35,071	4.6
Operating lease payments	19,340	3.4	24,836	3.8	26,972	3.5
Marketing and promotion expenses	6,161	1.1	14,925	2.3	12,079	1.6
Other(1)	30,669	5.4	34,806	5.4	50,312	6.5
Total	**565,288**	**100.0**	**652,915**	**100.0**	**764,757**	**100.0**

Note:

(1) Primarily include cost of consumables, turnover taxes and other levies and office expenses.

During the Track Record Period, main components affecting our costs of sales were staff costs and subcontracting costs. The general increases in our staff costs and subcontracting costs during the Track Record Period were mainly due to (i) the increase in the number of our personnel in line with our business expansion, and (ii) the increase in the average wages in the regions where we operate.

The following table sets forth a breakdown of our cost of sales by segment for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services	389,224	68.9	452,813	69.4	517,973	67.7
Commercial property management and operational services	176,064	31.1	200,102	30.6	246,784	32.3
Total	**565,288**	**100.0**	**652,915**	**100.0**	**764,757**	**100.0**

Gross Profit and Gross Profit Margin

For the years ended December 31, 2018, 2019 and 2020, our gross profit was RMB197.5 million, RMB243.4 million and RMB403.3 million, respectively. The increases were primarily due to our increased business scale and improved cost control ability.

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 "— Results of Operations — Gross Profit and Gross Profit Margin".

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment and service line for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Non-commercial property management and value-added services	**105,054**	**21.3**	**150,665**	**25.0**	**293,194**	**36.1**
– Property management services	13,486	5.3	17,763	6.5	74,318	21.6
– Value-added services to non-property owners	52,708	43.5	91,830	44.7	168,071	50.5
– Community value-added services	38,860	32.2	41,072	33.0	50,805	37.8
Commercial property management and operational services	**92,460**	**34.4**	**92,752**	**31.7**	**110,097**	**30.8**
– Commercial operation and management services	87,715	38.7	86,954	34.5	88,453	29.2
– Market positioning consultancy and tenant sourcing services	4,745	11.3	5,798	14.2	21,644	40.4
Total gross profit/Overall gross profit margin	**197,514**	**25.9**	**243,417**	**27.2**	**403,291**	**34.5**

Administrative Expenses

Our administrative expenses mainly comprise (i) staff costs, (ii) consultancy service fees, (iii) depreciation and amortization, (iv) travelling and entertainment expenses, and (v) bank charges. The following table sets forth a breakdown of our administrative expenses for the years indicated:

	Year ended December 31,					
	2018		2019		2020	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	87,124	79.1	93,608	80.1	113,754	79.0
Consultancy service fees	6,837	6.2	4,803	4.1	4,435	3.1
Depreciation and amortization	2,333	2.1	3,506	3.0	4,389	3.0
Travelling and entertainment expenses	2,950	2.7	3,688	3.2	2,272	1.6
Bank charges	2,676	2.4	3,185	2.7	3,604	2.5
Office expenses	2,277	2.1	2,415	2.1	2,466	1.7
Promotion and advertising expenses	1,308	1.2	1,024	0.9	809	0.6
Others[1]	4,631	4.2	4,575	3.9	12,190	8.5
Total	**110,136**	**100.0**	**116,804**	**100.0**	**143,919**	**100.0**

Note:

(1) Primarily include auditors' remuneration and our short-term office rental costs.

As a percentage of our revenue, our administrative expenses represented 14.4%, 13.0% and 12.3% for the years ended December 31, 2018, 2019 and 2020. The decrease in the percentage of our revenue was primarily because we adopted reasonable approaches to control our staff costs, such as using more intelligent equipment to replace the manpower.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets primarily included the impairment allowance we recorded for trade and other receivables in accordance with our accounting policy. In 2018, 2019 and 2020, we recorded net impairment losses of RMB9.1 million, RMB4.8 million and RMB2.6 million, respectively.

Other Income

Our other income primarily consists of (i) interest income from loans to related parties, (ii) government grants primarily including the subsidies granted by local government authorities in Hong Kong for job stabilization during the COVID-19 in 2020, and (iii) the value-added tax deduction for certain subsidiaries of our Group in life services industry. The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Interest income from loans to related parties	39,174	61,049	26,091
Government grants	11	–	8,945
Additional input value-added tax deduction	–	5,599	8,924
Penalty income[1]	186	1,910	1,206
Total	**39,371**	**68,558**	**45,166**

Note:

(1) Mainly includes income from overdue fine mainly as a result of compensation from property owners and residents for overdue property management fees.

Other Losses/Gains – Net

Our net other gains or losses primarily consists of (i) our foreign exchange gain or loss, and (ii) our gain or loss on disposal of property, plant and equipment. The following table sets forth a breakdown of our net other gains or losses for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Net foreign exchange (losses)/gains	(19)	(24)	355
(Losses)/gains on disposal of property, plant and equipment	(36)	49	(20)
Others[1]	(671)	579	153
Total	**(726)**	**604**	**488**

Note:

(1) Mainly includes the compensation we paid in relation to a contract dispute in 2018 and the refund of a government fine in 2019.

Finance Costs – Net

Our net finance cost consists of interest expenses derived from borrowings and lease liabilities, partially offset by interests income received from bank deposits. The following table sets forth a breakdown of our net finance costs for the years indicated:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Finance income			
— Interests income from bank deposits	1,760	2,140	6,973
Finance costs			
— Interest expense of bank borrowings	(44,377)	(57,750)	(23,157)
— Interest expense of lease liabilities	(8,471)	(6,799)	(5,501)
— Interest expense of amount due to a related party	–	(214)	(567)
	(52,848)	(64,763)	(29,225)
Finance costs – net	**(51,088)**	**(62,623)**	**(22,252)**

Income Tax Expenses

Pursuant to the rules and regulations of the Cayman Islands and BVI, we are not subject to any income tax in the Cayman Islands and BVI. During the Track Record Period, our group entities incorporated in Hong Kong were subject to the two-tiered profits tax regime, under which the first HK$2 million of profits of qualifying corporations will be taxed at the rate of 8.25%, and profits above HK$2 million will be taxed at the rate of 16.5%.

The general EIT rate in the PRC is 25%. During the Track Record Period, certain of our subsidiaries enjoyed preferential tax treatment. Some of our subsidiaries met the standard as a "small low-profit enterprise" and taxed at the reduced tax rate of 20% from January 1, 2008. Starting from January 1, 2019 to December 31, 2021, a small low-profit enterprise was entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first RMB1 million of the taxable income of qualified entities are taxed at 5%, and the taxable income above RMB1 million and less than RMB3 million are taxed at 10%. Guangzhou Yueguan Intelligent Technology Co., Ltd., our subsidiary, qualified as a "high and new technology enterprise" since 2019 for three years and is renewable upon fulfillment of certain qualification requirements, and was therefore subject to EIT rate of 15% for the years ended December 31, 2019 and 2020.

Our income tax consists of current income tax and deferred income tax. For the years ended December 31, 2018, 2019 and 2020, our effective tax rate, which is calculated by dividing income tax expenses by profit before taxation for the same years, was 28.2%, 27.4%, and 27.3%, respectively. Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC effective from January 1, 2008. A preferential withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. During the Track Record Period, withholding income tax was provided for dividend distributed and undistributed profit of our subsidiaries established in the PRC at tax rates ranging from 5% to 10% and was recognized based on HKFRSs. Therefore, our effective tax rate is higher than 25% (being the general EIT rate in the PRC) during the Track Record Period. The following table sets forth our income tax expenses for the years indicated:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Current taxation			
— Current income tax	19,320	32,448	67,755
— Corporate withholding income tax	–	–	7,833
Deferred taxation			
— Deferred income tax	(3,195)	(1,669)	(392)
— Corporate withholding income tax on undistributed profits	2,433	4,322	1,305
Total	**18,558**	**35,101**	**76,501**

During the Track Record Period and up to the Latest Practicable Date, we have performed all our tax obligations and did not have any unresolved tax disputes.

RESULTS OF OPERATIONS

The following discussion compares the major components of our operating results in 2018, 2019 and 2020.

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Revenue

Our revenue increased by 30.3% from RMB896.3 million in 2019 to RMB1,168.0 million in 2020, primarily attributable to increases in revenue from both our business segments, namely (i) non-commercial property management and value-added services segment, and (ii) commercial property management and operational services segment.

Non-commercial Property Management and Value-added services

Revenue from non-commercial property management and value-added services increased by 34.4% from RMB603.5 million in 2019 to RMB811.2 million in 2020, primarily reflecting an increase in revenue generated from our value-added services to non-property owners.

Property Management Services

Revenue from property management services increased by 25.7% from RMB273.4 million in 2019 to RMB343.7 million in 2020, primarily due to the increase in our GFA under management for non-commercial properties from 19.6 million sq.m. as of December 31, 2019 to 29.9 million sq.m. as of December 31, 2020 as a result of the increase in the number of non-commercial property projects under management from 117 as of December 31, 2019 to 176 as of December 31, 2020, which is partially attributable to the acquisition of GZMEE and GZMPM, whose accounts (including relevant projects under their management and their revenue from property management services) are consolidated to our Group upon completion of the acquisition.

Value-added Services to Non-property Owners

Revenue from value-added services to non-property owners increased by 61.9% from RMB205.6 million in 2019 to RMB333.0 million in 2020, primarily due to (i) the increase in business scale in respect of carpark space sale assistance services since June 2020 along with our active business promotion, (ii) the increase in revenue generated from preliminary planning and design consultancy services as we extended such business nationwide, and (iii) the increase in our value-added services provided to GZYX and its subsidiaries, joint ventures and associates, such as sales office and display unit management services as a result of the increased number of projects launched for sale by them.

Community Value-added Services

Revenue from community value-added services increased by 8.0% from RMB124.4 million in 2019 to RMB134.4 million in 2020, primarily due to increased community value-added services we provided in line with increased number of non-commercial property management projects under our management.

Commercial Property Management and Operational Services

Revenue from commercial property management and operational services increased by 21.9% from RMB292.9 million in 2019 to RMB356.9 million in 2020, primarily reflecting the increase in the revenue generated from our commercial operation and management services.

Commercial Operation and Management Services

Revenue from commercial operation and management services increased by 20.4% from RMB252.0 million in 2019 to RMB303.3 million in 2020, primarily because (i) we changed the service fee model of one of our projects which was previously charged on a commission basis to a lump-sum basis, and (ii) we provided more value-added services (such as space operation services) to certain commercial property projects.

Market Positioning Consultancy and Tenant Sourcing Services

Revenue from market positioning consultancy and tenant sourcing services increased by 31.1% from RMB40.9 million in 2019 to RMB53.6 million in 2020, primarily because (i) we increased the commission fee rate of our tenant sourcing services in certain project under our management, and (ii) we provided more early-stage market consultancy services for commercial properties in light of more active business strategies we adopted.

Cost of Sales

Our cost of sales increased by 17.1% from RMB652.9 million in 2019 to RMB764.8 million in 2020, primarily as a result of our business expansion.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 65.7% from RMB243.4 million in 2019 to RMB403.3 million in 2020.

Our overall gross profit margin increased from 27.2% in 2019 to 34.5% in 2020, primarily due to the increase in the gross profit margin in our non-commercial property management and value-added services segment.

The increase in the gross profit margin of our non-commercial property management and value-added services segment to from 25.0% in 2019 to 36.1% in 2020 was attributable to the increases in gross profit margins for all three business lines under the non-commercial property management and value-added services segment in 2020.

– *Property management services.* Gross profit margin of our property management services increased significantly from 6.5% in 2019 to 21.6% in 2020, primarily due to: (i) the emerging economic benefits brought by our investment in the standardized, automated and intelligent management system from 2017 to 2019, during which we invested, purchased and established various automated infrastructure and intelligent equipment so that we are able to set up a centralized management and control center in 2020 covering our projects nationwide and enhance our overall operational efficiency. As a result, our cost for frontline staff decreased by approximately RMB20.1 million in 2020. For details, see "Business — Technology and Our Intelligent Platform" in this Prospectus; (ii) the deduction in or exemption of payment of social insurance contributions of approximately RMB20.7 million as a result of the regulatory supportive policies issued by the local government in response to COVID-19; and (iii) the services in relation to cleaning and sanitation of metros conducted by GZMEE and GZMPM (the accounts of which were consolidated with the Group since November 30, 2020), which has a relatively higher gross profit margin of approximately 37.5% as the services require professional skills for cleaning special equipment.

– *Value-added services to non-property owners.* Gross profit margin of our value-added services to non-property owners increased from 44.7% in 2019 to 50.5% in 2020, primarily due to (i) the increase in revenue from carpark space sale assistance services of approximately RMB108.0 million as a result of the increase in both our commission fee rate for the services and business scale attributable to our promotion efforts, and (ii) the increase in revenue from our various value-added services provided to GZYX and its subsidiaries, joint ventures and associates, as a results of their increased business scale, such as our preliminary planning and design consultancy which increased by approximately RMB14.6 million.

– *Community value-added services.* Gross profit margin of our community value-added services increased from 33.0% in 2019 to 37.8% in 2020, primarily due to the increase in revenue from various value-added services (such as home-living and space operation services which increased by approximately RMB6.4 million) benefited from the increase in our GFA under management, whereas the increase in our cost of sales relating to these services was relatively low, attributable to economies of scale.

The decrease in the gross profit margin of our commercial property management and operational services segment to from 31.7% in 2019 to 30.8% in 2020 was attributable to the decrease in the gross profit margin of commercial operation and management services, whereas the gross profit margin of market positioning consultancy and tenant sourcing services experienced an upward trend in 2020.

– *Commercial operation and management services.* Gross profit margin of our commercial operation and management services decreased from 34.5% in 2019 to 29.2% in 2020, primarily due to the change in service fee model for one of our projects from commission basis to lump-sum basis, which has a substantially lower gross profit margin than commission basis.

– *Market positioning consultancy and tenant sourcing services.* Gross profit margin of our market positioning consultancy and tenant sourcing services increased significantly from 14.2% in 2019 to 40.4% in 2020, primarily due to (i) the increase in commission fee rate of our tenant sourcing services in certain project under our management, and (ii) the decrease in fees paid to third parties for outsourced work arising from provision of tenant sourcing service as a result of our enhanced in-house capability in tenant sourcing services.

Administrative Expenses

Our administrative expenses increased by 23.2% from RMB116.8 million in 2019 to RMB143.9 million in 2020, primarily due to the increase in the staff costs, mainly as a result of (i) the increased performance bonus and year-end bonus paid to our supporting staff due to increased number of staff to support our continuous business expansion as well as their satisfactory performance in 2020, and (ii) the listing expenses incurred for the purpose of the Global Offering.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased by 47.1% from RMB4.8 million in 2019 to RMB2.6 million in 2020, primarily because we adopted a more active approach to collect our accounts receivables in 2020.

Other Income

Our other income decreased by 34.1% from RMB68.6 million in 2019 to RMB45.2 million in 2020, primarily due to the decrease in our interest income from loans to related parties as a result of the repayment of a loan by our related party in June 2020, partially offset by (i) the increase in our value-added tax deduction, and (ii) the increase in our government grants as a result of the subsidies granted by local government authorities in Hong Kong for job stabilization during the COVID-19 in 2020.

Other Gains – Net

Our net other gains decreased from RMB0.6 million in 2019 to RMB0.5 million in 2020, primarily because we received the refund of a government fine of RMB0.3 million as a result of the revocation of an administrative penalty decision by the relevant government authority in 2019 while we did not record such gains in 2020, partially offset by the increase in net foreign exchange gains.

Finance Costs – Net

Our net finance costs decreased by 64.5% from RMB62.6 million in 2019 to RMB22.3 million in 2020, primarily due to (i) the decrease in our interest expense of bank borrowings as we repaid a bank loan at a principal amount of RMB1,150 million in June 2020, and (ii) the decrease in our interest expense of lease liabilities as a result of the decrease in the residual value of our lease liabilities as recognized under HKFRS16, partially offset by the increase in our interest income from bank deposits as a result of our increased bank deposits.

Income Tax Expenses

Our income tax expenses increased significantly from RMB35.1 million in 2019 to RMB76.5 million in 2020, primarily due to the increase in our profit before tax as a result of our business expansion. Our effective tax rate remained relatively stable at 27.4% and 27.3% in 2019 and 2020, respectively.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly from RMB93.2 million in 2019 to RMB203.7 million in 2020.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Revenue

Our revenue increased by 17.5% from RMB762.8 million in 2018 to RMB896.3 million in 2019, primarily attributable to increases in the revenue from both our business segments, namely (i) non-commercial property management and value-added services segment, and (ii) commercial property management and operational services segment, as a result of our business expansion.

Non-commercial Property Management and Value-added Services

Revenue from non-commercial property management and value-added services increased by 22.1% from RMB494.3 million in 2018 to RMB603.5 million in 2019, primarily reflecting an increase in the revenue generated from our value-added services to non-property owners.

Property Management Services

Revenue from property management services increased by 8.3% from RMB252.4 million in 2018 to RMB273.4 million in 2019, primarily due to (i) the increase in our GFA under management for non-commercial properties from 17.4 million sq.m. as of December 31, 2018 to 19.6 million sq.m. as of December 31, 2019 as a result of the increase in the number of non-commercial property projects under management from 101 as of December 31, 2018 to 117 as of December 31, 2019; and (ii) the slight increase in our overall average property management fee rates for residential properties in the PRC from RMB2.7 per sq.m. per month in 2018 to RMB2.8 per sq.m. per month in 2019.

Value-added Services to Non-property Owners

Revenue from value-added services to non-property owners increased by 69.8% from RMB121.1 million in 2018 to RMB205.6 million in 2019, primarily due to (i) the increase in our business scale of carpark space sale assistance services, and (ii) the increase in our various value-added services provided to GZYX and its subsidiaries, joint ventures and associates such as sales office and display unit management services as a results of their business expansion.

Community Value-added Services

Revenue from community value-added services increased by 3.1% from RMB120.7 million in 2018 to RMB124.4 million in 2019, primarily because (i) we provided more community value-added services due to the increase in our GFA under management; and (ii) we broadened service offerings to offer more diversified services for the non-commercial properties under our management.

Commercial Property Management and Operational Services

Revenue from commercial property management and operational services increased by 9.1% from RMB268.5 million in 2018 to RMB292.9 million in 2019, primarily reflecting the increase in the revenue generated from our commercial operation and management services, partially offset by the slight decrease in the revenue generated from our market positioning consultancy and tenant sourcing services.

Commercial Operation and Management Services

Revenue from commercial operation and management services increased by 11.3% from RMB226.4 million in 2018 to RMB252.0 million in 2019, primarily due to (i) the increased management fee received by us as a result of the increase in the average occupancy rates of the commercial properties under our management, and (ii) the increase in the revenue from value-added services as a result of our offerings of more diversified services for the commercial properties under our management.

Market positioning consultancy and tenant sourcing services

Revenue from market positioning consultancy and tenant sourcing services slightly decreased by 3.0% from RMB42.1 million in 2018 to RMB40.9 million in 2019, primarily because we provided less tenant sourcing services in 2019 compared with 2018.

Cost of Sales

Our cost of sales increased by 15.5% from RMB565.3 million in 2018 to RMB652.9 million in 2019, primarily as a result of our business expansion. The increase in our cost of sales was generally in line with the increase in our total revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 23.2% from RMB197.5 million in 2018 to RMB243.4 million in 2019.

Our overall gross profit margin increased from 25.9% in 2018 to 27.2% in 2019, primarily due to the increase in the gross profit margin in our non-commercial property management and value-added services segment.

The increase in the gross profit margin of our non-commercial property management and value-added services segment to from 21.3% in 2018 to 25.0% in 2019 was attributable to the increases in gross profit margins for all three business lines under the non-commercial property management and value-added services segment in 2019.

– *Property management services.* Gross profit margin of our property management services increased slightly from 5.3% in 2018 to 6.5% in 2019. The relatively lower gross profit margin in 2018 and 2019 was primarily due to large amount of costs we voluntarily and proactively invested during that period of time to improve the quality of our property management services so as to enhance our market competiveness. From 2017 to 2019, we invested in construction of infrastructure for standardized and automated management system so as to increase the operational efficiency as well as hired a large number of frontline staff to ensure the quality of our services before the automated system could be put into use.

– *Value-added services to non-property owners.* Gross profit margin of our value-added services to non-property owners remained relatively stable with slight increase from 43.5% in 2018 to 44.7% in 2019.

– *Community value-added services.* Gross profit margin of our community value-added services remained relatively stable with slight increase from 32.2% in 2018 to 33.0% in 2019.

The decrease in the gross profit margin of our commercial property management and operational services segment to from 34.4% in 2018 to 31.7% in 2019 was attributable to the decrease in the gross profit margin of commercial operation and management services, whereas the gross profit margin of market positioning consultancy and tenant sourcing services experienced an upward trend in 2019.

– *Commercial operation and management services.* Gross profit margin of our commercial operation and management services decreased from 38.7% in 2018 to 34.5% in 2019, primarily due to more upfront costs incurred for the expansion of our services offering in terms of service type and scale, in particular, for certain new projects in relation to the carpark management and operation services.

– *Market positioning consultancy and tenant sourcing services.* Gross profit margin of our market positioning consultancy and tenant sourcing services significantly increased from 11.3% in 2018 to 14.2% in 2019, primarily attributable to our efforts in cost control as well as enhancement in our in-house tenant sourcing capabilities, which saved us the cost for outsourcing the services to third parties.

Administrative Expenses

Our administrative expenses increased by 6.1% from RMB110.1 million in 2018 to RMB116.8 million in 2019, primarily due to the increase in the staff costs, mainly as a result of the increased number of our administrative personnel in line with our business expansion.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased by 46.6% from RMB9.1 million in 2018 to RMB4.8 million in 2019, primarily due to the decrease in loss allowance for trade and other receivables as a result of our internal management improvement in collecting account receivables.

Other Income

Our other income increased by 74.1% from RMB39.4 million in 2018 to RMB68.6 million in 2019, primarily due to (i) the increase in our interest income from loans to related parties as a result of the longer interest bearing period of certain related-party loan in 2019 compared to that in 2018, and (ii) receipt of the deduction of value-added tax applicable to our certain subsidiaries in life services industry as a result of the new policy on the deduction of value-added tax in the PRC which came into effect in April 2019.

Other Losses/Gains – Net

We recorded net other losses of RMB0.7 million in 2018, while we recorded net other gains of RMB0.6 million in 2019, primarily because we paid a one-off compensation of RMB0.6 million as we were held to be jointly liable for a debt repayment obligation arising from a contract dispute while we did not incur such payment in 2019.

Finance Costs – Net

Our net finance costs increased by 22.6% from RMB51.1 million in 2018 to RMB62.6 million in 2019, primarily due to the increase in our interests expense of bank borrowings as the longer interest bearing period of such borrowings in 2019 than that in 2018, partially offset by the increase in our interests income from bank deposits as a result of our increased bank deposits generally in line with our business expansion.

Income Tax Expenses

Our income tax expenses increased by 89.1% from RMB18.6 million in 2018 to RMB35.1 million in 2019. This increase was generally in line with the increase in our profit before tax primarily as a result of the expansion of our business. Our effective tax rate decreased from 28.2% in 2018 to 27.4% in 2019, primarily due to (i) more preferential tax treatment applicable to some of our subsidiaries, and (ii) the increase in our utilization of unrecognized tax losses from previous years.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly from RMB47.3 million in 2018 to RMB93.2 million in 2019.

DESCRIPTION OF CERTAIN ITEMS IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth the components of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property, plant and equipment	21,996	35,113	41,084
Right-of-use assets	155,332	128,243	100,017
Intangible assets	2,901	4,420	343,908
Financial assets at fair value through other comprehensive income	30,189	35,558	34,784
Deferred income tax assets	6,460	7,349	8,635
Restricted cash	6,745	625	6,536
	223,623	**211,308**	**534,964**
Current assets			
Inventories	578	686	899
Trade and other receivables and prepayments	1,872,382	1,960,825	861,963
Prepaid income taxes	6,155	14,777	11,191
Cash and cash equivalents	598,137	773,689	994,629
Restricted cash	–	6,120	7,061
	2,477,252	2,756,097	1,875,743
Total assets	**2,700,875**	**2,967,405**	**2,410,707**
Net current assets	**1,045,872**	**1,029,719**	**319,948**
Equity attributable to owners of the Company			
Share capital	–	–	581,017
Other reserves	(3,170)	359	(366,346)
Retained earnings	174,149	258,547	399,953
	170,979	**258,906**	**614,624**

	As of December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Non-controlling interests	**12,684**	**9,389**	**146,056**
Total equity	**183,663**	**268,295**	**760,680**
Non-current liabilities			
Borrowings	981,000	875,000	–
Deferred income tax liabilities	7,162	11,685	35,765
Lease liabilities	97,670	70,550	52,323
Other payables	–	15,497	6,144
	1,085,832	**972,732**	**94,232**
Current liabilities			
Trade and other payables	1,141,462	1,422,922	1,272,335
Contract liabilities	105,606	93,035	163,183
Borrowings	99,000	106,000	–
Lease liabilities	63,090	66,946	56,929
Current income tax liabilities	22,222	37,475	63,348
	1,431,380	**1,726,378**	**1,555,795**
Total liabilities	**2,517,212**	**2,699,110**	**1,650,027**
Total equity and liabilities	**2,700,875**	**2,967,405**	**2,410,707**

Property, Plant and Equipment

Our property, plant and equipment mainly consists of our buildings, furniture, fixtures and equipment, leasehold improvements and vehicles. Our property, plant and equipment increased from RMB22.0 million as of December 31, 2018 to RMB35.1 million as of December 31, 2019, and further increased to RMB41.1 million as of December 31, 2020, primarily due to our purchases of furniture and office equipment and our employee dormitories along with our business expansion.

Right-of-use Assets

Our right-of-use assets are mainly related to the lease contracts for buildings and parking lots we used in our operations. As of December 31, 2018, 2019 and 2020, our right-of-use assets amounted to RMB155.3 million, RMB128.2 million and RMB100.0 million, respectively. The decrease in our right-of-use assets throughout the Track Record Period was primarily due to our normal depreciation charges.

Financial Assets at FVOCI

We had financial assets at FVOCI with respect to our equity investments in two unlisted investee companies and the gains or losses of which were recognized in our other comprehensive income. As of December 31, 2018, 2019 and 2020, our financial assets at FVOCI amounted to RMB30.2 million, RMB35.6 million and RMB34.8 million, respectively, reflecting our investments in 5% equity interests of Guangzhou Construction & Development Property Holdings Mingte Network Development Co., Ltd (廣州市城建開發集團名特網絡發展有限公司) ("**Mingte**") and 10% equity interests of Guangzhou Yuetou Commercial Factoring Co., Ltd. (廣州越投商業保理有限公司) ("**Yuetou Commercial Factoring**").

Mingte is a limited liability company established in the PRC in 2000 with a registered capital of RMB30 million. It is principally engaged in development and installation of intelligent management systems; and informationization services where Mingte provides consultancy services through management and analysis of information in the PRC. Yuexiu PD, our indirect wholly-owned subsidiary, made a cash investment of RMB1.5 million to subscribe for 5% equity interests in Mingte since its establishment in 2000, and such investment amount was determined based on arm's length negotiation between the shareholders having taking into account the estimated capital requirements of Mingte. As of the Latest Practicable Date, Mingte is owned as to 75% by GCCD Group (a wholly-owned subsidiary of GZYX), 10% by Guangzhou Grandcity Development Ltd.*(廣州宏城發展有限公司) (a wholly-owned subsidiary of Yuexiu Property), 5% by Guangzhou White Horse Clothings Market Ltd.*(廣州白馬服裝市場有限公司) (a wholly-owned subsidiary of Yuexiu Property), 5% by Guangzhou Yuexiu Xingye Property Agent Ltd.*(廣州越秀興業地產代理有限公司) (a majority-owned subsidiary of Yuexiu Property) and 5% by Yuexiu PD.

Yuetou Commercial Factoring is a limited liability company established in the PRC in 2013 with a registered capital of RMB300 million. It is principally engaged in provision of commercial factoring and other related financial services in the PRC. YX Property Management (HK), our indirect wholly-owned subsidiary, made a cash investment of RMB30.0 million to subscribe for 10% equity interests in Yuetou Commercial Factoring in 2015, and such investment amount was determined based on arm's length negotiation between the shareholders having taking into account the estimated capital requirements of Yuetou Commercial Factoring. As of the Latest Practicable Date, Yuetou Commercial Factoring is owned as to 90% by Guangzhou Investment Finance Company Limited* (a wholly-owned subsidiary of Yuexiu Property) and 10% by YX Property Management (HK).

Our investment decisions are made on a case-by-case basis and after due and careful consideration over many factors, including our cash flow, our operational needs, market and investment conditions, economic developments, investment cost, and the expected returns and potential losses of such investment. Our investments made to Mingte and Yuetou Commercial Factoring back in the year 2000 and 2015 respectively were for the purpose to facilitate and implement the overall investment strategy of Yuexiu Property as Yuexiu PD and YX Property Management (HK) were members of Yuexiu Property group. At current stage and going forward, we intend to implement our investment of selecting suitable investment targets that will bring us satisfactory financial returns to enhance our income without interfering with our business expansion. It would be even better if such investment targets are beneficial to our further business expansion by creating a synergy with our current business operations. Taking into account (i) the development potentials of the principal business of Mingte and Yuetou Commercial Factoring, and (ii) our capacity as minority passive investors not involving in the daily operation of the two investees and not interfering with our business operation, we believe that our continuing holding in the equity interests of such two investee companies aligns with our current investment strategies. We will make comprehensive assessment on our investments in these two investee companies from time to time to evaluate the investment return and the consistency with our investment and development strategies going forward.

In relation to the valuation of our financial assets categorized into the level 3 of fair value measurement, our Directors, based on the professional advice received, adopted the following procedures: (i) reviewed the terms of the relevant equity investments; (ii) engaged the independent valuer, provided necessary financial and non-financial information so as to enable the valuer to perform valuation procedures and discussed with the valuer on relevant assumptions and considered such information with management assessment and estimates; (iii) reviewed the valuation reports prepared by the valuer; and (iv) assessment of the relevant investments presented by our finance personnel and carefully considered all information available and applied various applicable valuation techniques in determining the valuation of the relevant investments. Based on the above procedures, our Directors are of the view that the valuation of our financial assets categorized within the level 3 of fair value measurement is fair and reasonable, and our financial statements have been properly prepared.

In relation to the valuation of the level 3 financial assets, the Joint Sponsors have (i) discussed with us to understand our policies and procedures in relation to the valuation of our level 3 financial assets and the valuation model adopted by us; (ii) reviewed the relevant documents and information provided by us; (iii) discussed with our Reporting Accountant to understand the work they have performed in relation to such valuation for the purpose of reporting on the historical financial information, as a whole, of our Group; and (iv) obtained and reviewed the valuation reports prepared by the financial asset valuer which contain, among others, the methodology, basis and assumptions of relevant valuation. Based on the foregoing, the Joint Sponsors concur with our Directors' view on the valuation work for the level 3 financial assets performed during the Track Record Period.

Details of the fair value measurement of financial assets, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs, the relationship of unobservable inputs to fair value are disclosed in note 3.3 to the Accountant's Report in Appendix I to this Prospectus which was issued by the Reporting Accountant in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. The Reporting Accountant's opinion on the historical financial information of our Group for the Track Record Period as a whole is set out in Appendix I to this Prospectus.

Intangible Assets

Our intangible assets include goodwill, customer relationships and software. We recorded intangible assets of RMB2.9 million, RMB4.4 million and RMB343.9 million as of December 31, 2018, 2019 and 2020. The significant increase of our intangible assets in 2020 was primarily due to (i) the increase of RMB248.3 million in goodwill, and (ii) the increase of RMB92.4 million in customer relationships, which were all arising from our acquisition of GZMEE and GZMPM in November 2020. We expect that the useful life of the customer relationships of GZMEE and GZMPM to be 7-10 years. As of the valuation date for the acquisition, the revenue of GZMEE and GZMPM mainly arose from non-commercial property management and value-added services which include metro property management and operational services. Over 95% customer relationships of GZMEE and GZMPM are from contracts with GZ Metro and we expect the useful life of such customer relationships was estimated to be 10 years, taking into account the unlikely termination of metro property management and operational service contacts with GZ Metro based on prior experience of GZMEE and GZMPM and the relatively high likelihood that GZMEE and GZMPM will provide continuous service to certain projects for over 10 years. For contracts with customers other than GZ Metro, we expect that those contacts will make revenue contribution for at least 7 years, taking into account the historical attrition rate. We expect all of the property management and operational service contacts of GZMEE and GZMPM with their customers will form stable customer relationships and continue to contribute to our revenue in the future. Furthermore, the useful life of customer relationships arising from acquisitions of property management service companies by listed companies is normally within the range of 5 to 10 years based on public information. Therefore, we consider the expected useful life of the customer relationships of GZMEE and GZMPM to be 7-10 years is reasonable and consistent with the industry practice.

Impairment test for goodwill

We did not recognize goodwill as of December 31, 2018 and 2019. We recognized goodwill of RMB248.3 million as of December 31, 2020, which arose from our acquisition of GZMEE and GZMPM in November 2020.

We test whether goodwill has suffered any impairment on an annual basis. We determined the recoverable amount of cash-generating units ("**CGUs**") based on value-in-use ("**VIU**") calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by our management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates. The discount rate used is pre-tax and reflects specific risks relating to the relevant industry. Key assumptions on forecast cash flows include sales volume, sales price, budgeted gross margin, other operating costs, long- term growth rate and pre-tax discount rate. Our management also considers impact of possible changes in key assumptions on the results of goodwill impairment test. Goodwill is monitored by our management at the level of non-commercial property management and value-added services CGU related to GZMEE and GZMPM and has been assessed based on the related CGU for impairment testing.

The following table sets forth each key assumption on which our management has based its cash flow projections to undertake impairment testing of goodwill as at December 31, 2020:

Revenue – 2021 to 2025 (% annual growth rate)	10%-20%
Gross margin (% of revenue)	26%
Long-term growth rate	3%
Pre-tax discount rate	19.3%

As at December 31, 2020, the recoverable amount of the CGU in GZMEE and GZMPM is estimated to exceed the carrying amount of the CGU by approximately RMB5.5 million. Therefore, our management considers no impairment on goodwill as at December 31, 2020.

As at December 31, 2020, if the budgeted revenue used in the VIU calculation for the CGU had been decreased by 1.2% lower than our management's estimates, we would have had to recognize an impairment against goodwill. If the estimated gross profit margins used in the VIU calculation for the CGU had been 0.2% lower than our management's estimates, we would have had to recognize an impairment against goodwill. If the estimated long-term growth rate used in the VIU calculation for the CGU had been 0.3% lower than our management's estimates, we would have had to recognize an impairment against goodwill. If the pre-tax discount rate applied to the cash flow projections of the CGU had been 0.2% higher than our management's estimates, we would have had to recognize an impairment against goodwill. Except for the above changes, our management considers that there is no other reasonably possible change in key parameters that would cause the carrying amount of the CGU to exceed its recoverable amount.

For more details of the impairment test for goodwill, see note 17 to the Accountant's Report in Appendix I to this Prospectus.

Trade and other receivables and prepayments

Trade Receivables

Our trade receivables mainly arise from property management and related services during the Track Record Period. The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
— Related parties	73,294	100,115	383,350
— Third parties	143,970	121,551	90,963
Subtotal	**217,264**	**221,666**	**474,313**
Less: allowance for impairment of trade receivables	(18,641)	(22,484)	(27,462)
Total	**198,623**	**199,182**	**446,851**

Before allowance for impairment of trade receivables, as of December 31, 2018, 2019 and 2020, our trade receivables were RMB217.3 million, RMB221.7 million and RMB474.3 million, respectively. The continuous increase in our trade receivables throughout the Track Record Period was primarily due to the increases in our revenue and business scale as a result of our business expansion. In particular, we recorded a comparatively large amount of trade receivables as of December 31, 2020 mainly because we provided substantial carpark space sale assistance services to our related parties in the second half of 2020 and such receivables were to be collected and settled in the first half of next year based on the credit terms.

The following table sets forth the aging analysis of our trade receivables based on the invoice date, as of the dates indicated:

	As of December 31,			Subsequent settlement as of April 30, 2021 for trade receivables outstanding as of December 31, 2020	Percentage of subsequent settlement as of April 30, 2021 for trade receivables outstanding as of December 31, 2020
	2018	2019	2020		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	%
0-30 days	**155,009**	**105,239**	**337,572**	**317,207**	**94.0**
— Related parties	30,434	23,384	296,075	281,316	95.0
— Independent Third Parties	124,575	81,855	41,497	35,891	86.5
31-180 days	**8,264**	**39,440**	**64,106**	**34,927**	**54.5**
— Related parties	8,095	34,276	59,975	33,379	55.7
— Independent Third Parties	169	5,164	4,131	1,547	37.5
181-365 days	**5,184**	**14,856**	**17,734**	**12,702**	**71.6**
— Related parties	5,170	9,179	9,203	9,049	98.3
— Independent Third Parties	14	5,677	8,531	3,653	42.8
1 to 2 years	**20,811**	**19,371**	**20,011**	**14,242**	**71.2**
— Related parties	14,290	7,429	7,268	6,961	95.8
— Independent Third Parties	6,521	11,942	12,743	7,280	57.1
2 to 3 years	**16,332**	**16,213**	**13,684**	**6,882**	**50.3**
— Related parties	11,844	10,921	7,423	5,076	68.4
— Independent Third Parties	4,488	5,292	6,261	1,806	28.8
Over 3 years	**11,664**	**26,547**	**21,206**	**6,890**	**32.5**
— Related parties	3,461	14,926	3,406	3,406	100.0
— Independent Third Parties	8,203	11,621	17,800	3,483	19.6
Total trade receivables	**217,264**	**221,666**	**474,313**	**392,849**	**82.8**

We receive revenue in accordance with the relevant service agreements, which is due for payment by the property owners upon our rendering of services. For trade receivables in general, our trading terms are mainly on credit and the credit period is generally ranging from 90 to 180 days for related parties and 30 to 60 days for third parties. We do not have significant concentration of credit risk as our trade receivables from Independent Third Parties relate to a large number of customers. Our trade receivables are interest-free. We seek to maintain strict controls over the outstanding receivables and overdue balances are evaluated regularly by management. We will enhance our efforts in overdue accounts collection by sending reminders and demand letters to our customers at regular intervals. We apply the simplified approach to provide for expected credit losses prescribed by HKFRS 9 for our trade receivables, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. For further details on our impairment policy related to trade receivables, please refer to note 3.1 to Accountant's Report in Appendix I to this Prospectus. We consider that there is no material recoverability issue with respect to trade receivables due from Independent Third Parties aged over one year, as we have enhanced internal control policies to closely monitor the payment progress and sufficient provisions have been made for trade receivables due from Independent Third Parties. The following table sets forth the loss allowance provision we made for the trade receivables due from Independent Third Parties as of the dates indicated:

	Up to 1 year	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables (excluding trade receivables from related parties)					
At December 31, 2018					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	124,758	6,521	4,488	8,203	143,970
Loss allowance provision	6,238	1,956	2,244	8,203	18,641
At December 31, 2019					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	92,696	11,942	5,292	11,621	121,551
Loss allowance provision	4,634	3,583	2,646	11,621	22,484
At December 31, 2020					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	54,159	12,743	6,261	17,800	90,963
Loss allowance provision	2,708	3,823	3,131	17,800	27,462

The following table sets forth the average turnover days of our trade receivables for the years indicated:

	Year ended December 31,		
	2018	2019	2020
Average trade receivables turnover days			
— Overall[(1)]	67	89	109
— Related parties[(2)]	85	115	197
— Independent Third Parties[(3)]	62	78	54

Notes:

(1) The overall trade receivables turnover days is the average of the opening and closing trade receivables divided by our total revenue for that year and multiplied by 365 days for 2018 and 2019 or 366 days for 2020.

(2) The trade receivables turnover days in respect of related parties is the average of the opening and closing trade receivables attributable to related parties divided by our revenue attributable to related parties for that year and multiplied by 365 days for 2018 and 2019 or 366 days for 2020.

(3) The trade receivables turnover days in respect of Independent Third Parties is the average of the opening and closing trade receivables attributable to Independent Third Parties divided by our revenue attributable to Independent Third Parties for that year and multiplied by 365 days for 2018 and 2019 or 366 days for 2020.

During the Track Record Period, our average trade receivables turnover days of related parties were longer than those of Independent Third Parties, primarily because the trade receivables due from related parties were mainly generated from value-added services to non-property owners of which the customers generally settle payments on a quarterly or yearly basis or upon completion of the relevant projects, while the trade receivables due from Independent Third Parties mainly comprised property management fees due from individual property owners, residents and tenants who generally settle payments within a shorter period of time. In addition, due to significantly decreased business activities in the first half of 2020 as a result of the outbreak of COVID-19, most of our businesses and transactions with our related parties were conducted in the second half of 2020. Based on the credit terms granted to our related parties, the trade receivables generated from the transactions in the second half of the year will typically be settled in the first half of the next year. As a result, the average trade receivables turnover days of related parties in 2020 were relatively longer than that of Independent Third Parties as well as of previous years. We typically grant longer credit periods for related parties than for Independent Third Parties, as we consider the risk of default of our related parties was relatively lower. We, having taking into account the creditworthiness and past collection history of the related parties, consider that the relatively longer average trade receivables turnover days of related parties did not and would not expose us to significant credit risk. During the Track Record Period, we did not experience any difficulties in collecting trade receivables from our related parties. The significant decrease in our average trade receivables turnover days of third parties from 2019 to 2020 was primarily due to our enhanced collection efforts.

We have been exerting more efforts in settling related party receivables so as to narrow down the gap between the average trade receivables turnover days of related parties and those of Independent Third Parties. The measures we formulated and implemented include (i) sending reminders through various channels such as phone calls, text messages and emails on a more frequent basis; (ii) designating relevant personnel to closely monitor the related party receivables collection; and (iii) taking initiative to communicate with the related parties to settle the long-term uncollected accounts receivable, issuing the invoice and reconciliation letter to the related parties on a regular basis, and communicating about the accounts receivable overdue or approaching payment day in a timely manner. We have reached a specific settlement plan with our related parties to ensure that most of the trade receivables due from the related parties will be settled prior to the Listing. We expect that the average trade receivables turnover days of related parties will be shortened and better collection will be achieved in the forthcoming years after our continuous efforts.

As of April 30, 2021, RMB392.8 million, or 82.8% of our trade receivables outstanding as of December 31, 2020, were subsequently settled. As of the same date, RMB339.1 million of our trade receivables due from related parties, representing 88.5% of our trade receivables due from related parties as of December 31, 2020, had been subsequently settled; and RMB53.7 million of our trade receivables due from Independent Third Parties, representing 59.0% of our trade receivables due from Independent Third Parties as of December 31, 2020, had been subsequently settled.

Other Receivables

Our other receivables mainly represent loans and amounts due from related parties, and prepayments on behalf of residents and tenants in relation to our provision of property management services. The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Other receivables			
— Loan to a related party	1,153,011	1,214,059	—
— Amounts due from related parties	358,507	328,854	177,028
— Property management costs recoverable from third parties	18,512	38,151	48,360
— Property management costs recoverable from related parties	20,801	32,986	37,550

	As of December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
— Payments on behalf of residents and tenants for third parties	56,420	63,264	58,392
— Guarantee deposits paid to related parties	29,716	37,429	39,746
— Guarantee deposits paid to third parties	15,585	14,670	16,080
— Dividend receivables	1,016	1,016	–
— Others[(1)]			
— Related parties	6,695	5,995	13,560
— Third parties	4,705	13,248	15,056
Subtotal	**1,664,968**	**1,749,672**	**405,772**
Less: allowance for impairment of other receivables	(3,988)	(4,989)	(6,805)
Total	**1,660,980**	**1,744,683**	**398,967**

Note:

(1) Primarily include miscellaneous advance payment incurred during our ordinary course of business.

Before allowance for impairment of other receivables, our other receivables increased from RMB1,665.0 million as of December 31, 2018 to RMB1,749.7 million as of December 31, 2019, primarily due to the increase in the interest receivables from a loan that we made to a related party at a principal amount of RMB1,150.0 million. Our other receivables decreased significantly to RMB405.8 million as of December 31, 2020, primarily due to (i) the settlement of the abovementioned loan to related party in June 2020, and (ii) the significant decrease in our amounts due from related parties as a result of our enhanced collection efforts at the end of 2020. All non-trade balances of other receivables from our related parties will be settled before the Listing and the payment terms between Independent Third Parties and related parties will be identical after the Listing.

Prepayments

Our prepayments primarily represent the cash advances to our suppliers and our prepaid tax. The following table sets forth a breakdown of our prepayments as of the dates indicated:

	As of December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments			
— Related parties	400	400	55
— Third parties	3,132	7,394	4,714
Total	**3,532**	**7,794**	**4,769**

The increase in our prepayments from RMB3.5 million as of December 31, 2018 to RMB7.8 million as of December 31, 2019 was primarily due to the increase in our prepayments to our suppliers as a result of our business expansion. Our prepayments decreased from RMB7.8 million as of December 31, 2019 to RMB4.8 million as of December 31, 2020, primarily because some of our suppliers allowed us to settle the payment by month instead of prepayment in 2020.

Cash and Cash Equivalents

Our cash and cash equivalents increased from RMB598.1 million as of December 31, 2018 to RMB773.7 million as of December 31, 2019, primarily due to the increased net cash inflow from operating activities in line with our business expansion. Our cash and cash equivalents increased from RMB773.7 million as of December 31, 2019 to RMB994.6 million as of December 31, 2020, primarily due to the increased cash we received from repayment of loan from related party and settlement of receivables due from related parties as a result of our enhanced collection efforts; and partially offset by the cash used for the acquisition of GZMEE and GZMPM in 2020.

Trade and Other Payables

Trade Payables

Our trade payables primarily represent our obligation to pay for the goods or services we acquired, such as cleaning services, renovation and maintenance services, purchase of materials, furniture and utilities in the ordinary course of our business from our suppliers. The following table sets forth a breakdown of our trade payables as of the dates indicated:

	As of December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
— Related parties	5,426	5,876	8,760
— Third parties	78,979	71,799	72,190
Total	**84,405**	**77,675**	**80,950**

Our trade payables are unsecured, non-interest bearing and are normally settled within a credit period of 45 to 60 days. The decrease in our trade payables from RMB84.4 million as of December 31, 2018 to RMB77.7 million as of December 31, 2019 was primarily because we expedited our payment and fee reimbursement schedule. The increase in our trade payables from RMB77.7 million as of December 31, 2019 to RMB81.0 million as of December 31, 2020 was primarily due to the acquisition of GZMEE and GZMPM, whose accounts (including the trade payables) are consolidated to our Group upon completion of the acquisition in November 2020.

The following table sets forth the aging analysis of our trade payables based on the invoice date, as of the dates indicated:

	As of December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Up to 1 year	69,216	56,917	58,637
1 to 2 years	9,540	10,746	8,226
2 to 3 years	1,743	6,349	6,229
Over 3 years	3,906	3,663	7,858
Total trade payables	**84,405**	**77,675**	**80,950**

The following table sets forth the average turnover days of our trade payables for the years indicated:

	Year ended December 31,		
	2018	2019	2020
Average trade payables turnover days(1)	56	45	38

Note:

(1) The trade payables turnover days for a year is the average of opening and ending trade payables divided by the cost of sales for that year and multiplied by 365 days for 2018 and 2019 or 366 days for 2020.

Our trade payables turnover days were generally in line with our credit term during the Track Record Period.

As of April 30, 2021, RMB63.1 million, or 78.0% of our trade payables outstanding as of December 31, 2020, were subsequently settled.

Other Payables

Our other payables primarily consist of (i) borrowings from related parties, (ii) advances received from property owners and tenants for settlement of costs to be incurred in relation to property management services provided under a commission basis, and (iii) performance guarantee deposits received from other service providers and renovation and utility security deposits received from property owners and tenants. Our other payables are interest-free, unsecured and repayable on demand, except for a loan that we borrowed from a related party in July 2019, which was at a principal amount of HK$17.3 million, unsecured, interest bearing at 4% per annum for a term of five years. All non-trade balances with our related parties will be settled before the Listing. The following table sets forth a breakdown of our other payables as of the dates indicated:

	As of December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Other payables			
— Amounts due to related parties	369,146	574,891	127,346
— Advances for property management services from related parties	30,395	37,408	48,535
— Advances for property management services from third parties	157,855	168,251	191,204
— Guarantee deposits received from related parties	6,431	16,838	40,381
— Guarantee deposits received from third parties	191,367	214,738	230,273
— Receipts on behalf of residents or tenants from third parties	116,573	123,648	134,896
— Receipts on behalf of residents or tenants from related parties	–	–	2,990
— Dividend payables	47,666	48,695	90,203
— Accrued expenses to third parties	16,313	16,488	48,345
— Accrued expenses to related parties	–	–	5,121
— Others[(1)]	40,201	55,766	66,259
Total	**975,947**	**1,256,723**	**985,553**

Note:

(1) Primarily include the repair and maintenance funds and part of the proceeds from our operation in common areas which are required to be shared by the property owners.

Our other payables increased from RMB975.9 million as of December 31, 2018 to RMB1,256.7 million as of December 31, 2019, primarily due to (i) the increase in amounts due to related parties because we made borrowings from our related parties, and (ii) the increase in our guarantee deposits received as a result of our business expansion. Our other payables decreased from RMB1,256.7 million as of December 31, 2019 to RMB985.6 million as of December 31, 2020, primarily due to the decrease in amounts due to related parties as a result of the gradual settlement of such amounts in 2020, partially offset by the increase in the advances and guarantee deposits received from third parties and related parties as a result of our business expansion.

Lease Liabilities

Our lease liabilities primarily related to our commercial arrangements on leasing offices, parking lots and dormitories.

The following table sets forth a breakdown of our lease liabilities as of the dates indicated:

	As of December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities			
— Current	63,090	66,946	56,929
— Non-current	97,670	70,550	52,323
Total	**160,760**	**137,496**	**109,252**

The continuous decrease in our lease liabilities during the Track Record Period was primarily due to the decrease in the residual value of our lease liabilities as recognized under HKFRS16.

Contract Liabilities

Our contract liabilities mainly arise from advance payments made by customers while the underlying services are yet to be provided.

The following table sets forth a breakdown of our contract liabilities as of the dates indicated:

	As of December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities			
— Related parties	16,824	17,535	13,656
— Third parties	88,782	75,500	149,527
Total	**105,606**	**93,035**	**163,183**

The decrease in our contract liabilities from RMB105.6 million as of December 31, 2018 to RMB93.0 million as of December 31, 2019 was primarily due to comparatively less contract payments we received in advance at the end of 2019. The increase in our contract liabilities from RMB93.0 million as of December 31, 2019 to RMB163.2 million as of December 31, 2020 was primarily due to the increase of advance payments made by customers for home decoration services in the fourth quarter of 2020.

NET CURRENT ASSETS

The following table sets forth a summary of our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30, 2021
	2018	**2019**	**2020**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current assets				
Inventories	578	686	899	1,118
Trade and other receivables and prepayments	1,872,382	1,960,825	861,963	576,287
Prepaid income taxes	6,155	14,777	11,191	17,232
Cash and cash equivalents	598,137	773,689	994,629	1,440,972
Restricted cash	—	6,120	7,061	7,061
Total current assets	**2,477,252**	**2,756,097**	**1,875,743**	**2,042,670**

	As of December 31,			As of April 30,
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current liabilities				
Trade and other payables	1,141,462	1,422,922	1,272,335	977,313
Contract liabilities	105,606	93,035	163,183	231,188
Borrowings	99,000	106,000	–	–
Lease liabilities	63,090	66,946	56,929	56,071
Current income tax liabilities	22,222	37,475	63,348	39,261
Total current liabilities	**1,431,380**	**1,726,378**	**1,555,795**	**1,303,833**
Net current assets	**1,045,872**	**1,029,719**	**319,948**	**738,837**

We recorded net current assets of RMB1,045.9 million, RMB1,029.7 million, RMB319.9 million, and RMB738.8 million as of December 31, 2018, 2019 and 2020 and April 30, 2021, respectively.

Our net current assets slightly decreased from RMB1,045.9 million as of December 31, 2018 to RMB1,029.7 million as of December 31, 2019, because the increase in our total current liabilities was greater than the increase in our total current assets, primarily due to the increase in our trade and other payables as a result of our business expansion, partially offset by (i) the increase in our prepaid income taxes as a result of the increase in our profit for 2019, and (ii) the increase in our trade and other receivables.

Our net current assets decreased significantly from RMB1,029.7 million as of December 31, 2019 to RMB319.9 million as of December 31, 2020, primarily due to the settlement of a loan to a related party at a principal amount of RMB1,150.0 million in June 2020 which reduced our current asset balance.

Our net current assets increased from RMB319.9 million as of December 31, 2020 to RMB738.8 million as of April 30, 2021, primarily due to (i) the increase in our cash and cash equivalents as a result of the payment of consideration of RMB330.0 million from GMIF as a pre-IPO investor in February 2021, and (ii) the decrease in our trade and other payables as a result of our enhanced settlement of non-trade accounts with related parties, partially offset by the decrease in our trade and other receivables as a result of our accelerated collection of trade and other receivables from related parties.

INDEBTEDNESS

Our indebtedness primarily consisted of bank borrowings, amounts due to related parties, loan from a related party and lease liabilities. Our indebtedness as of December 31, 2018, 2019 and 2020, and April 30, 2021, being the latest practicable date for determining our indebtedness, were as follows.

	As of December 31,			As of April 30, 2021
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Non-current				
Bank borrowings — Guaranteed	981,000	875,000	–	–
Loan from a related party	–	15,497	6,144	–
Lease liabilities	97,670	70,550	52,323	33,725
Current				
Current portion of non-current bank borrowings — Guaranteed	99,000	106,000	–	–
Amount due to related parties	369,146	559,394	121,202	–
Lease liabilities	63,090	66,946	56,929	56,071
Total	**1,609,906**	**1,693,387**	**236,598**	**89,796**

Our bank borrowings represent an entrusted loan obtained by Yuexiu PD, one of our subsidiaries, through an entrusted bank in April 2018 with the corporate guarantee provided by GCCD, a related party of us. Such loan amounted to RMB1,150.0 million at an interest rate of 5.5% per annum. The balances of the borrowing were RMB1,080.0 million and RMB981.0 million as of December 31, 2018 and 2019, respectively. We fully repaid such loan in June 2020. For further details of such related party loan arrangement, please see "— Related Party Transactions — Interest Expense on Loans from A Related Party and Interest Income on Loans to Related Parties".

Our loan from a related party represented a loan facility obtained by YX APT Parking, one of our subsidiaries, from Yuexiu Property (HK) Company Limited, a related party of us, in July 2019. Such loan amounted to HK$17.3 million and was unsecured, interest bearing at fixed rate of 4% per annum and is repayable on July 17, 2024. The principal of the loan due to Yuexiu Property (HK) Company Limited amounted to RMB15.5 million, RMB6.1 million and nil as of December 31, 2019, and 2020, and April 30, 2021, respectively. As of December 31, 2018, 2019, and 2020, and April 30, 2021, we had amount due to related parties of approximately RMB369.1 million, RMB559.4 million, RMB121.2 million and nil, respectively, which were non-trade in nature, interest-free, unsecured and repayable on demand. We fully repaid such loan in March 2021. Such amount due to related parties in non-trade nature was settled in April 2021.

As of December 31, 2018, 2019 and 2020 and April 30, 2021, our lease liabilities (comprising both current and non-current liabilities) amounted to RMB160.8 million, RMB137.5 million, RMB109.3 million and RMB89.8 million, respectively.

Except as disclosed above or as otherwise disclosed in this Prospectus, as of April 30, 2021 (being the latest practicable date to determine our indebtedness), we did not have any debt securities issued or outstanding, or authorized or otherwise created but unissued, term loans, acceptance liabilities (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages and charges, and material contingent liabilities.

During the Track Record Period and as of the Latest Practicable Date, our Directors confirm that to the best of their knowledge, we did not have material defaults in payment of trade and non-trade payables or bank borrowings or breach of any finance covenants. As of the Latest Practicable Date, we did not have any bank borrowing or any unutilized banking facilities and do not plan to enter into any banking facility agreement in the foreseeable future. Given our credit history and our current credit status, we believe that we will not encounter any material difficulties in obtaining additional bank borrowings in the future.

Our Directors confirm that, save as disclosed above, from December 31, 2020 to the date of this Prospectus, there were no material changes in our indebtedness.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal use of cash has been for working capital. We finance our operations mainly from cash flows from our operations. In the foreseeable future, we expect working capital to continue to be our principal requirements of liquidity and we may use a portion of the proceeds from the Global Offering to finance some of our capital expenditure. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Working Capital Sufficiency

Taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents and cash flows from operating activities, our Directors believe that we have sufficient working capital for our present requirements, that is, for at least 12 months from the date of this Prospectus.

Cash Flows

The following table sets forth selected cash flow statement information for the years indicated:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	38,484	206,151	450,271
Net cash (used in)/generated from investing activities	(1,062,840)	6,567	1,026,483
Net cash generated from/(used in) financing activities	1,065,392	(37,879)	(1,253,604)
Net increase in cash and cash equivalents	**41,036**	**174,839**	**223,150**
Cash and cash equivalents at beginning of year	555,702	598,137	773,689
Effect of exchange rate changes on cash and cash equivalents	1,399	713	(2,210)
Cash and cash equivalents at end of year	**598,137**	**773,689**	**994,629**

Net Cash Generated from Operating Activities

Our cash flows generated from operating activities reflect: our profit before taxation adjusted for (i) non-cash and non-operating items (such as depreciation and amortization, net impairment loss on financial assets, interests charged from loans and interest receivables); (ii) the effects of movement in working capital (such as trade and other receivables and prepayments, contract liabilities and trade and other payables); and (iii) other cash items (such as income tax paid). During the Track Record Period, the cash inflows from our operating activities were primarily derived from provision of our non-commercial property management and value-added services and commercial property management and operational services, while the cash outflows for our operating activities were primarily attributable to the payment of staff costs and payments for other working capital needs.

In 2020, we had net cash flows from operating activities of RMB450.3 million, which represents our profit before taxation of RMB280.2 million, as adjusted by non-cash and non-operating items, and positive movements in working capital primarily due to an increase of RMB188.6 million in trade and other payables as a result of the increase in purchases of goods and services from our suppliers due to our business expansion and an increase of RMB70.0 million in contract liabilities as a result of the increase of advance payments received from customers, partially offset by an increase RMB117.2 million in trade and other receivables and prepayments primarily due to our business expansion.

In 2019, we had net cash flows from operating activities of RMB206.2 million, which represents our profit before taxation of RMB128.3 million, as adjusted by non-cash and non-operating items, and positive movements in working capital primarily due to an increase of RMB90.9 million in trade and other payables as a result of the increase in our revenue and business scale, partially offset by an increase of RMB61.9 million in trade and other receivables and prepayments primarily due to our business expansion.

In 2018, we had net cash flows from operating activities of RMB38.5 million, which represents our profit before taxation of RMB65.9 million, as adjusted by non-cash and non-operating items, and negative movements in working capital primarily due to an increase of RMB155.3 million in trade and other receivables and prepayments as a result of the increase in our revenue and business scale, partially offset by an increase of RMB64.3 million in trade and other payables primarily due to our business expansion.

Net Cash Used in/Generated from Investing Activities

During the Track Record Period, the cash inflows from our investing activities were primarily derived from interest income received and proceeds from disposal of property, plant and equipment, while the cash outflows for our investing activities were primarily attributable to the cash advances made to our related parties, payment for purchases of property, plant and equipment and intangible assets.

In 2020, we had net cash flows from investing activities of RMB1,026.5 million, which was primarily attributable to the decrease in amounts due from related parties of RMB1,316.3 million, partially offset by cash outflows of RMB275.5 million in acquisition of subsidiaries.

In 2019, we had net cash flows from investing activities of RMB6.6 million, which was primarily attributable to the decrease in amounts due from related parties of RMB192.1 million, partially offset by the increase in amounts due from related parties of RMB162.4 million.

In 2018, we had net cash flows used in investing activities of RMB1,062.8 million, which was primarily attributable to (i) the increase in amounts due from related parties of RMB1,286.6 million, and (ii) cash outflows of RMB12.4 million in purchases of property, plant and equipment, partially offset by (i) the decrease in amounts due from related parties of RMB202.0 million, and (ii) cash inflows of RMB36.2 million in our interests income received.

Net Cash Generated from/Used in Financing Activities

During the Track Record Period, our cash flows generated from or used in financing activities primarily include advances from, or repayment to, our related parties, proceeds from or repayments of borrowings and payments for lease contracts.

In 2020, we had net cash flows used in financing activities of RMB1,253.6 million, which was primarily attributable to (i) the repayment of borrowings of RMB981.0 million, (ii) a decrease in amounts due to related parties of RMB216.7 million, and (iii) the payments for lease contracts of RMB68.4 million, partially offset by the increase in amounts due to related parties of RMB96.3 million.

In 2019, we had net cash flows used in financing activities of RMB37.9 million, which was primarily attributable to (i) the repayment of borrowings of RMB99.0 million, and (ii) the payments for lease contracts of RMB73.3 million, partially offset by the increase in amounts due to related parties of RMB241.7 million.

In 2018, we had net cash flow from financing activities of RMB1,065.4 million, which was primarily attributable to (i) the proceeds from borrowings of RMB1,150.0 million, and (ii) the increase in amounts due to related parties of RMB116.1 million, partially offset by (i) the repayment of borrowings of RMB70.0 million, and (ii) the payments for lease contracts of RMB68.5 million.

CAPITAL COMMITMENTS

We did not have any material capital commitment as of December 31, 2018, 2019 and 2020, respectively.

CAPITAL EXPENDITURE

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 following table sets forth the components of our capital expenditure for the years indicated:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	12,375	20,438	14,111
Intangible assets	2,080	2,877	960
Total	**14,455**	**23,315**	**15,071**

We estimate the capital expenditures for the year ending December 31, 2021 will be approximately RMB58.7 million. These capital expenditures will be financed by proceeds from the Global Offering and working capital generated from our operating activities. For details, see "Future Plans and Use of Proceeds".

Although these are our current estimates with respect to our capital expenditures, such estimates may be subject to changes as a result of changes in circumstances and the actual amount of expenditures may vary from the estimated amount of expenditures for a variety of reasons, including changes in market conditions, competitions and other factors. As we continue to expand our business, we may incur additional capital expenditures. Our ability to obtain additional funding for our future capital expenditures is subject to various uncertainties, including our future results of operation, financial positions and cash flow, as well as economic, politics and other conditions in the PRC and Hong Kong.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liabilities, guarantees or any other litigations or claims of material importance, pending or threatened against us that is likely to have a material and adverse effect on our business, financial condition or results of operations.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet commitments or arrangements.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had the following significant transactions with related parties.

Provision of services

For the years ended December 31, 2018, 2019 and 2020, we had provided services, namely, non-commercial property management and value-added services and commercial property management and operational services, to related parties, in an aggregate amount of RMB188.3 million, RMB275.6 million, and RMB448.7 million, respectively.

Purchase of goods and services

For the years ended December 31, 2018, 2019 and 2020, we purchased goods and services from related parties amounted to RMB20.5 million, RMB23.6 million and RMB24.8 million, respectively.

Addition of right-of-use assets

For the years ended December 31, 2018, 2019 and 2020, we recorded lease of right-of-use assets from related parties in the amount of RMB58.1 million, RMB24.4 million and RMB5.7 million, respectively. These are primarily related to long-term leases of car parks and office buildings.

Rental expenses

For the years ended December 31, 2018, 2019 and 2020, we incurred rental expenses to related parties amounted to RMB19.4 million, RMB22.3 million and RMB23.2 million, respectively. Such leases are mainly short-term leases of car parks.

Interest expense on loans from a related party and interest income on loans to related parties

For the years ended December 31, 2018, 2019 and 2020, we recorded interest expense on loans from a related party in the amount of nil, RMB0.2 million and RMB0.6 million. Our loan from a related party represented a loan facility obtained by YX APT Parking, one of our subsidiaries, from Yuexiu Property (HK) Company Limited, a related party of us, in July 2019 at a principal amount of HK$17.3 million. We fully repaid such loan in March 2021. For details, see "— Indebtedness".

We entered into an entrusted loan agreement in April 2018 to borrow a loan of RMB1,150.0 million from a bank, the proceeds of which were subsequently advanced to the related parties for their cash needs in daily business operations. Other than the aforesaid loans to related parties, we did not provide any other loans to our related parties during the Track Record Period. Our interest income generated from such loans to related parties was RMB39.2 million, RMB61.0 million and RMB26.1 million for the years ended December 31, 2018, 2019 and 2020, respectively, which were non-recurring in nature, and such loans have been settled in June 2020. For related risks of extending loans to our related parties, please see the section headed "Risk Factors — Risks Relating to Our Business and Industry — We recorded interest income from loans due from our related parties during the Track Record Period, which was non-recurring in nature" and "Risk Factors — Risks Relating to Our Business and Industry — We may be subject to penalties from the PBOC or adverse judicial rulings as a result of extending loans to our related parties during the Track Record Period". We are not planning to enter into similar arrangements going forward.

Balances with Related Parties

The following table sets forth the breakdown of our balances with related parties as of the dates indicated:

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from related parties			
Trade receivables	73,294	100,115	383,350
Other receivables – trade	57,212	76,410	90,856
Other receivables – non-trade	1,512,534	1,543,929	177,028
Prepayments – trade	400	400	55
Bank deposits – trade	1,312	2,693	11,786
	1,644,752	**1,723,547**	**633,075**
Amounts due to related parties			
Trade payables	5,426	5,876	8,760
Other payables – trade	36,826	54,246	97,027
Other payables – non-trade	416,812	623,586	217,452
Contract liabilities – trade	16,824	17,535	13,656
Lease liabilities – trade	73,891	69,223	41,751
	549,779	**770,466**	**378,646**

It is the view of our Directors that our transactions with related parties during the Track Record Period were conducted on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our historical results or make our historical results not reflective of our future performance. All non-trade balances due to and from the related parties are expected to be settled before the Listing. For details of our related party transactions, see note 29(a) to the Accountant's Report in Appendix I to this Prospectus.

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,		
	2018	2019	2020
Return on total assets(1)	2.6%	3.3%	7.6%
Return on equity(2)	28.9%	41.2%	39.6%
Current ratio(3)	1.7	1.6	1.2
Liabilities to assets ratio(4)	0.9	0.9	0.7
Gross profit margin	25.9%	27.2%	34.5%
Net profit margin	6.2%	10.4%	17.4%

Notes:

(1) Return on assets is calculated based on our profit for the years divided by our average total assets as of the beginning and the end of the corresponding years and multiplied by 100%.

(2) Return on equity is calculated based on our profit for the years divided by our average total equity as of the beginning and the end of the corresponding years and multiplied by 100%.

(3) Current ratio is calculated based on our total current assets as of the end of the relevant years divided by our total current liabilities as of the end of the corresponding years.

(4) Liabilities to assets ratio is calculated based on our total liabilities as of the end of the relevant years divided by our total assets as of the end of the corresponding years.

Return on Total Assets

Our return on total assets increased from 2.6% as of December 31, 2018 to 3.3% as of December 31, 2019, and further to 7.6% as of December 31, 2020, mainly due to the expansion of our business scale and the continuous increase of our profitability during our Track Record Period.

Return on Equity

Our return on equity increased from 28.9% in 2018 to 41.2% in 2019, mainly due to our improved profitability during our Track Record Period. Our return on equity decreased from 41.2% in 2019 to 39.6% in 2020, mainly due to the increase in our net assets attributable to our Reorganization and the increase in our non-controlling interests as a result of our acquisition of GZMEE and GZMPM in November 2020.

Current Ratio

Our current ratio remained relatively stable at 1.7 and 1.6 as of December 31, 2018 and 2019, respectively. Our current ratio decreased from 1.6 as of December 31, 2019 to 1.2 as of December 31, 2020, primarily due to the decrease in our trade and other receivables and prepayments as a results of the settlement of a loan due from a related party in June 2020.

Liabilities to Assets Ratio

Our liabilities to assets ratio remained relatively stable as of December 31, 2018, and 2019. Our liabilities to assets ratio slightly decreased from 0.9 as of December 31, 2019 to 0.7 as of December 31, 2020, mainly because the decrease in our total liabilities is far more than the decrease in our total assets in 2020. Both of our total assets and total liabilities decreased in 2020, primarily attributable to our collection of loans from related parties and repayment of an entrusted bank loan, whereas our intangible assets increased as a result of our acquisitions of GZMEE and GZMPM in November 2020.

Gross Profit Margin

Our gross profit margin increased during the Track Record Period, primarily reflecting (i) the increase in our business scale and the implementation of our effective cost control measures (such as better staff deployment, using automated infrastructure and intelligent equipment and centralized procurement of subcontracting services), and (ii) the increased revenue contribution from the provision of value-added services with a relatively higher gross profit margin during the Track Record Period. For further details regarding the change in our gross profit margin during the Track Record Period, see "— Results of Operations — Gross Profit and Gross Profit Margin".

Net Profit Margin

Our net profit margin increased during the Track Record Period, primarily due to improved profitability for the reasons discussed under "— Key Financial Ratios — Gross Profit Margin" above in this section.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISKS

We are exposed to various types of financial risks in the ordinary course of business, including market risks (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. Our overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. For details regarding our management on financial risks, see note 3 to the Accountant's Report in Appendix I to this Prospectus.

Market Risk

Foreign Exchange Risk

Our normal operating activities are principally conducted in RMB since most of our operating entities are based in the PRC. The foreign exchange risk mainly arises from monetary assets and liabilities of certain subsidiaries denominated in foreign currencies other than their functional currencies. Our Directors consider that the foreign exchange risk is not significant to our Group as the balances of foreign currency denominated monetary assets and liabilities were immaterial as of each period end of the Track Record Period.

Cash Flow and Fair Value Interest Rate Risk

Our exposure to changes in interest rates is mainly attributable to its borrowings at fixed rate which expose us to fair value interest rate risk. Borrowings at variable rates expose us to cash flow interest rate risk. We closely monitor trend of interest rate and its impact on our interest rate risk exposure. As of December 31, 2018, 2019 and 2020, our borrowings are all fixed interest rate borrowings. The impact of the changes in interest rate is not expected to be material.

Price Risk

We are exposed to equity securities price risk in our financial assets at FVOCI. We are not exposed to commodity price risk. To manage our price risk arising from investments in equity securities, we diversify our portfolio. Diversification of the portfolio is done in accordance with the limits set by us.

The financial assets at FVOCI are mainly unlisted equity instruments in the PRC. If the fair value of these equity investments increased or decreased by 10%, our equity would have been increased or decreased by approximately RMB2.9 million, RMB3.5 million and RMB3.4 million as of December 31, 2018, 2019 and 2020, respectively.

Credit Risk

We are exposed to credit risk in relation to our trade and other receivables and cash deposits at banks. The carrying amounts of trade and other receivables, cash and cash equivalents, restricted cash represent our maximum exposure to credit risk in relation to financial assets.

To manage this risks, cash deposits at banks are placed with highly reputable financial institution. Our management does not expect that there will be any significant losses from non-performance by these counterparties.

For trade and other receivables, our management has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, our management reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, our Directors consider that our credit risk is significantly reduced.

Liquidity Risk

We ensure that we maintain sufficient cash and credit lines to meet our liquidity requirements. Our management monitors rolling forecasts of our liquidity reserve which comprises undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. Our policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and longer term.

DIVIDENDS AND DISTRIBUTABLE RESERVES

No dividends have been paid by our Company since our incorporation. Certain companies now comprising our Group had provided for or paid dividends of RMB14.0 million and RMB45.9 million to their then shareholders in 2019 and 2020, respectively. We intend to adopt, after the Listing, a general dividend policy of declaring and paying dividends on an annual basis of no less than 30% of our distributable net profit attributable to our Shareholders in the future but subject to, among other things, our future operation and earnings, capital requirements and surplus, financial condition, working capital requirements and other factors our Board may deem relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Any future declarations of dividend may or may not reflect our historical declaration of dividends and will be at the discretion of our Board.

As of December 31, 2020, our Company had distributable reserves of RMB400.0 million.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For details of our unaudited pro forma adjusted consolidated net tangible assets, see Appendix II to this Prospectus.

LISTING EXPENSES

The total estimated listing expenses in connection with the Global Offering, including underwriting commission, is approximately RMB75.4 million (based on the mid-point of the indicative Offer Price range of HK$5.70 per Share and assuming no Over-allotment Option will be exercised), representing approximately 4.3% of the gross proceeds from the Global Offering (assuming an Offer Price of HK$5.70, being the mid-point of the indicative Offer Price range and before the exercise of the Over-allotment Option), of which (i) approximately RMB5.9 million has been charged to our consolidated statements of profit or loss for the year ended December 31, 2020, (ii) approximately RMB24.6 million is expected to be charged to our consolidated statements of profit or loss for the year ending December 31, 2021; and (iii) approximately RMB44.9 million is expected to be accounted for as a deduction from equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect that our listing expenses will have a material adverse impact on our financial performance for the year ending December 31, 2021.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this Prospectus, there has been no material adverse change in our financial and trading position or prospects since December 31, 2020, and there is no event since December 31, 2020 which would materially affect the information shown in the Accountant's Report, the text of which is set out in Appendix I to this Prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

Please see "Business — Business Strategies" for detailed descriptions of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$5.70 per Offer Share (being the mid-point of the Offer Price range stated in this Prospectus), will be approximately HK$2,015.8 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

Assuming the Offer Price is fixed at HK$5.70 per Offer Share (being the mid-point of the Offer Price range stated in this Prospectus), we intend to use the net proceeds of the Global Offering for the following purposes.

- Approximately 60% or HK$1,209.5 million, will be used to fund strategic acquisitions and investments and further develop strategic alliances, expand our business scale, strengthen our geographic presence and increase our business penetration in residential property management services market, public property management services market and commercial property management and operational services market, among which, (i) approximately 50% or HK$1,007.9 million will be used to acquire or invest in providers of residential, public or commercial property management services in order to achieve quality business growth and diversify our property management service portfolio; and (ii) approximately 10% or HK$201.6 million will be used to acquire companies providing property management related services, such as security, cleaning, gardening and maintenance services, to optimize our business mix and enhance the value we deliver to our customers.

  As of the Latest Practicable Date, we had not identified any acquisition or investment targets for our use of net proceeds from the Global Offering. We intend to acquire majority interests in potential acquisition or investment targets. Our selection of these targets comprehends a wide variety of considerations. As a minimum requirement, we would expect that during the past three years immediately preceding our evaluation process, each of them had recorded (i) an average net profit margin of no less than 7%; (ii) a CAGR of 5% in terms of revenue; and (iii) a CAGR of 5% in terms of net profit. According to CIA, though approximately 80% of the 2020 Top 100 Property Management Companies were owned by or associated with property development companies, there were approximately 0.13 million property management companies with a total market size of approximately 23.9 billion sq.m. of GFA under management in the PRC as of December 31, 2019, as compared to around 90,000 property developers in the PRC. Thus, most property management companies are not affiliated with property developers. As advised by CIA, as of the Latest Practicable Date, there were approximately 70 residential and public property management service providers in the market neither owned by nor associated with a property developer, which met our criteria of having an average net profit margin of no less than 7% in the past three years and a total GFA of no less than one million sq.m. under management. In addition, as of the Latest Practicable Date, there were approximately 60 commercial property management service providers in the market neither owned by nor associated with a property developer, which met our criteria of having an average net profit margin of no less than 7% in the past three years and a minimum of five commercial properties under management or a total GFA of no less than 200,000 sq.m. under management. Other important aspects of our selection criteria include the following:

(i) in respect of providers of residential and public property management services, we would prefer those targets that meet all or part of our criteria which mainly include, among others, (a) an experienced management team with solid capability in operating residential and/or public property management projects; (b) a portfolio of properties primarily comprising residential properties and/or public premises; (c) a total GFA of no less than 1,000,000 sq.m. under management; (d) an established financial management system; (e) a consistently sound track record of operating and financial results and legal compliance; (f) presence primarily in first-tier, new first-tier and second-tier cities in the Greater Bay Area, East China, Central China and other regions as earmarked in our strategic business expansion plan, which we believe generally feature strong economic fundamentals and steadily growing high- and middle-income groups; and (g) specialization in managing and operating "TOD +" properties, with a potential in sharpening the competitive edge of the joint operation between GZ Metro and us in the transit-oriented integrated property management services sector;

(ii) in respect of commercial property management service providers, we would prefer those targets that meet all or part of our criteria which mainly include, among others: (a) an experienced management team with solid capability in operating commercial property management projects; (b) a portfolio of properties primarily comprising commercial properties such as office buildings, shopping malls, service apartments and wholesale markets; (c) a minimum of five commercial properties under management or a total GFA of no less than 200,000 sq.m. under management; (d) a consistently sound track record of operating and financial results and legal compliance, with a considerable potential in contributing to our future growth; and (e) presence primarily in first-tier, new first-tier and second-tier cities in the Greater Bay Area, East China, Central China and other regions as earmarked in our strategic business expansion plan, which we believe generally feature strong economic fundamentals and steadily growing high- and middle-income groups; and

(iii) in respect of companies providing property management related services, we would prefer those targets that meet all or part of our criteria which mainly include, among others: (a) strong service capability in multiple first-tier, new first-tier and second-tier cities in the Greater Bay Area, East China, Central China and other regions as earmarked in our strategic business expansion plan; (b) a consistently sound track record of operating and financial results and legal compliance; (c) a highly regarded brand with proven expertise in providing quality property management related services and a competent management team which thoroughly understand the need of property management companies. We are looking for acquisition and investment opportunities along the property management value chain, such as companies providing community commerce, community education and/or other value-added services, in order to create synergies with our business development and enhance our service capability.

We intend to carry out the following implementation plan for our strategic investments and acquisitions during the period from the Latest Practicable Date to December 31, 2023, which has been drawn up in accordance with our management's judgments based on current economic status.

(i) **From the Latest Practicable Date to December 31, 2021**. We intend to use 18% of the net proceeds from the Global Offering for our strategic investment and acquisitions of one to two residential, public or commercial property management service provider(s) with service offerings similar to ours.

(ii) **Year ending December 31, 2022**. We intend to use 30% of the net proceeds from the Global Offering for our strategic investment and acquisitions of (i) one to three residential, public or commercial property management service provider(s) with service offerings similar to ours; and (ii) one company that offers property management-related services, such as community omnichannel retail services, community education services or other value-added services.

(iii) **Year ending December 31, 2023**. We intend to use 12% of the net proceeds from the Global Offering for our strategic investment and acquisitions of one to two residential, public or commercial property management service provider(s) with service offerings similar to ours.

In addition to the net proceeds of the Global Offering, we will fund our strategic investment and acquisitions through our cash generated from operating activities and available cash when necessary.

- Approximately 15% or HK$302.4 million, will be used to finance further development of our value-added services with a view to diversifying our service mix and enhancing our profitability. In particular, we plan to allocate:

  (i) approximately 8%, or HK$161.3 million, to further developing our "Living Fun" community commerce brand and expanding, among other things, community omnichannel retail services, community education services and preliminary planning and design consultancy services, to accommodate the diverse needs of property owners, residents and property developers, grow our customer base, enhance our reputation and reinforce the competitiveness of our service offerings;

  (ii) approximately 4%, or HK$80.6 million, to establishing decoration and home furnishing demonstration centers in first-tier and new first-tier cities, developing our one-stop decoration, turnkey and move-in furnishing solutions, and promoting community renewal and renovation services in the residential properties under our management; and

  (iii) approximately 3%, or HK$60.5 million, to further enriching value-added services, including decoration services, advertising services, logistics support services and membership services, which we render to our tenants as an integral part of our commercial property management and operational services.

- Approximately 15% or HK$302.4 million, will be used to develop information technology systems and smart communities. In particular, we plan to allocate:

  (i) approximately 10%, or HK$201.6 million, to upgrading software and hardware of our non-commercial and commercial properties, which we use to deliver intelligent technology solutions that strengthen our information infrastructure and enhance customer experience, funding our research and development of comprehensive smart technology solutions, and iterating our multifunctional business operation system, in order to achieve scalable growth, improve management efficiency and reduce operating costs; and

  (ii) approximately 5%, or HK$100.8 million, to financing strategic investments in companies providing technology solutions in commercial operation, property management and urban management scenarios, and establishing cooperative relationships with universities in setting up research centers and laboratories to promote the application of innovative technologies in real estate development and urban planning, in an effort to accelerate our business expansion across property types.

Set forth below is a breakdown of estimated costs of each type of intelligent systems and solutions we intend to purchase or upgrade with our net proceeds from the Global Offering.

Investment projects	**Estimated costs**	**Percentage of net proceeds**
	(HK$ in millions)	%
Upgrading hardware used for smart communities, including that for video surveillance, visitor management, carpark security, elevator control and fire safety management	80.6	4.0
Further developing our intelligent platform for digitalized operation and management	40.3	2.0
Further developing our customer relationship management ("**CRM**") platform, which comprises our current CRM system and the "Enjoy Club" mobile application	40.3	2.0
Upgrading our information technology infrastructure platform, such as cloud computing service, edge computing server and IoT platform	20.2	1.0
Upgrading facilities used for smart communities, including EBA system and facilities management ("**FM**") system	20.2	1.0
Total	201.6	10.0

We intend to carry out the following implementation plan concerning the portion of net proceeds from the Global Offering allocated to the development of information technology systems and smart communities during the period from the Latest Practicable Date to December 31, 2023, which has been drawn up in accordance with our management's judgments based on current economic status.

(i) **From the Latest Practicable Date to December 31, 2021**. We intend to use 3% of the net proceeds from the Global Offering to develop our information technology systems and smart communities and achieve the following the milestones: launching three new smart community projects equipped with intelligent operation and management platform; completing the upgrade of our centralized management and control center ("**CMCC**") to version 2.0 and extending the coverage of CMCC to all property management projects; integrating our enterprise resource planning ("**ERP**") system and finance system under one platform to achieve automated financial management; extending the coverage of our carpark management system to 85% of our property management projects under management with our carpark management system; upgrading the "Enjoy Club" mobile application to version 5.0 ; further upgrading our CRM system; and completing the upgrade of at least 50% projects under our management into smart communities.

(ii) **Year ending December 31, 2022**. We intend to use 4% of the net proceeds from the Global Offering to develop our information technology systems and smart communities and achieve the following the milestones: launching three new smart community projects equipped with intelligent operation and management platform; extending the coverage of our carpark management system to 95% of our property management projects; completing the upgrade of our ERP platform; launching the customer service optimization project for the "Enjoy Club" mobile application; upgrading our smart building management platform to version 2.5; launching our CRM system specifically designed for our commercial property management and operational services; and completing the upgrade of at least 70% projects under our management into smart communities.

(iii) **Year ending December 31, 2023**. We intend to use 3% of the net proceeds from the Global Offering to develop our information technology systems and smart communities and achieve the following the milestones: launching four new smart community projects equipped with intelligent operation and management platform; covering all of our projects under management with our carpark management system; launching our comprehensive property management service platform; launching "Yue Butler (悦管家)" mobile application; launching our brand new call center specifically designed for the rendering of property management services, which seamlessly connects with our intelligent operation and management system; and completing the upgrade of at least 90% of projects under our management into smart communities.

- Approximately 10% or HK$201.6 million, will be used to replenish our working capital and for general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated offer price range or the Over-allotment Option is exercised.

If the Offer Price is fixed at HK$6.52 per Offer Share (being the high end of the Offer Price range stated in this Prospectus) and assuming the Over-allotment Option is not exercised, we will receive net proceeds of approximately HK$2,312.2 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

If the Offer Price is fixed at HK$4.88 per Offer Share (being the low end of the Offer Price range stated in this Prospectus) and assuming the Over-allotment Option is not exercised, the net proceeds we receive will be approximately HK$1,719.4 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds from the offering of these additional Shares will be approximately HK$309.1 million, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming an Offer Price of HK$5.70 per Share, being the mid-point of the indicative Offer Price range.

To the extent that the net proceeds are not immediately applied to the above purposes or if we are unable to effect any part of our future development plans as envisaged, we intend to hold such funds in short-term demand deposits with licensed banks in Hong Kong and/or the PRC for so long as it is deemed to be in the interests of the Company and the Shareholders as a whole. See "Risk Factors — Risks Relating to the Spin-off and the Global Offering — Our management has significant discretion as to how to use the net proceeds received by our Company from the Global Offering, and you may not necessarily agree on how we use them". We will comply with the applicable disclosure requirements under the Listing Rules for any adjustments to the use of the net proceeds.

HONG KONG UNDERWRITERS

ABCI Securities Company Limited
China Securities (International) Corporate Finance Company Limited
CCB International Capital Limited
Yue Xiu Securities Company Limited
BOCOM International Securities Limited
BOCI Asia Limited
Chong Hing Securities Limited
China International Capital Corporation Hong Kong Securities Limited
CLSA Limited
CMBC Securities Company Limited
Haitong International Securities Company Limited
ICBC International Securities Limited
Futu Securities International (Hong Kong) Limited
Livermore Holdings Limited

UNDERWRITING

This Prospectus is published solely in connection with the Hong Kong Public Offering and the Preferential 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. If, for any reason, the Offer Price is not agreed between the Joint Representative (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 36,966,000 Hong Kong Offer Shares and the International Offering of initially 332,694,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" as well as to 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, the Company is initially offering the Hong Kong Offer Shares for subscription by the public in Hong Kong on the terms and conditions set forth 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, the Shares in issue and to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set forth in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers to subscribe for, or failing which to subscribe for themselves, their respective applicable proportions of the Hong Kong Offer Shares which are being offered but not taken up under the Hong Kong Public Offering on the terms and conditions set forth in this Prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, 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) may, in their sole and absolute discretion and upon giving notice in writing to the Company (or, in the case of sub-paragraph (ii)(f) only, after consultation with 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:

(i) there develops, occurs, exists or comes into force:

(a) any new law or regulation or any change or development involving a prospective change in existing law or regulation, 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 Hong Kong, the PRC, the BVI, the United States, the United Kingdom, or the European Union (each a "**Relevant Jurisdiction**"); or

(b) 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, currency market, fiscal or regulatory or market conditions or any monetary or trading settlement system (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a change of the Hong Kong dollars or of the Renminbi against any foreign currencies) in or affecting any Relevant Jurisdiction; or

(c) any event or series of events in the nature of force majeure (including, without limitation, acts of government, labour disputes, strikes, lock-outs, fire, explosion, earthquake, flooding, tsunami, civil commotion, riots, public disorder, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, accident or interruption in transportation, destruction of power plant, outbreak of diseases, epidemics or pandemics including, but not limited to, COVID-19, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9, Ebola virus, Middle East respiratory syndrome (MERS) (excluding such outbreak of diseases, epidemics or pandemics subsisting as of the date of the Hong Kong Underwriting Agreement), economic sanction, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in whatever form) in or directly or indirectly affecting any Relevant Jurisdiction; or

(d) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities of generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or

(e) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent governmental authority), New York (imposed at Federal or New York State level or other competent governmental authority), London, the PRC or any Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or

(f) any change or prospective change in taxation, exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a change of the Hong Kong dollars or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollars is linked to that of the United States dollars or RMB is linked to any foreign currency or currencies) in any Relevant Jurisdiction adversely affecting an investment in the Shares; or

(g) except as otherwise approved by the Joint Sponsors and/or the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters), the issue or requirement to issue by the Company of a supplemental or amendment to the Prospectus, Application Forms, or the Offering Circular or other documents issued in connection with the offer and sale of the Shares pursuant to the Companies Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange or the SFC; or

(h) any change or development involving a prospective change which has the effect of materialisation of any of the risks set out in the section headed "Risk Factors" in the Prospectus; or

(i) any material litigation or claim being threatened or instigated against any member of the Group ("Group Company") or any Director; or

(j) any contravention by any Group Company or any Director of any applicable Laws ; or

(k) any of the executive Directors, the chairman or the chief executive officer of the Company vacating his office; or

(l) a governmental authority or a regulatory body or organisation in any Relevant Jurisdiction commencing any investigation or other action or proceedings, or announcing an intention to investigate or take other action or proceedings, against any Group Company or any Director; or

(m) any of the Directors (other than the independent non-executive Directors) or the chairman, or chief executive officer 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 the commencement by any governmental, political, regulatory body of any action against any Director (other than the independent non-executive Directors) or any announcement by any governmental, political, regulatory body that it intends to take any such action; or

(n) any material adverse change in the earnings, results of operations, business, financial or trading position, conditions (financial or otherwise) of any Group Company (including any litigation or claim of any third party being instigated against any Group Company); or

(o) any valid demand by creditors for repayment of indebtedness by any Group Company, in respect of which such Group Company is liable prior to its stated maturity; or

(p) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

(q) a prohibition on the Company for whatever reason from allotting, issuing or selling the Offer Shares (including the Over-allotment Option Shares) pursuant to the terms of the Global Offering; or

(r) non-compliance of the Prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law; or

(s) the imposition of sanctions, in whatever form, directly or indirectly, by any government authority of the Relevant Jurisdiction on the Company or 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 or will have a material adverse effect on the assets, liabilities, business, management, profit, losses, results of operations, position or condition (financial or otherwise), or of the Group as a whole; or

(B) has or will have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or

(C) has made or will make it impracticable or incapable to proceed with the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by the Prospectus, the Application Forms, or the Offering Circular; or

(D) has or will have the effect of making a 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

(ii) there has come to the notice of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters):

(a) that any statement contained in the offering documents was or has become untrue, incorrect or misleading in any material respect or any forecast, estimate, expression of opinion, intention or expectation contained therein is not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or

(b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the offering documents, constitutes a material omission therefrom; or

(c) any event, act or omission which gives or is likely to give rise to any liability of the Company, GCD China and Yuexiu Property pursuant to clause 9 of the Hong Kong Underwriting Agreement; or

(d) any breach of any of the material obligations of any of the Company, GCD China or Yuexiu Property under the Hong Kong Underwriting Agreement; or

(e) any breach of the warranties; or

(f) a material portion of the orders placed or confirmed in the book-building process or the investment commitments by any cornerstone investor(s) after signing of the relevant cornerstone investment agreement(s) have been withdrawn, terminated or cancelled; or

(g) any expert, whose consent is required for the issue of the Prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its respective consent (other than the Joint Sponsors) prior to the issue of the Prospectus; or

(h) any material adverse change in the assets, business, general affairs, management, profits, losses, results of operations, in the position or condition (financial or otherwise) or prospects of the Group as a whole; or

(i) admission is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the Admission is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(j) the Company has withdrawn the offering documents (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not exercise its power to issue any further Shares or securities convertible into equity securities of the Company (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 Shares or securities will be completed within six months from the Listing Date), except pursuant to (a) the Global Offering (including the Over-allotment Option); or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by GCD China and Yuexiu Property

Pursuant to Rule 10.07 of the Listing Rules, each of GCD China and Yuexiu Property has undertaken to the Stock Exchange and the Company that, except pursuant to (a) the Global Offering (including the Over-allotment Option); or (b) the Stock Borrowing Agreement which may be entered into by it pursuant to the Global Offering and arrangements relating thereto, it will not and will procure that the relevant registered holder(s) will not:

(i) in the period commencing on the date by reference to which disclosure of its shareholdings in the Company is made in this Prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of the Company in respect of which it is shown by this Prospectus to be the beneficial owner; and

(ii) at any time during the period of six months commencing on the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities referred to in paragraph (i) 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 the Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of GCD China and Yuexiu Property has undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of its shareholdings in the Company is made in this Prospectus and ending on the date which is 12 months from the Listing Date, it will and will procure that the relevant registered holder(s) will:

(i) when it pledges or charges any of the Shares or securities of the Company beneficially owned by it directly or indirectly 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 the Company of such pledge or charge together with the number of securities so pledged or charged; and

(ii) when it receives indications, either verbal or written, from the pledgee or chargee of any securities that any of the pledged or charged securities will be disposed of, immediately inform the Company of such indications.

The Company will inform the Stock Exchange as soon as it has been informed of the matters referred to in paragraphs (i) and (ii) above (if any) by any of GCD China and Yuexiu Property and subject to the then applicable requirements of the Listing Rules disclose such matters by way of an announcement.

Undertakings to the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

The Company has undertaken to each of the Joint Sponsors, the Joint Representatives, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering, the exercise of the Over-allotment Option, or the issue of Shares otherwise permitted under the Listing Rules (including but not limited to Rule 10.08 of the Listing Rules) and provided that the below restrictions shall not apply to any pledge or charge of Shares of any of GCD China and Yuexiu Property in favour of any authorized institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, at any time after the date of this Agreement up to and including the date falling six months after the Listing Date (the "**First Six-Month Period**"), it will not, without the prior written consent of the Joint Sponsors and the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) and unless 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, assign, 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 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 the share capital or any other equity securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represents the right to receive, or any warrants or other rights to purchase any share capital or other equity securities of the Company, as applicable), or deposit any share capital or other equity securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other equity securities of the Company, or any interest in any of the foregoing (including, without limitation, any equity 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); or

(c) enter into any transaction with the same economic effect as any transaction described in sub-paragraph (a) or (b) above; or

(d) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other equity securities, in cash or otherwise (whether or not the issue of such share capital or other equity securities will be completed within the First Six Month Period). The Company further agrees that, in the event the Company is allowed to enter into any of the transactions described in sub-paragraphs (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the "Second Six Month Period"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any Shares or other securities of the Company.

Undertakings by GCD China and Yuexiu Property

Each of GCD China and Yuexiu Property has undertaken to each of the Joint Sponsors, the Joint Representatives, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules (other than any pledge or charge of the Shares after consummation of the Global Offering in favour of an authorized institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan in compliance with Note 2 to Rule 10.07 of the Listing Rules, it will not:

(a) at any time during the First Six-Month Period, (i) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any Shares or any other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exercisable or exchangeable 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); or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of such Shares or equity securities of the Company or any interest in any of the foregoing (including, without limitation, 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); or (iii) enter into any transaction with the same economic effect as any transaction specified in sub-paragraph (a)(i) or sub-paragraph (a)(ii) above; or (iv) offer to or agree to or announce any intention to effect any transaction specified in sub-paragraph (a)(i), sub-paragraph (a)(ii) or sub-paragraph (a)(iii) above, in each case, whether any of the transaction specified in sub-paragraph (a)(i), sub-paragraph (a)(ii) or sub-paragraph (a)(iii) above is to be settled by delivery of Shares or such other equity securities of the Company, in cash or otherwise (whether or not the issue of Shares or other equity securities will be completed within the First Six-Month Period); and

(b) at any time during the Second Six-Month Period, enter into any of the transactions specified in sub-paragraph (a)(i), sub-paragraph (a)(ii) or sub-paragraph (a)(iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following such transaction or action, it will cease to be a "controlling shareholder" (as defined in the Listing Rules) of the Company; and

(c) until the expiry of the Second Six-Month Period, in the event that it enters into any of the transactions specified in sub-paragraph (a)(i), sub-paragraph (a)(ii) or sub-paragraph (a)(iii) above or offers to or agrees to or announce any intention to effect any such transaction, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

Hong Kong Underwriters' Interests in the 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 was 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 the 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, the Company expects to enter into the International Underwriting Agreement with, among others, GCD China, Yuexiu Property and the International Underwriters on or around the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set forth therein, agree severally but not jointly to procure purchasers to purchase, or failing which to purchase themselves, 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. For further details, see the section headed "Structure of the Global Offering — The International Offering."

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Representatives on behalf of the International Underwriters at any time and from time to time on or before the expiration of the period of thirty (30) calendar days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue and allot up to an aggregate of 55,449,000

Shares, representing not more than 15% of the Offer Shares, at the Offer Price, to, among other things, cover over-allocations in the International Offering, if any. See "Structure of the Global Offering — Over-allotment Option."

Commissions and Expenses

The Underwriters will receive an underwriting commission of 1.7% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions and other fees.

The Joint Global Coordinators may receive a discretionary incentive fee of up to 0.5% of the aggregate Offer Price of all the Offer Shares to be issued by the Company under the Global Offering (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

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 and fees together with the Stock Exchange listing fees, the SFC 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 RMB75.4 million (equivalent to approximately HK$91.3 million) (assuming an Offer Price of HK$5.70 per Offer Share (which is the mid-point of the Offer Price range), the full payment of the discretionary incentive fee and before the exercise of the Over-allotment Option) and will be paid by the Company.

Indemnity

The Company, GCD China and Yuexiu Property have agreed to indemnify the Joint Sponsors, the Joint Representatives, the Joint Bookrunners, the Joint Lead Managers 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 the 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 traded 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 the Company and/or persons and entities with relationships with the 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 the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the 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 the 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 the Shares, which may have a negative impact on the trading price of the 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 the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the 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 the 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 the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in "Structure of the Global Offering." Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the 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.

Independence of the Joint Sponsors

Yue Xiu Capital Limited is a subsidiary of YXE, which is a controlling shareholder of our Company, and thus Yue Xiu Capital Limited is a connected person of our Company under the Listing Rules. Further, Yuexiu Property, which is a member of the sponsor group (as defined in Rule 3A.01(9) of the Listing Rules) by virtue of being a subsidiary of YXE (which is in turn the holding company of Yue Xiu Capital Limited), indirectly holds more than 5% of the number of the issued shares of the Company. In view of the above, Yue Xiu Capital Limited is not an independent sponsor according to the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Save as disclosed above, each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as 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.

ABCI Capital Limited, China Securities (International) Corporate Finance Company Limited, CCB International Capital Limited, Yue Xiu Securities Company Limited and BOCOM International Securities Limited are the Joint Global Coordinators of the Global Offering.

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this Prospectus.

369,660,000 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 36,966,000 Shares (subject to reallocation) in Hong Kong as described in "— The Hong Kong Public Offering" below; and

(b) the International Offering of initially 332,694,000 Shares (subject to reallocation and the Over-allotment Option) outside the Unites 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.

Of the 332,694,000 Offer Shares initially being offered under the International Offering, 36,951,000 Offer Shares will be offered under the Preferential Offering to the Qualifying Yuexiu Shareholders as an Assured Entitlement as described in "— The Preferential Offering" 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 (except that the Qualifying Yuexiu Shareholders who are eligible to apply for the Reserved Shares in the Preferential Offering may also either (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering, if eligible; or (ii) indicate an interest for International Offer Shares under the International Offering, if qualified to do so).

The Offer Shares will represent approximately 25.0% of the total Shares in issue immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 27.7% of the total Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

We are initially offering 36,966,000 Hong Kong Offer Shares, representing 10% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong. Subject to the reallocation of Offer Shares between (i) the International Offering and (ii) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 2.5% of our Company's enlarged issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is 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 and 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.

Completion of the Hong Kong Public Offering is subject to the conditions as set out below in the section headed "— Conditions of the Hong Kong Public Offering."

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 would 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 and pool B. 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, the SFC 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, the SFC 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 and any application for more than 18,483,000 Hong Kong Offer Shares are 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.

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 110,898,000 Offer Shares (in the case of (a)), 147,864,000 Offer Shares (in the case of (b)) and 184,830,000 Offer Shares (in the case of (c)), representing 30%, 40% and 50% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of 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. In accordance with Guidance Letter HKEx-GL91-18 issued by the Stock Exchange, if such reallocation is done in the circumstance other than pursuant to the clawback mechanism above, the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation shall be not more than 73,932,000 Offer Shares (representing 20% of the total number of Offer Shares initially available under the Global Offering), and the final Offer Price shall be fixed at the low-end of the indicative Offer Price range (i.e., HK$4.88 per Offer Share) stated in this Prospectus.

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.

The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Joint Representatives.

The Reserved Shares which are offered under the Preferential Offering to Qualifying Yuexiu Shareholders out of the Offer Shares being offered under the International Offering will not be subject to reallocation between the Hong Kong Public Offering and the International Offering.

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$6.52 per Offer Share in addition to the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in "— Pricing and Allocation" below, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set forth in "How to Apply for Hong Kong Offer Shares and Reserved Shares."

THE PREFERENTIAL OFFERING

Basis of the Assured Entitlement

In order to enable the Yuexiu Shareholders to participate in the Global Offering on a preferential basis as to allocation only, subject to the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares on the Main Board and such approval not having been withdrawn and the Global Offering becoming unconditional, Qualifying Yuexiu Shareholders are being invited to apply for an aggregate of 36,951,000 Reserved Shares in the Preferential Offering, representing approximately 11.1% and 10.0% of the Offer Shares initially available under the International Offering and the Global Offering (assuming that the Over-allotment Option is not exercised), respectively, as an Assured Entitlement. The Reserved Shares are being offered out of the International Offer Shares under the International Offering and are not subject to reallocation as described in the section headed "— The Hong Kong Public Offering — Reallocation" above. In the event the Over-allotment Option is exercised, the number of Reserved Shares will not change.

The basis of the Assured Entitlement is one Reserved Share for every 419 Yuexiu Shares held by Qualifying Yuexiu Shareholders as of 4:30 p.m. on the Record Date.

Qualifying Yuexiu Shareholders should note that their Assured Entitlement to the Reserved Shares may not represent a full board lot of 500 Shares. No odd lot matching services will be provided and dealings in odd lots of the Shares may be at a price below the prevailing market price for full board lots.

The Assured Entitlements of Qualifying Yuexiu Shareholders to Reserved Shares are not transferrable. There will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Yuexiu Shareholders who hold less than 419 Yuexiu Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate in the Preferential Offering by applying only for excess Reserved Shares as further described below.

Basis of Allocation for Applications for Reserved Shares

Qualifying Yuexiu Shareholders may apply for a number of Reserved Shares which is greater than, less than or equal to their Assured Entitlement or may apply only for excess Reserved Shares under the Preferential Offering.

A valid application for a number of Reserved Shares which is less than or equal to a Qualifying Yuexiu Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions set forth in the **BLUE** Application Forms or the **HK eIPO Blue Form** service via **www.hkeipo.hk** and assuming the conditions of the Preferential Offering are satisfied.

Where a Qualifying Yuexiu Shareholder applies for a number of Reserved Shares which is greater than the Qualifying Yuexiu Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full, subject as mentioned above, but the excess portion of such application will only be satisfied to the extent that there are sufficient Available Reserved Shares as described below.

Where a Qualifying Yuexiu Shareholder applies for excess Reserved Shares only under the Preferential Offering, such application will only be satisfied to the extent that there are sufficient Available Reserved Shares as described below.

Qualifying Yuexiu Shareholders (other than HKSCC Nominees) who intend to apply for less than their Assured Entitlement using the **BLUE** Application Forms for Assured Entitlement or who intend to apply for excess Reserved Shares using the **BLUE** Application Forms for excess Reserved Shares, should apply for a number which is one of the numbers set forth in the table of numbers and payments in the **BLUE** Application Form and make a payment of the corresponding amount. If the number of Reserved Shares applied for is not one of the numbers set forth in the table, you must calculate the correct amount payable on application by using the formula set forth in the **BLUE** Application Form.

To the extent that excess applications for the Reserved Shares are:

(a) less than the Assured Entitlement not taken up by the Qualifying Yuexiu Shareholders (the "**Available Reserved Shares**"), the Available Reserved Shares will first be allocated to satisfy such excess applications for the Reserved Shares in full and thereafter will be allocated, at the discretion of the Joint Representatives, to the International Offering;

(b) equal to the Available Reserved Shares, the Available Reserved Shares will be allocated to satisfy such excess applications for the Reserved Shares in full; or

(c) more than the Available Reserved Shares, the Available Reserved Shares will be allocated on an allocation basis which will be consistent with the allocation basis commonly used in the case of over-subscriptions in public offerings in Hong Kong, where a higher allocation percentage will be applied in respect of smaller applications. If there are any Shares remaining after satisfying the excess applications, such Shares will be reallocated, at the discretion of the Joint Representatives, to the International Offering. No preference will be given to any excess applications made to top up odd lot holdings to whole lot holdings of Shares.

The Preferential Offering will not be subject to the clawback arrangement between the International Offering and the Hong Kong Public Offering.

Beneficial Yuexiu Shareholders (not being Non-Qualifying Yuexiu Shareholders) whose Yuexiu Shares are held by a nominee company should note that the Company will regard the nominee company as a single Yuexiu Shareholder according to the register of members of Yuexiu Property. Accordingly, such Beneficial Yuexiu Shareholders whose Yuexiu Shares are held by a nominee company should note that the arrangement under paragraph (c) above will not apply to them individually. Any Beneficial Yuexiu Shareholders (not being Non-Qualifying Yuexiu Shareholders) whose Yuexiu Shares are registered in the name of a nominee, trustee or registered holder in any other capacity should make arrangements with such nominee, trustee or registered holder in relation to applications for Reserved Shares under the Preferential Offering. Any such person is advised to consider whether it wishes to arrange for the registration of the relevant Yuexiu Shares in the name of the beneficial owner prior to the Record Date.

Applications by Qualifying Yuexiu Shareholders for Hong Kong Offer Shares

In addition to any application for Reserved Shares made on the **BLUE** Application Form or through the **HK eIPO Blue Form** service, Qualifying Yuexiu Shareholders will be entitled to make one application for Hong Kong Offer Shares on **WHITE** or **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC via CCASS or by applying through the **HK eIPO White Form** service. Qualifying Yuexiu Shareholders will receive no preference as to entitlement or allocation in respect of applications for Hong Kong Offer Shares made on **WHITE** or **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service under the Hong Kong Public Offering.

Qualifying Yuexiu Shareholders and Non-Qualifying Yuexiu Shareholders

Only Yuexiu Shareholders whose names appeared on the register of members of Yuexiu Property on the Record Date and who are not Non-Qualifying Yuexiu Shareholders are entitled to subscribe for the Reserved Shares under the Preferential Offering.

Non-Qualifying Yuexiu Shareholders are those Yuexiu Shareholders with registered addresses in, or who are otherwise known by Yuexiu Property to be residents of, jurisdictions outside Hong Kong on the Record Date, in respect of whom the directors of Yuexiu Property and the Company, based on the enquiries made by them, consider it necessary or expedient to exclude from the Preferential Offering on account either of the legal restrictions under the laws of the relevant jurisdiction in which the relevant Yuexiu Shareholder is resident or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

The directors of Yuexiu Property and the Company have made enquiries regarding the legal restrictions under the applicable securities legislation of the Specified Territories and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Reserved Shares to the Yuexiu Shareholders in the Specified Territories. Having considered the circumstances, the directors of Yuexiu Property and the Company have formed the view that it is necessary or expedient to restrict the ability of Yuexiu Shareholders in the Specified Territories to take up their Assured Entitlement to the Reserved Shares under the Preferential Offering due to the time and costs involved in the registration or filing of this prospectus and/or approval required by the relevant authorities in those territories and/or additional steps which the Company and the Yuexiu Shareholders would need to take to comply with the local legal and/or other requirements which would need to be satisfied in order to comply with the relevant local or regulatory requirements in those territories.

Accordingly, for the purposes of the Preferential Offering, the Non-Qualifying Yuexiu Shareholders are:

(a) Yuexiu Shareholders whose names appeared in the register of members of Yuexiu Property on the Record Date and whose addresses as shown in such register are in any of the Specified Territories; and

(b) Yuexiu Shareholders or Beneficial Yuexiu Shareholders on the Record Date who are otherwise known by Yuexiu Property to be resident in any of the Specified Territories.

Notwithstanding any other provision in this prospectus or the **BLUE** Application Forms, the Company reserves the right to permit any Yuexiu Shareholder to take up his/her/its Assured Entitlement to the Reserved Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions described above.

Beneficial Yuexiu Shareholders who hold Yuexiu Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect

Pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland China-Hong Kong Stock Markets Connect Program (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), CSDCC does not provide services relating to the subscription of newly issued shares. Accordingly, Beneficial Yuexiu Shareholders who hold Yuexiu Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect cannot participate in the Preferential Offering and will not be able to take up their respective Assured Entitlement to the Reserved Shares under the Preferential Offering through the trading mechanism of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Distribution of this Prospectus and the BLUE Application Forms

BLUE Application Forms have been dispatched to all Qualifying Yuexiu Shareholders save for connected persons of the Company who will not participate in the Preferential Offering. In addition, Qualifying Yuexiu Shareholders will receive a copy of this prospectus in the manner in which they have elected, or are deemed to have elected, to receive corporate communications under Yuexiu Property's corporate communications policy. For further details, see the section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares."

Application Procedures

The procedures for application under and the terms and conditions of the Preferential Offering are set forth in the section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares" and on the **BLUE** Application Forms.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an initial offering of 332,694,000 Offer Shares, representing 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The Reserved Shares being offered pursuant to the Preferential Offering are being offered out of the International Offer Shares.

Allocation

The International Offering will include institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States 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 that 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 Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Company 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 Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Joint Representatives (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Joint Representatives (on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue and allot up to an aggregate of 55,449,000 additional Offer Shares, representing 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be sold pursuant thereto will represent approximately 3.6% of the total Shares in issue immediately following the completion of the the Global Offering and the exercise of the Over-allotment Option. In the event that 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 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 maintaining the market price of the 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 the Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules of the SFO. Stabilization actions permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO include (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the Shares, (b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares, (c) purchasing, or agreeing to purchase, the 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 the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the 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.

Stabilizing actions by the Stabilizing Manager (or any person acting for it) will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization. Prospective applicants for and investors in the 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 the 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 the Shares;

(d) no stabilizing action can be taken to support the price of the Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Wednesday, July 21, 2021, being 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 the Shares, and therefore the price of the Shares, could fall. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the Shares. As a result, the price of the Shares may be higher than the price that otherwise may exist in the open market;

(e) any stabilizing action taken by the Stabilizing Manager, or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilizing period; 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.

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, among other methods, 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.

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 55,449,000 Shares (being the maximum number of Shares which may be issued pursuant to the exercise of the Over-allotment Option) from GCD China, pursuant to the Stock Borrowing Agreement, which is expected to be entered into between the Stabilizing Manager (or any person acting for it) and GCD China on or about the Price Determination Date.

If the Stock Borrowing Agreement 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(l)(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 GCD China 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 GCD China by the Stabilizing Manager (or any person acting for it) in relation to such Shares borrowing arrangement.

PRICING AND ALLOCATION

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.

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 Monday, June 21, 2021 and, in any event, no later than Friday, June 25, 2021, by agreement between the Joint Representatives (on behalf of the Underwriters) and the 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$6.52 per Share and is expected to be not less than HK$4.88 per 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$6.52 per Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. **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 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 the Company, reduce the number of Offer Shares offered in the Global Offering and/or the indicative Offer Price range below as stated in this prospectus at any time in or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the 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 and the Preferential Offering, cause to be published on the websites of the Company and the Stock Exchange at **www.yuexiuservices.com** and **www.hkexnews.hk**, respectively, notices of the reduction. The Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price, extend the period under which the Hong Kong Public Offering was opened for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their submitted subscriptions, and require investors who had applied for the Hong Kong Offer Shares to positively confirm their applications for Offer Shares in light of the change in the number of Offer Shares and/or the Offer Price. 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 offered in the Global Offering and/or the indicative 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 forth 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 (on behalf of the Underwriters) and the Company, will under no circumstances be set outside the Offer Price range as stated in this Prospectus.

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 the Preferential Offering, the basis of allocations of the Hong Kong Offer Shares and the Reserved Shares and the results of allocations in the Hong Kong Public Offering and the Preferential Offering are expected to be made available through a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares and Reserved Shares — E. Publication of Results."

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, among other things, the Joint Representatives (on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The 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 "Underwriting."

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, the Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked;

(b) the Offer Price having been agreed between the Joint Representatives (on behalf of the Underwriters) and the Company;

(c) the execution and delivery of the International Underwriting Agreement on or around 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 (on behalf of the Underwriters) and the Company on or before Friday, June 25, 2021, 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, among other things, 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 the Company on the websites of the Company and the Stock Exchange at **www.yuexiuservices.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 forth in "How to Apply for Hong Kong Offer Shares and Reserved Shares — G. 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) (as amended). Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Monday, June 28, 2021, provided (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised at or before that time.

DEALINGS IN THE SHARES

Assuming that the Global Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, June 28, 2021, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, June 28, 2021.

The Shares will be traded in board lots of 500 Shares each and the stock code of the Shares will be 6626.

A. APPLICATIONS FOR 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 (except in respect of Reserved Shares applied for pursuant to the Preferential Offering).

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online through the **HK eIPO White Form** service at **www.hkeipo.hk** or by the **IPO App**; or
- electronically cause HKSCC Nominees to apply on your behalf.

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; and if you are a Qualifying Yuexiu Shareholder, you may also apply for Reserved Shares by using a **BLUE** Application Form or through the HK eIPO Blue Form service via **www.hkeipo.hk**.

The Company, the Joint Representatives, the **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application, in full or in part, for any reason at their discretion.

2. Who Can Apply

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form 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 (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S, and are not a United States person (as defined in Regulation S).

If you apply for Hong Kong Offer Shares online through the **HK eIPO White Form** service, in addition to the above you must also:

- have a valid Hong Kong identity card number; and
- provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorized officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Company and the Joint Representatives, as the Company's agent, may accept it at their discretion, and on any conditions 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 **HK eIPO White Form** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if:

- you are an existing beneficial owner of shares in the Company and/or any of its subsidiaries;
- you are a director or chief executive of the Company and/or any of the Company's subsidiaries;
- you are a close associate of any of the above persons;
- you are a connected person of the Company or a person who will become a connected person of the Company immediately upon the completion of the Global Offering; or
- you have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering (except in respect of Reserved Shares applied for pursuant to the Preferential Offering).

3. Applying for Hong Kong Offer Shares

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through the **HK eIPO White Form** service at **www.hkeipo.hk** or the **IPO App**.

For 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, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Wednesday, June 16, 2021 until 12:00 noon on Monday, June 21, 2021 from:

(a) any of the following offices of the Joint Representatives:

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

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

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

Yue Xiu Securities Company Limited
1003-1005, 10/F, Siu On Centre
188 Lockhart Road
Wan Chai
Hong Kong

(b) any of the following branches of the receiving banks for the Hong Kong Public Offering:

Bank of China (Hong Kong) Limited

District	**Branch Name**	**Address**
Hong Kong Island	Shek Tong Tsui Branch	534 Queen's Road West, Shek Tong Tsui, Hong Kong
	South Horizons Branch	Shop G13 & G15, G/F, Marina Square, West Commercial Block, South Horizons, Ap Lei Chau, Hong Kong
	Central District (Wing On House) Branch	B/F-2/F, Wing On House, 71 Des Voeux Road Central, Hong Kong
Kowloon	Kwun Tong Plaza Branch	G1 Kwun Tong Plaza, 68 Hoi Yuen Road, Kwun Tong, Kowloon
	Yu Chau Street Branch	42-46 Yu Chau Street, Sham Shui Po, Kowloon
	Olympian City Branch	Shop 133, 1/F, Olympian City 2, 18 Hoi Ting Road, Kowloon
	Tsim Sha Tsui East Branch	Shop 3, LG/F, Hilton Towers, 96 Granville Road, Tsim Sha Tsui East, Kowloon
New Territories	Fanling Centre Branch	Shop 2D-E & H, Fanling Centre, Fanling, New Territories
	Shatin Branch	Shop 20, Level 1, Lucky Plaza, 1-15 Wang Pok Street, Sha Tin, New Territories
	Tuen Mun San Hui Branch	G13-G14 Eldo Court, Heung Sze Wui Road, Tuen Mun, New Territories

Industrial and Commercial Bank of China (Asia) Limited

District	Branch Name	Address
Hong Kong Island	Happy Valley Branch	23 King Kwong Street, Happy Valley, Hong Kong
	Quarry Bay Branch	Shop SLG1, Sub-Lower Ground Floor, Westlands Gardens, Nos. 2-12, Westlands Road, Quarry Bay, Hong Kong
	Siu Sai Wan Branch	Shop Nos. 17-19, Ground Floor, Harmony Garden, No.9 Siu Sai Wan Road, Hong Kong
Kowloon	Wong Tai Sin Branch	Shop 128, Level One, Wong Tai Sin Plaza, 103 Ching Tak Street, Wong Tai Sin, Kowloon
New Territories	Kwai Fong Branch	C63A-C66, 2/F, Kwai Chung Plaza, Kwai Fong, New Territories
	Sha Tsui Road Branch	Shop 4, G/F Chung On Building, 297-313 Sha Tsui Road, Tsuen Wan, New Territories

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Wednesday, June 16, 2021 until 12:00 noon on Monday, June 21, 2021 from:

- the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or
- your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "BANK OF CHINA (HONG KONG) NOMINEES LIMITED — YUEXIU SERVICES GROUP PUBLIC OFFER" for the payment, should be deposited in the special collection boxes provided at any of the designated branches of the receiving banks listed above at the following times:

(a) Bank of China (Hong Kong) Limited

Wednesday, June 16, 2021	**–**	**9:00 a.m. to 5:00 p.m.**
Thursday, June 17, 2021	**–**	**9:00 a.m. to 5:00 p.m.**
Friday, June 18, 2021	**–**	**9:00 a.m. to 5:00 p.m.**
Saturday, June 19, 2021	**–**	**9:00 a.m. to 1:00 p.m.**
Monday, June 21, 2021	**–**	**9:00 a.m. to 12:00 noon**

(b) Industrial and Commercial Bank of China (Asia) Limited

Wednesday, June 16, 2021	**–**	**9:00 a.m. to 5:00 p.m.**
Thursday, June 17, 2021	**–**	**9:00 a.m. to 5:00 p.m.**
Friday, June 18, 2021	**–**	**9:00 a.m. to 5:30 p.m.**
Saturday, June 19, 2021	**–**	**9:00 a.m. to 1:00 p.m.**
Monday, June 21, 2021	**–**	**9:00 a.m. to 12:00 noon**

The application lists will be open from 11:45 a.m. to 12:00 noon on Monday, June 21, 2021, the last application day, or such later time as described in "— D. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

4. Terms and Conditions of an Application

Follow the detailed instructions in the **WHITE** or **YELLOW** Application Form carefully, otherwise your application may be rejected.

By submitting a **WHITE** or **YELLOW** Application Form or applying through the **HK eIPO White Form** service, among other things, you:

(a) undertake to execute all relevant documents and instruct and authorize the Company and/or the Joint Representatives (or their agents or nominees), as agents of the Company, 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;

(b) agree to comply with the Articles of Association and the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(c) confirm that you have read the terms and conditions and application procedures set forth in this Prospectus and in the Application Form and agree to be bound by them;

(d) confirm that you have received and read this Prospectus and have only relied on the information and representations contained 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;

(e) confirm that you are aware of the restrictions on the Global Offering set forth in this Prospectus;

(f) agree that none of the Company, the Relevant Persons and the **HK eIPO White Form** Service Provider is or will be liable for any information and representations not in this Prospectus (and any supplement to this Prospectus);

(g) 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 (except in respect of Reserved Shares applied for pursuant to the Preferential Offering);

(h) agree to disclose to the Company, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons any personal data which any of them may require about you and the person(s) for whose benefit you have made the application;

(i) 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 the Company 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 and the Application Form;

(j) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(k) agree that your application will be governed by the laws of Hong Kong;

(l) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the 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 (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S and are not a United States person (as defined in Regulation S);

(m) warrant that the information you have provided is true and accurate;

(n) agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(o) authorize (i) the Company to place your name(s) or the name of HKSCC Nominees on the register of members of the Company as the holder(s) of any Hong Kong Offer Shares allocated to you and such other registers as required under the Articles of Association and (ii) the Company and/or its agents to send any Share certificate(s) and/or any e-Auto Refund payment instructions and/or any refund cheque(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 set out in "—H. Dispatch/Collection of Share Certificates and Refund Monies — Personal Collection" below to collect the Share certificate(s) and/or refund cheque(s) in person;

(p) declare and represent that except for an application made under the Preferential Offering, 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;

(q) understand that the Company, the Directors, the Joint Sponsors 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;

(r) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service by you or by any one as your agent or by any other person; and

(s) (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 on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as its agent.

Additional Instructions for YELLOW Application Forms

You should refer to the **YELLOW** Application Form for details.

5. Applying Through the HK eIPO White Form Service

General

Individuals who meet the criteria in "— 2. Who Can Apply" above may apply through the **HK eIPO White Form** service for the Offer Shares to be allocated and registered in their own names through the designated website at **www.hkeipo.hk** or the **IPO App**.

Detailed instructions for application through the **HK eIPO White Form** service are set forth on the designated website or the **IPO App**. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorize the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** Service Provider.

Time for Submitting Applications under the HK eIPO White Form Service

You may submit your application through the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** or the **IPO App** (24 hours daily, except on the last day for applications) from 9:00 a.m. on Wednesday, June 16, 2021 until 11:30 a.m. on Monday, June 21, 2021 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Monday, June 21, 2021, the last day for applications, or such later time as described in "— D. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

No Multiple Applications

If you apply by means of the **HK eIPO White Form** service, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application will be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under the **HK eIPO White Form** 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.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this Prospectus acknowledge that each applicant 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.

6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS

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 Phone System by calling +852 2979 7888 or through the CCASS Internet System (**https://ip.ccass.com**) (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 you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre,
1/F, One & Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

and complete an input request form.

You can also collect a prospectus from the above address.

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 the Company, the Joint Representatives and the Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(a) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this Prospectus; and

(b) 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 (except in respect of Reserved Shares applied for pursuant to the Preferential 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 the Company, the 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 the Company to place HKSCC Nominees' name on the register of members of the Company as the holder of the Hong Kong Offer Shares allocated to you and such other registers as required under the Articles of Association, and send Share certificate(s) and/or refund monies in accordance with the arrangements separately agreed between the Company and HKSCC;

- confirm that you have read the terms and conditions and application procedures set forth in this Prospectus and agree to be bound by them;

- confirm that you have received and read a copy of this Prospectus and have relied only on the information and representations in this Prospectus in causing the application to be made, save as set forth in any supplement to this Prospectus;

- agree that neither the Company nor 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 the Company, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons any personal data which 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 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 the Company, and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person on or before the fifth day after the time of 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 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 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 the Company;

- 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 Hong Kong Offer Shares;

- agree with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for the Company and on behalf of each Shareholder, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Articles of Association of the Company and the Companies (Winding Up and Miscellaneous Provisions) 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 Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, 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 the Company 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 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 and 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 the **WHITE** Application Form and in this Prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 500 Hong Kong Offer Shares. Instructions for more than 500 Hong Kong Offer Shares must be in one of the numbers set forth in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions[(1)]

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Wednesday, June 16, 2021	**–**	**9:00 a.m. to 8:30 p.m.**
Thursday, June 17, 2021	**–**	**8:00 a.m. to 8:30 p.m.**
Friday, June 18, 2021	**–**	**8:00 a.m. to 8:30 p.m.**
Monday, June 21, 2021	**–**	**8:00 a.m. to 12:00 noon**

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, June 16, 2021 until 12:00 noon on Monday, June 21, 2021 (24 hours daily, except on Monday, June 2021, the last day for applications). The latest time for inputting your **electronic application instructions** will be 12:00 noon on Monday, June 21, 2021, the last day for applications, or such later time as described in "— D. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

Note:

(1) These times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for 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 benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC will be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this Prospectus acknowledge that each 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.

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by the Company, 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.

7. Warning for Electronic Applications

The application for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **HK eIPO White Form** service is only a facility provided by the **HK eIPO White Form** 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. The

Company, the Relevant Persons and the **HK eIPO White Form** Service Provider take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** 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 connecting to the CCASS Phone System or the CCASS Internet System for submission of their **electronic application instructions**, they should either (a) submit a **WHITE** or **YELLOW** Application Form or (b) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Monday, June 21, 2021, the last day for applications, or such later time as described in "— D. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

8. How Many Applications Can You Make

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees," you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit. If you are a Qualifying Yuexiu Shareholder applying for Reserved Shares under the Preferential Offering on the **BLUE** Application Form or through the **HK eIPO Blue Form** service, you may also make one application for Hong Kong Offer Shares either on a **WHITE** or **YELLOW** Application Form or electronically through CCASS (if you are a CCASS Investor Participant or act through a CCASS Clearing or Custodian Participant) or submit an application through the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** or the **IPO App**. However, in respect of any application for Hong Kong Offer Shares using the above methods, you will not enjoy the preferential treatment accorded to you under the Preferential Offering as described in "Structure of the Global Offering — The Preferential Offering."

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**).

If an application is made by an unlisted company 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. APPLICATIONS FOR RESERVED SHARES

1. Who Can Apply

Only Yuexiu Shareholders whose names appeared on the register of members of Yuexiu Property on the Record Date and who are not Non-Qualifying Yuexiu Shareholders are entitled to subscribe for the Reserved Shares under the Preferential Offering.

Non-Qualifying Yuexiu Shareholders are those Yuexiu Shareholders with registered addresses in, or who are otherwise known by Yuexiu Property to be residents of, jurisdictions outside Hong Kong on the Record Date, in respect of whom the directors of Yuexiu Property and the Company, based on the enquiries made by them, consider it necessary or expedient to exclude them from the Preferential Offering on account either of the legal restrictions under the laws of the relevant jurisdiction in which the relevant Yuexiu Shareholder is resident or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

The directors of Yuexiu Property and the Company have made enquiries regarding the legal restrictions under the applicable securities legislation of the Specified Territories and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Reserved Shares to the Yuexiu Shareholders in the Specified Territories. Having considered the circumstances, the directors of Yuexiu Property and the Company have formed the view that it is necessary or expedient to restrict the ability of Yuexiu Shareholders in the Specified Territories to take up their Assured Entitlement to the Reserved Shares under the Preferential Offering due to the time and costs involved in the registration or filing of this Prospectus and/or approval required by the relevant authorities in those territories and/or additional steps which the Company and the Yuexiu Shareholders would need to take to comply with the local legal and/or other requirements which would need to be satisfied in order to comply with the relevant local or regulatory requirements in those territories.

Accordingly, for the purposes of the Preferential Offering, the Non-Qualifying Yuexiu Shareholders are:

(a) Yuexiu Shareholders whose names appeared in the register of members of Yuexiu Property on the Record Date and whose addresses as shown in such register are in any of the Specified Territories; and

(b) Yuexiu Shareholders or Beneficial Yuexiu Shareholders on the Record Date who are otherwise known by Yuexiu Property to be resident in any of the Specified Territories.

Notwithstanding any other provision in this Prospectus or the **BLUE** Application Forms or the terms and conditions of the **HK eIPO Blue Form** service, the Company reserves the right to permit any Yuexiu Shareholder to take up his/her/its Assured Entitlement to the Reserved Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions described above.

With respect to the Specified Territories, Yuexiu Property has sent a letter to CCASS Participants (other than CCASS Investor Participants) notifying them that in light of applicable laws and regulations of the Specified Territories, to the extent they hold any Yuexiu Shares on behalf of the Non-Qualifying Yuexiu Shareholders, they are excluded from participating in the Preferential Offering.

Qualifying Yuexiu Shareholders are entitled to apply on the basis of an Assured Entitlement of one Reserved Share for every 419 Yuexiu Shares held by them on the Record Date. Qualifying Yuexiu Shareholders who hold less than 419 Yuexiu Shares on the Record Date will not have an Assured Entitlement to the Reserved Shares, but they will still be entitled to participate in the Preferential Offering by applying for excess reserved Shares.

If the applicant is a firm, the application must be in the individual members' names, but not in the name of the firm. If the applicant is a body corporate, the **BLUE** Application Form must be signed by a duly authorized officer, who must state his representative capacity, and stamped with the corporation's chop.

If an application is made by a duly authorized person under a valid power of attorney, the Company and the Joint Representatives, as the Company's agents, may accept it at their discretion, and on any conditions they think fit, including requiring evidence of the attorney's authority. The Company and the Joint Representatives, as the Company's agents, will have full discretion to reject or accept any application, in full or in part, without giving any reason.

You cannot apply for any Reserved Shares if you are:

- a substantial shareholder of the Company and/or any of its subsidiaries;
- a director or chief executive of the Company and/or any of the Company's subsidiaries;
- an associate of any of the above persons;
- a connected person of the Company or will become a connected person of the Company immediately upon completion of the Global Offering; or
- a Non-Qualifying Yuexiu Shareholder.

2. How to Apply

An application for Reserved Shares under the Preferential Offering may only be made by Qualifying Yuexiu Shareholders using either (i) **BLUE** Application Forms which have been dispatched to Qualifying Yuexiu Shareholders by the Company or (ii) through the **HK eIPO Blue Form** Service via **www.hkeipo.hk**.

Qualifying Yuexiu Shareholders may apply for a number of Reserved Shares which is greater than, less than or equal to their Assured Entitlement or may apply only for excess Reserved Shares under the Preferential Offering. Qualifying Yuexiu Shareholders who hold less than 419 Yuexiu Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares but will still be entitled to participate in the Preferential Offering by applying only for excess Reserved Shares.

A valid application for a number of Reserved Shares which is less than or equal to a Qualifying Yuexiu Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions set forth in this Prospectus, the **BLUE** Application Forms and the **HK eIPO Blue Form** service assuming the conditions of the Preferential Offering are satisfied.

Where a Qualifying Yuexiu Shareholder applies for a number of Reserved Shares which is greater than the Qualifying Yuexiu Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full, subject as mentioned above, but the excess portion of such application will only be satisfied to the extent that there are sufficient Available Reserved Shares as described below.

Where a Qualifying Yuexiu Shareholder applies for excess Reserved Shares only under the Preferential Offering, such application will only be satisfied to the extent that there are sufficient Available Reserved Shares as described below. Qualifying Yuexiu Shareholders (other than HKSCC Nominees) who intend to apply for less than their Assured Entitlement either using the **BLUE** Application Forms or through the **HK eIPO Blue Form** service in **www.hkeipo.hk** for Assured Entitlement or who intend to apply for excess Reserved Shares using the **BLUE** Application Forms for excess Reserved Shares, should apply for a number which is one of the numbers set forth in the table of numbers and payments in the **BLUE** Application Form and make a payment of the corresponding amount. If the number of Reserved Shares applied for is not one of the numbers set forth in the table, you must calculate the correct amount payable on application by using the formula set forth in the **BLUE** Application Form.

To the extent that excess applications for the Reserved Shares are:

(a) less than the Available Reserved Shares, the Available Reserved Shares will first be allocated to satisfy such excess applications for the Reserved Shares in full and thereafter will be allocated, at the discretion of the Joint Representatives, to the International Offering;

(b) equal to the Available Reserved Shares, the Available Reserved Shares will be allocated to satisfy such excess applications for the Reserved Shares in full; or

(c) more than the Available Reserved Shares, the Available Reserved Shares will be allocated on an allocation basis which will be consistent with the allocation basis commonly used in the case of over-subscription in public offerings in Hong Kong, where a higher allocation percentage will be applied in respect of smaller applications. If there are any Shares remaining after satisfying the excess applications, such Shares will be reallocated, at the discretion of the Joint Representatives, to the International Offering. No preference will be given to any excess applications made to top up odd lot holdings to whole lot holdings of Shares.

Save for the above, the Preferential Offering will not be subject to the clawback arrangement between the International Offering and the Hong Kong Public Offering.

Qualifying Yuexiu Shareholders who have applied for Reserved Shares under the Preferential Offering on the **BLUE** Application Form or the **HK eIPO Blue Form** service, may also make one application either on a **WHITE** or **YELLOW** Application Form, or by giving **electronic application instructions** to HKSCC via CCASS (if you are a CCASS Investor Participant or act through a CCASS Clearing or Custodian Participant) or through the **HK eIPO White Form** service for the Hong Kong Offer Shares in the Hong Kong Public Offering. However, Qualifying Yuexiu Shareholders will receive no preference as to entitlement or allocation in respect of applications for Hong Kong Offer Shares made on **WHITE** or **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service under the Hong Kong Public Offering.

Persons who held their Yuexiu Shares on the Record Date in CCASS indirectly through a broker/custodian, and wish to participate in the Preferential Offering, should instruct their broker or custodian to apply for the Reserved Shares on their behalf by no later than the deadline set by HKSCC or HKSCC Nominees. In order to meet the deadline set by HKSCC, such persons should check with their broker/custodian for the timing on the processing of their instructions, and submit their instructions to their broker/custodian as required by them. Persons who held their Yuexiu Shares on the Record Date in CCASS directly as a CCASS Investor Participant, and wish to participate in the Preferential Offering, should give their instruction to HKSCC via the CCASS Phone System or CCASS Internet System by no later than the deadline set by HKSCC or HKSCC Nominees.

3. Distribution of this Prospectus and the Blue Application Forms

BLUE Application Forms have been dispatched to all Qualifying Yuexiu Shareholders, save for connected persons of the Company who will not participate in the Preferential Offering, to their address recorded on the register of members of Yuexiu Property on the Record Date.

In addition, Qualifying Yuexiu Shareholders will receive a copy of this Prospectus in the manner in which they have elected, or are deemed to have elected, to receive corporate communications under Yuexiu Property's corporate communications policy.

If a Qualifying Yuexiu Shareholder has elected to receive corporate communications from Yuexiu Property in printed form under Yuexiu Property's corporate communications policy or has not been asked to elect the means of receiving Yuexiu Property's corporate communications, a printed copy of this Prospectus in the elected language version(s) (if applicable) will be dispatched to such Qualifying Yuexiu Shareholder.

If a Qualifying Yuexiu Shareholder (a) has elected to receive an electronic version of corporate communications or (b) is deemed to have consented to receiving the electronic version of corporate communications from Yuexiu Property, an electronic version of this Prospectus (which is identical to the printed prospectus) can be accessed and downloaded from the websites of the Company at **www.yuexiuservices.com** and the Stock Exchange at **www.hkexnews.hk** under the section entitled "*HKEX news > Listed Company Information > Latest Listed Company Information.*"

A Qualifying Yuexiu Shareholder who has elected to receive or is deemed to have consented to receiving the electronic version of this Prospectus may at any time request for a printed copy of this Prospectus, free of charge, by sending a request in writing to Tricor Abacus Limited at level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email to **yuexiuproperty-ecom@hk.tricorglobal.com**. Tricor Abacus Limited will promptly, upon request, send by ordinary post a printed copy of this Prospectus to such Qualifying Yuexiu Shareholder, free of charge, although such Qualifying Yuexiu Shareholder may not receive that printed copy of this Prospectus before the close of the Hong Kong Public Offering and the Preferential Offering.

Qualifying Yuexiu Shareholders may also obtain a printed copy of this Prospectus during normal business hours from any of the designated branches of the receiving banks and the designated offices of each of the Joint Representatives as set forth in the section headed "— A. Applications for Hong Kong Offer Shares — 3. Applying for Hong Kong Offer Shares — Where to Collect the Application Forms" above.

Qualifying Yuexiu Shareholders who require a replacement **BLUE** Application Form should contact Tricor Abacus Limited at level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or on its hotline +852 2980 1333.

Distribution of this Prospectus and/or the **BLUE** Application Forms into any jurisdiction other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus and/or the **BLUE** Application Forms (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Prospectus should not be distributed, forwarded or transmitted in, into or from any of the Specified Territories with or without the **BLUE** Application Forms, except to Qualifying Yuexiu Shareholders as specified in this Prospectus.

Receipt of this Prospectus and/or the **BLUE** Application Forms does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or the **BLUE** Application Forms must be treated as sent for information only and should not be copied or redistributed.

Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or the **BLUE** Application Forms should not, in connection with the Preferential Offering, distribute or send the same in, into or from, any of the Specified Territories. If the **BLUE** Application Form is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not apply for any Reserved Shares unless the directors of Yuexiu Property and the Company determine that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards this Prospectus and/or the **BLUE** Application Form(s) in, into or from any Specified Territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

4. Applying Through the HK eIPO Blue Form Service

If you apply for Reserved Shares online through the **HK eIPO Blue Form** service:

(a) detailed instructions for application through the **HK eIPO Blue Form** service are set forth on the designated website at **www.hkeipo.hk**. You should read these instructions carefully. If you do not follow the instructions, your application may be rejected by the **HK eIPO Blue Form** Service Provider and may not be submitted to the Company;

(b) you must also be willing to provide a valid e-mail address; and

(c) once payment is completed via **electronic application instructions** given by you or for your benefit, an actual application is deemed to have been made. If you submit applications both via the **HK eIPO Blue Form** service and by using a **BLUE** Application Form, only the application submitted via the **HK eIPO Blue Form** service will be accepted and the other will be rejected.

The application for Reserved Shares through the **HK eIPO Blue Form** service is only a facility provided by the **HK eIPO Blue Form** Service Provider to Qualifying Yuexiu Shareholders for application for Reserved Shares. Such facility is subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day for application to make your electronic application. The Company, the Relevant Persons and the **HK eIPO Blue Form** Service Provider take no responsibility for such applications.

5. Applying by Using Blue Application Forms

(a) You may choose one of the four options on the **BLUE** Application From when applying for Reserved Shares:

(i) Option 1: apply for a number of Reserved Shares that is equal to your Assured Entitlement.

(ii) Option 2: apply for a number of Reserved Shares up to your Assured Entitlement and excess Reserved Shares.

(iii) Option 3: apply for a number of Reserved Shares that is less than your Assured Entitlement.

(iv) Option 4: Apply for a number of excess Reserved Shares only (e.g. if you hold less than 419 Yuexiu Shares on the Record Date and therefore do not have an Assured Entitlement but are still entitled to participate in the Preferential Offering by applying for excess Reserved Shares).

(b) The **BLUE** Application Form will be rejected by the Company if:

- the **BLUE** Application Form is not completed in accordance with the instructions as stated in the **BLUE** Application Form;

- the **BLUE** Application Form has not been duly signed (only written signatures are acceptable) (or in the case of a joint application, not all applicants have signed);

- in respect of applicants who are corporate entities, the **BLUE** Application Form has not been duly signed (only written signature is acceptable) by an authorized officer or affixed with a company chop;

- the check/banker's cashier order/**BLUE** Application Form is defective;

- the **BLUE** Application Form for either Reserved Shares pursuant to the Assured Entitlement or excess Reserved Shares is not accompanied with a check/banker's cashier order or is accompanied by more than one check/banker's cashier order for each of the application for Assured Entitlement and excess application for Reserved Shares;

- the account name on the check/banker's cashier order is not pre-printed or certified by the issuing bank;

- the banker's cashier order was not issued by a licensed bank in Hong Kong, or did not have the applicant's name certified on the back by a person authorized by the bank;

- the check/banker's cashier order is not drawn on a Hong Kong dollar bank account in Hong Kong;

- the name of the payee indicated on the check/banker's cashier order is not "BANK OF CHINA (HONG KONG) NOMINEES LIMITED — YUEXIU SERVICES GROUP PREFERENTIAL OFFER";

- the check has not been crossed "Account Payee Only";

- the check was post-dated;

- the applicant's payment is not made correctly or if the applicant pays by check or banker's cashier order, the check or banker's cashier order is dishonored on its first presentation;

- the applicant's name/the first applicant's name on the joint application is not the same as the name pre-printed or certified/endorsed by the drawee bank on the check/banker's cashier order;

- any alteration(s) to the application details on the **BLUE** Application Form has or have not been authorized by the signature(s) of the applicant(s);

- the application is completed by pencil;

- the applicant does not fill in all the boxes in the option he/she/it chooses;

- the applicant chooses more than one of the options on the **BLUE** Application Form;

- the Company believes that by accepting the application, the Company would violate the applicable securities or other laws, rules or regulations of the jurisdiction where the **BLUE** Application Form is received or where the applicant's address is located; or

- the Company and the Joint Representatives, and their respective agents or nominees, exercise their discretion to reject or accept any application, or to accept only part of any application. No reasons have to be given for any rejection or acceptance.

(c) If you are applying for a number of Reserved Shares which is equal to your Assured Entitlement (**Option 1**):

- Your application will be rejected by the Company if the amount on your cheque/banker's cashier order does not match with the amount payable in Box B set forth in the **BLUE** Application Form.

(d) If you are applying for a number of Reserved Shares up to your Assured Entitlement and excess Reserved Shares (**Option 2**):

- Your application will be rejected if the amount on the cheque/banker's cashier order does not match and is less than the amount payable in relation to your Assured Entitlement applied for in your **BLUE** Application Form.

- Your application for your Assured Entitlement (if any) will be accepted in full but your application for excess Reserved Shares will be rejected if the amount on the cheque/banker's cashier order does not match and is more than the amount payable in relation to your Assured Entitlement applied for but is less than the total amount payable in relation to both your Assured Entitlement applied for and the excess Reserved Shares applied for in your **BLUE** Application Form.

- Your application will be accepted in full if the amount on the cheque/banker's cashier order does not match and is more than the total amount payable in relation to both your Assured Entitlement applied for and the excess Reserved Shares applied for in your **BLUE** Application Form.

(e) If you are applying for a number of Reserved Shares which is less than your Assured Entitlement (**Option 3**):

- You are recommended to apply for Reserved Shares in one of the numbers set forth in the table in the **BLUE** Application Form. When the number of Reserved Shares applied for is in one of the numbers set forth in the table in the **BLUE** Application Form, your application will be rejected by the Company if the amount on your cheque/banker's cashier order does not match with the corresponding amount payable as set forth in the table in the **BLUE** Application Form. When the number of Reserved Shares applied for is not in one of the numbers set forth in the table in the **BLUE** Application Form, your application will be rejected by the Company if the amount on your cheque/banker's cashier order does not match with the amount payable calculated by using the formula set forth in the **BLUE** Application Form.

(f) If you are applying for a number of excess Reserved Shares only (**Option 4**):

- You are recommended to apply for Reserved Shares in one of the numbers set forth in the table in the **BLUE** Application Form. When the number of Reserved Shares applied for is in one of the numbers set forth in the table in the **BLUE** Application Form, your application will be rejected by the Company if the amount on your cheque/banker's cashier order does not match with and is less than the corresponding amount payable as set forth in the table in the **BLUE** Application Form. When the number of Reserved Shares applied for is not in one of the numbers set forth in the table in the **BLUE** Application Form, your application will be rejected by the Company if the amount on your cheque/banker's cashier order does not match with and is less than the amount payable calculated by using the formula set forth in the **BLUE** Application Form.

6. When May Applications Be Made

(a) Application through the HK eIPO Blue Form Service

You may submit your application through the **HK eIPO Blue Form** service through the designated website at **www.hkeipo.hk** (24 hours daily, except on the last day for applications) from 9:00 a.m. on Wednesday, June 16, 2021 until 11:30 a.m. on Monday, June 21, 2021 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Monday, June 21, 2021, the last day for applications, or such later time as described in "– D. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

(b) Applications on BLUE Application Form(s)

Your completed **BLUE** Application Form, together with a check or a banker's cashier order attached and marked payable to "BANK OF CHINA (HONG KONG) NOMINEES LIMITED — YUEXIU SERVICES GROUP PREFERENTIAL OFFER" for the payment, should be deposited in the special collection boxes provided at Tricor Investor Services Limited at level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong at the following times:

Wednesday, June 16, 2021	**–**	**9:00 a.m. to 4:30 p.m.**
Thursday, June 17, 2021	**–**	**9:00 a.m. to 4:30 p.m.**
Friday, June 18, 2021	**–**	**9:00 a.m. to 4:30 p.m.**
Monday, June 21, 2021	**–**	**9:00 a.m. to 12:00 noon**

Completed **BLUE** Application Forms, together with payment attached, must be lodged by 12:00 noon on Monday, June 21, 2021, the last day for applications, or such later time as described in "— D. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

(c) Application Lists

The application lists will be open from 11:45 a.m. to 12:00 noon on Monday, June 21, 2021, the last lay for applications, or such later time as described in "— D. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

7. How Many Applications May Be Made

You should refer to "— A. Applications for Hong Kong Offer Shares — 8. How Many Applications Can You Make" above for the situations where you may make an application for Hong Kong Offer Shares under the Hong Kong Public Offering in addition to application(s) for Reserved Shares under the Preferential Offering.

8. Additional Terms and Conditions and Instructions

You should refer to the **BLUE** Application Form for details of the additional terms and conditions and instructions which apply to applications for Reserved Shares.

C. HOW MUCH ARE THE HONG KONG OFFER SHARES AND RESERVED SHARES

The maximum Offer Price is HK$6.52 per Offer Share. You must pay the maximum Offer Price, brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee 0.005% in full upon application for the Hong Kong Offer Shares or Reserved Shares under the terms set forth in the Application Forms.

The Application Forms have tables showing the exact amount payable for the numbers of Offer Shares that may be applied for.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 500 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 500 Hong Kong Offer Shares must be in one of the numbers set forth in the table in the Application Form, or as otherwise specified on the designated website at **www.hkeipo.hk** or **IPO App**.

For applicants on the **BLUE** Application Form, if the number of Reserved Shares applied for is not one of the numbers set forth in the table, you must calculate the correct amount payable on application by using the formula set forth in the **BLUE** Application Form.

If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules), and the SFC 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 the SFC).

For further details on the Offer Price, see the section headed "Structure of the Global Offering — Pricing and Allocation."

D. EFFECT OF BAD WEATHER 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; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, June 21, 2021. Instead, they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Monday, June 21, 2021 or if there is/are a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed "Expected Timetable," an announcement will be made.

E. PUBLICATION OF RESULTS

The Company expects to announce 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 the Preferential Offering and the basis of allocations of the Hong Kong Offer Shares and Reserved Shares on Friday, June 25, 2021 and on the websites of the Company at **www.yuexiuservices.com** and 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 and the Preferential Offering will be available at the times and dates and in the manner set forth below:

- in the announcement to be posted on the websites of the Company and the Stock Exchange at **www.yuexiuservices.com** and **www.hkexnews.hk**, respectively, by no later than Friday, June 25, 2021;

- from the designated results of allocations website at **www.tricor.com.hk/ipo/result** and **www.hkeipo.hk/IPOResult** with a "search by ID" function or at "Allotment Result" function in the **IPO App** on a 24 hour basis from 8:00 a.m. on Friday, June 25, 2021 to 12:00 midnight on Friday, July 2, 2021;

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, June 25, 2021 to Friday, July 2, 2021 on a Business Day; and

- in the special allocation results booklets which will be available for inspection during the opening hours of the receiving banks' designated branches referred to above from Friday, June 25, 2021 to Tuesday, June, 29, 2021.

If the Company accepts your offer to purchase (in whole or in part), which it 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 and/or Reserved Shares (as the case may be) if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are set forth 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.

F. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES AND/OR RESERVED SHARES

You should note the following situations in which the Hong Kong Offer Shares and/or Reserved Shares will not be allocated to you:

(a) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service or the **HK eIPO Blue Form** 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 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 the Company.

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 opening of the application lists (excluding any days which is Saturday, Sunday or public holiday in Hong Kong), in the following circumstances:

(i) 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 which excludes or limits that person's responsibility for this Prospectus; or

(ii) if any supplement to this Prospectus is issued, in which case applicants who have already submitted an application will be notified 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.

(iii) 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 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.

(b) If the Company or its agents exercise their discretion to reject your application:

The Company, the Joint Representatives, the **HK eIPO White Form** Service Provider, the **HK eIPO Blue Form** Service Provider 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.

(c) If the allocation of Hong Kong Offer Shares and/or Reserved Shares is void:

The allocation of Hong Kong Offer Shares and/or Reserved Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the applications lists; or

- within a longer period of up to six weeks if the Stock Exchange notifies the Company of that longer period within three weeks of the closing date of the application lists.

(d) If:

- you make multiple applications or are suspected of making multiple applications (other than an application (if any) made on the **BLUE** Application Form in your capacity as a Qualifying Yuexiu Shareholder);

- 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) Hong Kong Offer Shares and International Offer Shares (except in respect of Reserved Shares applied for pursuant to the Preferential Offering);

- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonored upon its first presentation;

- your Application Form is not completed in accordance with the stated instructions;

- your **electronic application instructions** through the **HK eIPO White Form** service or the **HK eIPO Blue Form** service are not completed in accordance with the instructions, terms and conditions on the designated website at **www.hkeipo.hk**;

- you apply for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering;

- the Company or the Joint Representatives believes or believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or

- the Underwriting Agreements do not become unconditional or are terminated.

G. 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 and Stock Exchange trading fee payable thereon) paid on application, or if the conditions of the Global Offering as set forth 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 and Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on or before Friday, June 25, 2021.

H. DISPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

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 on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the Share certificates will be deposited into CCASS as described below) and one Share certificate for all Reserved Shares allocated to you under the Preferential Offering.

No temporary document of title will be issued in respect of the Offer Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE**, **YELLOW** or **BLUE** Application Form(s), subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

(a) share certificate(s) for all the Hong Kong Offer Shares and/or Reserved Shares allotted to you (for **YELLOW** Application Forms, Share certificate(s) will be deposited into CCASS as described below); and

(b) refund cheque(s) crossed "Account Payee Only" in favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares and/or Reserved Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price paid on application in the event that the Offer Price is less than the maximum Offer Price paid on application (including brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% but without interest). Part of the Hong Kong identity card number/passport number provided by you or the first-named applicant (if you are joint applicants) may be printed on your refund cheque(s), if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of Share certificates and refund monies as mentioned below, any refund cheque(s) and Share certificate(s) are expected to be posted on or before Friday, June 25, 2021. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier order(s).

Share certificates will only become valid at 8:00 a.m. on Monday, June 28, 2021, provided that the Global Offering has become unconditional in all respects at or before that time and the right of termination described in the "Underwriting" section in this Prospectus has not been exercised. Investors who trade Share 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

(a) If you apply using a WHITE or BLUE Application Form:

- If you apply for (i) 1,000,000 or more Hong Kong Offer Shares on a **WHITE** Application Form or (ii) 1,000,000 or more Reserved Shares on a **BLUE** Application Form and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or Share certificate(s) (where applicable) from the Hong Kong Share Registrar, Tricor Investor Services Limited at level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, June 25, 2021, or any other place or date notified by the Company in the newspapers.

- If you are an individual who is eligible for personal collection, you must not authorize any other person to collect for you. If you are a corporate applicant who is eligible for personal collection, your authorized representative must provide a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

- If you do not personally collect your refund cheque(s) and/or Share certificate(s) (where applicable) within the time specified for collection, it/they will be dispatched promptly to the address specified in your Application Form by ordinary post and at your own risk.

- If you apply for (i) less than 1,000,000 Hong Kong Offer Shares on a **WHITE** Application Form or (ii) less than 1,000,000 Reserved Shares on a **BLUE** Application Form, your refund cheque(s) and/or Share certificate(s) (where applicable) will be sent to the address specified in your Application Form on or before Friday, June 25, 2021 by ordinary post and at your own risk.

(b) If you apply using a YELLOW Application Form:

- If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, please follow the same instructions as described above for collection of your refund cheque(s). If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address specified in the Application Form on Friday, June 25, 2021 by ordinary post and at your own risk.

- If you apply by using a **YELLOW** Application Form and 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 credit to your or your designated CCASS Participant's stock account as stated in your Application Form on Friday, June 25, 2021 or, in the event of a contingency, on any other date determined by HKSCC or HKSCC Nominees.

- If you apply through a designated CCASS Participant (other than a CCASS Investor Participant), for Hong Kong Offer Shares credited to your designated CCASS Participant's stock account (other than a CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you with that CCASS Participant.

- If you apply as a CCASS Investor Participant, the Company expects to publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering on Friday, June 25, 2021 in the manner as described in "— E. Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, June 25, 2021 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and the CCASS Internet System. HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account.

(c) If you apply through HK eIPO White Form service or HK eIPO Blue Form service:

- If you apply for 1,000,000 or more Hong Kong Offer Shares through the **HK eIPO White Form** service or **HK eIPO Blue Form** 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, Tricor Investor Services Limited at level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, June 25, 2021, or any other place or date notified by the Company in the newspapers as the date of dispatch/collection of Share certificates.

- If you do not personally collect your Share certificate(s) within the time specified for collection, it/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 **HK eIPO White Form** service or **HK eIPO Blue Form** service, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Friday, June 25, 2021 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 dispatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be dispatched to the address specified in your application instructions in the form of refund cheque(s) by ordinary post and at your own risk.

(d) If you apply by giving electronic application instructions to HKSCC via CCASS:

Allocation of Hong Kong Offer Shares

- For the purposes of allocating 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 Friday, June 25, 2021 or on any other date determined by HKSCC or HKSCC Nominees.

- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport 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 "— E. Publication of Results" above on Friday, June 25, 2021. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, June 25, 2021 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of 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 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 Friday, June 25, 2021. 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 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 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 Friday, June 25, 2021.

I. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and the Company complies with the stock admission requirements of HKSCC, the 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 the 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 business 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 arrangements may affect their rights and interests.

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

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

pwc 羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YUEXIU SERVICES GROUP LIMITED, ABCI CAPITAL LIMITED, CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED, CCB INTERNATIONAL CAPITAL LIMITED AND YUE XIU CAPITAL LIMITED

Introduction

We report on the historical financial information of Yuexiu Services Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-78, which comprises the consolidated balance sheets as at December 31, 2018, 2019 and 2020, the balance sheet of the Company as at December 31, 2020, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2018, 2019 and 2020 ("the Track Record Period") 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-78 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated June 16, 2021 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Reporting accountant's 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 accountant's 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 accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information 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 accountant's report, a true and fair view of the financial position of the Company as at December 31, 2020 and the consolidated financial position of the Group as at December 31, 2018, 2019 and 2020 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED 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 14 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the years ended December 31, 2018, 2019 and 2020.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
June 16, 2021

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("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 comprehensive income

	Note	Year ended December 31, 2018	2019	2020
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*5*	762,802	896,332	1,168,048
Cost of sales	*6*	(565,288)	(652,915)	(764,757)
Gross profit		197,514	243,417	403,291
Administrative expenses	*6*	(110,136)	(116,804)	(143,919)
Net impairment losses on financial assets	*3.1(b)*	(9,063)	(4,844)	(2,563)
Other income	*8*	39,371	68,558	45,166
Other (losses)/gains-net	*9*	(726)	604	488
Operating profit		116,960	190,931	302,463
Finance income		1,760	2,140	6,973
Finance costs		(52,848)	(64,763)	(29,225)
Finance costs-net	*10*	(51,088)	(62,623)	(22,252)
Profit before income tax		65,872	128,308	280,211
Income tax expenses	*12*	(18,558)	(35,101)	(76,501)
Profit for the year		47,314	93,207	203,710
Profit attributable to:				
— Owners of the Company		45,458	91,327	199,131
— Non-controlling interests		1,856	1,880	4,579
		47,314	93,207	203,710
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss				
— Exchange differences on translation of foreign operations		1,695	1,004	(1,749)
Items that will not be reclassified to profit or loss				
— Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax		803	4,388	(662)
Other comprehensive income/(loss) for the year, net of tax		2,498	5,392	(2,411)
Total comprehensive income for the year		49,812	98,599	201,299
Total comprehensive income attributable to:				
— Owners of the Company		47,956	96,719	196,720
— Non-controlling interests		1,856	1,880	4,579
		49,812	98,599	201,299
Earnings per share				
(expressed in RMB per share)				
— Basic and diluted earnings per share	*13*	0.04	0.09	0.20

Consolidated balance sheets

		As at December 31,		
	Note	**2018**	**2019**	**2020**
		RMB'000	*RMB'000*	*RMB'000*
Assets				
Non-current assets				
Property, plant and equipment	*15*	21,996	35,113	41,084
Right-of-use assets	*16*	155,332	128,243	100,017
Intangible assets	*17*	2,901	4,420	343,908
Financial assets at fair value through other comprehensive income	*20*	30,189	35,558	34,784
Deferred income tax assets	*27*	6,460	7,349	8,635
Restricted cash	*22*	6,745	625	6,536
		223,623	211,308	534,964
Current assets				
Inventories		578	686	899
Trade and other receivables and prepayments	*21*	1,872,382	1,960,825	861,963
Prepaid income taxes		6,155	14,777	11,191
Cash and cash equivalents	*22*	598,137	773,689	994,629
Restricted cash	*22*	—	6,120	7,061
		2,477,252	2,756,097	1,875,743
Total assets		2,700,875	2,967,405	2,410,707
Equity				
Equity attributable to owners of the Company				
Share capital	*23*	—	—	581,017
Other reserves	*24*	(3,170)	359	(366,346)
Retained earnings	*24*	174,149	258,547	399,953
		170,979	258,906	614,624
Non-controlling interests		12,684	9,389	146,056
Total equity		183,663	268,295	760,680

	Note	As at December 31,		
		2018	**2019**	**2020**
		RMB'000	*RMB'000*	*RMB'000*
Liabilities				
Non-current liabilities				
Borrowings	*26*	981,000	875,000	—
Deferred income tax liabilities	*27*	7,162	11,685	35,765
Lease liabilities	*16*	97,670	70,550	52,323
Other payables	*25*	—	15,497	6,144
		1,085,832	972,732	94,232
Current liabilities				
Trade and other payables	*25*	1,141,462	1,422,922	1,272,335
Contract liabilities	*5*	105,606	93,035	163,183
Borrowings	*26*	99,000	106,000	—
Lease liabilities	*16*	63,090	66,946	56,929
Current income tax liabilities		22,222	37,475	63,348
		1,431,380	1,726,378	1,555,795
Total liabilities		2,517,212	2,699,110	1,650,027
Total equity and liabilities		2,700,875	2,967,405	2,410,707

Balance sheet of the Company

	Note	**As at December 31, 2020**
		RMB'000
Assets		
Non-current assets		
Investments in subsidiaries	*11*	581,016
Current assets		
Other receivable and prepayments	*21*	1,906
Total assets		582,922
Equity		
Equity attributable to owners of the Company		
Share capital	*23*	581,017
Accumulated losses	*24*	(5,661)
Total equity		575,356
Liabilities		
Current liabilities		
Other payables	*25*	7,566
Total liabilities		7,566
Total equity and liabilities		582,922

Consolidated statements of changes in equity

	Note	Attributable to owners of the Company					
	Note	Share capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000 *(Note 23)*	*RMB'000* *(Note 24)*	*RMB'000* *(Note 24)*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2018		—	4,332	128,691	133,023	10,828	143,851
Comprehensive income							
Profit for the year		—	—	45,458	45,458	1,856	47,314
Other comprehensive income		—	2,498	—	2,498	—	2,498
		—	2,498	45,458	47,956	1,856	49,812
Transactions with owners of the Company							
Deemed distributions to intermediate holding company, net	*24*	—	(10,000)	—	(10,000)	—	(10,000)
Balance at December 31, 2018		—	(3,170)	174,149	170,979	12,684	183,663
Balance at January 1, 2019		—	(3,170)	174,149	170,979	12,684	183,663
Comprehensive income							
Profit for the year		—	—	91,327	91,327	1,880	93,207
Other comprehensive income		—	5,392	—	5,392	—	5,392
		—	5,392	91,327	96,719	1,880	98,599
Transactions with owners of the Company							
Dividend provided for or paid by the companies comprising the Group	*14*	—	—	(8,792)	(8,792)	(5,175)	(13,967)
Others	*24*	—	(1,863)	1,863	—	—	—
		—	(1,863)	(6,929)	(8,792)	(5,175)	(13,967)
Balance at December 31, 2019		—	359	258,547	258,906	9,389	268,295

	Note	Attributable to owners of the Company					
		Share capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000 *(Note 23)*	*RMB'000* *(Note 24)*	*RMB'000* *(Note 24)*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2020		—	359	258,547	258,906	9,389	268,295
Comprehensive income							
Profit for the year		—	—	199,131	199,131	4,579	203,710
Other comprehensive income		—	(2,411)	—	(2,411)	—	(2,411)
		—	(2,411)	199,131	196,720	4,579	201,299
Transactions with owners of the Company							
Appropriation of statutory reserves	*24*	—	14,371	(14,371)	—	—	—
Acquisition of subsidiaries	*18*	—	—	—	—	136,305	136,305
Transaction with non-controlling interests ("NCI")		—	(5,583)	—	(5,583)	(2,039)	(7,622)
Issuance of ordinary shares	*23*	581,017	(581,016)	—	1	—	1
Deemed contributions from intermediate holding company, net	*24*	—	207,934	—	207,934	—	207,934
Contribution from NCI for establishment of a subsidiary		—	—	—	—	330	330
Dividend provided for or paid by the companies comprising the Group	*14*	—	—	(43,354)	(43,354)	(2,508)	(45,862)
		581,017	(364,294)	(57,725)	158,998	132,088	291,086
Balance at December 31, 2020		581,017	(366,346)	399,953	614,624	146,056	760,680

Consolidated statements of cash flows

	Note	Year ended December 31, 2018	2019	2020
		RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities				
Cash generated from operations	*28(a)*	52,223	231,968	496,400
Income tax paid		(13,739)	(25,817)	(46,129)
Net cash generated from operating activities		38,484	206,151	450,271
Cash flows from investing activities				
Purchases of property, plant and equipment		(12,375)	(20,438)	(14,111)
Purchases of intangible assets		(2,080)	(2,877)	(960)
Proceeds from disposal of property, plant and equipment		3	228	399
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	*18*	—	—	(275,486)
Increase in amounts due from related parties		(1,286,598)	(162,439)	(25,758)
Decrease in amounts due from related parties		202,047	192,093	1,316,308
Interest received		36,163	—	26,091
Net cash (used in)/generated from investing activities		(1,062,840)	6,567	1,026,483
Cash flows from financing activities				
Transaction with NCI		—	—	(7,622)
Contributions from NCI for establishment of a subsidiary		—	—	330
Deemed distributions to intermediate holding company, net		(10,000)	—	(44,723)
Decrease in amounts due to related parties	*28(c)*	(12,483)	(35,921)	(216,696)
Increase in amounts due to related parties	*28(c)*	116,115	241,666	96,254
Proceeds from borrowings	*28(c)*	1,150,000	–	–
Repayments of borrowings	*28(c)*	(70,000)	(99,000)	(981,000)
Dividends paid to shareholders and NCI		—	(12,938)	(3,851)
Principal elements and interest elements of lease payments	*28(c)*	(68,483)	(73,298)	(68,376)
Interest paid	*28(c)*	(39,757)	(58,388)	(27,920)
Net cash generated from/(used in) financing activities		1,065,392	(37,879)	(1,253,604)
Net increase in cash and cash equivalents		41,036	174,839	223,150
Cash and cash equivalents at beginning of year		555,702	598,137	773,689
Effect of exchange rate changes on cash and cash equivalents		1,399	713	(2,210)
Cash and cash equivalents at end of year		598,137	773,689	994,629
Non-cash investing and financing activities	*28(b)*			

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, REORGANIZATION AND BASIS OF PRESENTATION

1.1 General information

Yuexiu Services Group Limited (the "Company") was incorporated in Hong Kong on October 8, 2020 as a limited liability company. The address of the Company's registered office is 26/F, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

The Company is an investment holding company, and its subsidiaries (together, the "Group") are primarily engaged in the provision of non-commercial property management and value-added services and commercial property management and operational services (the "Listing Business") in the People's Republic of China (the "PRC").

The Company's immediate holding company is Guangzhou Construction & Development Holdings (China) Limited, an investment company established in the British Virgin Islands (the "BVI"). The Company's intermediate holding company is Yuexiu Property Company Limited ("Yuexiu Property") whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1992. The ultimate holding company is Guangzhou Yue Xiu Holdings Limited, a limited liability investment holding company incorporated in the PRC.

The financial information contained in this Prospectus does not constitute the Company's statutory annual consolidated financial statements for any of the financial year ended December 31, 2020.

The Company 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.

After the Coronavirus Disease 2019 ("COVID-19") outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country. The Group prioritizes the health and safety of its employees, and has taken various preventative and quarantine measures across the Group soon after the outbreak. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date of this Historical Financial Information, the Group was not aware of any material adverse effects on the Historical Financial Information as a result of the COVID-19 outbreak.

1.2 Reorganization

Prior to the incorporation of the Company and the completion of the reorganization as described below (the "Reorganization"), the Listing Business was operated through certain subsidiaries in the PRC controlled by Yuexiu Property during the Track Record Period.

In preparation for the initial public offering of the Company's shares on the Main Board of the Stock Exchange, the Reorganization was undertaken and the subsidiaries engaged in the Listing Business (the "Operating Entities") were transferred to the Company, other than certain entities wholly or partially engaged in the Listing Business that were retained by Yuexiu Property and its subsidiaries (the "Retained Companies"). The Reorganization mainly included the following steps:

(a) On October 8, 2020, the Company was incorporated in Hong Kong and controlled by Yuexiu Property.

(b) In April and September 2020, certain entities (the "Deregistered Companies") held by the Operating Entities and engaged in the businesses not related the Listing Business, were deregistered. The Group received cash of RMB50 million in December 2020 upon the deregistration of one of the Deregistered Companies. The Group offset the receivable of RMB10 million upon the deregistration of another deregistered company against amount due to a fellow subsidiary. The consideration of RMB60 million was accounted for as deemed contribution.

(c) In November 2020, the Group acquired equity interests in certain Operating Entities from the fellow subsidiaries at a total cash consideration of approximately RMB149 million. The consideration payable for the acquisitions of certain Operating Entities of approximately RMB44 million, together with the amount due to immediate holding company of certain Operating Entities as set out in (e) below, were capitalized. The remaining consideration payable of RMB105 million was settled by cash and was charged to equity.

(d) In November 2020, the Group disposed of its entire interests in certain entities (the "Excluded Companies"), which were engaged in other businesses not related to the Listing Business, to fellow subsidiaries of the Group at a total cash consideration of RMB8 million. The cash consideration received is accounted for as a deemed contribution from the shareholders.

(e) On November 20, 2020, the amounts due to immediate holding company of certain Operating Entities, together with the consideration payables of RMB44 million for the acquisitions of certain Operating Entities as set out in (c) above, were capitalized.

(f) On November 30, 2020, the Company acquired the entire equity interests in Operating Entities from the immediate holding company at a consideration of RMB581,016,000 which was settled by the issuance of 1,018,500,000 shares of the Company. The allotment and issuance was completed on December 1, 2020.

Upon completion of the Reorganization, the Company became the holding company of the Operating Entities. Particulars of the subsidiaries of the Group are set out in Note 11.

1.3 Basis of presentation

Immediately prior to and after the Reorganization, the Operating Entities engaged in the Listing Business were and have been indirectly controlled by Yuexiu Property. Through the Reorganization, the Operating Entities have been transferred to and held by the Company. The Reorganization is merely a recapitalization of the Listing Business with no change in management of such business and the ultimate owner of the Listing Business remains the same. Accordingly, the Group resulted from the Reorganization is regarded as a continuance of the Listing Business. The Historical Financial Information therefore has been prepared and presented using the carrying amounts of assets and liabilities in the consolidated financial statements of the Listing Business for all periods presented.

For the purpose of this Historical Financial Information, the financial information of the Deregistered Companies and the Excluded Companies is not included in the Historical Financial Information of the Group for the Track Record Period on the basis that these companies are engaged in dissimilar business from those of the Group, have separate management personnel and accounting records and have no more than incidental common facilities and costs shared with the Group. The Historical Financial Information of the Group has not included the assets, liabilities and results of operations of the Retained Companies as they are insignificant to the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of significant accounting policies adopted in the preparation of the Historical Financial Information. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Historical Financial Information has been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income ("FVOCI") which are measured at fair value.

The preparation of Historical Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

(i) New and amended standards not yet adopted by the Group

Up to the date of issuance of this report, the HKICPA has issued the following new standards and amendments to existing standards which are not yet effective and have not been early adopted by the Group during the Track Record Period:

		Effective for annual periods beginning on or after
HKFRS 16 (Amendments)	Covid-19-related Rent Concessions	June 1, 2020
HKFRS 9, HKAS 39, HKFRS 4, HKFRS 7 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2	January 1, 2021
HKAS 37 (Amendments)	Onerous Contracts-Cost of Fulfilling a Contract	January 1, 2022
Annual improvements to HKFRS standards 2018-2020	Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	January 1, 2022
Revised Accounting Guideline 5	Merger Accounting for Common Control Combination	January 1, 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	January 1, 2022
HKFRS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use	June 1, 2022
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	January 1, 2023
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	January 1, 2023
HKFRS 17	Insurance Contracts	January 1, 2023
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Company are of the view that the above new and amended standards and amended improvements that have been issued but would not result in any significant impact on the Group.

2.2 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including a structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated balance sheets, respectively.

(ii) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of subsidiaries comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

2.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Historical Financial Information are presented in RMB, which is the Company's functional currency and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of comprehensive income within finance income or costs. All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive income on a net basis within other gains or losses.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

—	Buildings	25-40 years
—	Furniture, fixtures and equipment	3-5 years
—	Leasehold improvements	3-5 years
—	Vehicles	5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount. These are included in profit or loss.

Construction in progress is stated at cost less accumulated impairment losses. Cost includes all attributable costs of bringing the asset to working condition for its intended use. This includes direct costs of construction as well as interest expense capitalized during the period of construction and installation. Capitalization of these costs will cease and the construction in progress is transferred to appropriate categories within property, plant and equipment when the construction activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of construction in progress.

2.8 Intangible assets

(i) Goodwill

Goodwill is measured as described in Note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(ii) Customer relationships

Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. They have finite useful life of 7 years and 10 years and are subsequently carried at cost less accumulated amortization and impairment losses.

(iii) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of 2 to 5 years.

2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not hold for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments and deposits carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of other receivables and deposits are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheets where the Group currently has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. The costs of inventories are determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.13 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of its business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 21 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.19 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.20 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Pension obligations

The Group participates in various defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

2.21 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2.22 Revenue recognition

The Group provides non-commercial property management and value-added services and commercial property management and operational services. Revenue is recognized when the control of services is transferred to the customer. Depending on the terms of the contracts and the laws that apply to the contract, control of services may be transferred over time or at a point in time. Except for commission income from carpark space sales assistance services and revenue from consultancy services which are recognized at a point in time, the Group's revenue is mainly recognized over time.

The Group distinguishes whether the Group is a principal or an agent in the transactions with its customers. When the Group is acting as a principal, the associated revenue is recognized in gross amount and when the Group is acting as an agent, the associated revenue is recognized in net amount.

(i) Non-commercial property management and value-added services

The Group provides non-commercial property management services and value-added services in the PRC and Hong Kong, including property management services in respect of residential properties, public premises and industrial parks, value-added services to non-property owners and community value-added services.

For non-commercial property management services, the Group bills a fixed amount for services provided on a monthly/quarterly basis and recognizes as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

- For non-commercial property management service income provided under lump sum basis, where the Group acts as a principal and is primary responsible for providing the property management services to the property owners, the Group recognizes the fees received or receivable from property owners as its revenue and all related property management costs as its cost of services.

- For non-commercial property management service income provided under commission basis, the Group acts as an agent and is primarily responsible for arranging and monitoring the services as provided by other suppliers to the property owners. The Group recognizes the commission, which is calculated by certain fixed amount or percentage of the total property management fees received or receivable from the property units.

Value-added services to non-property owners mainly include (i) provision of sales office and display unit management and pre-delivery support services which are billed on a monthly basis and are recognized as revenue over time when such services are rendered; (ii) carpark space sales assistance services which are recognized as revenue on a net basis when the underlying sales contracts are signed; and (iii) preliminary planning and design consultancy services which are recognized as revenue when such services are rendered and accepted by the customer.

Community value-added services revenue mainly include (i) revenue from home-living services which is charged for each service provided and recognized when the relevant services are rendered; (ii) revenue from space operation services which is recognized over time when the services are rendered; and (iii) revenue from other community value-added services which is charged for each service provided and recognized when the relevant services are rendered.

(ii) Commercial property management and operational services

The Group enters into commercial property management and operational service contracts with property developers or owners of office buildings, shopping malls and wholesale markets, pursuant to which the Group provides the following services:

- commercial operation and management services provided to property owners, developers and tenants, including commercial property management services and other value-added services; and

- market positioning consultancy and tenant sourcing services to property developers and property owners, including market positioning and management consultancy services and tenant sourcing services.

Commercial property management services provided to property owners, developers and tenants are provided under lump sum basis or commission basis. When the Group acts as principal, revenue is recognized on a gross basis when the related services are rendered and all the related management costs are recognized as its cost of services. When the Group acts as an agent and is primarily responsible for arranging and monitoring the services as provided by other suppliers to the property owners, developers and tenants, the Group recognizes the commission, which is calculated by certain fixed amount or percentage of the total commercial property management fees received or receivable from the property units.

Revenue from market positioning and management consultancy services is recognized when relevant market positioning reports and management consultancy services are delivered and accepted by property developers or owners.

For tenant sourcing services and other value-added services, the Group bills a fixed amount for services provided on a monthly basis and recognizes as revenue the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

If a contract contains multiple services, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheets as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2.23 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.24 Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

2.25 Leases

The Group as a lessee

The Group leases certain properties and car parks. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date of which the leased asset for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of properties and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.26 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.27 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's normal operating activities are principally conducted in RMB since most of the operating entities are based in the PRC. The foreign exchange risk mainly arises from monetary assets and liabilities of certain subsidiaries denominated in foreign currencies other than their functional currencies. The directors consider that the foreign exchange risk is not significant to the Group as the balances of foreign currency denominated monetary assets and liabilities were immaterial as at each period end of the Track Record Period.

(ii) Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings at fixed rate which expose the Group to fair value interest rate risk. Borrowings at variable rates expose the Group to cash flow interest rate risk.

The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. As at December 31, 2018 and 2019, the Group's borrowings are all fixed interest rate borrowings. The impact of the changes in interest rate is not expected to be material.

(iii) Price risk

The Group is exposed to equity securities price risk in its financial assets at FVOCI. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The financial assets at FVOCI are mainly unlisted equity instruments in the PRC and at December 31, 2018, 2019 and 2020, if the fair value of these equity investments increased or decreased by 10 percent, the Group's equity would have been increased or decreased by approximately RMB2,941,000, RMB3,450,000 and RMB3,368,000.

(b) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits at banks. The carrying amounts of trade and other receivables, cash and cash equivalents and restricted cash represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, cash at banks are placed with highly reputable financial institutions. The management does not expect that there will be any significant losses from non-performance by these counterparties.

For trade and other receivables, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on ongoing basis throughout the year. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of individual property owner or the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers and changes in the operating results of the borrower.

The Group uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

(i) A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	**Group definition of category**	**Basis for recognition of expected credit loss provision**
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due	Lifetime expected losses
Non-performing	Interest and/or principal repayments are 365 days past due	Lifetime expected losses
Write-off	Interest and/or principal repayments are more than 3 years past due and there is no reasonable expectation of recovery	Asset is written off

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

(ii) Trade and other receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group of receivables are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of insolvencies include, amongst others, the failure of a debtor engage in a repayment plan with the Group, and a failure to make contractual payments.

Trade receivables without known insolvencies are assessed on a collective basis based on shared credit risk characteristics.

The Group has assessed that the expected loss rate for trade and other receivables from related parties as at December 31, 2018, 2019 and 2020 was immaterial considering the good finance position and credit history of the related parties. Thus no loss allowance provision for trade receivables and other receivables from related parties was recognized.

As at December 31, 2018, 2019 and 2020, the loss allowance provision for the trade receivables due from third parties is determined as follows. The expected credit losses below also incorporated forward looking information.

	Up to 1 year	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables (excluding trade receivables from related parties)					
At December 31, 2018					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	124,758	6,521	4,488	8,203	143,970
Loss allowance provision	6,238	1,956	2,244	8,203	18,641
At December 31, 2019					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	92,696	11,942	5,292	11,621	121,551
Loss allowance provision	4,634	3,583	2,646	11,621	22,484
At December 31, 2020					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	54,159	12,743	6,261	17,800	90,963
Loss allowance provision	2,708	3,823	3,131	17,800	27,462

Other than other receivables from related parties, the Group uses the expected credit loss model in Note (i) to determine the expected loss provision for other receivables. As at December 31, 2018, 2019 and 2020, the Group has assessed that there is no significant increase of credit risk for other receivables since initial recognition. Thus the Group used the 12 months expected credit losses model to assess credit loss of other receivables, except for certain property management costs recoverable.

Other receivables due from third parties mainly comprise property management costs recoverable from property owners and tenants, payments on behalf of property owners and tenants for utility charges and guarantee deposits in connection with provision of property management services.

For guarantee deposits, the directors of the Company considered that there was no significant impairment risk.

For certain property management costs recoverable from property owners and tenants in the PRC, the loss allowance provision is determined as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2018					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	6,254	1,294	880	2,157	10,585
Loss allowance provision	312	388	440	2,157	3,297
At December 31, 2019					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	13,150	2,408	914	2,192	18,664
Loss allowance provision	658	722	457	2,192	4,029
At December 31, 2020					
Expected loss rate	5%	30%	50%	100%	
Gross carrying amount	22,731	3,336	1,560	2,976	30,603
Loss allowance provision	1,136	1,001	780	2,976	5,893

For the rest of other receivables, which mainly include payments on behalf of property owners and tenants for utility charges, the ageing was only up to 1 year and the loss allowance provision is determined as follows:

	RMB'000
At December 31, 2018	
Expected loss rate	1%
Gross carrying amount	69,052
Loss allowance provision	691
At December 31, 2019	
Expected loss rate	1%
Gross carrying amount	95,999
Loss allowance provision	960
At December 31, 2020	
Expected loss rate	1%
Gross carrying amount	91,205
Loss allowance provision	912

As there were no significant changes in the customer base, historical credit loss rate of customers and forward-looking information throughout the Track Record Period, the Group adopted the same expected credit loss rate for trade and other receivables during the Track Record Period.

As at December 31, 2018, 2019 and 2020, the loss allowance provision for trade and other receivables reconciles to opening loss allowance for that provision as follows:

	Trade receivables (excluding trade receivables from related parties)	Other receivables (excluding other receivables from related parties and guarantee deposits)	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2018	12,984	582	13,566
Net impairment losses on financial assets	5,657	3,406	9,063
At December 31, 2018	18,641	3,988	22,629
At January 1, 2019	18,641	3,988	22,629
Net impairment losses on financial assets	3,843	1,001	4,844
At December 31, 2019	22,484	4,989	27,473
At January 1, 2020	22,484	4,989	27,473
Acquisition of subsidiaries	4,205	26	4,231
Net impairment losses on financial assets	773	1,790	2,563
At December 31, 2020	27,462	6,805	34,267

As at December 31, 2018, 2019 and 2020, the gross carrying amount of trade and other receivables was RMB1,882,232,000, RMB1,971,338,000 and RMB880,085,000 and thus the maximum exposure to loss was RMB1,859,603,000, RMB1,943,865,000 and RMB845,818,000, respectively.

(c) Liquidity risk

The Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements. Management monitors rolling forecasts of the Group's liquidity reserve which comprises undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The table below analyses the Group's financial liabilities into relevant maturity groupings at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2018					
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	1,060,352	—	—	—	1,060,352
Borrowings	157,174	158,660	479,775	570,612	1,366,221
Lease liabilities	68,904	55,399	46,806	—	171,109
	1,286,430	214,059	526,581	570,612	2,597,682

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2019					
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	1,335,018	620	16,944	—	1,352,582
Borrowings	158,660	158,487	483,275	408,625	1,209,047
Lease liabilities	72,217	39,588	33,743	—	145,548
	1,565,895	198,695	533,962	408,625	2,707,177

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2020					
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	1,066,795	292	6,606	—	1,073,693
Lease liabilities	63,203	43,053	10,537	4,171	120,964
	1,129,998	43,345	17,143	4,171	1,194,657

3.2 Capital management

Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

As at December 31, 2018, 2019 and 2020, asset-liability ratio of the Group is as follows:

	As at December 31,		
	2018	**2019**	**2020**
Asset-liability ratio	93.2%	91.0%	68.4%

Attributable to the Group's growing business scale and enhancement in profitability, the asset-liability ratio was improved continuously during the Track Record Period.

3.3 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

	As at December 31,		
	2018	**2019**	**2020**
	Level 3	**Level 3**	**Level 3**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVOCI *(Note 20)*	30,189	35,558	34,784

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the years ended December 31, 2018, 2019 and 2020.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The fair value of financial assets at FVOCI is derived through either the Summation Method or the Guideline Public Company Method. The Summation Method is a method that calculates the value of an asset by the addition of the separate values of its component parts. The Guideline Public Company Method is a method that calculates the value of an asset by using the appropriate market multiples of comparable public company peers in the same or a similar industry.

(iii) Fair value measurements using significant unobservable inputs (level 3)

Refer to Note 20 for the changes in recurring fair value measurement of financial assets of FVOCI in level 3 for the years ended December 31, 2018, 2019 and 2020.

(iv) Valuation processes

The Group measures its financial assets at FVOCI at fair value. Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follow:

Description	**Fair value at December 31, 2018**	**Valuation technique**	**Unobservable input**	**Weighted average**
	RMB'000			
— Unlisted equity security*	27,066	Summation Method	Value of each asset/liability	N/A
— Unlisted equity security**	3,123	Guideline Public Company Method	Discount of lack of marketability, Applicable P/E ratio	27.7%, 24.51

Description	**Fair value at December 31, 2019**	**Valuation technique**	**Unobservable input**	**Weighted average**
	RMB'000			
— Unlisted equity security*	31,324	Summation Method	Value of each asset/liability	N/A
— Unlisted equity security**	4,234	Guideline Public Company Method	Discount of lack of marketability, Applicable P/E ratio	27.7%, 21.38

Description	**Fair value at December 31, 2020**	**Valuation technique**	**Unobservable input**	**Weighted average**
	RMB'000			
— Unlisted equity security*	30,358	Summation Method	Value of each asset/liability	N/A
— Unlisted equity security**	4,426	Guideline Public Company Method	Discount of lack of marketability, Applicable P/E ratio	27.7%, 22.30

* The relationship of unobservable inputs to fair value of this equity investment is the higher value of each asset or the lower value of each liability, the higher fair value. If the expected value of each asset of this equity investment had been 100 basis points higher/lower or expected value of each liability of this equity investment had been 100 basis points lower/higher, the Group's equity would have been approximately RMB271,000, RMB313,000 and RMB304,000 higher/lower as at December 31, 2018, 2019 and 2020, respectively.

** If the expected discount of lack of marketability of this equity investment had been 100 basis points higher/lower, the Group's equity would have been approximately RMB32,000, RMB44,000 and RMB46,000 lower/higher as at December 31, 2018, 2019 and 2020, respectively. If the expected applicable P/E ratio of this equity investment had been 10 percent higher/lower, the Group's equity would have been approximately RMB234,000, RMB318,000 and RMB332,000 higher/lower as at December 31, 2018, 2019 and 2020, respectively.

(v) Fair value of other financial assets and liabilities

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet.

For the trade and other receivables, cash and cash equivalents, restricted cash, and trade and other payables, the fair values are not materially different from their carrying amounts since majority of these instruments are short-term in nature.

For the loan to a related party included in trade and other receivables, loan from a related party included in trade and other payables, borrowings and lease liabilities, the fair values are not materially different from their carrying amounts since the interest receivables/payables of these instruments are close to current market rates.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Allowance on doubtful receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and doubtful debt expenses in the periods in which such estimate has been changed. For details of the key assumptions and inputs used, see Note 3.1 (b) above.

(b) Current and deferred income tax

The Group is subject to corporate income taxes in the mainland China and Hong Kong. Significant judgement is required in determining the amount of the provision for income taxes and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact income tax and deferred tax provisions in the period in which such determination are made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. Where the expectation is different from the original estimate, such difference will impact the recognition of deferred income tax assets and income tax in the period in which such estimate is changed.

(c) Estimation of goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of cash-generating units (CGUs) was determined based on value-in-use ("VIU") calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates stated in Note 17. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates. The discount rate used is pre-tax and reflects specific risks relating to the relevant industry. Key assumptions on forecast cash flows include sales volume, sales price, budgeted gross margin, other operating costs, long- term growth rate and pre-tax discount rate. The management also considers impact of possible changes in key assumptions on the results of goodwill impairment test.

The goodwill of the Group is arised from the business combination as completed in November 2020. As at December 31, 2020, the management considers that there is no goodwill impairment after assessment.

Details of impairment test, key assumptions and impact of possible changes in key assumptions are disclosed in Note 17.

(d) Estimation of purchase price allocation

In determining the fair value of customer relationships, key assumptions made by the management of the Group include future direct economic benefits and costs attributed to the identifiable customer relationships, remaining useful life of the identifiable customer relationships of 7 years and 10 years, attrition rate of 10%, contributory assets charge, effective tax rate and discount rate. Key assumptions made by the management of the Group are based on the projected financial information of the acquired subsidiaries, financial and business information from public sources and other pertinent data available to the management.

(e) Estimation of the useful life of customer relationships

The Group's customer relationships included in intangible assets (Note 2.8) were identified in the business combination that the Group acquired target companies from Guangzhou Metro Group Co., Ltd. ("GZ Metro") (Note 18). As at the acquisition date, customer relationships from contracts from GZ Metro amounting to RMB88,273,000 have finite useful life of 10 years. Other than those contracts from GZ Metro, customer relationships amounting to RMB4,099,000 have finite useful life of 7 years.

The revenue of target companies mainly comes from non-commercial property management and value-added services, including metro property management and operational services. Based on the target companies' experience, for metro property management and operational service contacts from GZ Metro, contract termination rarely happened. It is expected that the target companies are likely to provide continuous service for certain projects over 10 years. For contacts from customers other than GZ Metro, taking into account historical attrition rate, the management of the Company expects that those contacts will make revenue contribution for at least 7 years. All of the property management and operational service contacts will form stable customer relationships and continue to contribute revenue in the future. The management considers that the estimated useful life of customer relationships of the target companies is consistent with the industry experience.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group has two business segments:

— Non-commercial property management and value-added services

The Group provides non-commercial property management and value-added services, covering (a) non-commercial property management services including cleaning, security, gardening and repair and maintenance services; (b) value-added services to non-property owners, including sales office and display unit management and pre-delivery support services, carpark space sales assistance services, ancillary property leasing services and preliminary planning and design consultancy services; (c) community value-added services to meet the needs of property owners and residents of residential properties under the Group's management including home-living services, space operation services, and other community value-added services.

— Commercial property management and operational services

The Group is engaged in (a) commercial operation and management services, covering commercial property management services and other value-added services; (b) market positioning consultancy and tenant sourcing services, including market positioning and management consultancy services and tenant sourcing services.

(a) Segment revenue and results

Segment results represent the profit earned by each segment without other income, other gains or losses, finance costs — net and income tax expenses. Revenue recognized at a point in time from contracts with customers mainly represents commission income from carpark space sales assistance services and revenue from consultancy services. Other revenue from contracts with customers is recognized over time. The following is the analysis of the Group's revenue and results by operating and reportable segments:

For the year ended December 31, 2018

	Non-commercial property management and value-added services	**Commercial property management and operational services**	**Group**
	RMB'000	*RMB'000*	*RMB'000*
Gross segment revenue	494,278	268,524	762,802
Revenue from external customers	494,278	268,524	762,802
Revenue from contracts with customers recognized			
— At a point in time	18,611	—	18,611
— Over time	475,667	266,754	742,421
Revenue from other sources	—	1,770	1,770
	494,278	268,524	762,802
Segment results	30,144	48,171	78,315
Other income			39,371
Other losses — net			(726)
Operating profit			116,960
Finance cost — net			(51,088)
Income tax expenses			(18,558)
Profit for the year			47,314
Segment results include:			
Depreciation	7,047	63,686	70,733
Amortization	218	654	872
Net impairment losses/(reversal) on financial assets	9,614	(551)	9,063

For the year ended December 31, 2019

	Non-commercial property management and value-added services	Commercial property management and operational services	Inter-segment eliminations	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross segment revenue	604,063	292,854	(585)	896,332
Inter-segment revenue	(585)	—	585	—
Revenue from external customers	603,478	292,854	—	896,332
Revenue from contracts with customers recognized				
— At a point in time	41,749	—	—	41,749
— Over time	561,729	287,981	—	849,710
Revenue from other sources	—	4,873	—	4,873
	603,478	292,854	—	896,332
Segment results	67,440	54,329	—	121,769
Other income				68,558
Other gains — net				604
Operating profit				190,931
Finance cost — net				(62,623)
Income tax expenses				(35,101)
Profit for the year				93,207
Segment results include:				
Depreciation	10,512	66,954	—	77,466
Amortization	448	910	—	1,358
Net impairment losses on financial assets	4,593	251	—	4,844

For the year ended December 31, 2020

	Non-commercial property management and value-added services	**Commercial property management and operational services**	**Group**
	RMB'000	*RMB'000*	*RMB'000*
Gross segment revenue	811,168	356,880	1,168,048
Revenue from external customers	811,168	356,880	1,168,048
Revenue from contracts with customers recognized			
— At a point in time	165,944	3,214	169,158
— Over time	645,224	347,777	993,001
Revenue from other sources	—	5,889	5,889
	811,168	356,880	1,168,048
Segment results	191,823	64,986	256,809
Other income			45,166
Other gains — net			488
Operating profit			302,463
Finance cost — net			(22,252)
Income tax expenses			(76,501)
Profit for the year			203,710
Segment results include:			
Depreciation	11,412	61,566	72,978
Amortization	1,481	847	2,328
Net impairment losses on financial assets	2,415	148	2,563

An analysis of the Group's revenue by category for the years ended December 31, 2018, 2019 and 2020 are as follows:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Non-commercial property management and value-added services			
— Property management services	252,432	273,408	343,735
— Value-added services to non-property owners	121,110	205,635	332,988
— Community value-added services	120,736	124,435	134,445
Commercial property management and operational services			
— Commercial operation and management services	226,385	251,981	303,294
— Market and positioning consultancy and tenant sourcing services	42,139	40,873	53,586
	762,802	896,332	1,168,048

A breakdown by revenue generated from services provided by the Group to its ultimate holding company, fellow subsidiaries, associates and joint ventures of Yuexiu Property, non-controlling interest of Yuexiu Property and its subsidiaries and independent third parties for the years ended December 31, 2018 and 2019 and 2020 was as below:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Ultimate holding company	185	–	–
Fellow subsidiaries	159,632	237,981	386,710
Associates and joint ventures of Yuexiu Property	28,465	35,653	39,460
Non-controlling interest of Yuexiu Property and its subsidiaries	–	1,917	22,500
Independent third parties	574,520	620,781	719,378
	762,802	896,332	1,168,048

Other than ultimate holding company, fellow subsidiaries, associates and joint ventures of Yuexiu Property and non-controlling interest of Yuexiu Property and its subsidiaries, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue for the Track Record Period.

(b) Segment assets and liabilities

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment. The Group's financial assets at FVOCI, prepaid income taxation, deferred income tax assets, deferred income tax liabilities, current income tax liabilities and borrowings are not directly attributable to segments.

The segment assets and liabilities of the Group as at December 31, 2018, 2019 and 2020 are as follows:

As at December 31, 2018

	Non-commercial property management and value-added services	Commercial property management and operational services	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment assets	1,902,153	755,918	2,658,071
Financial assets at FVOCI			30,189
Prepaid income taxation			6,155
Deferred income tax assets			6,460
Total segment assets			2,700,875
Segment liabilities	695,957	711,871	1,407,828
Deferred income tax liabilities			7,162
Current income tax liabilities			22,222
Borrowings			1,080,000
Total segment liabilities			2,517,212

As at December 31, 2019

	Non-commercial property management and value-added services	Commercial property management and operational services	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment assets	2,136,996	772,725	2,909,721
Financial assets at FVOCI			35,558
Prepaid income taxes			14,777
Deferred income tax assets			7,349
Total segment assets			2,967,405
Segment liabilities	951,786	717,164	1,668,950
Deferred income tax liabilities			11,685
Current income tax liabilities			37,475
Borrowings			981,000
Total segment liabilities			2,699,110

As at December 31, 2020

	Non-commercial property management and value-added services	Commercial property management and operational services	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment assets	1,512,284	843,813	2,356,097
Financial assets at FVOCI			34,784
Prepaid income taxes			11,191
Deferred income tax assets			8,635
Total segment assets			2,410,707
Segment liabilities	904,845	646,069	1,550,914
Deferred income tax liabilities			35,765
Current income tax liabilities			63,348
Total segment liabilities			1,650,027

(c) Geographical distribution

Revenue from external customers by geographical location is as follows:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Mainland China	694,406	828,072	1,097,787
Hong Kong	68,396	68,260	70,261
	762,802	896,332	1,168,048

Non-current assets (other than financial assets at FVOCI and deferred income tax assets) located by geographical location are as follows:

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Mainland China	80,494	87,848	440,871
Hong Kong	106,480	80,553	50,674
	186,974	168,401	491,545

(d) Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities			
— Related parties *(Note 29(c))*	16,824	17,535	13,656
— Third parties	88,782	75,500	149,527
	105,606	93,035	163,183

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from advance payments made by customers while the underlying services are yet to be provided. The decrease in contract liabilities as at December 31, 2019 was mainly due to decrease in advance payments from customers. Such liabilities increased as at December 31, 2020 as a result of the growth of the Group's business.

(ii) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities.

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year			
Non-commercial property management and value-added services	65,571	103,018	89,211
Commercial property management and operational services	951	2,588	3,824
	66,522	105,606	93,035

(e) Unsatisfied performance obligations

For non-commercial property management services, value-added services to non-property owners and commercial property management and operational services, the Group recognizes 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, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts do not have a fixed term. The term of the contracts with non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community value-added services that are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

(f) Assets recognized from incremental costs to obtain a contract

During the Track Record Period, there was no significant incremental costs to obtain a contract.

6 EXPENSES BY NATURE

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Employee benefit expenses *(Note 7)*	391,812	430,245	503,469
Depreciation and amortization charges	71,605	78,824	75,306
Gardening and cleaning	51,672	58,306	69,039
Maintenance and upgrade costs	45,082	60,032	64,357
Utilities	28,350	32,911	46,501
Commission fees	10,308	15,247	35,071
Short-term lease payments *(Note 16)*	20,180	24,836	27,031
Cost of consumables	10,165	12,337	18,267
Promotion and advertising	7,469	15,949	12,888
Taxes and other levies expenses	5,385	5,316	9,795
Consultancy fees	7,099	6,999	7,103
Office expenses	5,631	5,418	6,760
Listing expenses	–	–	5,906
Travelling and entertainment expenses	4,574	5,978	3,916
Bank charges	2,676	3,185	3,604
Auditors' remuneration	818	1,210	2,043
— Audit services	344	600	1,664
— Non-audit services	474	610	379
Others	12,598	12,926	17,620
	675,424	769,719	908,676

7 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	298,914	336,332	416,053
Pension costs-defined contribution *(Notes (a) and (b))*	26,405	29,830	12,541
Social insurance expenses *(Note (b))*	22,543	25,665	20,117
Housing benefits	14,942	17,379	22,870
Other employee benefits *(Note (c))*	29,008	21,039	31,888
	391,812	430,245	503,469

(a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees. Other than the monthly contributions, the Group pays contributions to privately administered pension insurance plans.

(b) The decrease in pension costs and social insurance expenses for the year ended December 31, 2020 was mainly due to the exemption of social insurance for certain period in 2020, according to security relief policies issued by the Ministry of Human Resources and Social Security and local municipal departments for the impact by COVID-19.

(c) Other employee benefits mainly represent employee welfare funds, staff education funds and staff union funds.

(d) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included 1, 1 and 2 directors for the years ended December 31, 2018, 2019 and 2020, whose emoluments are reflected in the analysis shown in Note 30. The emoluments payable to the remaining 4, 4 and 3 individuals during the Track Record Period are as follows:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	4,923	5,053	4,688
Pension costs, housing benefits and other social insurance expenses	614	551	420
	5,537	5,604	5,108

The emoluments fell within the following bands:

	Number of individuals		
	Year ended December 31,		
	2018	**2019**	**2020**
Emolument bands (in Hong Kong Dollar ("HKD"))			
Nil — HKD1,000,000	—	—	—
HKD1,000,001 — HKD1,500,000	4	4	—
HKD1,500,001 — HKD2,000,000	—	—	2
HKD2,000,001 — HKD2,500,000	—	—	1
	4	4	3

8 OTHER INCOME

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Interest income from loans to related parties *(Note 29(a))*	39,174	61,049	26,091
Additional input value-added tax deduction *(Note (a))*	—	5,599	8,924
Penalty income	186	1,910	1,206
Government grants *(Note (b))*	11	—	8,945
	39,371	68,558	45,166

(a) The amounts represent additional deduction of value-added tax applicable to certain subsidiaries of the Group providing property management services and value-added services which are related to life services since April 2019.

(b) Government grants represent subsidies granted for job stabilization to the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

9 OTHER (LOSSES)/GAINS — NET

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Net foreign exchange (losses)/gains	(19)	(24)	355
(Losses)/gains on disposal of property, plant and equipment	(36)	49	(20)
Others	(671)	579	153
	(726)	604	488

10 FINANCE COSTS — NET

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Finance income			
Interests income from bank deposits	1,760	2,140	6,973
Finance costs			
Interest expense of bank borrowings	(44,377)	(57,750)	(23,157)
Interest expense of lease liabilities *(Note 16)*	(8,471)	(6,799)	(5,501)
Interest expense of amount due to a related party *(Note 29(a))*	—	(214)	(567)
	(52,848)	(64,763)	(29,225)
Finance costs — net	(51,088)	(62,623)	(22,252)

11 SUBSIDIARIES

The principal subsidiaries of which the Company held direct or indirect interest upon completion of the Reorganization and as at the date of this report are as follows:

Company name	Place of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held as at December 31, 2018	2019	2020	Date of this report	Principal activities	*Note*
Directly held by the Company:								
Golden Estates Development Limited	The BVI	United States Dollar ("USD") 2	100%	100%	100%	100%	Investment holding	*(i)*
Zippenes Limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Brander Limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Richardland Limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Greater Rich Group Limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Digital Victor Holdings limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Smart Value Enterprises Limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Major Benefit Management Limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Ever Famous Investments Limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Winner Zone Holding Limited	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
All Plus Enterprises Ltd.	The BVI	USD2	100%	100%	100%	100%	Investment holding	*(i)*
Indirectly held by the Company:								
Guangzhou Yuexiu Property Development Co., Ltd.	The PRC	RMB100,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou City Construction & Development Weicheng Enterprise Ltd.	The PRC	RMB955,300	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Yueguan Intelligent Technology Co., Ltd.	The PRC	RMB20,000,000	100%	100%	100%	100%	Property management	*(iii)*

Company name	Place of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held as at December 31, 2018	2019	2020	Date of this report	Principal activities	Note
Guangzhou Yuexiuhui Information Technology Co., Ltd.	The PRC	RMB500,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Weicheng Property Management Co., Ltd.	The PRC	RMB600,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Wanlian Property Management Operation Co., Ltd.*	The PRC	RMB600,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou City Yuexiu Property Management Co., Ltd.	The PRC	RMB1,000,000	60%	60%	60%	60%	Property management	*(iii)*
Yuexiu Property (Shandong) Property Management Co., Ltd.	The PRC	RMB3,000,000	100%	100%	100%	100%	Property management	*(iii)*
Zhejiang Yuexiu Property Management Co., Ltd.	The PRC	RMB10,000,000	100%	100%	100%	100%	Property management	*(iii)*
Yuexiu (Wuhan) Property Management Co., Ltd.	The PRC	RMB3,000,000	100%	100%	100%	100%	Property management	*(iii)*
Yuexiu Property (Shenyang) Property Management Co., Ltd.	The PRC	RMB3,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Chengbin Property Management Co., Ltd.	The PRC	RMB3,000,000	100%	100%	100%	100%	Property management	*(iii)*
Zhongshan Yuexiu Real Estate Property Management Co., Ltd.	The PRC	RMB3,000,000	100%	100%	100%	100%	Property management	*(iii)*

Company name	Place of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held as at December 31, 2018	2019	2020	Date of this report	Principal activities	Note
Yuexiu Property (Jiangmen) Property Management Co., Ltd.	The PRC	RMB3,000,000	100%	100%	100%	100%	Property management	*(iii)*
Jiangmen Yuexiu Riverside Property Service Co., Ltd.	The PRC	RMB5,000,000	N/A	N/A	67%	67%	Property management	*(v)*
Wuhan Modern Property Management Co., Ltd.	The PRC	RMB500,000	70%	70%	70%	70%	Property management	*(iii)*
Hubei Yuexiuhui Real Estate Agency Co., Ltd.	The PRC	RMB1,010,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Yicheng Property Management Co., Ltd.	The PRC	RMB5,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Yuexiu Commercial Management Co., Ltd.	The PRC	RMB1,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Yue Xiu City Construction Jones Lang Lasalle Property Services Co., Ltd.	The PRC	RMB5,000,000	60%	60%	80%	80%	Property management	*(iii)*
Guangzhou Baima Business Operation Management Co., Ltd.	The PRC	RMB5,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Zhonggang Leather Trading Centre Business Operation Management Co., Ltd.	The PRC	RMB10,000,000	100%	100%	100%	100%	Property management	*(iii)*

Company name	Place of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held as at December 31, 2018	2019	2020	Date of this report	Principal activities	Note
Guangzhou Kangsai Economic Information Consulting Co., Ltd.	The PRC	RMB10,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Lexi Industrial Development Co., Ltd.	The PRC	RMB50,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Yueting International Economic Information Consulting Co., Ltd.	The PRC	RMB10,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Lianxiu Economic Information Consulting Co., Ltd.	The PRC	RMB10,000,000	100%	100%	100%	100%	Property management	*(iii)*
Guangzhou Metro Environmental Engineering Co., Ltd. ("GZMEE")	The PRC	RMB10,060,000	N/A	N/A	67%	67%	Property management	*(iv)*
Guangzhou Metro Property Management Co., Ltd. ("GZMPM")	The PRC	RMB5,010,000	N/A	N/A	67%	67%	Property management	*(iv)*
Guangyue Property Management (Guangzhou) Co., Ltd.	The PRC	RMB1,000,000	N/A	N/A	60%	60%	Property management	*(vi)*
Link Access Limited	Hong Kong	HKD10,868,175	100%	100%	100%	100%	Investment holding	*(ii)*
Fort Fortune Limited	Hong Kong	HKD10,980,906	100%	100%	100%	100%	Investment holding	*(ii)*
Broadland International Limited	Hong Kong	HKD21,299,853	100%	100%	100%	100%	Investment holding	*(ii)*
Fort Yield Limited	Hong Kong	HKD1,604,782	100%	100%	100%	100%	Investment holding	*(ii)*
Health International Limited	Hong Kong	HKD1	100%	100%	100%	100%	Investment holding	*(ii)*
Affirm Greatest Limited	Hong Kong	HKD1	100%	100%	100%	100%	Investment holding	*(ii)*

Company name	Place of incorporation/ establishment	Registered/ issued and paid-up capital	Equity interest held as at December 31, 2018	2019	2020	Date of this report	Principal activities	Note
Tristate Investment Development Limited	Hong Kong	HKD1	100%	100%	100%	100%	Investment holding	*(ii)*
Yue Xiu APT Parking Limited	Hong Kong	HKD10,000	100%	100%	100%	100%	Property management	*(vii)*
Yue Xiu Property Management Limited	Hong Kong	HKD10,000	100%	100%	100%	100%	Property management	*(vii)*
Pine Tech Corporation Limited	Hong Kong	HKD1	100%	100%	100%	100%	Investment holding	*(ii)*
Tri-Full Limited	Hong Kong	HKD1	100%	100%	100%	100%	Investment holding	*(ii)*

* The English names of the subsidiaries in the PRC represent the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(i) No audited statutory financial statements have been prepared for these companies as there are no statutory audit requirements under the applicable law in the place of incorporation of the entity.

(ii) The financial statements of these companies for the years ended December 31, 2018 and 2019 were audited by PricewaterhouseCoopers. The audited financial statements of these companies for the year ended December 31, 2020 have not yet been issued.

(iii) The financial statements of these companies for the years ended December 31, 2018, 2019 and 2020 were audited by various certified public accountants registered in the PRC, including Guangzhou Lingnan Certified Public Accountants Co., Ltd. (廣州嶺南會計師事務所有限公司), Zhengde Certified Public Accountants' Firm. (廣州正德會計師事務所有限公司), Zhongshan Certified Public Accountants (煙台中山有限責任會計師事務所), Zhejiang Zhongzi Certified Public Accountants Co., Ltd. (浙江中孜會計師事務所有限公司), Hubei Hanniu Certified Public Accountants Co., Ltd. (湖北漢牛會計師事務有限公司), Shenyang Pujian United Certified Public Accountants' Firm (General Partnership) (瀋陽普鑑聯合會計師事務所(普通合夥)), Guangzhou Honghai Certified Public Accountants Co., Ltd. (廣州宏海會計師事務所有限公司), Guangzhou Huaxin Certified Public Accountants Co., Ltd. (廣州華信會計師事務所有限公司), BDO China Shu Lun Pan Certified Public Accountants LLP Guangdong Branch (立信會計師事務所(特殊普通合夥)廣東分所) and Peking Certified Public Accountants Guangzhou Branch (中勤萬信會計師事務所(特殊普通合夥)廣州分所).

(iv) These companies were acquired by the Group in November 2020. The financial statements of these companies for the years ended December 31, 2020 were audited by certified public accountant registered in the PRC, BDO China Shu Lun Pan Certified Public Accountants LLP Guangdong Branch (立信會計師事務所(特殊普通合夥)廣東分所).

(v) No audited financial statements have been prepared for this company for the years ended December 31, 2018 and 2019 as it was newly incorporated in December 2020. The financial statements of this company for the year ended December 31, 2020 were audited by Guangzhou Honghai Certified Public Accountants Co., Ltd. (廣州宏海會計師事務所有限公司).

(vi) No audited financial statements have been prepared for this company for the years ended December 31, 2018 and 2019 as it was newly incorporated in December 2020. The audited financial statements of this company for the year ended December 31, 2020 have not yet been issued.

(vii) The financial statements of these companies for the years ended December 31, 2018, 2019 and 2020 were audited by PricewaterhouseCoopers.

12 INCOME TAX EXPENSES

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Current taxation			
Current income tax	19,320	32,448	67,755
Corporate withholding income tax	—	—	7,833
Deferred taxation			
Deferred income tax	(3,195)	(1,669)	(392)
Corporate withholding income tax on undistributed profits	2,433	4,322	1,305
	18,558	35,101	76,501

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group entities as follows:

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	65,872	128,308	280,211
Tax calculated at applicable corporate income tax rate	16,358	32,533	70,238
— Effect of different tax rates applicable to certain subsidiaries	(324)	(2,087)	(2,239)
— Expenses not deductible for tax purposes	174	233	259
— Additional deduction for tax incentives	(272)	(280)	(282)
— Tax losses and deductible temporary differences for which no deferred income tax asset was recognized	389	1,157	376
— Utilization of previously unrecognized tax losses	(200)	(777)	(989)
— Corporate withholding income tax	2,433	4,322	9,138
Income tax expense	18,558	35,101	76,501

Hong Kong profit tax

On March 21, 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazetted on the following day. Under the two-tiered profits tax regime, the first HKD2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%.

The two-tiered profits tax regime was applicable to certain group companies incorporated in Hong Kong during the Track Record Period.

PRC corporate income tax

Income tax provision of the Group in respect of operations in Mainland China 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 general enterprise income tax rate in the PRC is 25%. Certain operations of the Group in the PRC were qualified as "Small Low-Profit Enterprise" and taxed at the reduced tax rate of 20% from January 1, 2008. Starting from January 1, 2019 to December 31, 2021, "Small Low-Profit Enterprise" was entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first RMB1 million of the taxable income of qualified entities are taxed at 5%, and the taxable income above RMB1 million and less than RMB3 million are taxed at 10%.

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to corporate withholding income tax at tax rates ranging from 5% to 10%. During the Track Record Period, withholding income tax was provided for dividend distributed and undistributed profit of the Group's subsidiaries in China at tax rates ranging from 5% to 10%.

Guangzhou Yueguan Intelligent Technology Co., Ltd. is qualified as a "High and New Technology Enterprise" in 2019 and 2020. It is subject to a reduced preferential enterprise income tax rate of 15%.

13 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares during the Track Record Period.

In determining the weighted average number of shares in issue during the Track Record Period, 1,018,600,000 shares as detailed in Note 23 were deemed to have been in issued on January 1, 2018 as if the Company had been incorporated by then.

The Company did not have any potential dilutive ordinary shares outstanding during the Track Record Period. Diluted earnings per share is equal to basic earnings per share.

	Year ended December 31,		
	2018	**2019**	**2020**
Profit attributable to owners of the Company (RMB'000)	45,458	91,327	199,131
Weighted average number of ordinary shares (in thousands)	1,018,600	1,018,600	1,018,600
Basic and diluted earnings per share for profit attributable to the owners of the Company during the year (expressed in RMB per share)	0.04	0.09	0.20

14 DIVIDENDS

No dividend had been paid or declared by the Company since its incorporation.

Certain companies now comprising the Group had provided for or paid dividends to their then shareholders amounting to RMB13,967,000 and RMB45,862,000 during the years ended December 31, 2019 and 2020, respectively.

15 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture, fixtures and equipment	Leasehold improvements	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2018						
Cost	2,068	32,271	2,608	8,662	—	45,609
Accumulated depreciation	(190)	(22,052)	(532)	(7,882)	—	(30,656)
Net book amount	1,878	10,219	2,076	780	—	14,953
Year ended December 31, 2018						
Opening net book amount	1,878	10,219	2,076	780	—	14,953
Additions	—	12,154	44	177	—	12,375
Disposals	—	(39)	—	—	—	(39)
Depreciation charge	(207)	(4,347)	(630)	(109)	—	(5,293)
Closing net book amount	1,671	17,987	1,490	848	—	21,996
As at December 31, 2018						
Cost	2,068	41,151	2,652	8,839	—	54,710
Accumulated depreciation	(397)	(23,164)	(1,162)	(7,991)	—	(32,714)
Net book amount	1,671	17,987	1,490	848	—	21,996
Year ended December 31, 2019						
Opening net book amount	1,671	17,987	1,490	848	—	21,996
Additions	4,003	8,001	3,638	100	4,696	20,438
Transfer	—	3,619	—	—	(3,619)	—
Disposals	—	(138)	—	(41)	—	(179)
Depreciation charge	(381)	(5,737)	(930)	(94)	—	(7,142)
Closing net book amount	5,293	23,732	4,198	813	1,077	35,113
As at December 31, 2019						
Cost	6,071	51,897	6,290	8,543	1,077	73,878
Accumulated depreciation	(778)	(28,165)	(2,092)	(7,730)	—	(38,765)
Net book amount	5,293	23,732	4,198	813	1,077	35,113

	Buildings	Furniture fixture and equipment	Leasehold improvements	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2020						
Opening net book amount	5,293	23,732	4,198	813	1,077	35,113
Additions	—	7,403	1,000	703	5,005	14,111
Acquisition of subsidiaries *(Note 18)*	—	2,443	—	—	—	2,443
Transfer	—	5,698	—	—	(5,698)	—
Disposals	—	(277)	—	(142)	—	(419)
Depreciation charge	(397)	(6,661)	(2,921)	(185)	—	(10,164)
Closing net book amount	4,896	32,338	2,277	1,189	384	41,084
As at December 31, 2020						
Cost	6,071	64,738	7,290	6,340	384	84,823
Accumulated depreciation	(1,175)	(32,400)	(5,013)	(5,151)	—	(43,739)
Net book amount	4,896	32,338	2,277	1,189	384	41,084

Depreciation expenses were charged to the following categories in the consolidated statements of comprehensive income:

	Year ended December 31,		
	2018	**2019**	**2020**
Cost of sales	4,835	6,184	8,809
Administrative expenses	458	958	1,355
	5,293	7,142	10,164

(a) No property, plant and equipment was restricted or pledged as security for liabilities as at December 31, 2018, 2019 and 2020.

16 LEASES

(i) Amounts recognized in the consolidated balance sheets are as follows:

Right-of-use assets

	Properties
	RMB'000
As at January 1, 2018	
Cost	188,270
Accumulated depreciation	(34,430)
Net book amount	153,840
Year ended December 31, 2018	
Opening net book amount	153,840
Additions	66,932
Depreciation charge	(65,440)
Closing net book amount	155,332
As at December 31, 2018	
Cost	255,202
Accumulated depreciation	(99,870)
Net book amount	155,332
Year ended December 31, 2019	
Opening net book amount	155,332
Additions	43,235
Depreciation charge	(70,324)
Closing net book amount	128,243
As at December 31, 2019	
Cost	282,520
Accumulated depreciation	(154,277)
Net book amount	128,243
Year ended December 31, 2020	
Opening net book amount	128,243
Additions	32,056
Acquisition of subsidiaries *(Note 18)*	2,532
Depreciation charge	(62,814)
Closing net book amount	100,017
As at December 31, 2020	
Cost	250,934
Accumulated depreciation	(150,917)
Net book amount	100,017

Lease liabilities

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities			
— Current	63,090	66,946	56,929
— Non-current	97,670	70,550	52,323
	160,760	137,496	109,252

(ii) Amounts recognized in the consolidated statements of comprehensive income are as follows:

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets			
Properties	65,440	70,324	62,814
Interest expense (included in finance cost) *(Note 10)*	8,471	6,799	5,501
Expenses relating to short-term leases (included in cost of sales and administrative expenses) *(Note 6)*	20,180	24,836	27,031

The total cash outflow for leases for the years ended December 31, 2018, 2019 and 2020 was RMB88,663,000, RMB98,134,000 and RMB95,407,000, respectively.

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, equipment, parking lots and dormitories. Rental contracts are typically made for fixed periods of 3 months to 6 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

17 INTANGIBLE ASSETS

	Goodwill	Customer relationships	Software	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2018				
Cost	—	—	3,801	3,801
Accumulated amortization	—	—	(2,108)	(2,108)
Net book amount	—	—	1,693	1,693
Year ended December 31, 2018				
Opening net book amount	—	—	1,693	1,693
Additions	—	—	2,080	2,080
Amortization	—	—	(872)	(872)
Closing net book amount	—	—	2,901	2,901
As at December 31, 2018				
Cost	—	—	5,881	5,881
Accumulated amortization	—	—	(2,980)	(2,980)
Net book amount	—	—	2,901	2,901
Year ended December 31, 2019				
Opening net book amount	—	—	2,901	2,901
Additions	—	—	2,877	2,877
Amortization	—	—	(1,358)	(1,358)
Closing net book amount	—	—	4,420	4,420
As at December 31, 2019				
Cost	—	—	8,758	8,758
Accumulated amortization	—	—	(4,338)	(4,338)
Net book amount	—	—	4,420	4,420
Year ended December 31, 2020				
Opening net book amount	—	—	4,420	4,420
Additions	—	—	960	960
Acquisition of subsidiaries *(Note 18)*	248,344	92,372	140	340,856
Amortization	—	(784)	(1,544)	(2,328)
Closing net book amount	248,344	91,588	3,976	343,908
As at December 31, 2020				
Cost	248,344	92,372	9,858	350,574
Accumulated amortization	—	(784)	(5,882)	(6,666)
Net book amount	248,344	91,588	3,976	343,908

Amortization of intangible assets has been charged to the following categories in the consolidated statements of comprehensive income:

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	699	1,222	2,310
Administrative expenses	173	136	18
	872	1,358	2,328

(i) No intangible asset was restricted or pledged as security for liabilities as at December 31, 2018, 2019 and 2020.

(ii) Impairment test for goodwill

The goodwill arised as part of a business combination (Note 18). Goodwill is monitored by the management at the level of non-commercial property management and value-added services CGU related to GZMEE and GZMPM, a wholly owned subsidiary of GZMEE (collectively, the "GZMEE Group"). Goodwill has been assessed based on the related CGU for impairment testing.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill as at December 31, 2020:

Revenue — 2021 to 2025 (% annual growth rate)	10%-20%
Gross margin (% of revenue)	26%
Long-term growth rate	3%
Pre-tax discount rate	19.3%

The goodwill of RMB248,344,000 represents the excess of the acquisition consideration transferred and amount of non-controlling interests in the GZMEE Group over the fair value of the net identifiable assets acquired as at the acquisition date, November 30, 2020 (Note 18(a)). As at December 31, 2020, the recoverable amount of the CGU in GZMEE Group is estimated to exceed the carrying amount of the CGU by approximately RMB5,462,000. Such recoverable amount of the CGU is determined based on VIU calculations. The calculation requires the Group to estimate the future cash flows expected to arise from CGU and a suitable discount rate in order to calculate the present value. As the acquisition was completed only a month before December 31, 2020, there were no significant changes in expected future cash flows generated from the CGU as well as the discount rate. Therefore, the percentage of headroom in the goodwill impairment test is less than 10%.

Impact of possible changes in key assumptions

As at December 31, 2020, if the budgeted revenue used in the VIU calculation for the CGU had been decreased by 1.2% lower than management's estimates, the Group would have had to recognise an impairment against goodwill. If the estimated gross profit margins used in the VIU calculation for the CGU had been 0.2% lower than management's estimates, the Group would have had to recognise an impairment against goodwill. If the estimated long-term growth rate used in the VIU calculation for the CGU had been 0.3% lower than management's estimates, the Group would have had to recognise an impairment against goodwill. If the pre-tax discount rate applied to the cash flow projections of the CGU had been 0.2% higher than management's estimates, the Group would have had to recognise an impairment against goodwill.

Except for the above changes, the management considers that there is no other reasonably possible change in key parameters that would cause the carrying amount of the CGU to exceed its recoverable amount.

(iii) The customer relationships were acquired as part of a business combination (Note 18). They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis over their estimated useful lives of 7 years and 10 years.

18 BUSINESS COMBINATION

(a) Summary of acquisition

On November 30, 2020, the Group acquired 67% of the equity interest in the GZMEE Group, which are both property management service companies, at a total consideration of RMB281.74 million (including tax payable of RMB5 million) from GZ Metro, minority shareholder of Yuexiu Property.

Immediately upon the completion of the acquisition, GZMEE has been indirectly owned as to 67% by the Company and 33% by GZ Metro.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000
Purchase consideration net of tax	
Cash paid	276,740

The assets and liabilities recognized as a result of the acquisition are as follows:

	RMB'000
Property, plant and equipment *(Note 15)*	2,443
Right-of-use assets *(Note 16)*	2,532
Intangible assets — customer relationships *(Note 17)*	92,372
Intangible assets — software *(Note 17)*	140
Deferred income tax assets *(Note 27)*	1,100
Inventories	1,208
Trade and other receivables and prepayments	151,488
Cash and cash equivalents	1,254
Deferred income tax liabilities *(Note 27)*	(23,093)
Trade and other payables	(61,981)
Contract liabilities	(187)
Lease liabilities	(2,575)
Net identifiable assets acquired	164,701
Less: non-controlling interests	(136,305)
Add: goodwill *(Note 17)*	248,344
	276,740

(i) Acquired receivables

The fair value of acquired trade receivables was RMB65,242,000. The gross contractual amount for trade receivables was RMB69,447,000, with a loss allowance of RMB4,205,000 recognized on acquisition.

(ii) Accounting policy choice for non-controlling interests

For the non-controlling interests in GZMEE Group, the Group has elected to recognize non-controlling interests at fair value. See Note 2.3 for the Group's accounting policies for business combinations.

(iii) Revenue and profit contribution

The acquired business contributed revenues of RMB21,374,000 and net profit of RMB5,233,000 to the Group for the period from November 30, 2020 to December 31, 2020.

If the acquisition had occurred on January 1, 2020, consolidated pro-forma revenue and profit for the year ended December 31, 2020 would have been RMB1,364,624,000 and RMB226,303,000 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

– differences in the accounting policies between the Group and the subsidiary, and

– the additional amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from January 1, 2020, together with the consequential tax effects.

(b) Purchase consideration — cash outflow

	RMB'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	276,740
Less: Cash balances acquired	1,254
Net cash outflow – investing activities	275,486

19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Financial asset at amortized costs			
Trade and other receivables and prepayments (excluding prepayments and other prepaid taxes) *(Note 21)*	1,859,603	1,943,865	845,818
Cash and cash equivalents *(Note 22)*	598,137	773,689	994,629
Restricted cash *(Note 22)*	6,745	6,745	13,597
	2,464,485	2,724,299	1,854,044
Financial assets at FVOCI *(Note 20)*	30,189	35,558	34,784
	2,494,674	2,759,857	1,888,828
Financial liabilities at amortized costs			
Borrowings *(Note 26)*	1,080,000	981,000	—
Trade and other payables (excluding accrued payroll liabilities and other taxes payables) *(Note 25)*	1,060,352	1,334,398	1,066,503
Lease liabilities *(Note 16)*	160,760	137,496	109,252
	2,301,112	2,452,894	1,175,755

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Classification of financial assets at FVOCI

Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the Group considers this classification to be more relevant.

(ii) Equity investments at FVOCI

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Unlisted equity instruments			
Guangzhou Construction & Development Property Holdings Mingte Network Development Co., Ltd. ("Mingte")	3,123	4,234	4,426
Guangzhou Yuetou Commercial Factoring Co., Ltd. ("Yuetou Commercial Factoring")	27,066	31,324	30,358
	30,189	35,558	34,784

The unlisted equity instruments at FVOCI represent the Group's 5% and 10% equity interests in Mingte and Yuetou Commercial Factoring, respectively.

(iii) Movements in financial assets at FVOCI during the Track Record Period are as follows:

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Opening balance	29,135	30,189	35,558
Gains/(losses) recognized in other comprehensive income	1,054	5,369	(774)
Closing balance	30,189	35,558	34,784

21 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables *(Note (a))*			
— Related parties *(Note 29(c))*	73,294	100,115	383,350
— Third parties	143,970	121,551	90,963
	217,264	221,666	474,313
Less: allowance for impairment of trade receivables *(Note 3.1(b))*	(18,641)	(22,484)	(27,462)
	198,623	199,182	446,851
Other receivables			
— Loan to a related party *(Note (b))*	1,153,011	1,214,059	—
— Amounts due from related parties	358,507	328,854	177,028
— Property management costs recoverable from third parties *(Note (c))*	18,512	38,151	48,360
— Property management costs recoverable from related parties *(Note (c))*	20,801	32,986	37,550
— Payments on behalf of residents and tenants for third parties *(Note (d))*	56,420	63,264	58,392
— Guarantee deposits paid to related parties *(Note (e))*	29,716	37,429	39,746
— Guarantee deposits paid to third parties *(Note (e))*	15,585	14,670	16,080
— Dividend receivables	1,016	1,016	—
— Others			
— Related parties	6,695	5,995	13,560
— Third parties	4,705	13,248	15,056
	1,664,968	1,749,672	405,772
Less: allowance for impairment of other receivables *(Note 3.1(b))*	(3,988)	(4,989)	(6,805)
	1,660,980	1,744,683	398,967
Prepayments			
— Related parties *(Note 29(c))*	400	400	55
— Third parties	3,132	7,394	4,714
	3,532	7,794	4,769
Other prepaid taxes	9,247	9,166	9,471
Deferred listing expenses	—	—	1,905
Total	1,872,382	1,960,825	861,963

The Company

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Deferred listing expenses	—	—	1,905
Other receivable	—	—	1
	—	—	1,906

(a) Trade receivables mainly arise from property management services.

Non-commercial property management and value-added services income and commercial property management and operational service income under lump sum basis are received in accordance with the terms of the relevant services agreements. Service income from property management services is due for payment by property owners and tenants upon the issuance of demand notes.

(b) The amount represents a loan to Guangzhou City Construction & Development Co., Ltd. ("GCCD"), a fellow subsidiary, with a principal amount of RMB1,150,000,000 on December 13, 2018. The interest receivable amounted to RMB3,011,000 and RMB64,059,000 as at December 31, 2018 and 2019, respectively. The amount of RMB1,150,000,000 was fully settled by cash in June 2020. The interest receivable of RMB64,059,000 was settled by offsetting amounts due to GCCD.

(c) The amounts mainly represent costs incurred in relation to property management service provided under commission basis which could be recovered from property owners and tenants.

(d) The amounts represent payments of utility charges on behalf of property owners and tenants.

(e) The amounts mainly represent performance guarantee deposits paid to property owners for the provision of property management services.

(f) As at December 31, 2018, 2019 and 2020, the ageing analysis of the trade receivables based on invoice date is as follows:

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
0-30 days	155,009	105,239	337,572
31-180 days	8,264	39,440	64,106
181-365 days	5,184	14,856	17,734
1 to 2 years	20,811	19,371	20,011
2 to 3 years	16,332	16,213	13,684
Over 3 years	11,664	26,547	21,206
	217,264	221,666	474,313

As at December 31, 2018, 2019 and 2020, a provision of RMB18,641,000, RMB22,484,000 and RMB27,462,000 was made against the gross amounts of trade receivables (Note 3.1(b)).

(g) As at December 31, 2018, 2019 and 2020, trade and other receivables were mainly denominated in RMB and the fair value of trade and other receivables approximated their carrying amounts.

22 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks and on hand balances *(Note a)*	604,882	780,434	1,008,226
Less: restricted cash *(Note b)*	(6,745)	(6,745)	(13,597)
Cash and cash equivalents	598,137	773,689	994,629

(a) Cash at banks and on hand were denominated in the following currencies:

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
RMB	576,352	744,678	973,064
HKD	28,530	35,756	35,162
	604,882	780,434	1,008,226

(b) Restricted cash represents deposits for the provision of property management services according to the requests by property owners.

23 SHARE CAPITAL

	Note	**Number of shares**	**Share capital** *HKD'000*	**Share capital** *RMB'000*
Issued:				
Ordinary shares issued upon incorporation	*(a)*	100,000	1	1
Newly issued ordinary shares on December 1, 2020 during the Reorganization *(Note 1.2(f))*	*(b)*	1,018,500,000	684,620	581,016
At December 31, 2020		1,018,600,000	684,621	581,017

Notes:

(a) On October 8, 2020, the Company was incorporated in Hong Kong. Upon incorporation, 100,000 subscriber shares were issued at HKD 1,000 by the Company to the immediate holding company.

(b) On December 1, 2020, the Company allotted and issued 1,018,500,000 ordinary shares as the consideration (equivalent to RMB581,016,000) to acquire the entire equity interests in Operating Entities from the immediate holding company pursuant to the Reorganization as mentioned in Note 1.2(f).

24 RESERVES

The Group

	Statutory reserves	Other reserves	Total other reserves	Retained earnings	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2018	9,591	(5,259)	4,332	128,691	133,023
Profit for the year	—	—	—	45,458	45,458
Changes in fair value of financial assets at FVOCI, net of tax	—	803	803	—	803
Exchange differences on translation of foreign operations	—	1,695	1,695	—	1,695
Deemed distributions to the intermediate holding company, net *(Note (a))*	—	(10,000)	(10,000)	—	(10,000)
As at December 31, 2018	9,591	(12,761)	(3,170)	174,149	170,979
As at January 1, 2019	9,591	(12,761)	(3,170)	174,149	170,979
Profit for the year	—	—	—	91,327	91,327
Changes in fair value of financial assets at FVOCI, net of tax	—	4,388	4,388	—	4,388
Exchange differences on translation of foreign operations	—	1,004	1,004	—	1,004
Dividend provided for or paid	—	—	—	(8,792)	(8,792)
Others	—	(1,863)	(1,863)	1,863	—
As at December 31, 2019	9,591	(9,232)	359	258,547	258,906
As at January 1, 2020	9,591	(9,232)	359	258,547	258,906
Profit for the year	—	—	—	199,131	199,131
Appropriation of statutory reserves *(Note (b))*	14,371	—	14,371	(14,371)	—
Changes in fair value of financial assets at FVOCI, net of tax	—	(662)	(662)	—	(662)
Exchange differences on translation of foreign operations	—	(1,749)	(1,749)	—	(1,749)
Transaction with NCI	—	(5,583)	(5,583)	—	(5,583)
Issuance of ordinary shares pursuant to the Reorganization *(Note 23(b))*	—	(581,016)	(581,016)	—	(581,016)
Deemed contributions from intermediate holding company, net	—	207,934	207,934	—	207,934
Dividend provided for or paid	—	—	—	(43,354)	(43,354)
As at December 31, 2020	23,962	(390,308)	(366,346)	399,953	33,607

The Company

	Accumulated losses
	RMB'000
As at October 8, 2020 (date of incorporation)	—
Loss for the year	(5,661)
As at December 31, 2020	(5,661)

(a) In 2018, an entity, one of the Deregistered Companies, was incorporated in the PRC with share capital of RMB10,000,000 by the Group. The investment cost of the entity was deemed distributions to intermediate holding company, resulting in RMB10,000,000 charged to other reserves of the Group upon the incorporation of the entity.

(b) Statutory reserves

In accordance with relevant rules and regulations in the PRC and the Company's Articles of Association, companies incorporated in the PRC are required to transfer no less than 10% of their profit after taxation calculated under the PRC accounting standards and regulations to the statutory reserve fund before distribution of profit after income tax, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset previous years' losses or to increase the capital of respective companies.

25 TRADE AND OTHER PAYABLES

The Group

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables *(Note (a))*			
— Related parties *(Note 29(c))*	5,426	5,876	8,760
— Third parties	78,979	71,799	72,190
	84,405	77,675	80,950
Other payables			
— Amounts due to related parties	369,146	574,891	127,346
— Advances for property management services from related parties *(Note (c))*	30,395	37,408	48,535
— Advances for property management services from third parties *(Note (c))*	157,855	168,251	191,204
— Guarantee deposits received from related parties *(Note (d))*	6,431	16,838	40,381
— Guarantee deposits received from third parties *(Note (d))*	191,367	214,738	230,273
— Receipts on behalf of residents or tenants from third parties *(Note (e))*	116,573	123,648	134,896
— Receipts on behalf of residents or tenants from related parties *(Note (e))*	—	—	2,990
— Dividend payables *(Note (h))*	47,666	48,695	90,203
— Accrued expenses to third parties	16,313	16,488	48,345
— Accrued expenses to related parties	—	—	5,121
— Others	40,201	55,766	66,259
	975,947	1,256,723	985,553
Accrued payroll liabilities	70,756	93,283	190,730
Other tax payables	10,354	10,738	21,246

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
	1,141,462	1,438,419	1,278,479
Less: non-current portion of trade and other payables			
— A loan from a related party *(Note (b))*	—	(15,497)	(6,144)
Current portion	1,141,462	1,422,922	1,272,335

The Company

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Other payables			
— Accrued listing expenses	—	—	7,461
— Others	—	—	105
	—	—	7,566

(a) As at December 31, 2018, 2019 and 2020, the ageing analysis of the trade payables based on invoice date is as follows:

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Up to 1 year	69,216	56,917	58,637
1 to 2 years	9,540	10,746	8,226
2 to 3 years	1,743	6,349	6,229
Over 3 years	3,906	3,663	7,858
	84,405	77,675	80,950

(b) On July 18, 2019, the Group entered into a loan agreement with Yuexiu Property (HK) Company Limited, a fellow subsidiary, for facility amount of HKD17,300,000. The loan is unsecured, interest bearing at fixed rate of 4% per annum and is repayable on July 17, 2024. The principal of the loan due to Yuexiu Property (HK) Company Limited were approximately RMB15,497,000 and RMB6,144,000 as at December 31, 2019 and 2020, respectively.

(c) The amounts represent advances received from property owners and tenants for settlement of costs to be incurred in relation to property management services provided under commission basis.

(d) The amounts mainly represent performance guarantee deposits received from other service providers and renovation and utility security deposits received from property owners and tenants.

(e) The amounts mainly represent advances received from property owners and tenants for settlement of their utility charges.

(f) As at December 31, 2018, 2019 and 2020, trade payables and other payables were denominated in the following currencies:

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
RMB	1,134,519	1,413,731	1,269,201
HKD	6,943	24,688	9,278
	1,141,462	1,438,419	1,278,479

(g) As at December 31, 2018, 2019 and 2020, the carrying amounts of trade and other payables approximated their fair values.

(h) The dividend payables have been settled as of the date of the report.

26 BORROWINGS

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Bank borrowings			
— Guaranteed	981,000	875,000	—
Current			
Current portion of non-current bank borrowings			
— Guaranteed	99,000	106,000	—
	1,080,000	981,000	—

(a) On April 25, 2018, the Group entered into an entrusted loan agreement to borrow an entrusted loan of RMB1,150,000,000 from a bank at an interest rate of 5.5% per annum. The borrowing is repayable by quarterly instalments till April 25, 2028 and the balances of the borrowing were RMB1,080,000,000 and RMB981,000,000 as at December 31, 2018 and 2019, respectively. GCCD, a fellow subsidiary of Yuexiu Property, provided a guarantee for the borrowing (Note 29(d)).

Out of the proceeds from the abovementioned borrowing, the Group subsequently on-lent the loan to GCCD in December 2018 which also bore interest at a fixed rate of 5.55% per annum (Note 21 (b)).

In June 2020, GCCD fully settled the amount due to the Group and the Group also fully repaid the abovementioned borrowing.

(b) As at December 31, 2018, 2019 and 2020, the Group's borrowings were repayable as follows:

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	99,000	106,000	—
1 to 2 years	106,000	112,000	—
2 to 5 years	360,000	384,000	—
Over 5 years	515,000	379,000	—
	1,080,000	981,000	—

(c) As at December 31, 2018 and 2019, the effective interest rate of the borrowings was 5.5% per annum.

27 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Deferred income tax assets:			
— To be recovered after more than 12 months	79	—	—
— To be recovered within 12 months	6,381	7,349	8,635
	6,460	7,349	8,635
Deferred income tax liabilities:			
— To be recovered after more than 12 months	7,162	11,685	35,765
	(702)	(4,336)	(27,130)

Movements in deferred income tax assets and liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets	**Allowance on doubtful debts**	**Net impact of right-of-use assets and lease liabilities**	**Revaluation of financial assets at FVOCI**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2018	3,186	—	330	3,516
Credited to profit or loss	2,353	842	—	3,195
Charged to other comprehensive income	—	—	(251)	(251)
As at December 31, 2018	5,539	842	79	6,460
As at January 1, 2019	5,539	842	79	6,460
Credited to profit or loss	1,210	459	—	1,669
Charged to other comprehensive income	—	—	(79)	(79)
As at December 31, 2019	6,749	1,301	—	8,050
As at January 1, 2020	6,749	1,301	—	8,050
Credited/(charged) to profit or loss	582	(387)	—	195
Acquisition of subsidiaries (Note 18)	1,089	11	—	1,100
As at December 31, 2020	8,420	925	—	9,345

Deferred income tax liabilities	Revaluation of financial assets at FVOCI	Impact of withholding tax	Customer relationships	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2018	—	(4,729)	—	(4,729)
Charged to profit or loss	—	(2,433)	—	(2,433)
As at December 31, 2018	—	(7,162)	—	(7,162)
As at January 1, 2019	—	(7,162)	—	(7,162)
Charged to profit or loss	—	(4,322)	—	(4,322)
Charged to other comprehensive income	(902)	—	—	(902)
As at December 31, 2019	(902)	(11,484)	—	(12,386)
As at January 1, 2020	(902)	(11,484)	—	(12,386)
(Charged)/credited to profit or loss	—	(1,305)	197	(1,108)
Credited to other comprehensive income	112	—	—	112
Acquisition of subsidiaries *(Note 18)*	—	—	(23,093)	(23,093)
As at December 31, 2020	(790)	(12,789)	(22,896)	(36,475)

As at December 31, 2018, 2019 and 2020, in accordance with the accounting policy set out in Note 2.19(ii), the Group had not recognized deferred income tax assets in respect of cumulative tax losses of RMB20,164,000, RMB32,562,000 and RMB36,289,000 as it is not probable that future taxable profits against which the losses can be utilized. As at December 31, 2018, 2019 and 2020, the unused tax losses amounting to RMB19,985,000, RMB32,270,000 and RMB35,920,000 can be carried forward against future taxable income under the PRC enterprise income tax law and these tax losses will expire at various dates up to and including 2023, 2024 and 2025, respectively. The remaining tax losses have no expiry date.

As at December 31, 2018, 2019 and 2020, the Group has recognized deferred income tax liabilities arising from undistributed profits from the Group's subsidiaries in the PRC to their immediate holding companies in Hong Kong.

28 CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	65,872	128,308	280,211
Adjustments for:			
— Depreciation of property, plant and equipment *(Note 15)*	5,293	7,142	10,164
— Depreciation of right-of-use assets *(Note 16)*	65,440	70,324	62,814
— Amortization of intangible assets *(Note 17)*	872	1,358	2,328
— Net impairment losses on financial assets	9,063	4,844	2,563
— Interests income from loans to related parties *(Note 29(a))*	(39,174)	(61,049)	(26,091)
— Losses/(gains) on disposal of property, plant and equipment *(Note 9)*	36	(49)	20
— Net foreign exchange losses/(gains) *(Note 9)*	19	24	(355)
— Finance costs *(Note 10)*	52,848	64,763	29,225
	160,269	215,665	360,879
Changes in working capital:			
— Inventories	(3)	(108)	995
— Trade and other receivables and Prepayments	(155,329)	(61,893)	(117,209)
— Contract liabilities	(10,297)	(12,571)	69,961
— Restricted cash	(6,745)	—	(6,852)
— Trade and other payables	64,328	90,875	188,626
	52,223	231,968	496,400

(b) Non-cash investing and financing activities

(i) Non-cash investing activities of acquisition of right-of-use assets during the Track Record Period is disclosed in Note 16.

(ii) During the year ended December 31, 2020, principal non-cash financing activities include follows:

– the settlement of receivable of RMB10 million upon deregistration of one of the Deregistered Companies (Note 1.2(b)) by offsetting against amount due to a fellow subsidiary;

– the settlement of interests on the loan to GCCD amounting RMB64,059,000 (Note 21(b)) by offsetting against amounts due to GCCD (Note 28(c));

– the allotment and issuance of 1,018,500,000 ordinary shares by the Company as the consideration (equivalent to RMB581,016,000) to acquire the entire equity interests in Operating Entities from the immediate holding company on December 1, 2020 (Notes 1.2(f)) and 23(b)); and

– capitalization of the amounts due to the immediate holding company of certain Operating Entities amounting to RMB250 million (Note 28(c)).

(c) Reconciliation of liabilities arising from financial activities is as follow:

	Borrowings due within 1 year	Borrowings due after 1 year	Other payables — amounts due to related parties	Other payables — interest payables	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2018	—	—	265,514	—	153,840	419,354
Cash flows						
— Inflow from financing activities	169,000	981,000	116,115	—	—	1,266,115
— Outflow from financing activities	(70,000)	—	(12,483)	(39,757)	(68,483)	(190,723)
Non-cash changes						
— Addition — leases	—	—	—	—	66,932	66,932
— Finance expense recognized	—	—	—	44,377	8,471	52,848
As at December 31, 2018	99,000	981,000	369,146	4,620	160,760	1,614,526
As at January 1, 2019	99,000	981,000	369,146	4,620	160,760	1,614,526
Cash flows						
— Inflow from financing activities	—	—	241,666	—	—	241,666
— Outflow from financing activities	(99,000)	—	(35,921)	(58,388)	(73,298)	(266,607)
Non-cash changes						
— Reclassification	106,000	(106,000)	—	—	—	—
— Addition — leases	—	—	—	—	43,235	43,235
— Finance expense recognized	—	—	—	57,964	6,799	64,763
As at December 31, 2019	106,000	875,000	574,891	4,196	137,496	1,697,583
As at January 1, 2020	106,000	875,000	574,891	4,196	137,496	1,697,583
Cash flows						
— Inflow from financing activities	—	—	96,254	—	—	96,254
— Outflow from financing activities	(106,000)	(875,000)	(219,587)	(27,920)	(68,376)	(1,296,883)
Non-cash changes						
— Addition — leases	—	—	—	—	32,056	32,056
— Acquisition of subsidiaries	—	—	—	—	2,575	2,575
— Finance expense recognized	—	—	—	23,724	5,501	29,225
— Offsetting other receivables	—	—	(74,447)	—	—	(74,447)
— Deemed contributions from intermediate holding company, net	—	—	(249,765)	—	—	(249,765)
As at December 31, 2020	—	—	127,346	—	109,252	236,598

29 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The following is a summary of the significant transactions carried out between the Group and its related parties during the Track Record Period.

	Year ended December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Provision of services *(Note (ii))*			
— Ultimate holding company	185	—	—
— Fellow subsidiaries	159,632	237,981	386,710
— Non-controlling interests of Yuexiu Property and its subsidiaries	—	1,917	22,500
— Associates and joint ventures of Yuexiu Property	28,465	35,653	39,460
	188,282	275,551	448,670
Interest income on loans to related parties			
— Fellow subsidiaries	39,174	61,049	26,091
Purchase of goods and services (including rental expenses)			
— Fellow subsidiaries	6,623	7,369	7,735
— Non-controlling interests of Yuexiu Property and its subsidiaries	—	—	217
— Associates and joint ventures of Yuexiu Property	13,894	16,265	16,806
	20,517	23,634	24,758
Interest expense on loans from a related party			
— A fellow subsidiary	—	214	567
Addition of right-of-use assets			
— Fellow subsidiaries	48,919	54	1,814
— Non-controlling interests of Yuexiu Property and its subsidiaries	—	—	2,723
— Associates and joint ventures of Yuexiu Property	9,143	24,329	1,189
	58,062	24,383	5,726
Rental expenses (short-term leases)			
— Fellow subsidiaries	5,524	6,049	6,401
— Non-controlling interests of Yuexiu Property and its subsidiaries	—	—	133
— Associates and joint ventures of Yuexiu Property	13,894	16,265	16,690
	19,418	22,314	23,224

(i) All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

(ii) The provision of services to related parties comprise the provision of non-commercial property management and value-added services and commercial property management and operational services.

(b) Key management compensation

Compensations for key management other than those for directors as disclosed in Note 30 is set out below.

	Year ended December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other short-term employee benefits	1,076	1,341	1,561

(c) Balances with related parties

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
— Fellow subsidiaries	70,974	94,975	301,197
— Non-controlling interests of Yuexiu Property and its subsidiaries	—	393	58,103
— Associates and joint ventures of Yuexiu Property	2,320	4,747	24,050
	73,294	100,115	383,350
Other receivables – trade *(Note (ii))*			
— Intermediate holding company	682	682	–
— Fellow subsidiaries	32,325	40,069	58,838
— Non-controlling interests of Yuexiu Property and its subsidiaries	–	3,883	11
— Associates and joint ventures of Yuexiu Property	24,205	31,776	32,007
	57,212	76,410	90,856
Other receivables – non-trade *(Note (iii))*			
— Fellow subsidiaries	1,509,223	1,540,617	164,914
— Non-controlling interests of Yuexiu Property and its subsidiaries	–	–	14
— Associates and joint ventures of Yuexiu Property	3,311	3,312	12,100
	1,512,534	1,543,929	177,028
Prepayments – trade			
— Fellow subsidiaries	400	400	55
Trade payables			
— Fellow subsidiaries	1,385	1,692	2,723
— Non-controlling interests of Yuexiu Property and its subsidiaries	—	—	2,132
— Associates and joint ventures of Yuexiu Property	4,041	4,184	3,905
	5,426	5,876	8,760

	As at December 31,		
	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*
Other payables – trade *(Note (iv))*			
— Fellow subsidiaries	6,997	20,153	45,151
— Non-controlling interests of Yuexiu Property and its subsidiaries	–	–	2,029
— Associates and joint ventures of Yuexiu Property	29,829	34,093	49,847
	36,826	54,246	97,027
Other payables – non-trade *(Note (v))*			
— Intermediate holding company	–	82,671	–
— Immediate holding company	66,746	66,809	21,368
— Fellow subsidiaries	349,936	474,017	196,084
— Associates and joint ventures of Yuexiu Property	130	89	–
	416,812	623,586	217,452
Contract liabilities – trade			
— Fellow subsidiaries	14,673	16,526	11,522
— Non-controlling interests of Yuexiu Property and its subsidiaries	—	—	22
— Associates and joint ventures of Yuexiu Property	2,151	1,009	2,112
	16,824	17,535	13,656
Bank deposits – trade			
— A fellow subsidiary	1,312	2,693	11,786
Lease liabilities – trade			
— Fellow subsidiaries	40,414	28,841	20,166
— Non-controlling interests of Yuexiu Property and its subsidiaries	—	—	2,275
— Associates and joint ventures of Yuexiu Property	33,477	40,382	19,310
	73,891	69,223	41,751

(i) The balances of trade receivables, prepayments, trade payables and contract liabilities were unsecured and interest free. The balances of bank deposits were unsecured and with interest rate in accordance with normal commercial terms.

(ii) The balances due from related parties were mainly costs to be recovered from property owners incurred in relation to property management services provided under commission basis and guarantee deposits which were unsecured and interest free.

(iii) The amounts include a loan to GCCD, a fellow subsidiary of Yuexiu Property, of RMB1,150,000,000 which was unsecured and interest bearing at 5.55% per annum. The balance including loan principal and interest receivables was RMB1,153,011,000 and RMB1,214,059,000 in total as at December 31, 2018 and 2019, respectively, and was fully settled in June 2020 (Note 21(b)).

The amounts also include amounts due from related parties and dividend receivables of RMB359,523,000, RMB329,870,000 and RMB177,028,000 as at December 31, 2018, 2019 and 2020, respectively, which were non-trade in nature, unsecured, interest free and receivable on demand.

(iv) The balances due to related parties were mainly costs prepaid by property owners incurred in relation to property management services provided under commission basis and guarantee deposits which were unsecured and interest free.

(v) The amounts include a loan from a fellow subsidiary of RMB15,497,000 and RMB6,144,000 as at December 31, 2019 and 2020, respectively (Note 25(b)), which was unsecured, interest bearing at 4% per annum and will expire on July 17, 2024.

The amounts also include amounts due to related parties and dividend payables of RMB416,812,000, RMB608,089,000 and RMB211,308,000 as at December 31, 2018, 2019 and 2020, respectively, which were non-trade in nature, unsecured, interest free and repayable on demand.

(vi) The amounts of non-trade in nature have been settled as of the date of the report.

(d) Guarantee from related parties

	As at December 31,		
	2018	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
Corporate guarantee provided by a fellow subsidiary for bank borrowing of the Group *(Note 26 (a))*	1,080,000	981,000	—

30 DIRECTORS' BENEFITS AND INTERESTS

(a) Directors' emoluments

The directors received emoluments from the Group (in their role as senior management and employee before their appointment as directors) for the year ended December 31, 2018 as follows:

Name	**Fees**	**Salaries and wages**	**Discretionary bonuses**	**Employer's contribution to retirement benefit scheme**	**Housing fund, other allowance and benefits in kind**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors						
Mr. Wu Wei *(Note (i))*	—	—	—	—	—	—
Mr. Mao Liangmin *(Note (ii))*	—	—	—	—	—	—
Mr. Zhang Jin	—	524	543	50	103	1,220
Non-Executive Directors						
Mr. Lin Feng *(Note (i))*	—	—	—	—	—	—
Mr. Yao Xiaosheng *(Note (i))*	—	—	—	—	—	—
Mr. Yang Zhaoxuan *(Note (iii))*	—	—	—	—	—	—
Independent Non-executive Directors						
Ms. Hui Lai Kwan *(Note (iv))*	—	—	—	—	—	—
Mr. Hung Shing Ming *(Note (iv))*	—	—	—	—	—	—
Mr. Chan Yuen Hang Kenneth *(Note (iv))*	—	—	—	—	—	—
	—	524	543	50	103	1,220

The directors received emoluments from the Group (in their role as senior management and employee before their appointment as directors) for the year ended December 31, 2019 as follows:

Name	Fees	Salaries and wages	Discretionary bonuses	Employer's contribution to retirement benefit scheme	Housing fund, other allowance and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors						
Mr. Wu Wei *(Note (i))*	—	—	—	—	—	—
Mr. Mao Liangmin *(Note (ii))*	—	—	—	—	—	—
Mr. Zhang Jin	—	525	510	50	123	1,208
Non-executive Directors						
Mr. Lin Feng *(Note (i))*	—	—	—	—	—	—
Mr. Yao Xiaosheng *(Note (i))*	—	—	—	—	—	—
Mr. Yang Zhaoxuan *(Note (iii))*	—	—	—	—	—	—
Independent Non-executive Directors						
Ms. Hui Lai Kwan *(Note (iv))*	—	—	—	—	—	—
Mr. Hung Shing Ming *(Note (iv))*	—	—	—	—	—	—
Mr. Chan Yuen Hang Kenneth *(Note (iv))*	—	—	—	—	—	—
	—	525	510	50	123	1,208

The directors received emoluments from the Group (in their role as senior management and employee before their appointment as directors) for the year ended December 31, 2020 as follows:

Name	Fees	Salaries and wages	Discretionary bonuses	Employer's contribution to retirement benefit scheme	Housing fund, other allowance and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors						
Mr. Wu Wei *(Note (i))*	—	—	—	—	—	—
Mr. Mao Liangmin *(Note (ii))*	—	511	1,268	–	92	1,871
Mr. Zhang Jin	—	525	564	50	96	1,235
Non-executive Directors						
Mr. Lin Feng *(Note (i))*	—	—	—	—	—	—
Mr. Yao Xiaosheng *(Note (i))*	—	—	—	—	—	—
Mr. Yang Zhaoxuan *(Note (iii))*	—	—	—	—	—	—
Independent Non-executive Directors						
Ms. Hui Lai Kwan *(Note (iv))*	—	—	—	—	—	—
Mr. Hung Shing Ming *(Note (iv))*	—	—	—	—	—	—
Mr. Chan Yuen Hang Kenneth *(Note (iv))*	—	—	—	—	—	—
	—	1,036	1,832	50	188	3,106

(i) The emoluments of the Mr. Wu Wei, Mr. Lin Feng and Mr. Yao Xiaosheng in relation to their services rendered for the Group for the Track Record Period were borne by related parties of the Group. Their emoluments were not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.

(ii) Mr. Mao Liangmin joined the Group on February 2020 and was appointed as the executive director of the Group on February 1, 2021.

(iii) Mr. Yang Zhaoxuan was appointed as the non-executive director of the Group in February 9, 2021.

(iv) Ms. Hui Lai Kwan, Mr. Hung Shing Ming and Mr. Chan Yuen Hang Kenneth were appointed independent non-executive directors of the Group on February 1, 2021.

31 EVENT AFTER THE BALANCE SHEET DATE

On February 8, 2021, the Company issued and alloted 90,359,677 shares to Guangzhou Metro Investment Finance (HK) Limited, a wholly-owned subsidiary of GZ Metro, at a consideration of RMB330 million.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2020 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2020.

The information set out in this Appendix II does not form part of the "Accountant's Report" from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set forth in Appendix I to this Prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section entitled "Financial Information" in this Prospectus and the "Accountant's Report" set out in Appendix I to this Prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative and unaudited pro forma statement of adjusted net tangible assets of the Group which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2020 as if the Global Offering had taken place on that date.

This unaudited pro forma adjusted net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the net consolidated tangible assets of the Group had the Global Offering been completed as at December 31, 2020 or at any future date.

	Unaudited consolidated net tangible assets attributable to owners of the Company as at December 31, 2020[1]	Estimated net proceeds from the Global Offering[2]	Unaudited pro forma adjusted net tangible assets attributable to owners of the Company as at December 31, 2020	Unaudited pro forma adjusted net tangible assets per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*[3]	*HK$*[4]
Based on an Offer Price of HK$4.88 per Share	382,939	1,425,850	1,808,789	1.30	1.57
Based on an Offer Price of HK$6.52 per Share	382,939	1,915,462	2,298,401	1.66	2.01

Notes:

(1) The unaudited consolidated net tangible assets attributable to owners of the Company as at December 31, 2020 is extracted from the Accountant's Report set out in Appendix I to this Prospectus, which is based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at December 31, 2020 of RMB615 million with adjustments for intangible assets as at December 31, 2020 of RMB232 million respectively.

(2) The estimated net proceeds from the offering of 369,660,000 Offer Shares are based on the indicative Offer Price of HK$4.88 and HK$6.52 per Offer Share after deduction of the estimated underwriting fees and other related expenses payable by the Company (excluding listing expenses of RMB5,906,000 that have been charged to profit or loss up to December 31, 2020), and takes no account of any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described in the section headed "Share Capital" in this prospectus, nor which may be issued upon the exercise of the Over-allotment Option.

(3) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 1,388,260,000 Shares (representing 1,018,600,000 ordinary Shares as at December 31, 2020 and 369,660,000 Offer Shares to be issued in the Global Offering) were in issue assuming that the Global Offering have been completed on December 31, 2020 but takes no account of any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described in the section headed "Share Capital" in this prospectus, nor which may be issued upon the exercise of the Over-allotment Option.

(4) For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balance stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.82585: HK$1.00. No representation is made that Renminbi amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate.

(5) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2020. In particular, this unaudited pro forma financial information does not account for the capital injection of RMB330 million by Guangzhou Metro Investment Finance (HK) Limited ("GMIF") on February 8, 2021 for subscribing 90,359,677 ordinary shares of the Company. Had the unaudited pro forma financial information accounted for the capital injection by GMIF, the adjusted pro forma net tangible assets per Share would have been HK$1.76 (equivalent to RMB1.45) and HK$2.16 (equivalent to RMB1.78) based on the Offer Price of HK$4.88 and HK$6.52 per Offer Share, respectively.

B. REPORT FROM THE REPORTING ACCOUNTANT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Prospectus.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Yuexiu Services Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yuexiu Services Group Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets of the Group as at December 31, 2020, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated June 16, 2021, in connection with the proposed initial public offering of the shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at December 31, 2020 as if the proposed initial public offering had taken place at December 31, 2020. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the year ended December 31, 2020, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited 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 7, Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars, ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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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 behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA 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 Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited 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 Unaudited 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 accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited 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 Unaudited 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 Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or 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 proposed initial public offering at December 31, 2020 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited 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 unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited 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 Unaudited Pro Forma Financial Information has been properly compiled by the Directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, June 16, 2021

This Appendix contains a summary of the Articles of Association. 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. A copy of the Articles of Association is available for inspection at the address specified in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix V to this prospectus.

The Articles of Association were conditionally adopted on June 2, 2021 and will be effective on the Listing Date. The following is a summary of certain provisions of the Articles of Association. The powers conferred or permitted by the Articles of Association are subject to the provisions of the Companies Ordinance, or other ordinances, subsidiary legislation and the Listing Rules.

CHANGES IN CAPITAL

The 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:

(i) increasing its share capital by allotting and issuing new shares in accordance with the Companies Ordinance;

(ii) 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 the Company;

(iii) capitalising its profits, with or without allotting and issuing new shares;

(iv) allotting and issuing bonus shares with or without increasing its share capital;

(v) converting all or any of its share into a larger or smaller number of existing shares;

(vi) dividing its shares into several classes and attaching thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions, provided always that where the 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";

(vii) cancelling shares:

(a) 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

(b) that have been forfeited; or

(viii) making provision for the issue and allotment of shares which do not carry any voting rights.

The Company may by special resolution reduce its share capital in any manner allowed by law.

MODIFICATION OF RIGHTS

Subject to the provisions of the Companies Ordinance, all or any of the special rights attached to any class of shares (unless otherwise provided for by the terms of issue of the shares of that class) for the time being in issue may, at any time, as well before as during liquidation, be altered or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions contained in the Articles of Association relating to general meetings shall mutatis mutandis apply to every such meeting, except that (a) the quorum thereof shall be not less than two persons holding or representing by proxy one third of the total voting rights of holders of shares of the class, and that (b) any holder of shares of that class present in person or by proxy may demand a poll.

The provisions of the foregoing Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied.

The special rights conferred upon the holders of the shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu with them.

TRANSFER OF SHARES

The right of members to transfer their fully-paid shares shall not be restricted (except where permitted by the Stock Exchange) and shall also be free from all lien.

The instrument of transfer of any shares in the Company shall be in writing and in the usual form or in such other form as the Board may accept (including the standard transfer form prescribed by the Stock Exchange) and shall be executed by or on behalf of the transferor and by or on behalf of the transferee. The instrument of transfer may be executed by hand only or, if the transferor or transferee is a Clearing House (or its nominee), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof. Nothing in the Articles of Association shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

Every instrument of transfer and other documents relating to or affecting the title to any shares of the Company shall be lodged at the registered office of the Company for registration (or at such other place as the Board may appoint for such purpose) accompanied by the certificate relating to the shares to be transferred and such other evidence as the Directors may require in relation thereto.

All instruments of transfer which shall be registered shall be retained by the Company, but save where fraud is suspected, any instrument of transfer which the Directors refuse to register shall, on demand, be returned to the person lodging the same.

There shall be paid to the Company in respect of the registration of a transfer and of any grant of probate or letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share or for making of any entry in the register of members of the Company (the "**Register**") affecting the title to any share such fee (if any) as the Directors may from time to time require or prescribed, provided that such fee (if any) shall not exceed the maximum fees as the Stock Exchange may from time to time prescribe or permit.

GENERAL MEETINGS

The Company shall in respect of each financial year hold a general meeting as its annual general meeting in addition to any other meetings in that year. The annual general meeting shall be held within 6 months after the end of each financial year and at such place(s) as may be determined by the Directors.

The Directors may whenever they think fit, and shall on requisition in accordance with the Companies Ordinance, convene a general meeting.

NOTICE OF GENERAL MEETINGS

Subject to section 578 of the Companies Ordinance, an annual general meeting shall be called by not less than notice in writing of at least 21 days (or such longer period as may be required by the Listing Rules), and any other general meeting shall be called by not less than notice in writing of at least 14 days (or such longer period as may be required by the Listing Rules).

Notwithstanding that a meeting of the Company is called by shorter notice than that specified in the Articles of Association or required by the Companies Ordinance, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together holding not less than 95 per cent of the shares giving that right.

The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

Subject to sections 576 and 578 of the Companies Ordinance, the notice shall specify the place(s), date and time of meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. There shall appear on every such notice with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a member of the Company.

VOTING AT MEETINGS

Subject to the provisions of the Companies Ordinance, the Articles of Association and to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, every member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised at any general meeting shall be entitled, on a show of hands, to one vote only and, on a poll, to one vote for every fully paid-up share of which he is the holder.

On a poll, votes may be given either personally or by proxy or (in the case of a corporate member) by a duly authorised representative. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names stand in the Register in respect of such share.

Where a member is, under the Listing Rules, required to abstain from voting on any resolution or restricted to voting only for or only against any resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

DIRECTORS NEED NOT BE MEMBERS

A Director need not hold any shares in the Company. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at all general meetings of the Company.

BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures, debenture stocks, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

DIRECTORS' APPOINTMENT, REMOVAL AND RETIREMENT

The Company may, from time to time, by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board.

No person (other than a Director retiring in accordance with the Articles of Association) shall be eligible for election to the office of Director at any general meeting under the last paragraph unless:

(a) he is recommended by the Board for re-election; 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 within the seven-day period (or a longer period as may be determined by the Directors from time to time) commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than seven days prior to the date appointed for such meeting. 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 the Company in general meeting in accordance with any of the provisions of the Articles of Association to appoint any person to be a Director, the Board shall have power, exercisable at any time and from time to time, to appoint any other person as a Director, either to fill a casual vacancy or as an addition to the Board, provided that the number of Directors so appointed shall not exceed the maximum number (if any) determined pursuant to the Articles of Association. Any Directors so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at each annual general meeting.

The Company may, at any general meeting convened and held in accordance with the Companies Ordinance, by ordinary resolution remove any Director before the expiration of his period of service notwithstanding anything in the Articles of Association or in any agreement between him and the Company (but without prejudice to any claim he may have for damages for termination of such agreement not in accordance with its terms), and may, if thought fit, by ordinary resolution appoint another person in his stead. Any person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he had not been removed.

The office of a Director shall *ipso facto* be vacated:

(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;

(b) if he becomes bankrupt or a receiving order (or, in the case of a company, a winding-up order) is made against him or he makes any arrangement or composition with his creditors generally;

(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;

(d) if he is absent from meetings of the Board during a continuous period of six months without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended such meetings in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;

(e) if he is removed from office by notice in writing served upon him signed by all other Directors;

(f) if he serves on the Company notice of his wish to resign, in which case he shall vacate office on the service of such notice to the Company or such later time as is specified in such notice;

(g) if he is removed by ordinary resolution in accordance with the Companies Ordinance or removed; 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.

DIRECTORS' REMUNERATION AND EXPENSES

The Directors shall be entitled to receive by way of remuneration for their services such sum as is from time to time determined by the Company in general meeting, and such sum (unless otherwise directed by resolution by which it is voted) is to be divided amongst the Directors in such proportions and in such manner as the Board may agree, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing shall not apply to a Director who holds any salaried employment or office in the Company in the case of sums paid in respect of directors' fees.

The Directors shall also be entitled to be repaid their reasonable travelling, hotel and other expenses incurred by them in or about the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or on the discharge of their duties as directors.

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 the 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

If a Director or any entity connected with the Director is in any way, whether directly or indirectly, interested in a transaction, arrangement or contract or proposed transaction, arrangement or contract with the Company, such Director shall declare the nature and extent of his interest or his connected entities' interest at a meeting of the Directors at which the question of entering into the transaction, arrangement or contract is first taken into consideration, if he knows his interest then exists, or in any other case as soon as reasonably practicable, and in any event at the first meeting of Directors after he knows that he is or has become so interested. Such declaration shall be made in accordance with the Companies Ordinance, the Articles of Association and any other requirements prescribed by the Company for the declaration of interests of Directors in force from time to time. References to an entity connected with a Director shall be construed in accordance with section 486 of the Companies Ordinance.

A general notice in writing given by a Director to the Directors at a meeting of the Directors to the effect that he is a member or a director of a specified company or firm, and is to be regarded as interested in any contract, transaction, arrangement or dealing which may, after the date of the notice, be entered into or made with that company or firm, shall be deemed to be a sufficient declaration of interest in relation to any contract, transaction, arrangement or dealing so entered into or made if such declaration is made in accordance with the provisions of the Companies Ordinance.

A Director may:

(a) hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as the Directors may determine and may be paid such extra remuneration for so doing as the Directors may determine, either in addition to or in lieu of any remuneration provided for by or pursuant to the Articles of Association;

(b) act by himself or his firm in a professional capacity for the Company (other than as Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

(c) continue to be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as a shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such other company. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as directors, managing directors, joint managing directors, deputy managing directors or officers of such company) and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be, or is about to be appointed as a director or officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

Subject to the provisions of the Companies Ordinance, no Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any contract, transaction or arrangement entered into by or on behalf of the Company with any Director or any firm or company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit, remuneration or other benefits realised by any such contract, transaction or arrangement by reason only of such Director holding that office or of any fiduciary relationship thereby established, provided that such Director shall duly declare the nature and extent of his interest in any contract, transaction or arrangement in accordance with the Articles of Association.

A Director shall not vote (or be counted in the quorum) on any resolution of the Board in respect of any contract or transaction or arrangement or proposal in which he or any of his close associates, is to his knowledge, materially interested, and if he shall 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 to and the Directors may vote (and be counted in the quorum) in respect of any resolution concerning any one or more of the following matters:

(a) the giving by the Company of any security or indemnity to him or any of his close associates 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 the Company or any of its subsidiaries;

(b) the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself or any of his close associates has assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning an offering of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where he or any of his close associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

(d) any proposal concerning any other company in which he or his close associates are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which he or his close associates are beneficially interested in shares of that company, provided that he and any of his close associates are not in aggregate beneficially interested in five per cent or more of the issued shares of any class of the share capital of such company (or of any third company through which his interest or that of his close associates is derived) or of the voting rights;

(e) any proposal or arrangement concerning the benefit of employees of the 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 he or his close associates may benefit; or

   (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to him, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of him or his close associates any privilege or advantage not generally accorded to the class of persons to whom such scheme or fund relates; and

(f) any contract or arrangement in which he or any of his close associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company.

If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director or any of his close associates concerned so far as known to him has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting or any of his close associates, such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman so far as known to him has not been fairly disclosed to the Board.

Subject to the provisions of the Companies Ordinance, the Company may by ordinary resolution suspend or relax the provisions of the Article of Association to any extent or ratify any transaction not duly authorised by reason of a contravention of Article of Association.

DIVIDENDS

Subject to the provisions of the Companies Ordinance, the Company may by ordinary resolution declare a dividend to be paid to the members, according to their respective right and interests in the profits, and may fix the time for payment of such dividend, but no such dividend shall exceed the amount recommended by the Directors. No dividend shall be payable except out of the profits or other distributable reserves of the Company.

Unless and to the extent that the Articles of Association or the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid on a share in advance of calls shall be treated as paid on the share.

The Directors may, if they think fit, from time to time, resolve to pay to the members such interim dividends as appear to the Directors to be justified. If at any time the share capital of the Company is divided into different classes the Directors 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, and provided that the

Directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights. The Directors may also resolve to pay at half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the payment is justified.

The Board can offer Shareholders the right to choose to receive extra Shares, which are credited as fully paid up, instead of some or all of their cash dividend. The basis of such allotment shall be determined by the Board and the Board shall give notice in writing to the Shareholders of their rights of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective. The Shares allotted shall rank *pari passu* in all respects with the fully paid Shares then in issue save only as regards participation in the relevant dividend or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend.

The Directors may distribute in specie or in kind among the members in satisfaction in whole or in part of any dividend any of the assets of the Company, and in particular any shares or securities of other companies to which the Company is entitled, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks 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 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 vest any such specific assets in trustees as may seem expedient to the Board and 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. Where required, a contract shall be filed in accordance with the provisions of the Companies Ordinance and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.

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 out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.

WINDING UP

If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid-up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them respectively. The winding up is subject to the rights of the holders of any shares which may be issued on special terms or conditions.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated as a company with limited liability in Hong Kong on October 8, 2020 under the Companies Ordinance under the name of Yuexiu Property Management Holding Limited (越秀物業管理股份有限公司). The name of our Company was changed to Yuexiu Services Group Limited (越秀服務集團有限公司) on January 14, 2021. The registered office of our Company is 26/F, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

A summary of our Articles of Association is set out in Appendix III to this Prospectus.

2. Changes in the share capital of our Company

On the date of incorporation of our Company, 100,000 subscriber Shares were issued at HK$1,000.00 by our Company to GCD China, representing 100% of the then total number of Shares issued by our Company.

On November 30, 2020, GCD China, our Company, Golden Estates, Zippenes, Brander, Richardland, Greater Rich, Digital Victor, Smart Value, Ever Famous, Major Benefit, Winner Zone and All Plus entered into a sale and purchase agreement, pursuant to which GCD China agreed to transfer the entire issued share capital in each of Golden Estates, Zippenes, Brander, Richardland, Greater Rich, Digital Victor, Smart Value, Ever Famous, Major Benefit, Winner Zone and All Plus to our Company. As consideration, our Company agreed to allot and issue 1,018,500,000 Shares to GCD China. The relevant allotment and issuance was completed on December 1, 2020. Subsequent to such allotment and issuance, GCD China was interested in 1,018,600,000 Shares issued by our Company, representing 100% of the then total number of Shares issued by our Company.

On February 8, 2021, our Company, Yuexiu Property, GCD China and GMIF entered into an investment agreement pursuant to which GMIF agreed to subscribe for, and Yuexiu Property and GCD China agreed to procure our Company to allot and issue 90,359,677 Shares to GMIF at a consideration of RMB330.0 million. Subsequent to such allotment and issuance, GCD China and GMIF were interested in 1,018,600,000 Shares and 90,359,677 Shares, respectively, issued by our Company, representing approximately 91.9% and 8.1%, respectively, of the then total number of Shares issued by our Company.

Assuming the Global Offering becomes unconditional and the issue of Shares is made pursuant thereto (assuming that the Over-allotment Option is not exercised), the total number of Shares issued by our Company immediately following the completion of the Global Offering will be 1,478,619,677 Shares.

Assuming the Global Offering becomes unconditional and the issue of Shares is made pursuant thereto (assuming that the Over-allotment Option is exercised in full), the total number of Shares issued by our Company immediately following the completion of the Global Offering will be 1,534,068,677 Shares.

Save as disclosed above, there has been no change in our share capital since the incorporation of our Company.

3. Changes in the share capital of subsidiaries

A summary of the corporate information and the particulars of our principal subsidiaries are listed in the Accountant's Report set out in Appendix I to this Prospectus.

Save as disclosed in "History, Reorganization and Corporate Structure", there has been no alteration in the share capital or the registered capital of our material subsidiaries within the two years immediately preceding the date of this Prospectus.

4. Corporate Reorganization

In preparation for the Listing, the companies comprising our Group underwent the Reorganization to rationalize the corporate structure of our Group and our Company became the holding company of our Group. See "History, Reorganization and Corporate Structure" for further details.

5. Repurchases by our Company of our own securities

This section sets out information required by the Stock Exchange to be included in this Prospectus concerning the repurchase by our Company of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchase of shares (which must be fully paid up) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(ii) Source of Funds

Repurchases of shares by a listed company must be funded out of funds legally available for the purpose in accordance with the constitutive documents of the listed company, the Listing Rules and the applicable laws and regulations of the listed company's jurisdiction of incorporation. A listed company may not repurchase its own shares 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.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A listed company may not issue or announce a proposed issue of new 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 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 if that repurchase would result in the number of listed shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of shares discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

All repurchased shares (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those shares must be cancelled and destroyed.

(v) Suspension of Repurchase

A listed company may not make any repurchase of shares after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (1) 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 (2) the deadline for publication of an announcement of a listed company's 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), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of shares on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchase 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 on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of shares made during the year, including a monthly analysis of the number of shares repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid for such repurchases.

(vii) Connected Persons

A listed company is prohibited from knowingly repurchasing shares on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his shares to the company.

(b) Reasons for Repurchases

Our Directors believe that the ability to repurchase Shares is in the interests of our Company and our Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. Our Directors may seek the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will then be decided by our Directors at the relevant time having regard to the circumstances then pertaining.

(c) Funding of Repurchases

In repurchasing Shares, our Company may only apply funds lawfully available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of Hong Kong.

There could be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this Prospectus) if the Repurchase Mandate were to be carried out in full at any time during the share repurchase period. 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 the working capital requirements of our Company or the gearing position of our Company which in the opinion of our Directors are from time to time appropriate for our Company.

(d) General

The exercise in full of a Repurchase Mandate, on the basis of 1,478,619,677 Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), could accordingly result in up to approximately 147,861,967 Shares being repurchased by our Company during the period prior to:

(i) the conclusion of the next annual general meeting of our Company, or

(ii) the end of the period within which our Company is required by the Articles of Association or any applicable laws to hold its next annual general meeting, or

(iii) the date on which the Repurchase Mandate is varied or revoked by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to the Company.

Our Directors have undertaken to the Stock Exchange that they will exercise the power of our Company to make any repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of Hong Kong.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, 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 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 for the foregoing, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases of Shares pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to below 25.0% of the Shares then in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules) could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

6. Resolution passed by the Shareholders

Pursuant to the written resolution passed by the Shareholders of our Company on June 2, 2021, it was resolved, among others, conditional upon (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any additional shares which may be issued upon exercise of the Over-allotment Option), and such listing and permission not having been subsequently revoked in its materiality prior to the commencement of dealings in the Shares on the Stock Exchange; (ii) the Offer Price having been duly agreed on or around the Price Determination Date; (iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and (iv) the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional and not being terminated in accordance with the terms therein (unless and to the extent such conditions are validly waived on or before such dates and times as may be specified in the Underwriting Agreements) or otherwise:

(a) the Global Offering was approved and our Directors were authorized to approve the allotment and issue of the Shares pursuant to the Global Offering on and subject to the terms and conditions thereof as set out in this Prospectus and the Application Forms;

(b) the Over-allotment Option was approved and our Directors were authorised to effect the same and to allot and issue such number of Shares upon exercise of the Over-allotment Option;

(c) the Issuing Mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than pursuant to (i) a rights issue; (ii) any scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend on the Shares; or (iii) a specific authority granted by the Shareholders in a general meeting, such number of Shares representing up to 20% of the aggregate number of Shares immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), and such mandate to remain in effect until the conclusion of the next annual general meeting, or the date by which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of Hong Kong, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying such authority, whichever occurs first;

(d) the Repurchase Mandate was given to the Directors to exercise all powers of our Company to repurchase on the Stock Exchange, or on any other approved stock exchange on which our securities may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, subject to and in accordance with the Listing Rules and all other applicable laws and rules, such number of Shares representing up to 10% of the aggregate number of Shares immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), and such mandate to remain in effect until the conclusion of the next annual general meeting, or the date by which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of Hong Kong, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying such authority, whichever occurs first; and

(e) the extension of the Issuing Mandate to include the number of Shares which may be repurchased pursuant to the Repurchase Mandate.

Pursuant to the written resolution passed by the Shareholders on June 2, 2021, our Company approved and adopted the Articles of Association in substitution of and to the exclusion of the existing articles of association of our Company with effect from the date of Listing.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of our material contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus that are or may be material:

(a) an equity transfer agreement dated November 7, 2020 entered into between GCCD Group and Fort Yield, pursuant to which GCCD Group agreed to sell and Fort Yield agreed to purchase 20.0% of the equity interest in GCCD Weicheng at a consideration of RMB1,860,200;

(b) an equity transfer agreement dated November 7, 2020 entered into between Guangzhou Xingcheng Enterprise Development Co., Ltd.* (廣州市興城實業發展有限公司) and Fort Fortune, pursuant to which Guangzhou Xingcheng Enterprise Development Co., Ltd.* (廣州市興城實業發展有限公司) agreed to sell and Fort Fortune agreed to purchase 65.0% of the equity interest in Guangzhou Baima at a consideration of RMB35,250,900;

(c) an equity transfer agreement dated November 7, 2020 entered into between GCCD and Guangzhou Lexi, pursuant to which GCCD agreed to sell and Guangzhou Lexi agreed to purchase 80.0% of the equity interest in Guangzhou Yuexiu JLL at a consideration of RMB22,127,600;

(d) an equity transfer agreement dated November 7, 2020 entered into between GCCD and Broadland International, pursuant to which GCCD agreed to sell and Broadland International agreed to purchase 5.0% of the equity interest in Yuexiu PD at a consideration of RMB28,304,400;

(e) an equity transfer agreement dated November 7, 2020 entered into between GCCD and Guangzhou Yueting, pursuant to which GCCD agreed to sell and Guangzhou Yueting agreed to purchase the entire equity interest in GZ YX Business Operations at a consideration of RMB7,599,600;

(f) an equity transfer agreement dated November 7, 2020 entered into between GCCD and Link Access, pursuant to which GCCD agreed to sell and Link Access agreed to purchase 14.32% of the equity interest in Yuexiu Yicheng at a consideration of RMB3,648,300;

(g) an equity transfer agreement dated November 7, 2020 entered into between Guangzhou Charcon Real Estate Co., Ltd.* (廣州市祥港房地產開發有限公司) and Guangzhou Lianxiu, pursuant to which Guangzhou Charcon Real Estate Co., Ltd.* (廣州市祥港房地產開發有限公司) agreed to sell and Guangzhou Lianxiu agreed to purchase the entire equity interest in GZ LTC at a consideration of RMB509,174.79;

(h) an equity transfer agreement dated November 7, 2020 entered into between Guangzhou Huijing Greenery Co., Ltd.* (廣州市薈景綠化有限公司) and Yuexiu PD, pursuant to which Guangzhou Huijing Greenery Co., Ltd.* (廣州市薈景綠化有限公司) agreed to sell and Yuexiu PD agreed to purchase 10.0% of the equity interest in GZ Yuexiuhui at a consideration of RMB6,011,000;

(i) an equity transfer agreement dated November 7, 2020 entered into between Yuexiu Yicheng and Yuexiu Commercial Property Investment Management Co., Ltd.* (廣州越秀商業地產投資管理有限公司), pursuant to which Yuexiu Yicheng agreed to sell and Yuexiu Commercial Property Investment Management Co., Ltd.* (廣州越秀商業地產投資管理有限公司) agreed to purchase the entire equity interest in Hangzhou Yuechuanghui Technology Co., Ltd.* (杭州越創慧科技有限公司) at a consideration of RMB2,892,400;

(j) an equity transfer agreement dated November 7, 2020 entered into among Yuexiu PD, Yuexiu Yicheng and GCCD Hongcheng Car Park Management Co., Ltd.* (廣州城建開發宏城車場物業管理有限公司), pursuant to which Yuexiu PD and Yuexiu Yicheng agreed to sell, and GCCD Hongcheng Car Park Management Co., Ltd.* (廣州城建開發宏城車場物業管理有限公司) agreed to purchase, 90.0% and 10.0% of the equity interest in Guangzhou Huijing Greenery Co., Ltd.* (廣州市薈景綠化有限公司) at an aggregate consideration of RMB5,499,000;

(k) an equity transfer agreement dated November 10, 2020 entered into between Yuexiu Property (HK) Company Limited (越秀地產(香港)有限公司) and Ever Famous, pursuant to which Yuexiu Property (HK) Company Limited (越秀地產(香港)有限公司) agreed to sell and Ever Famous agreed to purchase the entire shareholding interest in YX Property Management (HK) at a consideration of HK$35,337,765;

(l) an equity transfer agreement dated November 10, 2020 entered into between Nation Harvest and Major Benefit, pursuant to which Nation Harvest agreed to sell and Major Benefit agreed to purchase the entire shareholding interest in YX APT Parking at a consideration of HK$17,239,827;

(m) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Golden Estates, pursuant to which GCD China agreed to subscribe for, and Golden Estates agreed to allot and issue one share in its share capital, in consideration for repaying RMB48,812,341.83 due from Golden Estates to GCD China;

(n) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Zippenes, pursuant to which GCD China agreed to subscribe for, and Zippenes agreed to allot and issue one share in its share capital, in consideration for repaying RMB76,896,468.34 due from Zippenes to GCD China;

(o) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Brander, pursuant to which GCD China agreed to subscribe for, and Brander agreed to allot and issue one share in its share capital, in consideration for repaying RMB572,378,554.15 due from Brander to GCD China;

(p) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Richardland, pursuant to which GCD China agreed to subscribe for, and Richardland agreed to allot and issue one share in its share capital, in consideration for repaying RMB9,947,160.40 due from Richardland to GCD China;

(q) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Greater Rich, pursuant to which GCD China agreed to subscribe for, and Greater Rich agreed to allot and issue one share in its share capital, in consideration for repaying RMB20,175,890.03 due from Greater Rich to GCD China;

(r) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Digital Victor, pursuant to which GCD China agreed to subscribe for, and Digital Victor agreed to allot and issue one share in its share capital, in consideration for repaying RMB10,055,312.61 due from Digital Victor to GCD China;

(s) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Smart Value, pursuant to which GCD China agreed to subscribe for, and Smart Value agreed to allot and issue one share in its share capital, in consideration for repaying RMB10,107,573.69 due from Smart Value to GCD China;

(t) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Major Benefit, pursuant to which GCD China agreed to subscribe for, and Major Benefit agreed to allot and issue one share in its share capital, in consideration for repaying RMB19,776,948.77 due from Major Benefit to GCD China;

(u) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Ever Famous, pursuant to which GCD China agreed to subscribe for, and Ever Famous agreed to allot and issue one share in its share capital, in consideration for repaying RMB48,600,748.54 due from Ever Famous to GCD China;

(v) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and Winner Zone, pursuant to which GCD China agreed to subscribe for, and Winner Zone agreed to allot and issue one share in its share capital, in consideration for repaying RMB111,539.69 due from Winner Zone to GCD China;

(w) a share subscription and set-off agreement dated November 20, 2020 entered into between GCD China and All Plus, pursuant to which GCD China agreed to subscribe for, and All Plus agreed to allot and issue one share in its share capital, in consideration for repaying RMB99,842.22 due from All Plus to GCD China;

(x) an equity transfer agreement dated November 23, 2020 entered into among GZ Metro, Yuexiu PD, GZMEE and GZMPM, pursuant to which GZ Metro agreed to sell and Yuexiu PD agreed to purchase 67.0% of the equity interest in GZMEE and 67.0% indirect effective equity interest in GZMPM (indirectly through GZMEE's equity interests in GZMPM) at a consideration of RMB276,740,000;

(y) a sale and purchase agreement dated November 30, 2020 entered into among GCD China, our Company, Golden Estates, Zippenes, Brander, Richardland, Greater Rich, Digital Victor, Smart Value, Major Benefit, Ever Famous, Winner Zone and All Plus, pursuant to which GCD China agreed to transfer all issued shares in each of Golden Estates, Zippenes, Brander, Richardland, Greater Rich, Digital Victor, Smart Value, Major Benefit, Ever Famous, Winner Zone and All Plus to our Company, and as consideration, our Company agreed to allot and issue 1,018,500,000 Shares to GCD China;

(z) an investment agreement dated February 8, 2021 entered into among our Company, Yuexiu Property, GCD China and GMIF, pursuant to which Yuexiu Property and GCD China agreed to procure our Company, and our Company agreed to issue and allot 90,359,677 Shares to GMIF at a consideration of RMB330.0 million;

(aa) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, New China Asset Management (Hong Kong) Limited (新華資產管理(香港)有限公司) and ABCI Capital Limited, pursuant to which New China Asset Management (Hong Kong) Limited (新華資產管理(香港)有限公司) agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of Hong Kong dollars equivalent of US$10 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(bb) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, Kaiser Private Equity Fund SPC-SPI, Yue Xiu Capital Limited, Yue Xiu Securities Company Limited and BOCOM International Securities Limited, pursuant to which Kaiser Private Equity Fund SPC-SPI agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of Hong Kong dollars equivalent of US$20 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(cc) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, Crotona Assets Limited, Yue Xiu Capital Limited and Yue Xiu Securities Company Limited, pursuant to which Crotona Assets Limited agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of Hong Kong dollars equivalent of US$10 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(dd) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, SensePower Management Limited and China Securities (International) Corporate Finance Company Limited, pursuant to which SensePower Management Limited agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of Hong Kong dollars equivalent of US$5 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(ee) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, Sunfly Holding Co., Ltd.* (昇輝控股有限公司) and China Securities (International) Corporate Finance Company Limited, pursuant to which Sunfly Holding Co., Ltd.* (昇輝控股有限公司) agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of Hong Kong dollars equivalent of US$10 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(ff) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, Keltic Investment (HK) Limited and ABCI Capital Limited pursuant to which Keltic Investment (HK) Limited agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of HK$183 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(gg) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, Mr. Jiang Ganjun (江淦鈞先生) and ABCI Capital Limited, pursuant to which Mr. Jiang Ganjun (江淦鈞先生) agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of Hong Kong dollars equivalent of RMB50 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(hh) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, Mr. Ke Jiansheng (柯建生先生) and ABCI Capital Limited, pursuant to which Mr. Ke Jiansheng (柯建生先生) agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of Hong Kong dollars equivalent of RMB50 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(ii) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, Wealthking Investments Limited, Yue Xiu Capital Limited and Yue Xiu Securities Company Limited, pursuant to which Wealthking Investments Limited agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of US$3 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price;

(jj) a cornerstone investment agreement dated June 11, 2021 entered into between our Company, Goingup Inc Limited (尚慧企業有限公司) and China Securities (International) Corporate Finance Company Limited, pursuant to which Goingup Inc Limited (尚慧企業有限公司) agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased in the aggregate amount of Hong Kong dollars equivalent of US$3 million (excluding brokerage, levies and all other relevant transaction fees) at the Offer Price; and

(kk) the Hong Kong Underwriting Agreement.

2. Material intellectual property rights

(a) Trademarks

As at the Latest Practicable Date, we have registered the following trademarks, which in the opinion of our Directors, are material to our business:

No.	Trademark	Registered Owner	Place of registration	Class(es)	Registration number	Date of expiry
1. . .	悦汇时光	Yuexiu PD	PRC	37	41029607	May 6, 2030
2. . .	悦温度	Yuexiu PD	PRC	36	32111671	June 6, 2029
3. . .	全触点管理	Yuexiu PD	PRC	36	32111195	August 27, 2029
4. . .	悦+再出发	Yuexiu PD	PRC	36	32110888	May 27, 2029
5. . .	悦驿	Yuexiu PD	PRC	36	32110666	May 27, 2029
6. . .	悦语	Yuexiu PD	PRC	36	32107899	May 27, 2029
7. . .		Guangzhou Baima	PRC	5	23475455	March 20, 2028
8. . .		Guangzhou Baima	PRC	16	23475454	March 20, 2028
9. . .		Guangzhou Baima	PRC	36	931699	January 13, 2027
10. .		Guangzhou Baima	PRC	42	907973	November 27, 2026
11. .	中港皮具商贸城 ZHONGGANGLEATHERCITY	GZ LTC	PRC	16	7083610	December 13, 2030
12. .	中港皮具商贸城 ZHONGGANGLEATHERCITY	GZ LTC	PRC	41	7083604	October 13, 2031
13. .	中港皮具商贸城 ZHONGGANGLEATHERCITY	GZ LTC	PRC	42	7083603	February 20, 2031

As at the Latest Practicable Date, pursuant to the PRC Trademark Licensing Agreement and the Hong Kong Trademark Licensing Agreement, we are entitled to use the following trademarks. For details of these trademark licensing agreements, see "Connected Transactions" in this Prospectus.

No.	Trademark	Registered Owner	Place of registration	Class(es)	Registration number	Date of expiry
1. . .		GZYX	PRC	36	11106668	November 6, 2023
2. . .	越秀 YUEXIU	GZYX	PRC	36	8872874	February 13, 2024
3. . .	越秀	GZYX	PRC	36	27681040	November 13, 2028
4. . .	越秀 YUEXIU	GZYX	PRC	36	11106667	August 20, 2024
5. . .	(A) 越秀 YUEXIU (B) 越秀 YUEXIU	GZYX	Hong Kong	1, 3, 6, 9, 14, 16, 18, 25, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45	303213008AA	November 24, 2024
6. . .	(A) (B)	GZYX	Hong Kong	1, 3, 6, 9, 14, 16, 18, 25, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45	303212946	November 24, 2024
7. . .	(A) 越秀 YUEXIU (B) 越秀 YUEXIU	GZYX	Hong Kong	1, 3, 6, 9, 14, 16, 18, 25, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45	303212955	November 24, 2024

(b) Patents

As at the Latest Practicable Date, we have registered the following patents in the PRC which, in the opinion of our Directors, are material to our business:

No.	Owner of the patent	Name of patent	Patent number	Date of grant	Patent category
1. . .	Guangzhou Yueguan	A regional intelligent dedicated transformer power distribution cabinet (一種區域智能專變配電櫃)	ZL201820727265.5	December 28, 2018	Utility models (實用新型)
2. . .	Guangzhou Yueguan	A kind of information feedback elevator water collecting well (一種信息反饋式電梯集水井)	ZL201820702992.6	December 28, 2018	Utility models
3. . .	Guangzhou Yueguan	A kind of intelligent control live pump house (一種智能控制生活泵房)	ZL201820671445.6	December 28, 2018	Utility models

(c) Copyrights

As at the Latest Practicable Date, we have registered the following copyrights in the PRC which, in the opinion of our Directors, are material to our business:

No.	Owner of copyright	Name of copyright	Type of copyright	Registration number	Date of registration
1. . .	Guangzhou Yueguan	Property security equipment cloud management system V1.0 (物業安防設備雲管理系統V1.0)	Software	2018SR1045248	December 20, 2018
2. . .	Guangzhou Yueguan	Property equipment facility remote monitoring system V1.0 (物業設備設施遠程監控系統V1.0)	Software	2018SR1023537	December 17, 2018
3. . .	Guangzhou Yueguan	Property smart management system V1.0 (物業智慧管理系統V1.0)	Software	2018SR1030194	December 18, 2018

No.	Owner of copyright	Name of copyright	Type of copyright	Registration number	Date of registration
4. . .	Guangzhou Yueguan	Property intelligent access control management system V1.0 (物業智能門禁管理系統V1.0)	Software	2018SR1050070	December 21, 2018
5. . .	Guangzhou Yueguan	Property intelligent cloud equipment management system V1.0 (物業智能雲設備管理系統V1.0)	Software	2018SR1058586	December 24, 2018
6. . .	Guangzhou Yueguan	Property assets integrated management system V1.0 (物業資產綜合管理系統V1.0)	Software	2018SR1075765	December 26, 2018
7. . .	Guangzhou Yueguan	Yueguan intelligent elevator operation monitoring software V1.0 (悅冠智能電梯運行監控軟件V1.0)	Software	2019SR1389207	December 18, 2019
8. . .	Guangzhou Yueguan	Yueguan intelligent smart fire monitoring software V1.0 (悅冠智能智慧消防監控軟件V1.0)	Software	2019SR1388965	December 18, 2019
9. . .	Guangzhou Yueguan	Yueguan intelligent smart power consumption monitoring software V1.0 (悅冠智能智慧用電監控軟件V1.0)	Software	2019SR1393585	December 18, 2019
10. .	Guangzhou Baima	Horse head icon logo (馬頭圖標LOGO)	Art	Guozuodengzi-2017-F-00378390 (國作登字-2017-F-00378390)	March 29, 2017

As at the Latest Practicable Date, pursuant to the Software Licensing Agreement, we are entitled to use the following software. For details of the Software Licensing Agreement, see "Connected Transactions" in this Prospectus.

No.	Owner of copyright	Name of copyright	Type of copyright	Registration number	Date of registration
1. . .	GCCD	Yuexiuhui APP software (悅秀會APP軟件)	Software	2020SR0644911	June 18, 2020

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' service contracts and letters of appointment

Each of our executive Directors has entered into a service contract with us for an initial fixed term of three years commencing from the date of Listing and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other.

Each of our non-executive Directors has entered into a letter of appointment with us for an initial fixed term of three years commencing from the date of Listing and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other.

Each of our independent non-executive Directors has entered into a letter of appointment with us commencing on and with effect from February 1, 2021 and, starting from the date of Listing, for a fixed term of one year and will continue thereafter until terminated by not less than three month's notice in writing served by either party on the other.

Except as aforesaid, none of our Directors has or is proposed to have a contract with our Group other than contracts expiring or determinable by us within one year without the payment of compensation (other than statutory compensation).

2. Remuneration of Directors

For the three years ended December 31, 2018, 2019 and 2020, the aggregate of the remuneration (including director's fee, salaries and allowances and retirement benefits scheme contribution, other benefits in kind and/or discretionary bonuses) paid by us to our Directors were approximately RMB1.22 million, RMB1.21 million and RMB3.11 million, respectively.

Save as disclosed in this Prospectus, no other emoluments have been paid or are payable, in respect of the three years ended December 31, 2018, 2019 and 2020 by us to our Directors.

There is no arrangement under which any Director has waived or agreed to waive future emoluments, nor has there been any waiver of emoluments by any Director during the current financial year.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors for the year ending December 31, 2021 will be approximately RMB3.60 million.

3. Agency Fees or Commissions

The Underwriters will receive an underwriting commission in connection with the Underwriting Agreements, as detailed in the "Underwriting" section in this Prospectus.

Save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted by our Company to any person in connection with the issue or sale of any capital or security of our Company within the two years immediately preceding the date of this Prospectus.

D. DISCLOSURE OF INTERESTS

1. Disclosure of Interests

(a) Interests of Directors and chief executive in shares, underlying shares and debentures of our Company and our associated corporations

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), the interests or short position of our Directors and chief executive of our Company in our Shares, underlying Shares and debentures and any of our associated corporation (within the meaning of Part XV of the SFO) notifiable to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to us and the Stock Exchange, once the Shares are listed on the Stock Exchange, will be as follows:

(i) Long position in our associated corporation

Yuexiu Property

Name of shareholder	Capacity/nature of interest	Number of shares as at the Latest Practicable Date	Approximate percentage of shareholding in the associated corporation
Mr. Lin Feng *(Note 1)*	Beneficial owner/ beneficiary of a trust/spouse interest	9,604,768	0.06%
Mr. Wu Wei *(Note 2)*	Beneficial owner/ beneficiary of a trust	5,395,311	0.04%
Mr. Zhang Jin *(Note 3)*	Beneficial owner/ beneficiary of a trust	974,941	0.01%

Notes:

(1) Mr. Lin Feng is interested in 9,604,768 shares, out of which 4,854,107 shares are owned by him as beneficial owner, 4,650,661 shares are held for him as a beneficiary of the share incentive trust scheme of Yuexiu Property Company Limited for directors and senior management (the "**Yuexiu Property DSM Trust**") and 100,000 shares are held by his spouse.

(2) Mr. Wu Wei is interested in 5,395,311 shares, out of which 1,861,746 shares are owned by him as beneficial owner and 3,533,565 shares are held for him as a beneficiary of the Yuexiu Property DSM Trust.

(3) Mr. Zhang Jin is interested in 974,941 shares, out of which 201,715 shares are owned by him as beneficial owner and 773,226 shares are held for him as a beneficiary of the Yuexiu Property DSM Trust.

(b) Substantial Shareholders

So far as our Directors are aware, for information on the persons who will, immediately following the completion of the Global Offering (assuming that Over-Allotment Option is not exercised), have or be deemed or taken to have an interest and/or a short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, see "Substantial Shareholders" in this Prospectus.

So far as our Directors are aware, the following persons were interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group (other than our Company):

No.	Name of member of our Group	Name of shareholder	Capacity/nature of interest	Approximate equity interest percentage
1.	GZMEE	GZ Metro	Beneficial owner	33%
2.	Wuhan Modern Property Management Co., Ltd.* (武漢摩登物業管理有限公司)	Wang Tao* (王濤)	Beneficial owner *(Note 1)*	30%
3.	Guangzhou Fucheng Property Management Co., Ltd.* (廣州富城物業管理有限公司)	Urban Property Management Limited (富城物業管理有限公司)	Beneficial owner *(Note 2)*	50%
4.	Guangzhou Yuexiu JLL	Beijing JLL	Beneficial owner *(Note 3)*	20%
5.	Jiangmen Yuexiu Riverside Property Service Co., Ltd.* (江門市越秀濱江物業服務有限公司)	Jiangmen Binjiang Property Management Co., Ltd.* (江門市濱江物業管理有限公司)	Beneficial owner *(Note 4)*	33%
6.	Guangzhou City Yuexiu Property Management Co., Ltd.* (廣州市越秀物業管理有限公司)	Guangzhou Jinfa Shiye Company* (廣州錦發實業公司)	Beneficial owner *(Note 5)*	40%
7.	Guangyue Property Management (Guangzhou) Co., Ltd.* (廣越物業管理(廣州)有限公司)	Guangzhou Liying Technology Development Co., Ltd.* (廣州利盈科技發展有限公司)	Beneficial owner *(Note 6)*	40%
8.	Guangzhou Yuexiu Nanfang Zhimei Business Operations Co., Ltd.* (廣州越秀南方智媒商業運營有限公司)	Guangdong Nanfang Zhimei Industrial Development Co., Ltd.* (廣東省南方智媒產業發展有限公司)	Beneficial owner *(Note 7)*	40%

Notes:

(1) Wang Tao* (王濤), save for its equity interest stated herein, is an Independent Third Party.

(2) Urban Property Management Limited, save for its equity interest stated herein, is an Independent Third Party.

(3) Beijing JLL, save for its equity interest stated herein, is an Independent Third Party.

(4) Jiangmen Binjiang Property Management Co., Ltd.* (江門市濱江物業管理有限公司), save for its equity interest stated herein, is an Independent Third Party.

(5) Guangzhou Jinfa Shiye Company* (廣州錦發實業公司) is beneficially wholly-owned by the Guangzhou Municipal People's Government of the PRC.

(6) Guangzhou Liying Technology Development Co., Ltd.* (廣州利盈科技發展有限公司), save for its equity interest stated herein, is an Independent Third Party.

(7) Guangdong Nanfang Zhimei Industrial Development Co., Ltd.* (廣東省南方智媒產業發展有限公司), save for its equity interest stated herein, is an Independent Third Party.

2. Disclaimers

Save as disclosed in this Prospectus:

(a) Our Directors are not aware of any person who will, immediately following the completion of the Global Offering (and assuming the Over-allotment Option is not exercised), 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 Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the number of any class of shares carrying rights to vote in all circumstances at general meetings of any other member of our Group;

(b) None of our Directors nor any of the parties referred to in "E. Other Information — 6. Qualification and Consents of Experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Prospectus, acquired or disposed of by, or leased to, our Company, or are proposed to be acquired or disposed of by, or leased to, our Company;

(c) Save in connection with the Underwriting Agreements, none of our Directors nor any of the parties referred to in "E. Other Information — 6. Qualification and Consents of Experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Company;

(d) Save in connection with the Listing, none of the parties referred to in "E. Other Information — 6. Qualification and Consents of Experts" in this Appendix: (i) is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries; and

(e) So far as is known to our Directors, none of our Directors or their associates or any existing Shareholders who are interested in 5% or more of the issued share capital of our Company has any interest in the five largest customers and suppliers of our Group during the Track Record Period.

E. OTHER INFORMATION

1. Litigation

To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, save as disclosed in "Business — Legal Proceedings and Compliance" in this Prospectus, we are not subject to any actual or threatened material claims or litigations that would have a material impact on our operations, financials and reputation, and none of our Directors is involved in the aforesaid claims and litigations.

2. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee of 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. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

Yue Xiu Capital Limited is a subsidiary of YXE, which is a controlling shareholder of our Company, and thus Yue Xiu Capital Limited is a connected person of our Company under the Listing Rules. Further, Yuexiu Property, which is a member of the sponsor group (as defined in Rule 3A.01(9) of the Listing Rules) by virtue of being a subsidiary of YXE (which is in turn the holding company of Yue Xiu Capital Limited), indirectly holds more than 5% of the number of the issued shares of the Company. In view of the above, Yue Xiu Capital Limited is not an independent sponsor according to the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Save as disclosed above, each of the other 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 fee of HK$3.3 million for acting as the sponsors for the Listing.

3. Compliance adviser

We have appointed Luk Fook Capital (HK) Limited as our compliance adviser upon Listing in compliance with Rule 3A.19 of the Listing Rules.

4. Registration Procedures

The register of members of our Company will be maintained in Hong Kong by the Hong Kong Share Registrar, Tricor Investor Services Limited. All transfer and other documents of title of the Shares must be lodged for registration with and registered by the Hong Kong Share Registrar, Tricor Investor Services Limited.

5. Preliminary expenses

We do not have any material preliminary expenses.

6. Qualification and Consents of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this Prospectus are as follows:

Name	Qualification
ABCI Capital Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
China Securities (International) Corporate Finance Company Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
CCB International Capital Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Yue Xiu Capital Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Jingtian & Gongcheng	Company's legal advisers as to PRC law
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50 of the laws of Hong Kong) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588 of the laws of Hong Kong)
China Index Academy	Independent industry consultant

Each of the experts as referred to in the above paragraph has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

7. No material adverse change

Save as disclosed in this Prospectus, our Directors confirm that there has been no material adverse change in our financial or trading position since December 31, 2020 (being the date on which the latest unaudited financial statements of our Company were made up) up to the date of this Prospectus.

8. Binding effect

This Prospectus shall have the effect, if an application is made in pursuance hereof, 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 so far as applicable.

9. Taxation of holders of Shares

(a) Hong Kong

(i) Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which estate duty ceased to be chargeable in Hong Kong in respect of the estates of persons dying on or after that date. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application for a grant of representation in respect of holders of Shares whose death occur on or after February 11, 2006.

(ii) Stamp Duty

Dealing in the Shares will be subject to Hong Kong stamp duty. The current ad valorem rate of Hong Kong stamp duty is 0.1% on the higher of the consideration for or the market value of the Shares and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. In other words, a total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction involving the Shares.

(iii) Dividends

No tax is imposed in Hong Kong in respect of dividends our Company pays to the Shareholders. Dividends paid to the Shareholders are free of withholding taxes in Hong Kong.

(iv) Capital gains and profits tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of the Shares. Trading gains from the sale of the Shares by persons carrying on a business in Hong Kong, where such gains are sourced in Hong Kong and arise from such business, will be chargeable to Hong Kong profits tax.

(b) Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers 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.

10. Promoters

Our Company has no promoter for the purpose of the Listing Rules.

11. Bilingual Prospectus

The English language and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided in Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. Miscellaneous

Save as disclosed in this Prospectus:

(a) within the two years preceding the date of this Prospectus, no share or loan capital of our Company has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(b) 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;

(c) neither our Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;

(d) within the two years immediately preceding the date of this Prospectus, no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group;

(e) within the two years preceding the date of this Prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in our Company;

(f) none of the equity and debt securities of our Company is listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(g) we have no outstanding convertible debt securities or debentures;

(h) the English text of this Prospectus and the Application Forms shall prevail over their respective Chinese text; and

(i) there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this Prospectus.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this Prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(1) a copy of each of the **WHITE**, **YELLOW**, **GREEN** and **BLUE** Application Forms;

(2) the written consents referred to in "Appendix IV — Statutory and General Information — E. Other Information — 6. Qualification and Consents of Experts" in this Prospectus; and

(3) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about our Business — 1. Summary of our material contracts" in this Prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of King & Wood Mallesons at 13/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date that is 14 days from the date of this Prospectus:

(1) our Articles of Association;

(2) the Accountant's Report of our Group from PricewaterhouseCoopers, the text of which is set out in Appendix I to this Prospectus;

(3) the audited consolidated financial statements of our Group for each of the three financial years ended December 31, 2018, 2019 and 2020;

(4) the report from PricewaterhouseCoopers on unaudited pro forma financial information, the texts of which are set out in Appendix II to this Prospectus;

(5) the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about our Business — 1. Summary of our material contracts" in this Prospectus;

(6) the service contracts and letters of appointment with Directors referred to in "Appendix IV — Statutory and General Information — C. Further Information about our Directors — 1. Particulars of Directors' service contracts and letters of appointment" in this Prospectus;

(7) the written consents referred to in "Appendix IV — Statutory and General Information — E. Other Information — 6. Qualification and Consents of Experts" in this Prospectus;

(8) the PRC legal opinion prepared by Jingtian & Gongcheng, our legal advisors as to PRC laws, in respect of our general matters and property interests; and

(9) the industry report prepared by China Index Academy.

越秀服務集團有限公司
YUEXIU SERVICES GROUP LIMITED