Evergrande Property Services Group Limited

恒大物業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code：6666

GLOBAL OFFERING

Joint Sponsors, Joint Global Coordinators and Joint Bookrunners

华泰国际 HUATAI INTERNATIONAL

UBS

農銀國際 ABC INTERNATIONAL

建银国际 CCB International

CITIC SECURITIES

海通國際 HAITONG

Joint Bookrunners

招銀国际 CMB INTERNATIONAL

ICBC 工银国际

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

Evergrande Property Services Group Limited
恒大物業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares	**:**	**1,621,622,000 Shares comprising 810,811,000 New Shares and 810,811,000 Sale Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**162,163,000 New Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**1,459,459,000 Shares comprising 648,648,000 New Shares and 810,811,000 Sale Shares (including 129,730,000 Reserved Shares under the Preferential Offering) (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$9.75 per Offer Share, plus brokerage of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.0027%, payable in full on application subject to refund on final pricing**
Nominal Value	**:**	**US$0.0001 per Share**
Stock Code	**:**	**6666**

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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—Documents Delivered to the Registrar of Companies" in this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (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 fixed by agreement between the Joint Representatives (on behalf of the Underwriters) and us (for ourselves and on behalf of the Selling Shareholder) on the Price Determination Date. The Price Determination Date is expected to be on or about Thursday, November 26, 2020 and, in any event, not later than Tuesday, December 1, 2020. The Offer Price will be not more than HK$9.75 and is currently expected to be not less than HK$8.50. Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum offer price of HK$9.75 for each Hong Kong Offer Share together with brokerage of 1%, 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$8.50. If, for any reason, the Joint Representatives (on behalf of the Underwriters) and us (for ourselves and on behalf of the Selling Shareholder) are unable to reach an agreement on the Offer Price on Tuesday, December 1, 2020, the Global Offering will not proceed and will lapse.

The Joint Representatives (on behalf of the Underwriters, and with our consent) may reduce the number of Offer Shares and/or the indicative Offer Price range that 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 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) as well as our website at www.evergrandeservice.com and the Stock Exchange's website at www.hkexnews.hk not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in "Structure and Conditions of the Global Offering— Conditions of the Global Offering" and "How to Apply for Hong Kong Offer Shares and Reserved Shares" in this Prospectus. If applications for Hong Kong offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offer, then such applications can be subsequently withdrawn if the number of Offer Shares and/or the indicative Offer Price range is so reduced.

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 Stock Exchange. Such grounds are set out in "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.

Prior to making an investment decision, prospective investors should consider carefully all the information set forth in this Prospectus, including but not limited to the risk factors set forth in "Risk Factors" in this Prospectus.

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, except that the Offer Shares may be offered, sold or delivered (i) within the United States in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with the restrictions of, Rule 144A under the U.S. Securities Act or another exemption from registration under the U.S. Securities Act; and (ii) in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act.

November 23, 2020

Despatch of **BLUE** Application Forms to Qualifying China Evergrande Shareholders on or before ....Monday, November 23, 2020

Hong Kong Public Offering and Preferential Offering commences and **WHITE** and **YELLOW** Application Forms available from ....9:00 a.m. on Monday, November 23, 2020

Latest time to complete electronic applications under **White Form eIPO** and **Blue Form eIPO** service through the designated website **www.eipo.com.hk**[2] ....11:30 a.m. on Thursday, November 26, 2020

Application lists open[3] ....11:45 a.m. on Thursday, November 26, 2020

Latest time for (a) lodging **WHITE**, **YELLOW** and **BLUE** Application Forms, (b) completing payment for **White Form eIPO** and **Blue Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s), and (c) giving **electronic application instructions** to HKSCC[4] ....12:00 noon on Thursday, November 26, 2020

Application lists close ....12:00 noon on Thursday, November 26, 2020

Expected Price Determination Date[5] ....Thursday, November 26, 2020

(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 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on or before ....Tuesday, December 1, 2020

(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 entitled "How to Apply for Hong Kong Offer Shares and Reserved Shares – 12. Publication of Results" from ....Tuesday, December 1, 2020

(3) 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.evergrandeservice.com**[6] from . . . . Tuesday, December 1, 2020

Results of allocations in the Hong Kong Public Offering and the Preferential Offering will be available at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID" function from . . . . Tuesday, December 1, 2020

Despatch/collection of Share certificates of the Offer Shares or deposit of Share certificates of the Offer Shares into CCASS in respect of wholly or partially successful applications under the Hong Kong Public Offering and the Preferential Offering on or before[7] . . . . Tuesday, December 1, 2020

Despatch/collection of White Form e-Refund payment instructions/refund cheques and Blue Form e-Refund payment instructions/refund cheques in respect of wholly successful (if applicable) and wholly and partially unsuccessful applications under the Hong Kong Public Offering and the Preferential Offering on or before[8] . . . . Tuesday, December 1, 2020

Dealings in the Shares on the Stock Exchange are expected to commence on . . . . Wednesday, December 2, 2020

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 **White Form eIPO** and **Blue Form eIPO** service through the designated website **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained 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 "black" rainstorm warning signal, a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, November 26, 2020, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares and Reserved Shares—11. 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 refer to "How to Apply for Hong Kong Offer Shares and Reserved Shares—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 Thursday, November 26, 2020 and, in any event, no later than Tuesday, December 1, 2020 unless otherwise announced. If, for any reason, the Offer Price is not agreed by the parties to the Price Determination Agreement by Tuesday, December 1, 2020, 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 Wednesday, December 2, 2020, 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.

(8) e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications and also in respect of successful applicants in the event that the Offer Price is less than the initial price per Hong Kong Offer Share payable on application. Part of your Hong Kong identity card number/passport number, or, if you are joint applicants, part of the Hong Kong identity card/passport number of the first-named applicant, provided by you may be printed on your refund check, if any. Such data would also be transferred to a third party to facilitate your refund. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund check. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encashment of your refund check or may invalidate your refund check. Further information is set out in the section headed "How to Apply for the Hong Kong Offer Shares and Reserved Shares" in this Prospectus.

Applicants who apply through the **White Form eIPO** and **Blue Form eIPO** service and paid their application monies through single bank account may have refund monies (if any) despatched to their application payment bank account, in the form of e-Refund payment instructions. Applicants who apply through the **White Form eIPO** and **Blue Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions to the **White Form eIPO** and **Blue Form eIPO** Services Provider, in the form of refund checks, by ordinary post 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 "Structure and Conditions 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 despatched to all Qualifying China Evergrande Shareholders save for certain core connected persons of the Company who will not participate in the Preferential Offering. In addition, Qualifying China Evergrande 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 China Evergrande Group's corporate communications policy.

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

If a Qualifying China Evergrande Shareholder has (a) 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 China Evergrande Group, 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.evergrandeservice.com** and the Stock Exchange at **www.hkexnews.hk** under the section entitled "HKEXnews > Listed Company Information > Latest Listed Company Information." A Qualifying China Evergrande 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 Computershare Hong Kong Investor Services Limited or by email to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Computershare Hong Kong Investor Services Limited will promptly, upon request, send by ordinary post a printed copy of this Prospectus to such Qualifying China Evergrande Shareholder, free of charge, although such Qualifying China Evergrande Shareholder may not receive that printed copy of this Prospectus before the close of the Hong Kong Public Offering and the Preferential Offering.

Qualifying China Evergrande Shareholders may also obtain a printed copy of this Prospectus during normal business hours from any of the designated branches of the receiving bank and the designated offices of each of the Joint Representatives as set forth in "How to Apply for Hong Kong Offer Shares and Reserved Shares." 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 China Evergrande Shareholders as specified in this Prospectus.

IMPORTANT NOTICE TO INVESTORS

This Prospectus is issued by Evergrande Property Services Group Limited solely in connection with the Hong Kong Public 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 the 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 (save for the Preferential Offering made to the Qualifying China Evergrande Shareholders). 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 Selling Shareholder, the Joint Sponsors, the Joint Global Coordinators and the 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.

CONTENTS

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 "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are one of the largest and fastest-growing comprehensive property management service providers in China. Among the Top 100 Property Management Companies in China, we ranked **second** in number of cities covered by our projects; **third** in each of total revenue, total gross profit and total net profit; **third** in contracted GFA and **fourth** in GFA under management, as of or for the year ended December 31, 2019, according to CIA. Our net profit increased at a CAGR of 195.5% from 2017 to 2019, which was the **highest** growth rate among the Top 20 Property Management Companies in China, according to CIA.

We are an all-round property manager. We manage a diverse portfolio of properties, including mid- to high-end residential properties, office buildings and commercial properties, and have been contracted to manage other types of properties such as theme parks, industrial parks, healthcare complexes, themed towns and schools, among others. As of June 30, 2020, we were contracted to provide property management services, value-added services to non-property owners and/or community value-added services to 1,354 projects in over 280 cities in 22 provinces, five autonomous regions, four municipalities and Hong Kong, with a total GFA under management of approximately 254.0 million sq.m. and contracted GFA of 513.3 million sq.m., serving nearly two million households. During the Track Record Period, substantially all of our revenue from property management services was generated from services provided in relation to properties developed by the Evergrande Group, our Controlling Shareholder. Our highly visible growth was underpinned by the Evergrande Group's trusted brand and diversified business segments. We expect to continue such close and stable relationship with the Evergrande Group going forward.

Our focus on people's wellbeing and commitment to customer satisfaction have shaped our brand image for high-caliber services. We foster a safe, convenient, healthy and caring community through our butlers who are on call round-the-clock. Our customer-centric culture has guided us to forge ahead and explore new ways to better serve our customers. For example, we have implemented a smart information platform that utilizes information and intelligent technologies to facilitate online interactions between our customers and butlers, which enhances customer experience, reduces our reliance on manual labor and improves operating efficiency.

We believe that we have a highly visible path to growth, underpinned by our close cooperation with the Evergrande Group, a conglomerate with diversified businesses covering real estate, cultural tourism, health and wellbeing management and new energy vehicles, among others. The Evergrande Group ranked first among the "Top 100 Real Estate Companies in China" in 2020 in terms of overall strength, according to China Real Estate Top 10 Research Group, and ranked first among property developers in China in terms of attributable contracted sales for three consecutive years starting from 2017, according to CRIC. We believe that the Evergrande Group's vast land bank provides us with a large potential pipeline of high-quality projects.

In August 2020, we introduced a group of reputable strategic investors, including, among others, Sequoia Capital China Growth, CITIC Capital Holdings Limited, Yunfeng Capital Limited and Tencent Holdings Limited. We believe the investment by these strategic investors enables us to explore synergistic new service offerings and other collaborations with them, thereby enhancing the scope and depth of our business operations, and contributing to our long-term sustainable growth.

Our quality services generated robust results of operations during the Track Record Period. In 2017, 2018, 2019 and the six months ended June 30, 2020, our revenue was RMB4,399.4 million, RMB5,903.2 million, RMB7,332.7 million and RMB4,563.9 million, respectively; our net profit amounted to RMB106.6 million, RMB239.0 million, RMB930.5 million and RMB1,147.7 million, respectively.

OUR BUSINESS MODEL

We primarily generate revenue from three business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

- *Property management services.* We offer a wide range of property management services to property owners, residents and property developers, as well as tenants in non-residential properties under our management. Our services typically include butler services, security services, cleaning and greening services, and repair and maintenance services. We manage a diverse portfolio of properties, including residential properties, office buildings and commercial properties, and have been contracted to manage other types of properties such as theme parks, industrial parks, healthcare complexes, themed towns and schools, among others. We primarily managed residential properties during the Track Record Period. We charge property management fees primarily on a lump sum basis, with only a very small portion charged on a commission basis.

- *Value-added services to non-property owners.* We offer property developers full-cycle value-added services covering various stages of the property development and delivery process. Our value-added services to non-property owners include (i) preliminary property management services, which comprise (a) construction site management in which we patrol and manage the security of property developers' construction sites; (b) sales office management services in which we provide property management services to property developers' sales offices and show flats; and (c) consulting services in which we advise on various stages of property developers' business operations from a property management perspective; (ii) pre-delivery services in which we clean and inspect the properties to be delivered, as well as assist in the delivery process; (iii) repair and maintenance services in which we assist with the repair and maintenance of properties during their post-delivery quality warranty periods; and (iv) property transaction assistance services in which we facilitate property developers in selling parking spaces and leasing retail spaces.

- *Community value-added services.* We offer community value-added services primarily to property owners and residents. Our community value-added services include (i) community operations services, which comprise (a) community space management services in which we rent out leasable common area to third-party vendors and provide certain onsite services to promote and facilitate such third-party vendors' businesses; and (b) other services such as group purchase facilitations, electric vehicle charging stations and potable water stations; (ii) community asset management services, which comprise (a) parking space rental services in which we lease parking spaces from property developers and then sublease them to property owners; (b) second-hand property transaction assistance services in which we facilitate property owners in selling or renting out their properties; and (c) recreation center operations services in which we operate recreation centers located in residential properties under our management; and (iii) community living services such as housekeeping, home furnishing, and repair and maintenance.

The following table sets forth a breakdown of our total revenue by business line during the Track Record Period, both in absolute amount and as a percentage of total revenue during the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	2,538,392	57.7	3,464,390	58.7	4,612,212	62.9	2,154,683	62.2	2,824,261	61.9
Value-added services to non-property owners	1,609,865	36.6	2,103,431	35.6	2,147,527	29.3	1,056,069	30.5	1,231,480	27.0
Community value-added services	251,099	5.7	335,405	5.7	572,983	7.8	255,008	7.3	508,114	11.1
Total	**4,399,356**	**100.0**	**5,903,226**	**100.0**	**7,332,722**	**100.0**	**3,465,760**	**100.0**	**4,563,855**	**100.0**

The following table sets forth a breakdown of our total GFA under management by developer type as of the dates indicated, as well as revenue from property management services by developer type for the years/periods indicated, both in absolute amount and as a percentage of revenue from property management services.

	As of/for the year ended December 31,												As of/for the six months ended June 30, 2020			
	2017				2018				2019							
	GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue	
	(sq.m.'000)		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*
The Evergrande Group[(1)]	137,836	418	2,532,597	99.8	183,121	524	3,425,456	98.9	233,969	664	4,538,996	98.4	251,339	697	2,790,733	98.8
Joint ventures of the Evergrande Group[(2)]	312	1	1,699	0.1	1,886	5	33,099	1.0	3,064	10	58,589	1.3	1,656	6	20,067	0.7
Independent third-party property developers[(3)]	200	2	4,096	0.1	401	5	5,835	0.1	822	12	14,627	0.3	1,024	13	13,461	0.5
Total	**138,348**	**421**	**2,538,392**	**100.0**	**185,408**	**534**	**3,464,390**	**100.0**	**237,855**	**686**	**4,612,212**	**100.0**	**254,019**	**716**	**2,824,261**	**100.0**

Notes:

(1) Refers to properties solely developed by the Evergrande Group or jointly developed by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the total equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations. The GFA and number of properties under management developed by joint ventures decreased from December 31, 2019 to June 30, 2020, primarily because the number of joint ventures involved decreased from ten to six as of the same dates, as four joint ventures became subsidiaries of the Evergrande Group in the six months ended June 30, 2020.

(3) Refers to properties developed solely by independent third-party property developers.

The following table sets forth the average property management fee per sq.m. of the properties under our management by developer type for the years indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	(RMB per sq.m. per month)				
Residential properties					
The Evergrande Group(1)	2.02	2.11	2.13	2.13	2.18
Joint ventures of the Evergrande Group(2)	2.66	2.83	2.97	2.93	2.57
Independent third-party property developers(3)	2.16	2.31	2.32	2.28	2.52
Overall average property management fee for residential properties	2.02	2.11	2.14	2.14	2.19
Non-residential properties					
Overall average property management fee for non-residential properties	5.05	5.18	6.11	5.84	5.94
Overall average property management fee	2.05	2.14	2.18	2.17	2.22

Notes:

(1) Refers to properties solely developed by the Evergrande Group or jointly developed by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the outstanding equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations.

(3) Refers to properties developed solely by independent third-party property developers.

During the Track Record Period, the average property management fee charged on properties developed by the Evergrande Group was generally comparable to that of similar properties developed by independent third-party property developers in the same area and in respect of comparable services, standards, types of properties, years of completion and locations. We only had a limited number of properties under management that were developed by joint ventures of the Evergrande Group and independent third-party property developers during the Track Record Period. The average property management fees of properties developed by joint ventures of the Evergrande Group were higher than those of properties developed by the Evergrande Group and independent third-party property developers during the Track Record Period, mainly because properties developed by joint ventures of the Evergrande Group were relatively new and high-end properties primarily located in provincial capitals and major regional cities such as Shenyang, Hohhot, Chengdu and Dalian. The monthly property management service fees for properties developed by independent third-party property developers were higher than those for properties developed by the Evergrande Group during the Track Record Period, primarily because properties developed by independent third-party property developers were mainly located in tier-one and tier-two cities while properties developed by the Evergrande Group cover a wide range of cities across different tiers of cities in China.

The increase in the average property management fees of non-residential properties in 2019 was primarily due to the increased proportion of high-end commercial properties under our management with relatively high property management fees, such as Shijiazhuang Evergrande Center (石家莊恒大中心), a high-end office building, and Ningbo Evergrande City Light (寧波恒大城市之光), a high-end commercial complex.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed and will continue to contribute to our success: (i) one of the largest and fastest-growing comprehensive property management service providers in China with an extensive geographical coverage and outstanding service quality; (ii) highly visible growth underpinned by the Evergrande Group's trusted brand and diversified business segments; (iii) diversified property portfolio and service offerings bringing high-margin revenue streams; (iv) smart information platform and standardized management systems designed to improve customer experience and operating efficiency and reduce costs; (v) high-quality services winning market acceptance and paving the way for expansion; and (vi) seasoned, energetic and stable management team, effective human resource management system and reputable strategic investors.

OUR BUSINESS STRATEGIES

We intend to consolidate our leading position and achieve further expansion by pursuing the following strategies: (i) solidify our leadership position by expanding the scale of our business operations; (ii) diversify value-added service offerings and improve customer satisfaction; (iii) further optimize our smart management platform and enhance our operational capabilities and efficiency powered by technologies; (iv) improve service quality and competitiveness leveraging our brand image and service capabilities and (v) enhance our Human Resource System to motivate organizational growth and higher employee productivity.

CONTROLLING SHAREHOLDERS

Immediately upon completion of the Capitalization Issue and the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying China Evergrande Shareholders and without taking into account any Shares which may be sold pursuant to the exercise of the Over-allotment Option), our Company will, in aggregate, be owned as to 59.04% by CEG Holdings. CEG Holdings is directly held as to 50% by China Evergrande Group and 50% by Shengjian (BVI), a direct wholly-owned company of Anji (BVI), which in turn is wholly owned by China Evergrande Group. As of the Latest Practicable Date, China Evergrande Group was indirectly owned as to 70.32% by Dr. Hui through Xin Xin (BVI) (a company wholly owned by Dr. Hui) and 5.94% by Mrs. Hui, the spouse of Dr. Hui, through Even Honour which is in turn wholly owned by Yaohua (a company wholly owned company by Mrs. Hui). Accordingly, Dr. Hui, Mrs. Hui, Xin Xin (BVI), Even Honour, Yaohua, China Evergrande Group, Anji (BVI), Shengjian (BVI) and CEG Holdings together constitute a group of our Controlling Shareholders.

China Evergrande Group is a conglomerate listed on the Main Board of the Stock Exchange (Stock Code: 3333) with diversified businesses covering, among others, real estate, cultural tourism, health and wellbeing management and new energy vehicles. Since our establishment, our Group and the Evergrande Group have a long and close working relationship. During the Track Record Period, our Group provided property management services to substantially all of the properties developed by the Evergrande Group. The business relationship between our Group and the Evergrande Group has been mutually beneficial and complementary, which is common among property management service providers and their parent companies in the PRC. For more information, see "Relationship with Controlling Shareholders."

OUR CUSTOMERS AND SUPPLIERS

In 2017, 2018, 2019 and the six months ended June 30, 2020, revenue from sales to our five largest customers amounted to RMB1,943.0 million, RMB2,460.7 million, RMB2,812.3 million and RMB1,713.7 million, respectively, which accounted for approximately 44.2%, 41.7%, 38.4% and 37.6%, respectively, of our total revenue. During the same periods, revenue from sales to our single largest customer, the Evergrande Group, amounted to RMB1,935.4 million, RMB2,439.7 million, RMB2,658.3 million and RMB1,597.4 million, respectively, which accounted for approximately 44.0%, 41.3%, 36.3% and 35.0%, respectively, of our total revenue. In 2017, 2018, 2019 and the six months ended June 30, 2020, purchases from our five largest suppliers amounted to RMB155.2 million, RMB218.5 million, RMB240.7 million and RMB134.8 million, respectively, which accounted for approximately 21.6%, 23.7%, 20.6% and 17.3%, respectively, of our total purchases. During the same periods, purchases from our single largest supplier amounted to RMB100.0 million, RMB138.5 million, RMB106.7 million and RMB63.6 million, respectively, which accounted for approximately 13.9%, 15.0%, 9.1% and 8.2%, respectively, of our total purchases. During the Track Record Period, certain of our customers were also our suppliers. Please see "Business—Customers" and "Business—Suppliers" for details.

SUMMARY KEY FINANCIAL INFORMATION

The summary financial information set forth below has been derived from, and should be read in conjunction with, our combined audited financial statements, including the accompanying notes, set forth in the Accountants' Report attached as Appendix I to this Prospectus, as well as the information set forth in "Financial Information." Our financial information was prepared in accordance with HKFRS.

Selected Items of Combined Statements of Comprehensive Income

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	%	*(RMB'000)*	%	*(RMB'000)*	%	*(RMB'000)* *(unaudited)*	%	*(RMB'000)*	%
Revenue	**4,399,356**	**100.0**	**5,903,226**	**100.0**	**7,332,722**	**100.0**	**3,465,760**	**100.0**	**4,563,855**	**100.0**
Cost of sales	(3,966,496)	(90.2)	(5,180,226)	(87.8)	(5,577,739)	(76.1)	(2,669,140)	(77.0)	(2,826,168)	(61.9)
Gross profit	**432,860**	**9.8**	**723,000**	**12.2**	**1,754,983**	**23.9**	**796,620**	**23.0**	**1,737,687**	**38.1**
Profit before income tax	**136,942**	**3.1**	**310,292**	**5.3**	**1,229,185**	**16.8**	**538,613**	**15.5**	**1,500,241**	**32.9**
Income tax expense	(30,378)	(0.7)	(71,284)	(1.2)	(298,661)	(4.1)	(131,287)	(3.8)	(352,548)	(7.7)
Profit for the year/period	**106,564**	**2.4**	**239,008**	**4.0**	**930,524**	**12.7**	**407,326**	**11.8**	**1,147,693**	**25.1**
Profit attributable to:										
– Owners of our Company	106,564	2.4	239,075	4.0	930,232	12.7	407,480	11.8	1,148,735	25.2
– Non-controlling interests	–	–	(67)	(0.0)	292	0.0	(154)	(0.0)	(1,042)	(0.0)

Our net profit and net profit margin increased during the Track Record Period, in particular, in 2019, primarily attributable to (i) economies of scale as a result of our continuous business growth; (ii) the significant growth in the gross profit margins of our property management services, attributable to, among others, (a) increased percentage of newly delivered property management projects with relatively high property management fees and (b) our enhanced effort to charge property management fees for parking spaces since 2019; and (iii) the continuous implementation of cost control measures. In addition, the increase in our net profit margin for the first half of 2020 was also attributable to the deduction in, or exemption of, payment of social insurance contributions as a result of the regulatory supportive policies issued by the local governments in response to the COVID-19 pandemic.

Selected Items of Combined Balance Sheets

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Non-current assets	91,128	138,740	149,752	153,261
Current assets	3,611,241	5,703,078	7,306,903	8,406,539
Current liabilities	3,141,027	5,036,741	5,669,448	5,667,849
Net current assets	470,214	666,337	1,637,455	2,738,690
Non-current liabilities	4,704	8,304	12,750	9,714
Non-controlling interests	–	(67)	12,850	11,808
Total equity	556,638	796,773	1,774,457	2,882,237

Selected Items of Combined Statements of Cash Flows

	For the year ended December 31,			For the six months ended June 30,
	2017	2018	2019	2020
	(RMB'000)			
Operating cash flow before change in working capital	212,230	372,762	1,321,990	1,566,283
Changes in working capital	(16,756)	665,545	(1,682,772)	(1,514,398)
PRC enterprise income tax paid	(2,349)	(2,515)	(7,455)	(15,511)
Net cash generated from/(used in) operating activities	193,125	1,035,792	(368,237)	36,374
Net cash generated from/(used in) investing activities	787,984	(957,511)	122,276	51,311
Net cash generated from/(used in) financing activities	(869,412)	11,797	(123,829)	(35,909)
Net increase/(decrease) in cash and cash equivalents	**111,697**	**90,078**	**(369,790)**	**51,776**
Cash and cash equivalents at beginning of year/period	852,363	964,060	1,054,138	684,348
Cash and cash equivalents at end of year/period	**964,060**	**1,054,138**	**684,348**	**736,124**

We had negative cash flow from operating activities of RMB368.2 million in 2019, mainly relating to (i) the increase in trade and other receivables, which was in line with our business growth; and (ii) the fact that in late 2018, we collected a significant amount of prepayments of property management fees that would otherwise be collected in 2019 and 2020 in connection with a promotional activity, which resulted in a lower level of cash inflow from operating activities in 2019. See "Financial Information—Liquidity and Capital Resources—Cash Flow—Net Cash Flows Generated from/(Used in) operating Activities."

Summary of Key Financial Ratios

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,
	2017	2018	2019	2020
Current ratio (times)	1.1	1.1	1.3	1.5
Gearing ratio (%)	22.2	21.6	1.7	0.9
Net profit margin (%)	2.4	4.0	12.7	25.1
Return on total assets (%)	2.9	4.1	12.5	26.8
Return on equity (%)	19.1	30.0	52.4	79.6

Our current ratio increased from 1.1 times as of December 31, 2018 to 1.3 times as of December 31, 2019 to 1.5 times as of June 30, 2020, which was mainly due to an increase in current assets primarily due to an increase in trade and other receivables resulting from our business growth. Our gearing ratio decreased during the Track Record Period, mainly due to our repayment of bank and other borrowings and the increase in total equity as a result of the improvement in our profitability. Our return on total assets and return on total equity increased during the Track Record Period, mainly as a result of increases in our profit for the year or period. See "Financial Information—Summary of Key Financial Ratios" for the definitions and analysis of key financial ratios set forth on the table above.

GLOBAL OFFERING

1,621,622,000 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 162,163,000 New Shares, subject to reallocation as described in "Structure and Conditions of the Global Offering—The Hong Kong Public Offering;" and

(b) the International Offering of initially 1,459,459,000 Shares including 648,648,000 New Shares and 810,811,000 Sale Shares, subject to reallocation and the Over-allotment Option as described in "Structure and Conditions of the Global Offering—The International Offering."

Of the 1,459,459,000 Offer Shares initially being offered under the International Offering, 129,730,000 Sale Shares will be offered under the Preferential Offering to the Qualifying China Evergrande Shareholders as an Assured Entitlement as described in "Structure and Conditions of the Global Offering—The Preferential Offering."

The Offer Shares will represent approximately 15.00% 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 17.25% of the total Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that the Global Offering is completed and 810,811,000 New Shares are issued pursuant to the Global Offering.

	Based on an Offer Price of HK$8.50 per Offer Share	Based on an Offer Price of HK$9.75 per Offer Share
Market capitalization of our Shares	HK$91,891.9 million	HK$105,405.4 million
Unaudited pro forma adjusted net tangible asset value per Share(1)	HK$0.93	HK$1.02

Notes:

(1) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in "Appendix II—Unaudited Pro Forma Financial Information."

(2) The impact of the acquisitions of Nanchang Xinya, Chengdu Wellspo, Zunyi Zhongxin, Hubei Guanbo and Yongkang Jiahua at an aggregate consideration of RMB123.365 million subsequent to June 30, 2020 has not been taken into account in calculating the unaudited pro forma financial net tangible asset value per Share. Assuming the entire consideration is fully treated as an adjustment to net tangible asset and no consideration is allocated to tangible assets of the acquired companies, which is not indicative of the actual outcome of the purchase price allocation in respect of the acquisitions, the adjusted net tangible assets value per Share would be adjusted downward by less than 2%.

(3) The unaudited pro forma statement of adjusted net tangible assets set out in Appendix II has not taken into account the dividend of RMB355.0 million declared in August 2020. Had the dividends been taken into account, the unaudited pro forma adjusted net tangible assets per share would have been RMB0.76 (HK$0.89) and RMB0.84 (HK$0.98) per Share based on the Offer Price of HK$8.50 per Share (being the low end of the indicative Offer Price range stated in this Prospectus) and HK$9.75 per Share (being the high end of the indicative Offer Price range stated in this Prospectus), respectively. See Appendix II to this Prospectus for the unaudited pro forma statement of adjusted net tangible assets of our Group.

SPIN-OFF AND PREFERENTIAL OFFERING

The Listing will constitute a Spin-off of our Group from China Evergrande Group. The Spin-off is not subject to Shareholders' approval of China Evergrande Group. In order to enable China Evergrande 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 China Evergrande Shareholders are being invited to apply for an aggregate of 129,730,000 Reserved Shares in the Preferential Offering, representing approximately 8.9% and 8.0% 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 "Structure and Conditions of the Global Offering—The Hong Kong Public Offering—Reallocation" above. In the event the Over-allotment Option is exercised, the number of Reserved Shares will not change.

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 China Evergrande Shareholders who hold China Evergrande 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.

For details, see "Structure and Conditions of the Global Offering—The Preferential Offering."

DIVIDEND POLICY

No dividend was declared or paid by our Company or the companies constituting our Group for the Track Record Period and up to the Latest Practicable Date save for (i) dividends of approximately RMB3.5 million and RMB7.3 million that were declared and settled by the subsidiaries now constituting our Group to their then shareholders in 2019 and the six months ended June 30, 2020, respectively; and (ii) dividends of RMB355.0 million declared and settled by Success Will to the Evergrande Group by offsetting our amounts due from related parties in August 2020, details of which are set out in note 13 and note 29, respectively, to Appendix I to this Prospectus. Our dividend distribution record, if any, in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future. We intend to adopt an annual dividend payout ratio of no less than 25% of our annual net profit available for distribution generated in each financial year beginning from the year ending December 31, 2020. However, there can be no assurance that dividends of any amount will be declared or distributed in any year.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$7,230 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming that the Over-allotment Option is not exercised and assuming an Offer Price of HK$9.13 per Share (being the mid-point of the indicative Offer Price range set forth on the cover page of this Prospectus). We intend to use such net proceeds from the Global Offering for the following purposes: (i) approximately 65.0%, or approximately HK$4,700 million, will be used to pursue strategic acquisition and investment; (ii) approximately 15.0%, or approximately HK$1,084 million, will be used to develop our value-added services; (iii) approximately 8.0%, or approximately HK$578 million, will be used to upgrade information system and equipment; (iv) approximately 2.0%, or approximately HK$145 million, will be used to recruit and cultivate talent; and (v) approximately 10.0%, or approximately HK$723 million, will be used for working capital and other general corporate purposes. We will not receive any of the proceeds from the sale of Sale Shares by the Selling Shareholder pursuant to the Global Offering. For more information, see "Future Plans and Use of Proceeds."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

New Property Management Agreements

Since June 30, 2020 and up to the Latest Practicable Date, we had submitted tenders for, and entered into, 84 new property management agreements, with a tender success rate of 100% and an aggregate contracted GFA of 30.1 million sq.m. Among these agreements, six agreements were for the provision of property management services to six projects developed by third-party developers with an aggregate contracted GFA of 1.0 million sq.m. As of the Latest Practicable Date, our total contracted GFA was 543.4 million sq.m., and our GFA under management was 278.9 million sq.m.

Acquisitions after the Track Record Period

Since the end of the Track Record Period, for the purpose of expanding our business, our Group has entered into equity transfer agreements to acquire equity interests in Nanchang Xinya, Chengdu Wellspo, Zunyi Zhongxin, Hubei Guanbo and Yongkang Jiahua, all of which were at the material time and have remained to be, engaged principally in the business of property management, for an aggregate consideration of RMB123.365 million. The table below sets forth certain information of such acquisitions:

Name of acquired subsidiary	Percentage of interest acquired	Total consideration of the acquisition	Basis of consideration	Principal business	Amount of consideration per sq.m. contracted to manage as of the date of the acquisition	Average property management fee per sq. m. charged as of the date of the acquisition	Revenue for the financial year immediately prior to the acquisition	Net profit after taxation for the financial year immediately prior to the acquisition
		(RMB'000)		*(Number, types, locator and GFA of properties managed)*	*(RMB/sq.m.)*	*(RMB/sq.m.)*	*(RMB'000)*	*(RMB'000)*
Nanchang Xinya	100%[1]	33,000	Determined on an arm's length basis taking into consideration the then financial and business positions of Nanchang Xinya, the then existing GFA and projects under its management and its business prospects.	32 properties (including residential properties, banks, schools, office buildings and public properties) located in Nanchang, Jiangxi with a total GFA under management of 1.63 million sq.m.	20.28	0.92	11,576.9	11

Name of acquired subsidiary	Percentage of interest acquired	Total consideration of the acquisition	Basis of consideration	Principal business	Amount of consideration per sq.m. contracted to manage as of the date of the acquisition	Average property management fee per sq. m. charged as of the date of the acquisition	Revenue for the financial year immediately prior to the acquisition	Net profit after taxation for the financial year immediately prior to the acquisition
		(RMB'000)		*(Number, types, locator and GFA of properties managed)*	*(RMB/sq.m.)*	*(RMB/sq.m.)*	*(RMB'000)*	*(RMB'000)*
Chengdu Wellspo	100%	39,000	Determined on an arm's length basis taking into consideration the then financial and business positions of Chengdu Wellspo, the then existing GFA and projects under its management and its business prospects.	Seven residential properties located in Chengdu, Sichuan with a total GFA under management of 1.31 million sq.m.	29.68	2.12	52,830	5,838.7
Zunyi Zhongxin	100%	19,125	Determined on an arm's length basis taking into consideration the then financial and business positions of Zunyi Zhongxin, the then existing GFA and projects under its management and its business prospects	30 properties (including residential properties, office buildings, banks and commercial properties) located in Zunyi, Guizhou with a total GFA under management of 1.25 million sq.m.	15.34	1.17	12,805.7	60.2
Hubei Guanbo	51%	12,240	Determined on an arm's length basis taking into consideration the then financial and business positions of Hubei Guanbo, its registered capital of RMB10.03 million and its business prospects.	45 properties (including residential properties, banks and public properties) located in Xiantao and Yichang, Hubei with a total GFA under management of 2.0 million sq.m.	11.54	1.04	17,568.6	106.7

Name of acquired subsidiary	Percentage of interest acquired	Total consideration of the acquisition	Basis of consideration	Principal business	Amount of consideration per sq.m. contracted to manage as of the date of the acquisition	Average property management fee per sq. m. charged as of the date of the acquisition	Revenue for the financial year immediately prior to the acquisition	Net profit after taxation for the financial year immediately prior to the acquisition
		(RMB'000)		*(Number, types, locator and GFA of properties managed)*	*(RMB/sq.m.)*	*(RMB/sq.m.)*	*(RMB'000)*	*(RMB'000)*
Yongkang Jiahua	100%	20,000	Determined on an arm's length basis taking into consideration the then financial and business positions of Yongkang Jiahua, the then existing GFA and projects under its management and its business prospects.	11 residential properties located in Jinhua and Quzhou, Zhejiang, Shanghai and Shenyang, Liaoning with a total GFA under management of 1.53 million sq.m.	10.19	1.96	20,340.62	(3,369.4)

Note:

1. Based on the equity transfer agreement, we will acquire the entire equity interest in Nanchang Xinya through four installments. We acquired 51% of equity interest in Nanchang Xinya on September 25, 2020. See "Waivers from Strict Compliance with the Listing Rules—Equity Interests Acquired after the Track Record Period—1. Acquisition of Nanchang Xinya" for details.

See "Waivers from Strict Compliance with the Listing Rules—Equity Interests Acquired after the Track Record Period" for details.

Our Financial Performance Subsequent to the Track Record Period

Based on our unaudited management accounts, our revenue and gross profit for July and August 2020 increased as compared to the same period in 2019, which was primarily attributable to our business expansion.

Our Directors confirmed that, as of the date of this Prospectus, there has been no material adverse change in our financial position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since June 30, 2020, the latest date of our financial statements.

COVID-19 PANDEMIC

An outbreak of respiratory illness caused by a novel coronavirus, namely COVID-19, was reported in December 2019 and continues to expand globally. The outbreak of the COVID-19 pandemic is likely to have an adverse impact on the livelihood of people around the world and on the global economy. In response to the COVID-19 pandemic, we have adopted various hygiene and precautionary measures across the properties under our management since late January 2020. See "Business—Effect of the COVID-19 Pandemic—Our Response to the COVID-19 Pandemic."

We estimate that the additional costs for implementing these enhanced measures, after taking into account the medical and cleaning supplies distributed by local governments, will be approximately RMB10.9 million in 2020. This primarily represents increased staff costs to carry out these measures as well as costs for purchasing protective materials such as face masks, ethanol hand wash, disinfectants, and infrared thermometers. Our Directors confirm that the additional costs associated with the enhanced measures will not have a significant impact on our Group's financial position or results of operations in 2020.

Since the outbreak of the COVID-19 pandemic and up to the Latest Practicable Date, we had not encountered any material disruption to the services provided by our subcontractors and utilities service providers and the supply of materials from our suppliers. Our Directors consider that while the supply chains in all industries will be affected to a certain extent by the COVID-19 pandemic, particularly due to the prolonged suspension of business operations and the instability of a workforce arising from the mandatory quarantine requirements, in view of the nature of our business, our Directors do not expect that we will encounter any material disruptions of our supply chain given that we do not rely on any particular service subcontractors or material suppliers and there are many other subcontractors and suppliers in the market as back-up. In view of the foregoing, our Directors believe that we can continue to provide our services and discharge our obligations under existing contracts.

In the long term, however, the COVID-19 pandemic is expected to bring about positive changes to the property management industry. During the fight against the COVID-19 pandemic, property management companies played a significant role, serving as a bridge among the government, community workers and residents. We believe our efforts to control the outbreak has earned us higher degrees of trust and reliance from property owners and residents at properties under our management. The lockdown measures imposed in many regions have also led to residents' increasing reliance on community value-added services to address their daily living needs, which we believe presents us significant opportunities to expand our related service offerings. We also expect that new government regulations on property management industry may be promulgated from time to time, which offers us a higher degree of regulatory certainty in our long-term business operations. Based on the above, our Directors are of the view that no material adverse effect on our operations and financial performance is expected to result from the recent COVID-19 pandemic.

We believe that our expansion plan as discussed "Business—Our Business Strategies" is feasible, and it is unlikely that we would change the use of the net proceeds received by our Company from the Global Offering as disclosed in "Future Plans and Use of Proceeds" in this Prospectus as a result of the COVID-19 pandemic. However, we are still subject to certain risks caused by the COVID-19 pandemic. For details, see "Business—Effect of the COVID-19 Pandemic" and "Risk Factors—Risks Relating to Our Business and Industry—Natural disasters, acts of war, occurrence of epidemics and other disasters could affect our business and the national and regional economies in the PRC."

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, due to the COVID-19 outbreak, taking into account our cash and cash equivalents as of August 31, 2020, the expected 10.0% of the net proceeds from the Global Offering as allocated for our working capital and other general business operations, we estimate that our Group will remain financially viable for approximately 14 months starting September 2020. Our key assumptions of the worst case scenario where our business is forced to be suspended due to the impact of COVID-19 include but not limited to: (i) we will not generate any income due to the suspension of business; (ii) overall operating and administrative expenses and estimated monthly fixed costs will be incurred to maintain our operations at a minimum level (including staff costs, rental costs and other miscellaneous charges); (iii) the expansion plan is suspended under such condition; (iv) we would only use the immediate cash and deposits available, including, among others, our cash and cash equivalents as of August 31, 2020, and there will be no further internal or external financing from Shareholders or financial institutions; (v) no further dividend will be declared and paid under such situation; (vi) the non-trade amount due from or to related parties as set out in the audited consolidated financial statements for the six months ended June 30, 2020 would be received or paid respectively, by our Group before the Listing; (vii) our trade payables will be settled when due, while we will be able to collect trade receivables from our customers based on historical settlement pattern; and (viii) there are no material changes in the near future that would significantly affect the aforementioned key assumptions.

The abovementioned extreme situation may or may not occur. The abovementioned analysis is for illustrative purpose only and our Directors currently assess that the likelihood of such situation is remote. The actual impact from the outbreak of COVID-19 will depend on its subsequent development; therefore, such impact to our Group may be out of our Director's control and beyond our estimation and assessment.

Since June 30, 2020 and up to the date of this prospectus, our business remained stable which was in line with the past trends and our expectations. After due and careful consideration, save for the aforesaid effects of the COVID-19 outbreaks, our Directors confirmed that, since June 30, 2020 and up to the Latest Practicable Date, there had 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.

LISTING EXPENSES

The total amount of Listing expenses that will be borne by us in connection with the Global Offering, including but not limited to underwriting commissions, is estimated to be HK$173.0 million (based on the mid-point of the indicative Offer Price range), accounting for approximately 2.3% of the gross proceeds received by our Company from the Global Offering. Among the Listing expenses, HK$102.7 million is expected to be accounted for as a deduction from equity upon completion of the Listing. The remaining fees and expenses of HK$70.3 million are expected to be charged to our profit or loss account upon the Listing. The professional fees and/or other expenses related to the preparation of the Listing are currently in estimates for reference only and the actual amount to be recognized is subject to adjustment based on audit and the then changes in variables and assumptions. 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, 2020.

RISK FACTORS

Our operations involve certain risks, some of which are beyond our control. These risks can be broadly categorized into: (i) risks relating to our business and industry; (ii) risks relating to doing business in the PRC; and (iii) risks relating to the Global Offering and Spin-off. Some of the risks generally associated with our business and industry include the following: (i) substantially all of our revenue from property management services during the Track Record Period was generated from services we provided in relation to properties developed by the Evergrande Group; (ii) our future growth may not materialize as planned and our historical results may not be indicative of our future prospects and results of operations; (iii) our future acquisitions or investments may not be successful, and we may face difficulties in integrating acquired operations with our existing businesses; (iv) we are in a highly competitive business and we may not be able to compete successfully against existing and new competitors; (v) we may fail to secure new, or renew our existing, property management service contracts on favorable terms, or at all; (vi) we had negative operating cash flow in 2019; and (vii) any financial difficulties faced by the Evergrande Group may have material adverse impact on our business, financial condition, results of operation and prospects.

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" on page 44 in deciding whether to invest in our Shares.

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

"Anji (BVI)"	ANJI (BVI) Limited (安基(BVI)有限公司), a company incorporated in the BVI with limited liability on June 26, 2006, which is wholly-owned by China Evergrande Group and is one of our Controlling Shareholders;
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s), **GREEN** Applications Form(s), or where the context so requires, any of them that is used in connection with the Hong Kong Public Offering and **BLUE** Application Form(s) in connection with the Preferential Offering;
"Articles of Association" or "Articles"	the amended and restated articles of association of the Company, conditionally adopted on November 13, 2020 and will become effective upon Listing, a summary of which is set out in Appendix IV to this Prospectus;
"associates"	has the meaning ascribed to it under the Listing Rules;
"Assured Entitlement"	the entitlement of the Qualifying China Evergrande Shareholders to apply for the Reserved Shares on an assured basis under the Preferential Offering determined on the basis of their respective shareholdings in China Evergrande Group at 4:30 p.m. on the Record Date;
"Available Reserved Shares"	has the meaning ascribed to it in "Structure and Conditions of the Global Offering—The Preferential Offering—Basis of Allocation for Applications for Reserved Shares";
"Beneficial China Evergrande Shareholders"	any beneficial owner of China Evergrande Shares whose China Evergrande Shares are registered, as shown in the register of members of China Evergrande Group, in the name of a registered China Evergrande Shareholder on the Record Date;
"**BLUE** Application Form(s)"	the application form(s) to be sent to Qualifying China Evergrande Shareholders to subscribe for the Reserved Shares pursuant to the Preferential Offering;

"**Blue Form eIPO**"	the application for Reserved Shares to be issued in a Qualifying China Evergrande Shareholder's own name by submitting applications online through the designated website of the Blue Form eIPO Service Provider at **www.eipo.com.hk**;
"**Blue Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited;
"Board" or "Board of Directors"	the board of Directors of our Company;
"Business Day" or "business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, a Sunday or a public holiday in Hong Kong;
"BVI"	the British Virgin Islands;
"CAGR"	compound annual growth rate;
"Capitalization Issue"	the issue of 9,990,000,000 Shares to be made upon capitalization of certain sum standing to the credit of the share premium account of the Company as referred to in "Appendix IV—Statutory and General Information – A. Further Information about our Company—3. Written Resolutions of our Shareholders Passed on November 13, 2020" to this Prospectus;
"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 participant or a 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, joint individuals or a corporation;

"CCASS Operation 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, a CCASS Custodian Participant or a CCASS Investor Participant;
"CEG Holdings"	CEG Holdings (BVI) Limited, a company incorporated in the BVI with limited liability on July 20, 2020, which is owned as to 50% by China Evergrande Group and 50% by Shengjian (BVI) and is one of our Controlling Shareholders and the Selling Shareholder;
"Chengdu Jinbi"	成都金碧河畔物業服務有限公司 (Chengdu Jinbi Hepan Property Services Co., Ltd.), a company established in the PRC with limited liability on April 20, 2009 and an indirect wholly-owned subsidiary of our Company;
"Chengdu Leju"	成都樂居物業管理有限公司 (Chengdu Leju Property Management Co., Ltd.), a company established in the PRC with limited liability on February 8, 2013 and an indirect wholly-owned subsidiary of our Company;
"Chengdu Wellspo"	成都威爾斯普物業管理有限公司 (Chengdu Wellspo Property Management Co., Ltd.), a company established in the PRC with limited liability on December 30, 2001 and our indirect wholly-owned subsidiary of our Company;
"China" or the "PRC"	the People's Republic of China, but for the purpose of this Prospectus and for geographical reference only and except where the context requires, references in this Prospectus to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"China Evergrande Group"	China Evergrande Group (中國恒大集團) (formerly known as Evergrande Real Estate Group Limited (恒大地產集團有限公司)) (Stock Code: 3333), an exempted company incorporated in the Cayman Islands with limited liability on June 26, 2006, the shares of which are listed on the Main Board of the Stock Exchange, and one of our Controlling Shareholders;

"China Evergrande Shareholder(s)"	holder(s) of China Evergrande Shares;
"China Evergrande Share(s)"	ordinary share(s) of par value of US$0.01 each in the share capital of China Evergrande Group which are listed on the Stock Exchange;
"Chinese government" or "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;
"Chongqing Hengjian"	重慶恒健物業管理有限公司 (Chongqing Hengjian Property Management Co., Ltd.), a company established in the PRC with limited liability on February 27, 2019 and an indirect wholly-owned subsidiary of our Company;
"Chongqing Tongjing"	重慶同景物業服務有限公司 (Chongqing Tongjing Property Services Co., Ltd.), a company established in the PRC with limited liability on April 29, 2007 and an indirect wholly-owned subsidiary of our Company;
"CIA"	China Index Academy, our independent industry consultant;
"close associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
"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," "the Company," or "our Company"	Evergrande Property Services Group Limited (恒大物業集團有限公司) (formerly known as Mangrove 3, Ltd.), an exempted liability company incorporated in the Cayman Islands with limited liability on March 13, 2020;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Dr. Hui, Mrs. Hui, Xin Xin (BVI), Even Honour, Yaohua, China Evergrande Group, Anji (BVI), Shengjian (BVI) and CEG Holdings;
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"COVID-19"	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2, believed to have first emerged in late 2019;
"CRIC"	China Real Estate Information Corp;
"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 PRC national securities markets;
"Deed of Non-competition"	the deed of non-competition dated November 19, 2020 given by each of the Undertaking Controlling Shareholders in favor of our Company (for ourselves and as trustee for each of our subsidiaries), as further described under "Relationship with Controlling Shareholders—Deed of Non-Competition";
"Deed of Indemnity"	the deed of indemnity dated November 19, 2020 given by each of the Undertaking Controlling Shareholders in favor of our Company (for ourselves and as trustee for each of our subsidiaries), as further described under "Appendix IV—Statutory and General Information—D. Other Information—1. Tax and Other Indemnities";
"Director(s)" or "our Directors"	the director(s) of our Company;

"Dr. Hui"	Dr. Hui Ka Yan (許家印), one of our Controlling Shareholders;
"Eagle Investment"	Eagle Investment (BVI) Limited, a company incorporated in the BVI with limited liability on July 20, 2020 and a direct wholly-owned subsidiary of our Company;
"EIT Law"	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time;
"Even Honour"	Even Honour Holdings Limited, a company incorporated in the BVI with limited liability on March 31, 2009, which is wholly-owned by Yaohua and is one of our Controlling Shareholders;
"Evergrande Auto"	China Evergrande New Energy Vehicle Group Limited (中國恒大新能源汽車集團有限公司) (formerly known as Evergrande Health Industry Group Limited (恒大健康產業集團有限公司)) (stock code: 708), a company incorporated in Hong Kong with limited liability on October 8, 2007, the shares of which are listed on the Main Board of the Stock Exchange, and a non-wholly-owned subsidiary of China Evergrande Group;
"Evergrande Group"	China Evergrande Group and its subsidiaries which, for the purpose of this Prospectus and unless the context otherwise requires, excludes our Group;
"Evergrande Hengkang"	恒大恒康物業有限公司 (Evergrande Hengkang Property Co., Ltd.), a company established in the PRC with limited liability on March 21, 2018 and an indirect wholly-owned subsidiary of our Company;
"Evergrande Real Estate"	恒大地產集團有限公司 (Evergrande Real Estate Group Co., Ltd.), a company established in the PRC with limited liability on June 24, 1996 and a non-wholly-owned subsidiary of China Evergrande Group;
"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;

"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong;
"Fortune Ascent"	Fortune Ascent Property Management Limited (升裕物業管理有限公司) (formerly known as Fortune Ascent Limited (升裕有限公司)), a company incorporated in Hong Kong with limited liability on October 6, 2017 and an indirect wholly-owned subsidiary of our Company;
"Foshan Xinzhongjian"	佛山市南海新中建房地產發展有限公司 (Foshan Nanhai Xinzhongjian Real Estate Development Co., Ltd.), a company established in the PRC with limited liability on September 11, 2001 and a non wholly-owned subsidiary of China Evergrande Group;
"Fuzhou Jinbi"	福州市金碧物業有限公司 (Fuzhou Jinbi Property Co., Ltd.), a company established in the PRC with limited liability on July 13, 2018 and an indirect wholly-owned subsidiary of our Company;
"Global Offering"	the Hong Kong Public Offering and the International Offering;
"**GREEN** Application Form(s)"	the application form(s) to be completed by the **White Form eIPO** Service Provider designated by our Company;
"Group," "the Group," "our Group," "we" or "us"	our Company and, except where the context otherwise requires, all of its subsidiaries or where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries were engaged in and which were subsequently assumed by it;
"Guangzhou Jinbi Hengying"	廣州市金碧恒盈物業服務有限公司 (Guangzhou Jinbi Hengying Property Services Co., Ltd.), a company established in the PRC with limited liability on February 6, 2004 and an indirect wholly-owned subsidiary of our Company;
"Guangzhou Jinbi Huafu"	廣州市金碧華府物業有限公司 (Guangzhou Jinbi Huafu Property Co., Ltd.), a company established in the PRC with limited liability on August 20, 2003 and an indirect wholly-owned subsidiary of our Company;

"Guangzhou Jinbi Shijia"	廣州市金碧世家物業服務有限公司 (Guangzhou Jinbi Shijia Property Services Co., Ltd.), a company established in the PRC with limited liability on November 11, 2003 and an indirect wholly-owned subsidiary of our Company;
"Guiyang Xinshenghuo"	貴陽新生活物業服務有限公司 (Guiyang Xinshenghuo Property Services Co., Ltd.), a company established in the PRC with limited liability on August 21, 2007 and an indirect wholly-owned subsidiary of our Company;
"Guiyang Zhongyu"	貴陽中渝物業管理有限責任公司 (Guiyang Zhongyu Property Management Co., Ltd.), a company established in the PRC with limited liability on June 28, 2011 and an indirect wholly-owned subsidiary of our Company;
"Hainan Lingshui"	海南陵水棕櫚泉物業服務有限公司 (Hainan Lingshui Zonglvquan Property Services Co., Ltd.), a company established in the PRC with limited liability on July 8, 2013 and an indirect wholly-owned subsidiary of our Company;
"HengTen Networks"	HengTen Networks Group Limited (恒騰網絡集團有限公司) (stock code: 136), a company incorporated in Bermuda with limited liability on February 24, 1997, the shares of which are listed on the Main Board of the Stock Exchange, and a non-wholly-owned subsidiary of China Evergrande Group;
"Hengyun Sports"	恒運體育發展有限公司 (Hengyun Sports Development Co., Ltd.), a company established in the PRC with limited liability on December 8, 2017 and an indirect wholly-owned subsidiary of our Company;
"HKFRS(s)"	Hong Kong Financial Reporting Standards issued by the HKICPA;
"HKICPA"	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;
"HK$" or "Hong Kong dollars" "HK dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong;
"Hohhot Jinbi"	呼和浩特市金碧物業服務有限公司 (Hohhot Jinbi Property Services Co., Ltd.), a company established in the PRC with limited liability on June 4, 2013 and an indirect wholly-owned subsidiary of our Company;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Hong Kong Offer Shares"	the 162,163,000 New Shares (subject to reallocation) being initially offered by the Company for subscription in the Hong Kong Public Offering, as described in "Structure and Conditions of the Global Offering";
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on the terms and conditions described in this Prospectus and the Application Forms;
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited;
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting – Hong Kong Underwriters";
"Hong Kong Underwriting Agreement"	the underwriting agreement dated November 20, 2020 relating to the Hong Kong Public Offering entered into among our Company, our Undertaking Controlling Shareholders, the Joint Sponsors, the Joint Representatives and the Hong Kong Underwriters as further described in "Underwriting – Underwriting Arrangements and Expenses";
"Hubei Guanbo"	湖北冠博物業管理有限公司 (Hubei Guanbo Property Management Co., Ltd.), a company established in the PRC with limited liability on May 11, 2009 and an indirect non-wholly-owned subsidiary of our Company which was owned as to 51% by Jinbi property and 49% by Hubei Meicen Environmental Co., Ltd. (湖北美岑環保服務有限公司), an Independent Third Party;

"Independent Third Party(ies)"	an individual or a company who, as far as the Directors are aware after having made all reasonable enquiries is not a connected person of the Company within the meaning of the Listing Rules;
"International Offer Shares"	the 1,459,459,000 Shares initially including 648,648,000 New Shares offered by the Company and 810,811,000 Sale Shares sold by the Selling Shareholder for subscription at the Offer Price pursuant to the International Offering together with, where relevant, any additional Shares which may be sold by the Selling Shareholder pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in "Structure and Conditions of the Global Offering"). Of the 1,459,459,000 Offer Shares initially being offered under the International Offering, 129,730,000 Sale Shares will be offered under the Preferential Offering to the Qualifying China Evergrande Shareholders as an Assured Entitlement as described in "Structure and Conditions of the Global Offering – The Preferential Offering" in this Prospectus;
"International Offering"	the offer and sale of the International Offer Shares by us and the Selling Shareholder at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States to QIBs only in reliance on Rule 144A or any other available exemption from registration under the U.S. Securities Act, as further described in "Structure and Conditions of the Global Offering";
"International Underwriters"	the group of international underwriters, represented by the Joint Representatives, that is expected to enter into the International Underwriting Agreement to underwrite the International Offering;
"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or around November 26, 2020 by, among others, our Company, the Selling Shareholder, the Joint Representatives and the International Underwriters in respect of the International Offering, as further described in "Underwriting—International Offering" in this Prospectus;

"Jinbi Property"	金碧物業有限公司 (Jinbi Property Co., Ltd.), a company established in the PRC with limited liability on September 10, 1997 and an indirect wholly-owned subsidiary of our Company;
"Jinbi Smart Life"	金碧智慧生活科技(深圳)有限公司 (Jinbi Smart Life Technology (Shenzhen) Co., Ltd.), a company established in the PRC with limited liability on June 5, 2020 and an indirect wholly-owned subsidiary of our Company;
"Joint Bookrunners"	the joint bookrunners as named in the section headed "Directors and Parties Involved in the Global Offering";
"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors and Parties Involved in the Global Offering";
"Joint Lead Managers"	the joint lead managers as named in "Directors and Parties Involved in the Global Offering";
"Joint Representatives"	Huatai Financial Holdings (Hong Kong) Limited, UBS AG Hong Kong Branch, ABCI Capital Limited, CCB International Capital Limited, CLSA Limited and Haitong International Securities Company Limited;
"Joint Sponsors"	Huatai Financial Holdings (Hong Kong) Limited, UBS Securities Hong Kong Limited, ABCI Capital Limited, CCB International Capital Limited, CLSA Capital Markets Limited and Haitong International Capital Limited;
"Knight Honour"	Knight Honour Global Limited, a company incorporated in the BVI with limited liability on November 5, 2019 and an indirect wholly-owned subsidiary of our Company;
"Kunming Jialize"	昆明嘉麗澤物業管理有限公司 (Kunming Jialize Property Management Co., Ltd.), a company established in the PRC with limited liability on August 22, 2014 and an indirect wholly-owned subsidiary of our Company;
"Latest Practicable Date"	November 15, 2020, being the latest practicable date for the purpose of ascertaining certain information in this Prospectus prior to its publication;
"Listing"	listing of our Shares on the Stock Exchange;

"Listing Committee"	the Listing Committee of the Stock Exchange;
"Listing Date"	the date expected to be on or about December 2, 2020, on which dealings in our Shares first commence on the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
"M&A Rules"	the Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), jointly issued by 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), MOFCOM, SAT, SAMR, CSRC and SAFE on August 8, 2006 and re-issued by MOFCOM on June 22, 2009;
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with GEM of the Stock Exchange;
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of the Company, adopted on November 13, 2020 with immediate effect, a summary of which is set out in Appendix III to this Prospectus;
"MOF"	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);
"MOHURD"	the Ministry of Housing and Urban and Rural Development (中華人民共和國住房與城鄉建設部);
"Mrs. Hui"	Ms. Ding Yumei, the spouse of Dr. Hui and one of our Controlling Shareholders;

"Nanchang Xinya"	南昌馨雅物業管理有限公司 (Nanchang Xinya Property Management Co., Ltd.), a company established in the PRC with limited liability on May 4, 2010 and an indirect non-wholly-owned subsidiary of our Company which, as the Latest Practicable Date, was owned as to 51% by Jinbi Property and 49% by Jiangxi Tianjie Environmental Protection Service Co., Ltd. (江西省天潔環保服務有限公司), an Independent Third Party;
"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);
"New Share(s)"	the 810,811,000 Shares to be offered by our Company for subscription at the Offer Price pursuant to the Global Offering;
"Ningbo Jinbi"	寧波金碧恒心物業有限公司 (Ningbo Jinbi Hengxin Property Co., Ltd.), a company established in the PRC with limited liability on October 25, 2019 and an indirect wholly-owned subsidiary of our Company;
"Non-Qualifying China Evergrande Shareholders"	China Evergrande Shareholders whose names appeared in the register of members of China Evergrande Group on the Record Date and whose addresses as shown in such register are in any of the Specified Territories and any China Evergrande Shareholders or Beneficial China Evergrande Shareholders at that time who are otherwise known by China Evergrande Group to be resident in any of the Specified Territories;
"Offer Price"	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK$9.75 and expected to be not less than HK$8.50, at which Hong Kong Offer Shares are to be subscribed, to be determined in the manner further described in "Structure and Conditions of the Global Offering – Pricing and Allocation";
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional Shares which may be sold by the Selling Shareholder pursuant to the exercise of the Over-allotment Option;

"Oriental Joy"	Oriental Joy Group Limited (東欣集團有限公司), a company incorporated in the BVI with limited liability on November 5, 2019 and an indirect wholly-owned subsidiary of our Company;
"Over-allotment Option"	the option expected to be granted by the Selling Shareholder to the International Underwriters, exercisable by the Joint Representatives (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which the Selling Shareholder may be required to sell up to an aggregate of 243,243,000 additional Shares at the Offer Price to cover, among other things, over-allocations in the International Offering, if any, further details of which are described in "Structure and Conditions of the Global Offering" in this Prospectus;
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC;
"People's Congress"	the PRC's legislative apparatus, including the National People's Congress and all the local people's congresses (including provincial, municipal and other regional or local people's congresses) as the context may require, or any of them;
"PRC Legal Advisors"	King & Wood Mallesons, our legal advisors as to PRC laws;
"Preferential Offering"	the preferential offering to the Qualifying China Evergrande Shareholders of 129,730,000 Reserved Shares (representing approximately 8.0% of the Offer Shares initially being offered under the Global Offering) in the form of Assured Entitlement out of the Shares being offered under the International Offering, as further described in the section headed "Structure and Conditions of the Global Offering" and subject to the terms and conditions stated in this Prospectus and in the **BLUE** Application Form;

"Price Determination Agreement"	the agreement to be entered into by the Joint Representatives (on behalf of the Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) on the Price Determination Date to record and fix the Offer Price;
"Price Determination Date"	the date, expected to be on or around November 26, 2020 (Hong Kong time) on which the Offer Price is determined, or such later time as the Joint Representatives (on behalf of the Hong Kong Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) may agree, but in any event no later than December 1, 2020;
"Prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering;
"Qinhuangdao Jinbi"	秦皇島金碧物業服務有限公司 (Qinhuangdao Jinbi Property Services Co., Ltd.), a company established in the PRC with limited liability on October 22, 2012 and an indirect wholly-owned subsidiary of our Company;
"Qualified Institutional Buyers"	a qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act;
"Qualifying China Evergrande Shareholders"	China Evergrande Shareholders whose names appeared in the register of members of China Evergrande Group on the Record Date, other than Non-Qualifying China Evergrande Shareholders;
"Record Date"	November 18, 2020;
"Regulation S"	Regulation S under the U.S. Securities Act;
"Reorganization"	the reorganization of our Group in preparation of the Listing, details of which are set out in "History, Reorganization and Corporate Structure" in this Prospectus;
"Relevant Persons"	the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Underwriters, the Selling Shareholder, any of their or the Company's respective directors, officers, agents, or representatives or advisers or any other person involved in the Global Offering;

"Reserved Shares"	the 129,730,000 Sale Shares being sold by the Selling Shareholder to Qualifying China Evergrande Shareholders pursuant to the Preferential Offering as Assured Entitlement, which are to be allocated out of the Shares being offered under the International Offering;
"Rule 144A"	Rule 144A under the U.S. Securities Act;
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局);
"SAIC"	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);
"Sale Shares"	the 810,811,000 Shares initially being offered for sale by the Selling Shareholder at the Offer Price under the Global Offering, and to the extent the Over-allotment Option is exercised, together with up to an aggregate of 243,243,000 additional Shares to be offered for sale by the Selling Shareholder;
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局);
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Selling Shareholder"	CEG Holdings;
"SFC"	the Securities and Futures Commission of Hong Kong;
"Share(s)"	ordinary share(s) with par value of US$0.0001 each in the share capital of the Company, which are to be traded in Hong Kong dollars and listed on the Main Board;
"Shareholders"	holders of our Shares;
"Shengjian (BVI)"	Shengjian (BVI) Limited (盛建(BVI)有限公司), a company incorporated in the BVI with limited liability on January 29, 2007, which is wholly-owned by Anji (BVI) and is one of our Controlling Shareholders;

"Shenzhen Jianshe Jiayuan"	深圳市建設家園物業服務有限公司 (Shenzhen Jianshe Jiayuan Property Services Co., Ltd.), a company established in the PRC with limited liability on June 17, 2004 and an indirect wholly-owned subsidiary of our Company;
"Sichuan Zhongjia"	四川眾嘉商業管理有限公司 (Sichuan Zhongjia Commercial Management Co., Ltd.), a company established in the PRC with limited liability on October 28, 2014 and an indirect wholly-owned subsidiary of our Company;
"Sichuan Zhongxin"	四川忠信物業管理有限公司 (Sichuan Zhongxin Property Management Co., Ltd.), a company established in the PRC with limited liability on April 28, 2009 and an indirect wholly-owned subsidiary of our Company;
"Specified Territory(ies)"	jurisdiction(s) outside Hong Kong where, taking into account the legal restrictions under the applicable laws or requirements of the relevant regulatory body or stock exchange of such jurisdiction(s), China Evergrande Group and our Company consider the exclusion of the China Evergrande Shareholders with registered addresses in or who are otherwise known by China Evergrande Group to be residents of, such jurisdiction(s) from the Preferential Offering to be necessary or expedient;
"Spin-off"	the separate listing of our Shares on the Main Board to be effected by way of Global Offering (including the Preferential Offering);
"sq.m."	the measurement unit of square meters;
"Stabilizing Manager"	UBS AG Hong Kong Branch;
"State Council"	the State Council of the PRC (中華人民共和國國務院);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"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;

"Success Will"	Success Will Group Limited (雅立集團有限公司), a company incorporated in Hong Kong with limited liability on July 5, 2007 and an indirect wholly-owned subsidiary of our Company;
"Tangshan Yihe"	唐山易合諮詢管理有限責任公司 (Tangshan Yihe Consulting Management Co., Ltd.), a company established in the PRC with limited liability on September 25, 2013 and an indirect wholly-owned subsidiary of our Company;
"Track Record Period"	the period comprising the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020;
"Undertaking Controlling Shareholders"	Dr. Hui, Xin Xin (BVI), China Evergrande Group, Anji (BVI), Shengjian (BVI) and CEG Holdings;
"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. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder;
"VAT"	the PRC value-added tax;
"**WHITE** 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 issued in the applicant's own name;
"**White Form eIPO**"	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 the **White Form eIPO** Service Provider at **www.eipo.com.hk**;

"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited;
"Wuhan Jinbi"	武漢金碧物業服務有限公司 (Wuhan Jinbi Property Services Co., Ltd.), a company established in the PRC with limited liability on May 5, 2010 and an indirect wholly-owned subsidiary of our Company;
"Wuhan Jinbi Jiayuan"	武漢金碧嘉園物業管理有限公司 (Wuhan Jinbi Jiayuan Property Management Co., Ltd.), a company established in the PRC with limited liability on March 3, 2006 and an indirect wholly-owned subsidiary of our Company;
"Xianju Dawei"	仙居大衛物業管理服務有限公司 (Xianju Dawei Property Management Services Co., Ltd.), a company established in the PRC with limited liability on December 9, 2010 and an indirect wholly-owned subsidiary of our Company;
"Xi'an Hongze"	西安鴻澤物業管理有限公司 (Xi'an Hongze Property Management Co., Ltd.), a company established in the PRC with limited liability on March 12, 2014 and an indirect wholly-owned subsidiary of our Company;
"Xin Xin (BVI)"	Xin Xin (BVI) Limited (鑫鑫(BVI)有限公司), a company incorporated in the BVI with limited liability on June 26, 2006, which is wholly-owned by Dr. Hui and is one of our Controlling Shareholders;
"Yaohua"	Yaohua Limited, an exempted company incorporated in the Cayman Islands with limited liability on February 24, 2009, which is wholly-owned by Mrs. Hui and is one of our Controlling Shareholders;
"**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;
"Yongkang Jiahua"	永康市嘉華物業管理有限公司 (Yongkang Jiahua Property Co., Ltd.), a company established in the PRC with limited liability on September 25, 2004 and an indirect wholly-owned subsidiary of our Company;

"Zunyi Zhongxin"	遵義市中信物業管理有限公司 (Zunyi Zhongxin Property Management Co., Ltd.), a company established in the PRC with limited liability on March 30, 2005 and an indirect wholly-owned subsidiary of our Company;
"Zuolin Youshe"	佐鄰佑舍會員服務(深圳)有限公司 (Zuolin Youshe Member Services (Shenzhen) Co., Ltd., a company with limited liability established in the PRC on May 25, 2018 and an indirect wholly-owned subsidiary of China Evergrande Group.

Unless the content otherwise requires, references to "2017", "2018" and "2019" in this Prospectus refers to our financial year ended December 31 of such year.

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of the PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of official Chinese names are for identification purpose only.

* *for identification purposes only*

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 correspond to standard industry meaning or usage of these terms.

"artificial intelligence"	intelligence demonstrated by machines;
"average property management fee(s)"	revenue generated from property management services of the last month of a period divided by the GFA under management as of the end of the same period;
"cloud computing"	an internet computing method that can provide shared computer processing resources and data on demand to computers and other devices;
"commercial properties"	properties which are used primarily for commercial purposes, including serviced apartments, office buildings, retail complexes and hotels;
"commission basis"	a revenue generating model for our property management business line whereby our fee income from property management consists only of a specified percentage of the total management fees payable by the property owners or property developers while the remainder of such management fees would be used to procure services to the property from other service providers;
"common area" or "communal area"	common areas in residential properties, such as lobbies, hallways, outdoor open spaces, stairways, elevator shafts, equipment rooms, public parking lots and advertisement bulletin boards;
"contracted GFA"	GFA managed or to be managed by our Group under our operating property management service agreements;
"ERP"	Enterprise Resource Planning;
"GFA"	gross floor area;

"GFA under management"	GFA managed by our Group for which we are already collecting property management fees in relation to contractual obligations to provide our services, excluding the GFA of common areas for which we do not charge property management fees such as landscapes and public roads, excluding properties with respect to which we only provided value-added services to non-property owners rather than property management services as of the end of each fiscal period;
"IoT" or "Internet of Things"	a network of physical devices, vehicles, buildings and other items embedded with electronics, software, sensors and network connectivity that enable these items to collect and exchange data;
"lump sum basis"	a revenue generating model for our property management business line whereby we charge a predetermined property management price per GFA for all units (whether sold or unsold) on a monthly basis which represents the all-inclusive fees for all of the property management services provided by our teams and subcontractors. Under a lump sum basis, the property owners and property developers will be responsible for paying our management fees for the sold and unsold units respectively on a periodic basis;
"residential communities" or "residential properties"	properties which are purely residential or mixed-use properties containing residential units and ancillary facilities that are nonresidential in nature such as commercial or office units but excluding pure commercial properties;
"retention rate"	the aggregate number of properties under management during the period minus the number of properties we ceased to manage during the same period, then divided by the aggregate number of properties under management during the period;
"tender success rate"	the aggregate number of bids we won in a period divided by the aggregate number of bids we submitted in the same period;

"tier-one cities"	as of the Latest Practicable Date, included Beijing, Shanghai, Guangzhou and Shenzhen in the PRC, according to the National Bureau of Statistics of the PRC;
"tier-two cities"	as of the Latest Practicable Date, included 31 major cities, other than first-tier cities in the PRC, as categorised by the National Bureau of Statistics of the PRC, including provincial capitals, administrative capitals of autonomous regions and other vice-provincial cities, according to China Index Academy;
"Top 100 Property Management Companies"	an annual ranking of China-based property management companies by overall strength published by CIA solely or jointly with other institution(s) based on a number of key indicators, including management scale, operational performance, service quality, growth potential and social responsibility of such companies in the preceding year. The number of companies included in 2015, 2016, 2017, 2018 and 2019 are 210, 200, 200, 220 and 244, respectively. The number of companies for 2015, 2016, 2017, 2018 and 2019 exceeded 100 as multiple companies with the same or very close scores were assigned the same ranking. Top Ten and Top 20 Property Management Companies have the similar meanings as Top 100 Property Management Companies.

We have included in this Prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

We have included in this Prospectus forward-looking statements that are not historical facts but relate to our intentions, beliefs, expectations or predictions for future events and conditions which may not occur. Even though these statements have been made by our Directors after due and careful consideration and on bases and assumptions that we believe are fair and reasonable at the time, they nevertheless involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Some of the risks are listed in "Risk Factors" and elsewhere in this Prospectus. In some cases, you can identify these forward-looking statements by words such as "aim," "anticipate," "believe," "continue," "could," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "propose," "seek," "should," "will," "would" or similar expressions, or their negatives. These forward-looking statements include, without limitation, statements relating to:

- any changes in the laws, rules and regulations of the central and local governments in the PRC and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- our business and operating strategies and our ability to implement such strategies;
- our ability to control or reduce costs;
- our capability to identify and integrate suitable acquisition targets;
- expected growth of and changes in the PRC real estate and property management industries;
- our ability to maintain a strong relationship with major suppliers or customers;
- our future business development, results of operations and financial condition;
- the future competitive environment for the PRC property management industry;
- development and effect of the COVID-19 pandemic;
- determination of the fair value of our Shares;
- our dividend policy;

- capital market development;
- exchange rate fluctuations and restrictions;
- risks identified under "Risk Factors" of this Prospectus;
- certain statements in "Business" and "Financial Information" 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.

This Prospectus also contains market data and projections that are based on a number of assumptions. The markets may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect our business and the market price of our Shares. In addition, due to the rapidly changing nature of the PRC economy and the property management industry, projections or estimates relating to the growth prospects or future conditions of the markets are subject to significant uncertainties. If any of the assumptions underlying the market data prove to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

We do not guarantee that the transactions and events described in the forward-looking statements in this Prospectus will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in "Risk Factors" in this Prospectus. You should read this Prospectus in its entirety and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements made in this Prospectus relate only to events as of the date on which the statements are made or, if obtained from third-party studies or reports, the dates of the respective studies or reports. Since we operate in an evolving environment where new risks and uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when our situation may have changed.

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 combined financial statements 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 position 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. You should also pay particular attention to the fact that our subsidiaries in China are located in a legal and regulatory environment that in some respects differ significantly from that of other countries. For more information concerning the PRC legal and regulatory system and certain related matters discussed below, see the section headed "Regulatory Overview" in this Prospectus.

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to conducting business in the PRC; and (iii) risks relating to the Global Offering and Spin-off. Additional risks and uncertainties that are not presently known to us or that we currently deem immaterial may develop and become material and could also harm our businesses, financial position and results of operations.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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 experienced fast growth in revenue, profit and profit margins during the Track Record Period. In 2017, 2018 and 2019, our gross profit was RMB432.9 million, RMB723.0 million and RMB1,755.0 million, respectively, representing a CAGR from 2017 to 2019 of 101.4%. Our gross profit further increased by 118.1% from RMB796.6 million in the six months ended June 30, 2019 to RMB1,737.7 million in the same period of 2020. In 2017, 2018 and 2019, our profit for the year was RMB106.6 million, RMB239.0 million and RMB930.5 million, respectively, representing a CAGR from 2017 to 2019 of 195.5%. Our profit for the period further increased by 181.8% from RMB407.3 million in the six months ended June 30, 2019 to RMB1,147.7 million in the same period of 2020.

We seek to continue to expand through increasing the total GFA and the number of properties we manage in existing and new markets, including properties developed by the Evergrande Group and those developed by third-party property developers. See "Business—Our Business Strategies—Solidify Our Leadership Position by Expanding the Scale of Our Business Operations." However, our expansion plans are based upon our assessment of market prospects, and we cannot assure you that we can sustain our historical growth in the future. As we start to manage more properties developed by third-party developers or acquire more property management companies, we cannot assure you that we will be able to maintain our gross profit margin at historical levels. 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. Such factors include, among other things:

- changes in China's economic condition in general, and the real estate market in particular;
- changes in disposable personal income in the PRC;
- the impact of any epidemic, such as the COVID-19 pandemic, on China's economic condition, disposable income and consumption spending in the PRC;
- changes in government regulations or policies;
- changes in the supply of and demand for property management and value-added services;
- our ability to develop and strengthen collaborative relationship with the Evergrande Group and other property developers and property owners, residents and tenants of properties developed by them; and our ability to develop and maintain cooperative relationship with our business partners and strategic investors;
- our ability to generate sufficient liquidity internally and obtain external financing;
- our ability to recruit and train competent managerial personnel and other employees;
- our ability to select and work with suitable subcontractors and suppliers;
- our ability to anticipate and address the needs of owners, residents and tenants in the properties we manage;
- our ability to diversify our service offerings and to optimize our business mix;
- our ability to adapt to new markets where we have limited or no prior experience including our ability to adjust to the administrative, regulatory and tax environments in such markets;
- our ability to maintain effective information technology systems to support our business and development plans;

- our ability to solidify our market position in existing markets and our ability to leverage our brand names and 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.

We cannot assure you that our future growth will materialize or that we will be able to manage our future growth effectively, and failure to do so may have a material adverse effect on our business, financial position and results of operations. Moreover, our profitability depends partially on our ability to control costs and operating expenses, which will increase as our business expands. You should not rely on our historical results of operations to predict our future financial performance.

Substantially all of our revenue from property management services during the Track Record Period was generated from services we provided in relation to properties developed by the Evergrande Group.

During the Track Record Period, substantially all of our revenue from property management services was generated from services provided in relation to properties developed by the Evergrande Group. In particular, in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, revenue generated from property management services provided in relation to the properties developed by the Evergrande Group amounted to RMB2,532.6 million, RMB3,425.5 million, RMB4,539.0 million, RMB2,121.3 million and RMB2,790.7 million, respectively, accounting for 99.8%, 98.9%, 98.4%, 98.4% and 98.8%, respectively, of our revenue generated from property management services.

Our business scaled up in concert with the expansion of the Evergrande Group. During the Track Record Period, we generally went through competitive tender process to procure new property management service contracts for properties developed by the Evergrande Group and our tender success rate with respect to such properties was 100%. However, our tender success rate with respect to properties developed by the Evergrande Group may drop in the future. There is also no assurance that all of our property management service contracts with the Evergrande Group or in relation to properties developed by the Evergrande Group will be renewed successfully upon their expiration. Further, we do not have control over the Evergrande Group's management strategy. Any measures that the PRC government may adopt to further regulate the real estate market, for example, tightened control over real estate financing) or the macro-economic or other factors may affect the business operations and prospects of the Evergrande Group. We endeavor to procure more property management service contracts from Independent Third Parties. However, there is no assurance that we will be able to procure property management service contracts from third-party developers to make up for any lost business opportunities with respect to properties developed by the Evergrande Group in a timely manner or on similar or commercially acceptable terms. We also cannot assure you that we will be successful in any effort to compete with other property management companies to obtain property projects developed by third-party developers. Should any of these events occur, we may experience a material adverse effect on our results of operations, financial position and growth prospects.

Any financial difficulties faced by the Evergrande Group may have material adverse impact on our business, financial condition, results of operation and prospects.

During the Track Record Period, substantially all of our revenue from property management services was generated from services provided in relation to properties developed by the Evergrande Group. Accordingly, any financial difficulties faced by the Evergrande Group or any adverse development in the business, financial condition or prospects of the Evergrande Group or its ability to develop and complete new properties may negatively affect our procurement of new service contracts for property management services and value-added services to non-property owners, which may in turn have a negative impact on our business, financial condition, results of operation and prospects.

Moreover, the real estate industry, in which the Evergrande Group operates, is heavily regulated by the PRC Government. See "—We are affected by the PRC government regulations on the real estate industry." The PRC government may introduce new initiatives or implement more stringent measures to regulate the real estate industry in the future, such as setting caps on certain debt ratios, with a view to controlling the increase of the debt levels in the real estate sector. Such potential initiatives or measures, once in place, may further limit property developers' access to capital and slow down the overall growth of the real estate sector and revenue expansion of property developers, including the Evergrande Group, which may in turn negatively impact the growth of the property management industry and the supply of new properties for management by property management companies like us. In the event that the Evergrande Group fails to obtain sufficient financing and such financial difficulties result in delays in completion of its projects, the growth of our GFA under management will be affected, which in turn will adversely affect the growth of our property management services and community value-added services.

Our future acquisitions or investments may not be successful, and we may face difficulties in integrating acquired operations with our existing businesses.

We have, to a certain extent, expanded our business through acquisitions, and plan to evaluate opportunities to acquire other property management companies and other businesses that are complementary to our existing businesses and integrate their operations into ours. However, we cannot assure you that we will be able to identify suitable opportunities. Even if we manage to identify suitable opportunities, we may face fierce competition for high-quality property management companies that could be our potential targets for acquisitions and investment, and we may not be able to acquire suitable targets and seek investment opportunities in a competitive market environment. In addition, 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 to 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 attention.

Approximately 65.0%, or HK$4,699 million, of the net proceeds received by our Company from the Global Offering is expected to be used to pursue selective strategic investment and acquisition opportunities and further develop strategic alliances. See the section headed "Future Plans and Use of Proceeds—Use of Proceeds." If we fail to identify suitable acquisition opportunities or our future acquisition transactions fail to consummate for other reasons which may be beyond our control, our proceeds from the Global Offering may not be effectively used.

In addition, approximately 10.0%, or HK$723 million, of the net proceeds received by our Company from the Global Offering is expected to be used to acquire and invest in companies with business that are complementary to our community value-added services. See the section headed "Future Plans and Use of Proceeds—Use of Proceeds." We may lack experience and expertise in operating such additional diversified value-added services offered by the acquired companies. If we fail to successfully operate such additional diversified value-added services, our proceeds from the Global Offering may not be effectively used and our business, profitability, financial condition and results of operations may be materially and adversely affected. See "—Our strategic plan to further diversify and expand our services may not succeed as planned in the future."

Moreover, we may require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. To the extent that our funding requirements exceed our financial resources, we will be required to seek additional financing or to defer planned expenditures. Interest rate increases or other unfavorable changes in the financial markets 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. There is no assurance that we will be able to obtain sufficient financing on favorable terms, or at all, to fund our future expansion. Furthermore, if we raise additional funds through equity or equity-linked financings, your equity interest in our Company may be diluted. Alternatively, if we raise additional funds by incurring debt obligations, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability and flexibility to operate our business, pay dividends or obtain additional financing. Servicing such debt obligations could also be burdensome to our operations. If we fail to service such debt obligations or are unable to comply with any of these covenants, we could be in default under such debt obligations and our liquidity and financial condition could be materially and adversely affected.

Furthermore, we may face difficulties in, and additional risks of, integrating acquired operations with our existing business. The difficulties and risks will be affected by different factors, including, among others, the complexity and size of the acquired business. Particularly, we may face the difficulties in retaining the acquired company's personnel and integrating the existing workforce with that of the acquired companies. Such difficulties could disrupt our ongoing business, distract the attention of our management and employees or increase our expenses. The prior dealings of the acquired company may have given rise to situations which, although unknown or deemed immaterial during due diligence could be exposed post-acquisition and cause damage to our brand. We may also face the risks of operating in new markets with local regulations unfamiliar to us and incur additional hidden costs associated with the acquisition. Any of these difficulties or risks could materially and adversely affect our business, financial condition and results of operations.

Acquisitions may result in goodwill recorded in our combined financial statements. If we fail to achieve our desired objectives with respect to our acquisitions, we may need to record impairment losses on our goodwill, which may materially and adversely reduce our assets and impact our profitability that would, in turn, have an adverse effect on our financial position and results of operations.

We are in a highly competitive business and we may not be able to compete successfully against existing and new competitors.

The PRC property management industry is highly competitive and fragmented. See "Industry Overview—Competition—Competitive Landscape" in this Prospectus. Our major competitors include large national, regional and local property management companies. Competition may intensify as our competitors expand their product or service offerings or as new competitors enter our existing or new markets. We believe that we compete with our competitors on a number of factors, primarily including service quality, brand recognition, business scale, price and financial resources. Our competitors may have better track records, longer operating histories, greater financial, technical, sales, marketing, distribution and other resources, greater brand recognition and larger customer bases. As a result, these competitors may be able to devote more resources to the development, promotion, sale and support of their services. In addition to competition from established companies, emerging companies may enter our existing or new markets. The emerging companies may have stronger capital resources, greater expertise in management and human resources, greater financial, technical and public relations resources, and stronger relationship with local governments than we do.

We believe our current success can be partially attributed to our standardization of operations in providing our property management services. We plan to optimize our service standardization practice to enhance the quality and consistency of our services, improve our onsite service teams' efficiency and reduce our costs. Our competitors may emulate our business model, and we may lose a competitive advantage that has distinguished ourselves from our competitors. As a result, we may fail to compete successfully against existing and new competitors, which may have a material adverse impact on our business, financial position, results of operations and prospects.

Furthermore, we seek to have large and reputable property developers as our clients, and such clients may develop their own property management businesses and provide property management services in-house. In such event, we may lose future business from such property developers, and our business, results of operations and financial position could be adversely affected.

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 the sustainable growth of our business. During the Track Record Period, we procured new property management service contracts generally through tender processes. 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, brand recognition, and the operating history of the property management company. Our efforts may be hindered by factors beyond our control, which may include, among others, changes in general economic conditions, evolving government regulations, market competition as well as supply and demand dynamics within the property management industry. We cannot assure you that we will be able to procure new property management service contracts in the future on acceptable terms or at all.

We usually enter into preliminary property management service contracts with real estate developers during the later stages of property development. We cannot assure you that we will be able to maintain our high success rate in winning such preliminary property management service contracts in relation to property projects developed by the Evergrande Group or others. In addition, such contracts are transitional in nature and facilitate the transfer of legal and actual control of the properties from property developers to property owners. Preliminary property management service contracts typically expire only when property owners' associations are established and choose to enter into new property management service contracts through required procedures. As of June 30, 2020, property owners' associations were established in 29 residential properties we managed, accounting for approximately 4.1% of the total number of residential properties under our management and such property owners' associations had not requested to replace us with other property management companies as of the Latest Practicable Date. As of June 30, 2020, our property management service contracts with an aggregate contracted GFA of 474.2 million sq.m. did not indicate expiration dates, while the remaining property management service contracts with an aggregate contracted GFA of 39.1 million sq.m. had terms ranging from two to ten years. See "Business—Property Management Services—Property Management Service Agreements." We cannot assure you that the restrictions on the establishment of property owners' associations and the change of property management service providers may be relaxed or removed in the future. Further, we cannot assure you that we will be engaged by the property owners' associations to provide property management services. In addition, a portion of our Contracted GFA relates to properties that have not been completed, and we will not generate any revenue from these properties for property management until they are completed and delivered for our management. Whether and when these properties will be completed and delivered for our management and accordingly, when we can start generating revenue therefrom, will depend on the relevant project's development schedule and other factors which are beyond our control.

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 our contracts with property owners' association may be early terminated for cause or that property owners' associations may make allegations of cause in order to pressure us to withdraw from the contracts. In such cases, we would no longer be able to provide community value-added services to residential properties who have terminated our engagements, in addition to our property management services. In 2017, 2018, 2019 and the six months ended June 30, 2020, our retention rates for property management service contracts were 100%, 99.8%, 99.9% and 100%, respectively. Our retention rates for 2018 and 2019 was lower than 100% as a result of terminations initiated by us. If our property management service contracts are terminated or not renewed, there can be no guarantee that we would be able to find other business opportunities and enter into alternative property management service contracts on commercially acceptable terms, or at all. Moreover, as both termination and non-renewal of property management service contracts may be detrimental to our reputation, we may experience material adverse effects to our brand value. We believe that our brand value is essential to our ability to procure new property management service contracts. Failure to cultivate our brand value may diminish our competitiveness in the industry.

We had negative operating cash flow in 2019.

We had negative cash flow from operating activities of RMB368.2 million in 2019, mainly relating to (i) the increase in trade and other receivables, which was in line with our business growth; and (ii) the fact that in late 2018, we collected a significant amount of prepayments of property management fees that would otherwise be collected in 2019 and 2020 in connection with a promotional activity, which resulted in a lower level of cash inflow from operating activities in 2019.

Such operating cash outflows may not always be fully offset by other cash inflows, such as bank and other borrowings. We cannot assure you that we will be able to match the timing and amounts of our cash inflows with those of our cash outflows, such as our payment obligations.

During the Track Record Period, we mainly relied on internal resources generated from our operations, including proceeds from property management services and other services. Negative operating cash flow may require us to obtain additional financing, such as bank and other borrowings, to meet our operating needs and obligations and to support our expansion plans. In the event that we are unable to generate sufficient cash flow from our operations or otherwise unable to obtain sufficient external funds to finance our business, our liquidity and financial condition as well as our ability to grow our business may be materially and adversely affected. If we resort to other financing activities, we may incur additional financing costs, and we cannot assure you that we will be able to obtain the financing on terms acceptable to us, or at all. Such limitations could reduce our competitiveness and increase our exposure and sensitivity to adverse economic and industry conditions, which could materially adversely affect our financial condition and results of operations. See "Financial Information—Liquidity and Capital Resources—Cash Flow—Net Cash Flows Generated from/(Used in) Operating Activities."

We may not be able to collect property management fees from property owners and property developers, and as a result, we may incur impairment losses on trade receivables.

We may encounter difficulties in collecting property management fees from property owners especially in communities where the vacancy rate is relatively high. Even though we seek to collect overdue property management fees through a number of collection measures, we cannot assure you that such measures will be effective. See "Business—Property Management Services—Payment and Credit Terms."

Before allowance for impairment of trade receivables, our trade receivables were RMB1,882.7 million, RMB2,876.5 million, RMB4,914.1 million and RMB6,011.0 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. The increase of our trade receivables during the Track Record Period was primarily due to our business expansion. In 2017, 2018, 2019 and the six months ended June 30, 2020, our trade receivable turnover days were 116, 147, 194 and 218 days, respectively. See "Financial Information—Description of Certain Combined Balance Sheet Items—Trade and Notes Receivables."

Delays in receiving payments from, or non-payment by property developers, third-party property owners and property residents would adversely affect our cash flow position and our ability to meet our working capital requirements. Our allowance for impairment of trade and notes receivables amounted to RMB98.1 million, RMB111.6 million, RMB153.8 million and RMB197.6 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. Although our management's estimates and the related assumptions have been made in accordance with information available to us, such estimates or assumptions for receivable provisions may need to be adjusted if new information becomes known. See "Financial Information—Significant Accounting Policies and Critical Accounting Judgments and Estimates." 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 any new information, we may need to provide for an additional allowance for impairment of trade receivables, which may in turn materially and adversely affect our business, financial position and results of operations.

Natural disasters, acts of war, occurrence of epidemics and other disasters could affect our business and the national and regional economies in the PRC.

Our business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics and other unpredictable or unforeseen events which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in China. Some regions in China, including the cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as the Severe Acute Respiratory Syndrome, or SARS, the H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1), or, most recently, the COVID-19 pandemic.

An outbreak of respiratory illness caused by a novel coronavirus, namely COVID-19, was identified in late 2019 and spread globally in over 200 countries and territories. In March 2020, the World Health Organization characterized the outbreak of COVID-19 a pandemic. The accelerated spread of the virus globally has caused extreme volatility in the global financial markets. For example, China experienced a slower-than-usual growth of 3.2% in its GDP in the second quarter of 2020, following a steep 6.8% slump in the first quarter, which was the biggest contraction since its quarterly GDP records began. In addition, the U.S. economy suffered its sharpest downturn since at least the 1940s in the second quarter of 2020, with its GDP shrinking 9.5% from the first quarter, a drop that equals an annualized pace of 32.9%, and the US stock markets experienced extreme volatilities that repeatedly triggered stock market "circuit breakers." The COVID-19 pandemic has had an adverse impact, and may continue to cause adverse impacts in the long-term, on the economy and social conditions in China and other affected countries, and this may have an adverse impact on the PRC property development and management industries and adversely affect our business operations. For example, to comply with the requirements of local governments with respect to community management during the outbreak of the COVID-19 pandemic, we assigned personnel to conduct visitor control for properties under our management. In addition, revenue from preliminary property management services decreased as a result of the temporary closure of sales offices and show flats during the outbreak of the COVID-19 pandemic. Our trade receivable turnover days also increased in the six months ended June 30, 2020 compared to those in 2019, partially due to the impact from the COVID-19 pandemic. While the COVID-19 pandemic appears to be contained in China for the time being, international travels and business activities have been substantially reduced which may have a material adverse impact on the Chinese economy. We are uncertain as to when the COVID-19 pandemic will be contained globally or whether it may resurge in China, and we also cannot predict whether COVID-19 pandemic will have a long-term impact on our business operations. If we are not able to effectively and efficiently operate our business and implement our strategies as planned, we may not be able to grow our business and generate revenue as anticipated, and our business operations, financial condition and prospects may be materially and adversely affected. See "Business—Effect of the COVID-19 Pandemic."

Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. Another public health crisis in China triggered by a recurrence of SARS or an outbreak of any other epidemics, including, for example, the ongoing COVID-19 pandemic, especially in the cities where we have operations, may result in material disruptions to our operations. In addition, the outbreak of communicable diseases may affect investment sentiment and result in sporadic volatility in global capital markets or adversely affect the Chinese and other economies. Such outbreaks have resulted in restrictions on travel and public transportation and prolonged closures of retail businesses and workplaces, which may have a material adverse effect on the global economy. Any material change in the financial markets, the PRC economy or regional economies as a result of these events or developments may materially and adversely affect our business, financial position and results of operations.

Our strategic plan to further diversify and expand our services may not succeed as planned in the future.

We have diversified our services by providing various value-added services to meet the evolving needs of our customers, primarily including property owners, residents, tenants and property developers. See the section headed "Business." However, some of our value-added services to non-property owners and community value-added services were recently launched, such as property transaction assistance services and group purchase facilitation. With limited operating history and experience in certain regions, we may face unknown risks, rising expenses and fierce competition in the market. We have encountered and expect to continue to encounter risks and difficulties frequently experienced in relation to new service offerings, and those risks and difficulties may be heightened in a rapidly evolving market. Those risks and difficulties may affect our ability to:

- attract and retain customers and qualified employees;
- develop and maintain close cooperation with strategic partners to offer certain services;

- maintain effective control of our development as well as operating costs and expenses;

- develop and maintain internal personnel, systems, controls and procedures to comply with the extensive regulatory requirements applicable to the relevant industries;

- cater for various consumer preferences, or anticipate product or service trends that will appeal to existing or potential customers;

- respond to competitive market conditions and changes in industry environments; or

- respond to changes in regulatory environment.

Our failure to achieve any of the above may jeopardize our ability to offer newly introduced value-added services, as well as other new services we plan to launch. We are dedicated to satisfying our customers' needs by further strengthening our capabilities to provide and diversify our value-added services. See "Business—Our Business Strategies—Diversify Value-added Service Offerings and Improve Customer Satisfaction." Moreover, we may consider entering into agreements with the construction companies to provide repair and maintenance services on their behalf during the post-delivery warranty periods of properties and charge service fees on a lump sum basis in the future. We may also add real estate agency, housekeeping, home furnishing, group purchase facilitation and other services to our Evergrande Smart Community mobile application in the future and continue to develop value-added services provided by our online and offline service channels. See "Future Plans and Use of Proceeds." Launching new services and products, changing our service models or entering into new markets may also require substantial time, resources, capital and additional licenses, permits or filings, which may include licenses for value-added telecommunication services of internet information services or filings with the relevant authority of the PRC Government for non-commercial internet information services. See "Regulatory Overview—Legal Supervision over the Internet Information Services—Regulation on the Internet Information Services." We may have limited ability to leverage on our brand name in the industries related to our value-added services in the way that we have done so in the property management industry, which could hinder our results of operations in the new market.

Furthermore, we cannot assure you that our investment in our value-added services business can be recouped in a timely manner, or at all, or our investment return would be higher than that of other comparable companies. Our development of and investment in diversified services may be subject to PRC laws and regulations governing license approval and renewal. See "Regulatory Overview—Laws and Regulations relating to Foreign Investment." We cannot assure you that we can obtain or renew our license on time, if at all. We cannot assure you that our future strategic development plan, which is based upon our forward-looking assessment of market prospects and customer preferences, will always turn out to be successfully. A number of factors beyond our control may also affect our plan for the development of diversified services, including changes in the PRC's economic conditions in general, government policies and regulations on relevant industries, and changes in supply and demand for our services. Any of the foregoing could adversely affect our business, financial position and results of operations.

Increase in labor costs and subcontracting costs could harm our business and reduce our profitability.

In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our employee benefit expenses, representing our labor costs, recorded under cost of sales and administrative expenses, amounted to RMB3,024.6 million, RMB3,981.3 million, RMB4,133.1 million, RMB2,003.1 million and RMB1,948.1 million, respectively, accounting for 68.8%, 67.4%, 56.4%, 57.8% and 42.7%, respectively, of our total revenue. The increases in employee benefit expenses during the Track Record Period were mainly due to the expansion of our business and the general increase in labor cost in China. Our employee benefit expenses as a percentage of our revenue decreased during the Track Record Period, mainly attributable to our improved employee productivity and efficiency through a series of cost control measures. However, we cannot assure you that we can maintain or further improve our employee productivity and efficiency or that our cost control measures will remain effective. In addition, we outsource certain labor-intensive services and specialized services, primarily including cleaning, greening and gardening, and repair and maintenance services, to subcontractors and incurred subcontracting costs of RMB486.0 million, RMB720.0 million, RMB909.6 million, RMB417.7 million and RMB514.2 million, respectively, accounting for 11.0%, 12.2%, 12.4%, 12.1% and 11.3%, respectively, of our total revenue. To maintain and improve our profit margins, it is critical for us to control and reduce our labor costs as well as other operating costs. We face pressure from rising labor and subcontracting costs due to various contributing factors, including but not limited to:

- *increases in minimum wages*. The minimum wage in the regions where we operate has increased substantially in recent years, directly affecting our direct labor costs as well as the fees we pay to our third-party subcontractors.

- *increases in headcount*. As we expand our operations, we expect the headcount of our property management staff, sales and marketing staff and administrative staff to grow. We will also need to continuously retain and recruit qualified employees to meet our growing demand for talent, which may further increase our total headcount. Moreover, as we continue to expand our business scale, we will need more subcontractors. Increases in headcount would result in increases in other associated costs such as those related to training, social insurance and housing provident funds contributions and quality control measures.

- *delay in implementing management digitalization, procedure standardization and operation automation*. There may be a lapse in time between our commencement of property management services for a particular property and any implementation of our management digitalization, procedure standardization and operation automation measures to that property to reduce labor costs. Before we carry out such measures, our ability to mitigate the impact of labor cost increase is limited.

We cannot assure you that we will be able to control our labor and subcontracting costs or improve our efficiency. If we cannot achieve this goal, our business, financial position and results of operations may be materially and adversely affected.

We may be subject to losses and our profit margins may decrease if we fail to control our costs in rendering our property management services on a lump sum basis.

We generated a substantial portion of our revenue from properties managed on a lump sum basis, which accounted for 99.3%, 99.4%, 99.5%, 99.5% and 99.6% of our revenue from property management services in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively. On a lump sum basis, we charge property management fees at a predetermined fixed price per sq.m. per month, representing all-inclusive fees for the property management services provided. When total costs and expenses incurred exceed the amount of property management fees we receive, we bear the shortfall and may not charge additional fees to property developers, property owners or residents during the contract term. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, we incurred losses of RMB114.8 million, RMB112.3 million, RMB59.0 million, RMB34.8 million and RMB14.4 million, respectively, with respect to 96, 84, 48, 50 and 24 properties under our management, respectively. Such losses were primarily because the amount of property management fees we received was insufficient to cover the service costs incurred to offer quality property management services. Our revenue from property management services from such loss-making properties was approximately RMB573.7 million, RMB501.8 million, RMB227.4 million, RMB120.1 million and RMB45.1 million in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively, representing 13.0%, 8.5%, 3.1%, 3.5% and 1.0% of our total revenue for the same periods, respectively.

To improve our profitability, we can either try to improve our fee rates when renewing service agreements, or control our costs and expenses through a series of cost-saving initiatives. However, our ability to mitigate losses through cost-saving initiatives, such as operation automation measures to reduce labor costs and energy-saving measures to reduce energy costs, may not be successful. Moreover, our cost-saving efforts may negatively affect the quality of our property management services, which in turn will reduce owners' willingness to pay us property management fees. We may be also subject to local regulations on price control which may restrict our ability to raise our fee rates. Therefore, we cannot assure you that we could successfully raise our fee rates; nor could we assure you that our cost-saving initiatives will achieve their intended results. Failure to raise our fee rates or implement cost-saving measures could materially and adversely affect our results of operations and financial condition.

We may be involved in legal and other disputes and claims or subject to administrative actions from time to time arising out of our operations.

During the Track Record Period, we had been involved in legal and other disputes in our ordinary course of business and in the future, we may, from time to time, be involved in disputes with and subject to claims by property developers, property owners, residents and tenants to whom we provide property management and other services. Disputes may also arise if our customers are dissatisfied with our services. In addition, customers may take legal action against us if they perceive that our services are inconsistent with the service standards we agreed to. Furthermore, we may from time to time be involved in disputes with and subject to claims by other parties involved in our business, including, among others, our third-party subcontractors, suppliers, employees, business partners, and other third parties. All of these disputes and claims may lead to legal or other proceedings or cause negative publicity against us, thereby resulting in damage to our reputation, substantial costs and diversion of resources and management's attention from our business activities. Any such dispute, claim or proceeding may have a material adverse effect on our business, financial position and results of operations.

We are also subject to extensive and increasingly stringent environmental protection, health and labor safety laws, regulations and decrees that impose fines for violation of such laws, regulations or decrees. In addition, there is a growing awareness of environmental, health and labor safety issues, and we may sometimes be expected to meet a standard which is higher than the compulsory requirements. There can be no guarantee that more stringent environmental protection, health and labor safety requirements or standards will not be imposed in the future. We cannot assure you that our procedures and training will be effective in satisfying all relevant environmental and safety requirements. If we are unable to comply with existing or future environmental, health and labor safety laws and regulations or are unable to meet public expectations in relation to relevant matters, our reputation may be damaged and 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 position, results of operations and growth prospects.

In addition, we are subject to various regulations in relation to price control, fire safety, advertisement, tender and bidding process and other aspects. We may be subject to administrative penalties or other penalties if we fail to comply with applicable regulations and requirements. In 2017, 2018, 2019 and the six months ended June 30, 2020, we incurred administrative penalties of RMB0.8 million, RMB1.1 million, RMB2.0 million and RMB3.3 million, respectively. While we believe the administrative penalties that were imposed on us during the Track Record Period were not material, if similar incidents occur or we fail to comply with other applicable regulations in the future, we may be subject to administrative fines or other penalties, and our business, financial position and results of operations could be materially and adversely affected.

Damage to the communal areas of properties under our management may adversely affect our business, financial position and results of operations.

The communal areas of the properties we manage may suffer damage due to causes beyond our control, including but not limited to natural disasters, accidents, resident's intended or unintended actions. Although PRC law mandates that each residential community establish a special fund to pay for the repair and maintenance costs of communal areas, there can be no guarantee that there will be sufficient sums in those special funds. 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 extensive. At times additional resources may have to be allocated to assist police and other governmental authorities in investigating the incidents or criminal actions that may have been involved. We may also be required to designate and use a portion of the communal area specifically for the purpose of epidemic prevention.

As the property management service provider, we may be viewed as responsible for restoring the communal areas and assisting any investigative efforts. In the event that there is any shortfall in the special funds necessary to cover all the costs involved, we would try to collect the amount of the shortfall from the property owners. To the extent that our collection attempts are unsuccessful, we may still have to proceed with the work and experience material adverse effects on our business, financial position and results of operations. The additional costs we incur due to damage to the communal areas of our properties may increase along with our business growth and geographic expansion.

We may be subject to fines for our failure to register for and/or contribute to social insurance fund and housing provident fund on behalf of some of our employees.

During the Track Record Period, our Company and some of our PRC subsidiaries did not register for and/or fully contribute to certain social insurance and housing provident funds for their employees. As such, we may be subject to late fees and fines for our insufficient contributions to the social insurance plans and housing provident fund as well as non-registration of an account for housing provident fund. As of the Latest Practicable Date, we had not received any notice from the local government authorities regarding any claim for inadequate contribution of our current and former employees. We made provisions in the amounts of RMB1.1 million, RMB2.4 million, RMB3.9 million and RMB2.3 million in 2017, 2018, 2019 and the six months ended June 30, 2020, respectively.

According to the relevant PRC laws and regulations, (i) 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 contribution within a stipulated deadline and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount of each day of delay; if we fail to make such payments within a stipulated deadline, we may be liable to a fine of one to three times of the outstanding contribution amount; and (ii) for the housing provident fund registration that we fail to complete before the prescribed deadline, the relevant government authorities may demand that we complete the housing provident fund registration by a stipulated deadline. If we fail to rectify by that deadline, we may be subject to a fine ranging from RMB10,000 to RMB50,000 for each non-compliant subsidiaries or branches and, for outstanding housing provident fund contributions that we did not fully pay within the prescribed period, the relevant government authorities may demand that we pay the outstanding housing provident fund contributions by a stipulated deadline. If we fail to rectify by that deadline, we may be subject to an order from the relevant People's court for compulsory enforcement. We cannot assure you that the relevant local government authorities will not require us to pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us, which may materially and adversely affect our financial condition and results of operation.

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

Negative publicity about us, our Shareholders and affiliates, the properties we manage, our brand, our management 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 media sources. For example, in the event that we fail to meet our customers' expectations as to the quality of our services, our customers may disseminate negative comments on social media platforms. Our subcontractors may also become the subject of negative publicity for various reasons, such as customer complaints about the quality of their services. Given our close relationship with the Evergrande Group from whose projects and properties we derive substantially all of our property management services revenue, negative publicity about the Evergrande Group, its business, results of operations and financial condition could adversely affect our reputation, business and share price. In the long term, if such negative publicity about us, our Shareholders and affiliates, our brand, our management and other aspects of our business operations damage our reputation and result in a loss of customer confidence, it would affect our future ability to attract and retain new customers and employees. As a result, our business, financial position, results of operation and prospects would be materially and adversely affected.

Our success largely 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 with potential business partners and industry expertise, losing their services may have a material adverse effect on our business. Should any or all members of our senior management team join or form a competing business with their expertise, connections and knowledge of our business operations, we may not be able to estimate the extent of and compensate for such damage. If any of our key employees leaves and we are unable to promptly hire and integrate a qualified replacement, our business, financial position and results of operations may be materially and adversely affected. In addition, the future growth of our business will depend, in part, on our ability to attract and retain qualified personnel in all areas 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 position and operating results could be materially and adversely affected.

We rely on third-party subcontractors and suppliers to perform certain property management services and we may be exposed to liabilities arising from disputes and claims in relation to products and services provided by our subcontractors and suppliers.

During the Track Record Period, we outsourced certain property management services, primarily including cleaning, greening and gardening, and repair and maintenance services, to third-party subcontractors. We may not be able to monitor their services as directly and efficiently as with our own services. They may take actions contrary to our or our customers' instructions or requests, or be unable or unwilling to fulfill their obligations. Moreover, the services and products provided by subcontractors may be substandard or defective, or otherwise result in personal or property damages to our customers. As a result, we may have disputes with our subcontractors, or may be held responsible for their actions, services or products, which could lead to damages to our reputation, additional expenses and business disruptions and potentially expose us to litigation and damage claims. We may also incur additional costs while seeking to monitor or replace subcontractors who do not perform in accordance with the contracts.

We cannot assure you that upon the expiration of our agreements with our current third-party subcontractors we will be able to renew such agreements or find suitable replacements in a timely manner, on terms acceptable to us, or at all.

In addition, if our third-party subcontractors fail to maintain a stable team of qualified labor or do not have easy access to a stable supply of qualified labor or fail to perform their obligations properly or in a timely manner, the work process may be interrupted. Any interruption to the third-party subcontractors' work process may potentially result in us breaching our contract with our customers. Any of such events could materially and adversely affect our service quality, our reputation, as well as our business, financial position 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 and Alipay. Transactions conducted through such third-party platforms involve the transmission of confidential information such as credit card numbers, personal information and billing addresses over public networks. However, we do not have control over the security measures taken by third-party platforms. In the event that the security or integrity of these third-party platforms are compromised, we may experience material adverse effects on our ability to process property management fees. In the event funds paid using these platforms are misappropriated or otherwise do not reach our accounts, for example, in the event of a fraud involving wire transfers from the payment platform, we may bear financial loss which is difficult or impossible to recover from the wrongdoers or other responsible parties. We may also be perceived as partially responsible for failures to secure personal information and be subject to claims alleging liability brought by our customers or investigations investigated by regulatory authorities. Such legal proceedings or investigations may divert our management attention, damage our reputation and harm our brand value. Furthermore, the PRC Government may yet promulgate new laws and policies to regulate the use of third-party online payment platforms, which may increase our compliance and operational costs.

Failure to protect confidential information of our property owners, residents and tenants, 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.

During the ordinary course of our business, we collect, store and process personal and other sensitive data from property owners, residents and tenants, such as addresses, facial identity, phone numbers, bank account or credit card numbers. We may also integrate these data and create data from behavioral analysis and consumption habits analysis as we develop our big data analysis platform. 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 data of property owners, residents and tenants. 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 willful 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.

The PRC laws and regulations in relation to cyber security are relatively new and evolving, their interpretation and enforcement involve significant uncertainties, and the PRC government authorities may promulgate new laws and regulations regulating this area in the future, which could be costly to comply with. 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, or if there are any public concerns about our practices with regard to the collection, use or disclosure of personal information or other privacy-related matters, even if unfounded, our reputation and brand image could be severely damaged, which may, in turn, have a material and adverse effect on our business, financial position and results of operations.

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

We use various platforms and systems in our business operations. If we are unable to detect or promptly remedy any system malfunction or misconfiguration, we may experience system interruptions or delays, which could adversely affect our operating results. In addition, we may experience occasional system interruptions and delays or other technical problems that make our online application and related services unavailable or difficult to access, and prevent us from promptly responding or providing services to our customers, which may reduce the attractiveness of our application and even incur losses to our customers who may bring legal proceedings against us. Moreover, failures in or disruptions to our information technology systems, loss or leakage of confidential information, or breach of network security could cause transaction errors, processing inefficiencies and the loss of customers and sales, and subject us to increased costs, litigation and other liabilities, which could materially and adversely affect our business, financial position, results of operations and our reputation.

Our value-added services through Evergrande Smart Community mobile application may fail to provide satisfactory products and services and attract and retain sufficient interest from property owners and residents.

We aim to expand the functionality of our Evergrande Smart Community mobile application, to increase accessibility and improve user experience and plan to attract further use by residents of the properties we manage as well as third-party vendors. We regularly seek to introduce different products and services from third-party vendors on the Evergrande Smart Community mobile application. However, our Evergrande Smart Community mobile application is relatively new and still evolving and we cannot assure you that we will be able to grow our online services as planned. There can be no assurance that property owners and residents will respond favorably to the services and products offered on the Evergrande Smart Community mobile application. In addition, the provision of value-added telecommunication service will require us to obtain an Internet Content Provider license, which is not easy to obtain. We do not currently possess such license, which restricts our ability to expand our products and services offering through our Evergrande Smart Community mobile application. If our Evergrande Smart Community mobile application fails to provide satisfactory products and services in order to attract or retain sufficient interests from property owners and residents as planned, property owners and residents may cease using the Evergrande Smart Community mobile application or turn to competing service platforms. In such event, we will not be able to successfully develop our community value-added services or introduce more revenue-generating value-added and other services through Evergrande Smart Community mobile application. Moreover, we may also encounter technical problems, security issues and logistical issues that may prevent our platform from functioning properly and our users from receiving desired products and services, and our business, financial position and results of operations could be adversely affected.

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

In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, revenue generated from our property management services on a commission basis accounted for 0.7%, 0.6%, 0.5%, 0.5% and 0.4%, respectively, of our revenue from property management services. When we are contracted to manage communities on a commission basis, we essentially act as an agent of the property owners. As of the end of a period, if the working capital of a project accumulated is insufficient to cover the expenses such project incurs to arrange for property management services, the shortfall will be recognized as receivables subject to impairment. Our management will then make estimates on whether we have the ability to settle the payments made on behalf of residents. For the balances that our management believes may not be recovered within a reasonable time, we will write such balances off as an impairment of trade receivables.

Although our management's estimates will be made in accordance with currently available information, such estimates may not be accurate. In the event that the actual recoverability is lower than expected, or that our past allowance on bad debt is deemed insufficient in light of new information, we may need to make more allowance on bad debt, which in turn may materially and adversely affect our business, financial position and results of operations.

We are exposed to risks associated with failing to detect and prevent fraud, negligence or other misconduct (accidental or otherwise) committed by our employees, subcontractors or third parties.

We are exposed to fraud or other misconduct committed by our employees, subcontractors, agents, customers or other third parties that could subject us to financial losses and sanctions imposed by governmental authorities as well as seriously harm our reputation. For example, theft conducted by third parties or properties we manage may cause us to make compensation if we were held to be negligent or reckless and will also cause us to suffer damage to our reputation in the market.

Our management information system and internal control procedures are designed to monitor our operations and overall compliance. However, they may be unable to identify non-compliance and/or suspicious transactions in a timely manner, or at all. There will therefore continue to be the risk that fraud and other misconduct may occur, resulting in financial loss, negative publicity or other negative outcomes, which may have an adverse effect on our business, reputation, financial position and results of operations.

We may be involved in intellectual property disputes and claims.

We currently hold a number of domain names, patents and copyrights and had also obtained the license of certain trademarks in the PRC. See "Business—Intellectual Property." We rely on and expect to continue to rely on a combination of confidentiality and license agreements, as well as trademark, copyright and domain name protection laws, to protect our proprietary rights. Nevertheless, these measures afford limited protection. Policing unauthorized use of proprietary information can be difficult and expensive. In addition, enforceability, scope and validity of laws governing intellectual property rights in the PRC are uncertain and still evolving, and could involve substantial risks to us. If we were unable to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights, it could have a material adverse effect on our business, results of operations and financial position.

Moreover, we may become subject to claims from competitors or third parties alleging intellectual property infringement by us in our ordinary course of business from time to time. 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 adverse administrative or judicial decision, we may be compelled to pay substantial damages or to seek licenses from third parties and pay ongoing royalties on unfavorable terms. Moreover, regardless of whether we prevail, intellectual property disputes may damage our brand value and reputation in the eyes of current and potential customers and in our industry.

Fluctuations in amounts of tax benefits or government grants may lead to volatility in our profit.

We enjoy favorable treatment from government authorities in respect of, among other things, tax benefits and government grants to support local corporate and economic development and to encourage our effort of stabilizing employment. Certain of our subsidiaries in the PRC are located in western China or in Hainan Province, which are subject to a preferential income tax rate of 15%. Our government grants amounted to RMB5.4 million, RMB7.7 million, RMB50.9 million, RMB10.6 million and RMB37.9 million, or 5.1%, 3.2%, 5.5%, 2.6% and 3.3% of our profit for the year or period, for 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively. Tax benefits and government grants fluctuated during the Track Record Period because such benefits and grants were subject to the government policy in that year or period. There can be no assurance that we will continue to receive significant amounts of tax benefits or government grants, or at all. Accordingly, we may experience additional fluctuations in our tax benefits and government grants, which may lead to volatility in our profit.

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

We recorded deferred tax assets of RMB38.4 million, RMB55.6 million, RMB66.3 million and RMB79.0 million, respectively, as of December 31, 2017, 2018 and 2019 and June 30, 2020. Deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized. However, there is no assurance that our expectation of future earnings would be accurate due to factors beyond our control, such as general economic conditions and negative development of the regulatory environment, in which case, we may not be able to recover our deferred tax assets which thereby could have an adverse effect on our results of operations.

Accidents in our business may expose us to liability and reputational risk.

Accidents, such as work injuries, may occur during the course of our business. For example, repair and maintenance services performed by our employees and 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, fatal or otherwise, sustained by our employees or subcontractors. To the extent that we incur additional costs, we may suffer material adverse effects to our business, financial position, results of operations and brand value. In addition, we are exposed to claims that may arise due to employees' or third-party subcontractors' negligence or recklessness when performing repair and maintenance services. We may be held liable for the injuries or deaths of employees, subcontractors, residents or others. Our insurance may not fully cover the claims or costs arising from such accidents. We may also experience interruptions to our business and may be required to change the manner in which we operate as a result of governmental investigations or the implementation of safety measures upon occurrence of accidents. Moreover, such occurrences may also damage our reputation and brand in the property management industry. Any of the foregoing could adversely affect our reputation, brand, business, financial position and results of operations.

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

We maintain insurance policies against major risks and liabilities arising from our business operations, primarily (i) liability insurance to cover liabilities for property damages or personal injuries suffered by third parties arising out of or related to our business operations; and (ii) property insurance for damages to both movable and immovable properties owned by us or in our custody. We cannot assure you that our insurance coverage will be sufficient or available to cover damage, liabilities or losses we may incur in the course of our business. Moreover, there are certain losses for which insurance is not available in the PRC on commercially practicable terms, such as losses suffered due to business interruptions, earthquakes, typhoons, flooding, war or civil disorder. In the event of a dispute with our insurers, we may be required to engage in protracted litigation or negotiations in order to obtain benefits for which we are legally due, and those efforts may be wholly or partly unsuccessful. If we are held responsible for any such damages, liabilities or losses and there is an insufficiency or unavailability of insurance, there could be a material adverse effect on our business, financial position and results of operations. See "Business—Insurance."

If we are unable to perform our contracts with customers, our results of operations and financial condition may be adversely affected.

As of December 31, 2017, 2018, 2019 and June 30, 2020, our contract liabilities amounted to RMB1,397.1 million, RMB2,491.1 million, RMB2,285.3 million and RMB2,023.4 million, respectively. Our contract liabilities primarily arise from the advance payments received from customers of our property management services while the underlying services are yet to be provided by us. See "Financial Information—Description of Certain Combined Balance Sheet Items—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 and our ability to meet our working capital requirements and in turn, our results of operations and financial condition. In addition, if we fail to fulfill our obligations under our contracts with customers, it may also adversely affect our relationship with such customers, which may in turn affect our reputation and results of operations in the future.

Some of our lease agreements have not been filed with the relevant PRC authorities and, as a result, we might be subject to administrative fines.

During the Track Record Period, we leased properties in various locations in the PRC for use primarily as office spaces, canteens and employee dormitories. As of the Latest Practicable Date, we had not completed the administrative filings of 839 lease agreements relating to properties we leased. According to applicable PRC 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. According to applicable PRC regulations, lessors of the related leases need to provide us with certain documents (such as their business licenses or identification information) in order to complete the administrative filing. There can be no assurance that the lessors of our leased properties will be cooperative in the process of completing the filings. If we fail to complete the administrative filings within the period required by the relevant governmental authorities and relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, we might be subject to fines. See "Business—Properties."

We may fail to obtain or renew required permits, licenses, certificates or other relevant PRC governmental approvals necessary for our business operations.

We are required to obtain and maintain certain licenses, permits, certificates and approvals in order to provide property management and certain other services that we currently offer. We must meet various specific conditions in order for the government authorities to issue or renew any certificate or permit. We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to our services or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our operations, we will not be able to continue with our development plans, and our business, financial position and results of operations may be adversely affected.

We are subject to the regulations on the PRC property management industry, particularly the price control on property management fees, and we are susceptible to changes in the regulatory landscape of the PRC property management industry.

Our operations are affected by the regulatory environment and measures affecting the PRC property management industry. In particular, the fees that property management companies may charge in connection with property management services are strictly regulated and supervised by relevant PRC authorities. See "Regulatory Overview—Legal Supervision over Property Management Services—Fees Charged by Property Management Enterprises." In December 2014, the NDRC issued the Circular of NDRC on the Opinions on Relaxing Price Controls in Certain Services (《國家發展和改革委員會關於放開部分服務價格意見的通知》) (發改價格[2014]2755號) (the "**NDRC Price Control Circular**"), which requires provincial-level price administration authorities to abolish all price control or guidance policies on residential properties other than affordable housing, housing-reform properties and properties in old residential areas and preliminary property management agreements. Property management fees for affordable housing, housing-reform properties and properties in old residential areas and management fees under preliminary property management agreements remain subject to price guidance imposed by provincial level price administration departments and the administrative departments of housing and urban-rural development. Our property management fees will continue to be subject to price controls until the relevant authorities pass local regulations to implement the NDRC Price Control Circular.

As of June 30, 2020, the number of projects that were subject to government guidance price was 133, contributing to total revenue of RMB672.4 million in the six months ended June 30, 2020, accounting for 14.7% of our total revenue during the same period. In 2017, 2018, 2019 and the six months ended June 30, 2020, the number of properties under management which were subject to government price guidance and incurred losses was 24, 19, 16 and six, respectively. For details on loss-making properties and measures adopted to turn around our performances, see "Business—Property Management Services—Property Management Fees—Lump Sum Basis."

The limits on fees imposed by government authorities may negatively affect our pricing capability and profit margin. We may experience diminished profit margins should our labor and other operating costs increase but we are unable to raise property management fees accordingly. If a property is managed on a lump sum basis, we may experience a decrease in profit margin. If a property is managed on a commission basis, in the event that the collected fees after deducting the commission are insufficient to cover property management expenses, the property owners are legally responsible for making up for such shortage. In practice, however, it may still be impractical to collect the shortage from property owners due to stringent governmental regulations on property management fees and the lack of cooperation from property owners. We may therefore be forced to reduce costs, so as to strike a balance between collected property management fees and expenditures in relation to service provisions, or write off the uncollected payments. Such cost saving measures to mitigate impact of uncollected property management fees may also adversely affect our service quality and customer satisfaction.

The PRC Government may also unexpectedly promulgate new laws and regulations related to other aspects of our industry. To the extent that they increase our compliance and operational costs, our business, financial position and results of operation could be materially and adversely affected.

Our business is significantly influenced by various factors affecting our industry and general economic conditions and may be adversely affected by fluctuations in the global economy and financial markets.

Our business, financial position and results of operations are and will continue to be dependent on various factors affecting the property management industry, the real estate industry and general economic conditions, most of which are beyond our control. For example, any economic slowdown, recession or other developments in the PRC social, political, economic or legal environment could result in fewer new property development projects, or a decline in the purchasing power of residents living in the communities we manage, resulting in a lower demand for our property management services and value-added services. As such, our business, financial position, results of operations and prospects would be materially and adversely affected.

In addition, the outlook for the world economy and financial markets remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains relatively high. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow and outflow, or both. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty. In the United Kingdom, a remain-or-leave referendum on its membership within the European Union was held in June 2016, the result of which favored the exit of the United Kingdom from the European Union, or Brexit. On January 31, 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. The United Kingdom and the European Union will have a transition period until December 31, 2020 to negotiate, among others, trade agreements in details. Given the lack of precedent and uncertainty of the negotiation, the effect of Brexit remains uncertain, and Brexit has and may continue to create negative economic impact and increase volatility in the global market.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue adversely affecting, property owners and potential property purchasers, which may lead to a decline in the general demand for our services and erosion of their prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect our liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets crisis continue, our business, financial condition and results of operations may be negatively affected.

We are affected by the PRC government regulations on the real estate industry.

We generated most of our revenue from our property management services business during the Track Record Period. The performance of our property management services is primarily dependent on the total GFA and number of property projects we manage. As such, the growth in our property management services business is, and will likely continue to be, affected by the PRC government regulations on the real estate industry. For further information, see "Regulatory Overview."

The PRC Government has implemented various restrictive measures to discourage speculation in the real estate market. The government exerts considerable direct and indirect influence on the development of the PRC real estate industry by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC Government may restrict or reduce property development activities, place limitations on the ability of commercial banks to make loans to property purchasers, impose additional taxes and levies on property sales and affect the delivery schedule and occupancy rates of the properties we service. Any such governmental regulations and measures may affect the PRC real estate industry, thus limiting our business growth and resulting in a material adverse effect on our business, financial position and results of operations.

We are subject to changing laws and regulations regarding regulatory matters, environmental, social and governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, once we have become a public company, the Stock Exchange and the SFC, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded, as well as the various regulatory authorities in China and the Cayman Islands, and to new and evolving regulatory measures under applicable laws. Our efforts to comply with new and changing laws and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalties and our business may be harmed.

RISKS RELATING TO DOING BUSINESS IN CHINA

We are vulnerable to adverse changes in economic, political and social conditions and government policies in China.

We manage all of our business operations from our headquarters in Shenzhen. Accordingly, our financial position, results of operations and prospects are, to a significant degree, subject to the economic, political, social and legal conditions in China. 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.

Although the PRC economy has transitioned from a planned economy to a more market-oriented economy for about four decades, a substantial portion of productive assets in the PRC is still owned by the PRC government. The PRC government also exercises significant control over the economic growth of the PRC through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance practices in business enterprises. We may not in all cases be able to capitalize on such measures, and we may be adversely affected in some cases.

Fluctuations in exchange rates may have a material adverse impact on our business.

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. It is difficult to predict how market forces and the PRC Government's policies will continue to impact Renminbi exchange rates. 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.

Substantially all 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 China could negatively affect our profitability and growth.

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

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

The legal system in China has inherent uncertainties that could limit the legal protection available to our Shareholders. As we conduct substantially all of our business operations in China, 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 precedents. 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. There may be a limited volume of published decisions regarding their interpretation and implementation, or the relevant local administrative rules and guidance on implementation and interpretation have not been put into place. Thus, there are uncertainties involved in their enactment timetable, which may 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. Furthermore, different local governmental authorities may have different interpretations over the implementation and enforcement of the PRC laws, rules and regulations, which may also differ from our interpretations as to such PRC laws, rules and regulations. 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 China may be protracted and result in substantial costs and diversion of resources and management attention.

You may experience difficulties in effecting service of process or enforcing foreign judgments against us, our Directors or senior management residing in China.

Our Company is incorporated in the Cayman Islands. Substantially all of our assets are located in China and substantially all of our executive and non-executive Directors and senior management ordinarily reside in China. Therefore, it may not be possible to effect service of process in Hong Kong or elsewhere outside of China upon us or our Directors or senior management. Moreover, China has not entered into treaties for the reciprocal recognition and enforcement of court judgments with Japan, the United Kingdom, the United States and many other countries. As a result, recognition and enforcement in China of a court judgment obtained in other jurisdictions may be difficult or impossible.

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, which could result in unfavorable tax consequences to us.

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 China whose "de facto management body" is located in China 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.

In April 2009 and July 2011, the SAT issued several circulars to clarify certain criteria for the determination of the "de facto management bodies" for foreign enterprises controlled by the PRC enterprises, however, no official implementation rules have been issued regarding the determination of the "de facto management body" for foreign enterprises that are not controlled by the PRC enterprises. We are a holding company incorporated in the Cayman Islands and substantially all members of our senior management are currently based in China; 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 China 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 China, 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 China 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 China 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 substantially all of our business operations in China, 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 China 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 China 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 China.

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 China 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.

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.

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

The PRC Government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. See "Regulatory Overview—Regulations Relating to Foreign Exchange." We receive substantially all our revenue in Renminbi. Under our current structure, our income is primarily derived from dividend payments from our PRC subsidiaries. The foreign exchange control system may prevent us from obtaining sufficient foreign currency to satisfy our currency demands. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments to our shareholders, or otherwise satisfy our foreign currency denominated obligations, if any.

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

Regulations relating to offshore investment activities by PRC residents may subject us to fines or sanctions imposed by the PRC Government, including restrictions on the ability of our PRC subsidiaries to pay dividends or make distributions to us and our ability to increase our investment in our PRC subsidiaries.

SAFE promulgated the Circular on Management of Offshore Investment and Financing and Round Trip Investment By Domestic Residents through Special Purpose Vehicles (Huifa [2014] No. 37) (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》(匯發[2014]37號)) ("**Circular 37**") in July 2014. Pursuant to Circular 37 and its implementation rules, PRC residents, including PRC institutions and individuals, must register with local branches of SAFE in connection with their direct or indirect offshore investments in an overseas special purpose vehicle, or SPV, directly established or indirectly controlled by PRC residents for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests or any inbound investment through special purpose vehicles. Such PRC residents are also required to amend their registrations with SAFE when there is change to the required information of the registered SPV, such as changes to its PRC resident individual shareholder, name, operation period or other basic information, or the PRC individual resident's increase or decrease in its capital contribution in the SPV, or any share transfer or exchange, merger or division of the SPV. In accordance with the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關

於進一步簡化和改進直接投資外匯管理政策的通知》) (匯發[2015]13號) (Huifa [2015] No. 13), the foreign exchange registration aforesaid has been directly reviewed and handled by banks since June 1, 2015, and SAFE and its branches perform indirect regulation over such foreign exchange registration through local banks. Under this regulation, failure to comply with the registration procedures set forth in Circular 37 may result in restrictions being imposed on the foreign exchange activities of our PRC subsidiaries, including the payment of dividends and other distributions to its offshore parent or affiliate, the capital inflow from the offshore entities and its settlement of foreign exchange capital, and may also subject the relevant onshore company or PRC residents to penalties under PRC foreign exchange administration regulations.

We are committed to complying with and ensuring that our Shareholders who are subject to the regulations will comply with the relevant rules. Any future failure by any of our Shareholders who is a PRC resident, or controlled by a PRC resident, to comply with relevant requirements under this regulation could subject us to penalties or sanctions imposed by the PRC Government. However, we may not at all times be fully aware or informed of the identities of all of our Shareholders who are PRC residents, and we may not always be able to timely compel our Shareholders to comply with the requirements of Circular 37. Moreover, there is no assurance that the PRC Government will not have a different interpretation of the requirements of Circular 37 in the future.

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

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

RISKS RELATING TO THE GLOBAL OFFERING AND SPIN-OFF

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 Global Coordinators (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; (ii) if such a trading market does develop, it will be sustained following 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 position and/or results of operations;
- changes in securities analysts' estimates of our financial position 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;
- industrial or environmental accidents, litigation or loss of key personnel;
- changes in laws and regulations that impose limitations on our industry;
- fluctuations in the market prices of our properties;
- announcements made by us or our competitors;
- changes in pricing adopted by us or our competitors;
- release or expiry of lock-up or other transfer restrictions on our Shares;
- the liquidity of the market for our Shares; and
- general economic and other factors.

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 convertible into equity securities of our 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 our 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 and the Pre-IPO Investors are currently subject to certain lock-up undertakings, the details of which are set out in "Underwriting—Underwriting Arrangements and Expenses" and "History, Reorganization and Corporate Structure—Pre-IPO Investments—3. Lock-up and Public Float." However, there is no assurance that following the expiration of the lock-up periods, these Shareholders will not dispose of a substantial amount of Shares they hold. 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 of Directors, and the amount of any dividends will depend on various factors, including, without limitation, our results of operations, financial position, capital requirements and surplus, contractual restrictions, future prospects and other factors which our Board of Directors may determine are important. See "Financial Information—Dividend Policy and Distributable Reserves." There can be no 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 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."

Investors may experience difficulties in enforcing their Shareholder rights because we are incorporated in the Cayman Islands, and the protection afforded to minority Shareholders under Cayman Islands law may be different from that under the laws of Hong Kong or other jurisdictions.

Our Company is incorporated in the Cayman Islands and its affairs are governed by our Memorandum, Articles of Association, the Cayman Islands company law and the common law of the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or those of other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as those afforded under the laws of Hong Kong or in other jurisdictions. A summary of the Cayman Islands company law on protection of minority shareholders is set out in "Appendix III—Summary of the Constitution of the Company and Cayman Islands Company Law—3. Cayman Islands Company Law—(f) Protection of Minorities and Shareholders' Suits" to this Prospectus.

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

Immediately upon completion of the Capitalization Issue and the Spin-off (assuming the Reserved Shares under the Preferential Offering are not taken up by our Controlling Shareholders who are Qualifying China Evergrande Shareholders and without taking into account any Shares which may be sold pursuant to the exercise of the Over-allotment Option), our Controlling Shareholders will directly or indirectly control the exercise of 59.04% of voting rights in the general meeting of our Company. See "Relationship with Controlling Shareholders." 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 our 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.

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

The Offer Price of our Shares will be determined on the Price Determination Date, which is expected to be on or around November 26, 2020, but in any event not later than December 1, 2020. However, our Shares will not commence trading on the Stock Exchange until the Listing Date, which is expected to be December 2, 2020. Accordingly, investors may not be able to sell or deal in our Shares during the period between the Price Determination Date and the Listing Date. Our Shareholders are subject to the risk that the price of our Shares could fall before trading begins, as a result of adverse market conditions or other adverse developments that could occur between the Price Determination Date and the Listing Date.

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

Certain facts, forecasts and statistics in this Prospectus relating to the PRC, its economy and industries relevant to us were obtained from information provided or published by PRC Government agencies, CIA, 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 Selling Shareholder, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters or any of their respective affiliates or advisors. 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 China. 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, there can be no assurance 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 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.

You should read this entire Prospectus carefully and 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.

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 Selling Shareholder, the Joint Sponsors, 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 Selling Shareholder, the Joint Sponsors, the 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.

THE PRC PROPERTY MANAGEMENT INDUSTRY

Overview of the Property Management Industry

The history of the PRC property management industry dates back to the early 1980s with the establishment of the first property management company in Shenzhen, Guangdong province. Since then, the PRC Government has sought to construct and update a regulatory framework for the PRC property management industry in parallel with its growth. The PRC Government promulgated an increasing number of regulations over the years, with the aim to establish an open market system for the property management industry that served to promote its rapid growth and standardized operation. PRC property management companies now provide services in relation to a wide range of properties including residential properties, commercial properties, office buildings, public properties, industrial parks, schools and hospitals, cultural tourism projects, healthcare complexes, among others.

With the adoption of advanced technologies, such as cloud application, e-commerce, Internet of Things, big data and artificial intelligence, property management companies are gradually replacing manual labor with smart business operations management systems. The PRC Government has also promulgated a series of favorable policies supporting the development and modernization of the property management industry. In addition, property management companies have gained wider access to the capital market for equity and/or debt financing in recent years, following listings of property management companies. Driven by technology development, governmental support and capital market activities, the property management industry is expected to maintain rapid growth.

Major Fee Models in the PRC Property Management Industry

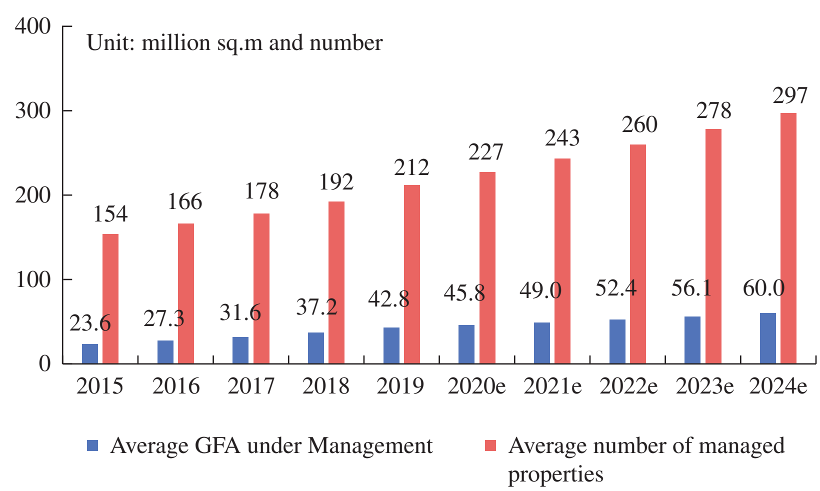
Property management companies in the PRC primarily generate revenue from property management services and other value-added services, including, among others, preliminary property management services, repair and maintenance services and sales and rental services, engineering services and community value-added services such as home decorations, property sales and rental services, group purchase facilitation, tourism, healthcare, wealth management and insurance services.

Property management companies charge property management fees either on a lump sum basis or a commission basis. The lump-sum fee model for property management fees is the dominant fee model in the PRC property management industry, especially for residential properties. The lump-sum fee model brings efficiency by not requiring collective decision-making procedures for large expenditures by property owners and residents, and incentivizing property management service providers to optimize their operations to enhance profitability. In contrast, the commission model is increasingly popular among non-residential properties, which allows property owners to become more involved in their property management and service providers to be more closely supervised.

Overview of the Top 100 Property Management Companies

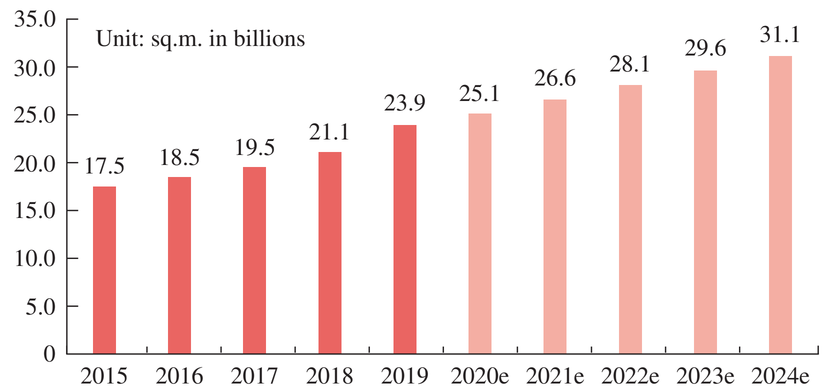
In recent years, following the rapid urbanization and continuous growth in per capita disposable income, the total market size in terms of the aggregate GFA under management by all property management companies in China's property management industry reached 23.9 billion sq.m. as of December 31, 2019, according to CIA. In particular, the GFA and number of properties managed by the Top 100 Property Management Companies have increased rapidly. The average total GFA under management by the Top 100 Property Management Companies increased from approximately 23.6 million sq.m. as of December 31, 2015 to approximately 42.8 million sq.m. as of December 31, 2019, representing a CAGR of approximately 16.0%. The average number of properties managed by the Top 100 Property Management Companies increased from 154 as of December 31, 2015 to 212 as of December 31, 2019, representing a CAGR of approximately 8.3%. The average number of cities in which Top 100 Property Management Companies have entered into increased from 27 as of December 31, 2015 to 31 as of December 31, 2019, according to CIA. The following chart sets forth the rise in average GFA under management and average number of properties for the Top 100 Property Management Companies in the years indicated.

Average GFA under Management and Average Number of Properties for the Top 100 Property Management Companies, 2015-2024E



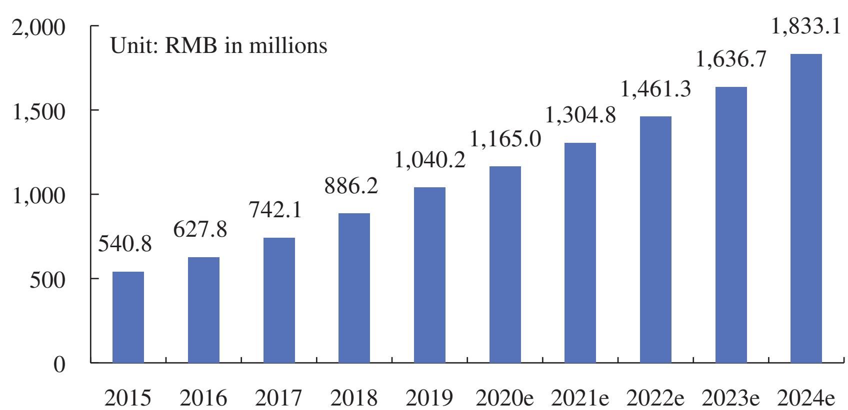
* *Unless otherwise indicated, the source of all graphs and rankings in this Industry Overview section is CIA.*

The following table sets forth the total GFA under management of the property management industry in China as of the end of the years indicated.



As a result of the growth in GFA and number of properties under management, the average revenue of the Top 100 Property Management Companies increased from approximately RMB540.8 million in 2015 to approximately RMB1,040.2 million in 2019, representing a CAGR of approximately 17.8%. The following chart sets forth the rise in average revenue of the Top 100 Property Management Companies in the years indicated.

Average Revenue of the Top 100 Property Management Companies, 2015-2024E



GROWTH DRIVERS OF PRC PROPERTY MANAGEMENT INDUSTRY

Growth in Urbanization Rate and Per Capita Disposable Income Driving Growth in Demands for Quality Property Management Services

The urbanization rate in China increased from 33.4% as of December 31, 1998 to 60.6% as of December 31, 2019. The growing urbanization rate has led to high demands for property management services, and the PRC property management industry is expected to continue to grow in tandem with a rising level of urbanization in the PRC. We expect that, backed with increasing per capita disposable income, consumers in China will become willing to pay premiums for quality services and have more discretions on spending in goods and services beyond basic necessities.

According to the CIA, China's significant growth in urbanization and per capita disposable income have been the principal drivers for the growth of the property management industry. Consumers in China are increasingly demanding better living conditions and higher quality property management services, which is another underlying reason for the growth of the PRC property management industry. In addition, we believe the emerging middle-to high-income population in the PRC and their growing spending power will have a significant influence on the development of mid-to high-end property management services in the PRC through their demand for more quality products and services.

Driven by customer demand and intense competition, property management companies have invested in improving their service quality and paid more attention to their customers' demands. The Top 100 Property Management Companies have responded to this trend by, among other steps, optimizing their traditional property management services and upgrading the quality of their services by applying technological solutions. According to the CIA, property management companies with enhanced service quality can charge higher service fee.

Favorable Policies for the Property Management Industry

In June 2003, the PRC Government promulgated the Regulations on Property Management (《物業管理條例》), establishing a regulatory framework for the property management industry in China. Since then, a number of laws and rules have come into effect regulating various aspects of the property management industry and numerous policies enacted to promote its development. These include, but are not limited to, the Circular of the NDRC on the Opinions of Relaxing Price Controls in Certain Services (《國家發展和改革委關於放開部分服務價格意見的通知》), the Guidance on Accelerating the Development of the Resident Service Industry to Promote 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》) and the Announcement on Preferential Taxation for the Elderly Care, Child Care, Housekeeping and Other Community Living Services (《關於養老、托育、家政等社區家庭服務業稅費優惠政策的公告》). Furthermore, various provincial and municipal governments have issued their own laws and regulations. We expect that these laws, regulations and policies will continue to fuel the growth of the PRC property management industry in China. According to CIA, the above-mentioned favorable policies cover the regions that we currently operate in and intend to expand into.

The favorable policies also encourage the development of smart communities. In May 2014, the Ministry of Housing and Urban-rural Development issued Guidance on Smart Community Construction (Trial) (《智慧社區建設指南(試行)》), which recommended the modernization of community management by integrating modern technologies, public resources and commercial services into the management process. We believe that such policies will jointly create a supportive and orderly environment for the development of the property management industry and property management companies. Please see "Regulatory Overview — Laws and Regulations relating to Foreign Investment." for more information on laws and regulations related to the property management industry.

New Opportunities in Property Management Services

Toward the end of 2019, the COVID-19 pandemic broke out and quickly spread across the globe. Property management companies that were capable to provide quality service and meet the residents' demands during the COVID-19 pandemic were able to enhance customer satisfaction and loyalty with their services and brands.

In addition, due to the quarantine restrictions, property management companies were encouraged to accelerate the development of mobile applications, internet platforms and smart community technologies to provide online products and services to their residents.

Further, driven by the need of community services, run-down residential communities that are not under management of property management companies will seek and entrust ones to provide necessary property management and community services. In the Report of the Work of the Government in 2019 (《政府工作報告》), the PRC Government indicated its plans to greatly improve the conditions of the significant number of old and outdated residential communities by carrying out projects including renovations of water pipes and electricity circuits, establishment of common area facilities, installation of elevators, and improvement of conditions of supermarkets, convenience stores, shopping malls, carparks, and wheelchair accessible passages, among other community facilities.

TRENDS IN THE PRC PROPERTY MANAGEMENT INDUSTRY

Increased Market Concentration and Competition

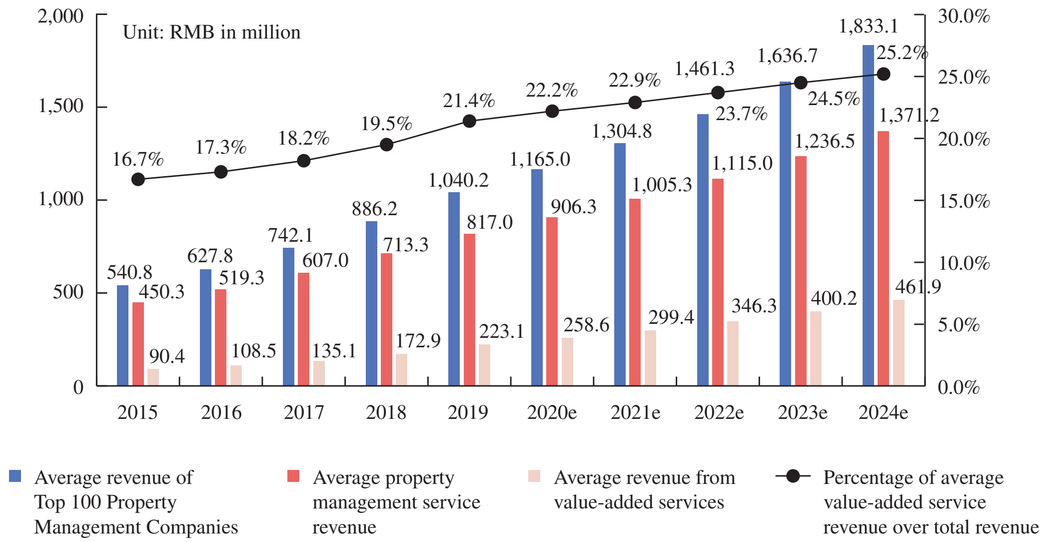
After decades of development, some of the Top 100 Property Management Companies have accelerated their service innovation and business expansion. In addition, the market continues to become more concentrated, and the players in the PRC property management industry are facing increasingly intense market competition. In the competitive PRC property management industry, large-scale property management companies actively improve their strategic layout and accelerate their expansion in order to increase their respective market shares and achieve better results of operations. Their organic growth, as well as mergers and acquisitions, may expose property management companies to challenges arising from the difficulties in integrating acquired operations with existing businesses. The aggregate market share of the Top 10 Property Management Companies increased from 7.6% in 2015 to 9.2% in 2019*.

New Revenue Sources Driven by Information Technologies and Diversified Service Offerings

Many property management companies have developed diversified business, reduced labor costs and enhanced profitability by leveraging information technologies such as cloud applications, e-commerce, Internet of Things, big data and artificial intelligence. For example, artificial intelligence technologies such as smart entrance pass, smart building management, smart energy management, patrol robots, delivery robots and consultancy robots largely reduced the labor costs of property management companies. In addition, by adopting new technologies and using e-service platforms, property management companies could effectively integrate and allocate resources to provide more diversified community value-added services and further expand their services to common space management, community finance, property agency and household services. As a result, the revenue generated from value-added services is increasingly becoming an important source of revenue for property management companies. Moreover, to better control costs and maintain competitiveness, property management companies need to standardize and automate their operations to improve their service capabilities and quality in order to meet diversified customer demands.

In response to the general demands for diversified and high-quality property management services, a growing number of property management companies have been improving the quality of existing services and providing diversified services. Such demands, coupled with the increasing operational pressure driven by cost increases for property management companies, have driven property management companies to adjust their traditional business models in order to remain profitable and competitive by consolidating their resources and transforming their operations to achieve sustainable profitability growth. These property management companies have been expanding their service scopes by effectively utilizing the internet and information technologies to offer community value-added services to their customers. According to CIA, there is vast market potential for community value-added services as they cater to the needs of property owners and residents. The following table sets forth certain information on the revenue from value-added services among Top 100 Property Management Companies in the years indicated.

* The market share of the Top 10 Property Management Companies in the PRC decreased from 11.4% in 2018 to 9.2% in 2019, since a major market player who had been ranked among the top ten from 2015 to 2018 did not participate in the ranking in 2019.



Increasing Standardization of Services

Standardization allows property management companies to improve their service quality, and is the foundation for the sustainable expansion of business operations across multiple regions. The PRC Government has issued 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). According to CIA, such policy aims at introducing the idea of standardizing the quality of property management services. Many of the Top 100 Property Management Companies in China have established internal standardized operating procedures to guide their service procedures. Information technology is playing an increasingly critical role in property management services in recent years. Property management companies use information technology to implement technological solutions and to automate key business operations. Technological solutions reduce human errors and allow property management companies to consistently apply their standardized procedures and quality standards, reducing their reliance on manual labor and therefore the costs involved in hiring employees and engaging subcontractors. Furthermore, centralized information technology system enables property management companies to monitor the administrative and financial business operations of their branches, subsidiaries and offices, as well as ensure that they are consistently applying their policies, procedures and quality standards.

Increasing Support from Capital Markets

A number of property management companies have gained access to the capital markets to expand their financing channels. As of September 25, 2020, a total of 27 property management companies have been listed on the Stock Exchange, one on the Shanghai Stock Exchange (上海證券交易所上市), two on the Shenzhen Stock Exchange (深圳證券交易所上市) and 37 on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統), according to CIA. These listed property management companies are able to increase their investments in technology innovation, build up intelligent platforms, strengthen the cooperation with other property management companies, improve service quality and increase operational efficiency. In addition, diversified capital sources enable the property management companies to accelerate selective and strategic mergers and acquisitions, and to further expand the scale of business.

INDUSTRY RISKS AND CHALLENGES

Increasing Labor and Operation Cost

Property management services market is labor-intensive and labor cost is the largest component of property management services companies' cost of services. The daily operation of property management services, such as security, cleaning, gardening, repair and maintenance services rely heavily on manual labors. From 2016 to 2019, the labor cost of the Top 100 Property Management Companies on average 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 by provincial local level authorities. In recent years, the minimum wage has increased significantly in various regions, which directly drove the increases in labor costs. In addition, utility fees such as electricity and water also increased in the last few years. Under the lump-sum fee model for property management fees, the dominant fee model in the property management industry in China according to CIA, the ever-rising labor and operation cost in recent years is becoming a major challenge to the sustainable growth of property management companies.

Increasing Demand for and Shortage of Professional Staff

To adapt to the rapid technological advancements, property management companies in China need to recruit and retain more qualified professional talent with management and technological skills. Property management companies also increasingly outsource labor-intensive aspects of their operations such as cleaning and landscaping to subcontractors while placing greater emphasis on recruiting and training professional and skilled employees to facilitate the implementation of smart management and information technologies, promote innovations to maintain their leading market positions, and improve customer satisfactions.

The property management industry also faces challenges such as difficulty with recruiting competent professional staff to provide quality services and expand business operations. Should the property management companies fail to recruit competent professional staff, the business development of properties management companies may be adversely affected.

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

COMPETITION

Competitive Landscape

According to CIA, the PRC property management industry is fragmented and competitive, with approximately 130,000 property management service providers operating in the industry in 2019. The property management industry in China is consolidating, with market leaders gaining increasingly larger market shares. We primarily compete with large national and regional property management companies in terms of property management services, and are well-positioned to capture market shares leveraging our high service standards and rich resources. According to CIA, the market share of the Top 100 Property Management Companies was approximately 43.6% in terms of GFA under management in 2019.

Our Competitive Position

We are a leading property management service provider in China. According to CIA, we are a leading property management company with a large and rapidly growing business operations, ranking third among Top 100 Property Management Companies in terms of contracted GFA, revenue and net profit, and fourth in terms of GFA under management as of December 31, 2019. In 2019, among Top 20 Property Management Companies, we rank first in terms of CAGR of net profit growth from 2017 to 2019. We were ranked second in terms of the number of cities where we had operations as of December 31, 2019. Our market share in terms of GFA under management as of December 31, 2019 was 1.0%, and our market share in terms of revenue in 2019 was 1.3%.

Ranking Information of Top 100 Property Management Companies in 2019 in Terms of Number of Cities with Business Operations

Ranking	Name	Number of cities
1	Competitor A	Over 300
2	Our Company	Over 280
3	Competitor D	Over 250
4	Competitor C	Over 150
5	Competitor B	Nearly 150

Ranking among Top 100 Property Management Companies in Terms of Revenue in 2019

Ranking	Name	Revenue
		(RMB in millions)
1	Competitor A	Over 9,000
2	Competitor B	Over 8,000
3	Our Company	7,333
4	Competitor H	Over 6,000
5	Competitor C	Nearly 6,000

Ranking among Top 100 Property Management Companies in Terms of Net Profit in 2019

Ranking	Name	Net Profit
		(RMB in millions)
1	Competitor A	Over 1,500
2	Competitor E	Over 1,000
3	Our Company	923
4	Competitor F	Nearly 800
5	Competitor P	Over 600

Ranking of Top 100 Property Management Companies in Terms of Contracted GFA as of December 31, 2019

Ranking	Name	Contracted GFA
		(sq.m. in millions)
1	Competitor A	Over 600
2	Competitor D	Over 550
3	Our Company	505
4	Competitor C	Nearly 500
5	Competitor B	Over 400

Ranking among Top 100 Property Management Companies in Terms of GFA under Management as of December 31, 2019

Ranking	Name	GFA under Management
		(sq.m. in millions)
1	Competitor D	Over 300
2	Competitor C	Over 250
3	Competitor A	Over 250
4	Our Company	238
5	Competitor E	Over 230

Ranking Information of Top 20 Property Management Companies in Terms of CAGR of Net Profit Growth Rate from 2017 to 2019

Ranking	Name	CAGR
		(%)
1	Our Company	195.5%
2	Competitor P	Over 150.0%
3	Competitor W	Over 100.0%
4	Competitor E	Over 100.0%
5	Competitor A	Nearly 100%

Market Barriers

According to CIA, the following are the barriers to successfully compete and achieve sustainable growth the property management industry in China.

- *Brand.* The Top 100 Property Management Companies, including ourselves, have built up our brand reputation through decades of services and operations. In contrast, new participants without established brands or cultivated business relationships with industry participants face increasing difficulties in penetrating the market.

- *Capital requirement.* Property management companies are increasingly adopting automation and intelligent technologies to improve their management efficiency, which requires significant capital investments to fund equipment purchases, and the establishment of smart community management and information technology systems. New participants with limited financing ability face high barriers to enter the industry.

- *Quality of management.* According to CIA, quality of property management services may significantly contribute to the competitiveness of property management companies. Property management companies now have to implement technological solutions, service quality standards and corporate structure to improve service quality.

- *Availability of talent and technical expertise.* Property management depends on manual labor not only for the delivery of property management services but also for implementing and innovating technological solutions. It is increasingly difficult for property management companies to recruit and retain talented individuals who are skilled in the most recent technological advancements in the industry. New market entrants may find it difficult to compete against larger property management companies with better brand value and recognition which attract talent.

- *Support from property developers*. As the competition in the property management industry intensifies, property management companies with solid developer backgrounds are demonstrating outstanding performances, because they typically obtain the following supports from the related developers: (i) stable source of properties originated from the desirable sales and land reserves of the developers, providing abundant property reserve for the property management company; (ii) brand support where property management companies capitalize on the well-established brands of the developers to improve their own stature and value; and (iii) other resources such as the opportunities to enrich the property portfolio of property management companies as the related developers venture into other industries outside property development, such as culture, tourism, finance, healthcare and elderly care, among other commercial areas.

RESEARCH BACKGROUND AND METHODOLOGIES

We purchased the right to use and quote various data from publications of CIA at a total cost of RMB800,000. CIA is an independent research institute, which has extensive experiences researching and tracking the PRC property management industry, and has conducted research on the top 100 property management companies in the PRC, or Top 100 Property Management Companies, since 2008. In conducting its research, CIA primarily evaluates property management companies that have managed at least ten properties or have an aggregate GFA of 500,000 sq.m. or more in the previous three years. CIA gathers data from multiple primary and secondary sources, including (i) published statistics, websites and marketing materials of property management companies; (ii) surveys and data from the China Real Estate Index System and the China Real Estate Statistics Yearbooks; (iii) public data from governmental authorities; and (iv) data gathered previously for the property management companies. In addition, since 2008, CIA has published the ranking of China's Top 100 Property Management Companies in terms of overall strength, primarily by evaluating data from the previous year in relation to management scale, operational performance, service quality, growth potential and social responsibility of the property management companies under consideration. In determining such rankings, CIA may assign the same ranking to multiple companies with the same or very close scores, and therefore it is possible that more than 100 companies may be classified as being among the Top 100 Property Management Companies. CIA may, upon specific request, prepare further rankings within the Top 100 Property Management Companies for certain indices. CIA also assesses the growth potential of property management companies primarily in terms of growth rate of revenue, growth rate of total GFA under management, contracted but undelivered GFA, the total number of employees and employee composition. Data analysis in this section includes data and information on the 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 stable during the forecast period; (ii) government policies on the property management industry in China will remain unchanged during the forecast period; (iii) all published data by the relevant statistics bureaus are accurate; and (iv) all collected information relating to residential sales transactions from the relevant local housing administrative bureaus are accurate.

DIRECTORS' CONFIRMATION

Our Directors confirm that, after making reasonable inquiries, there is no material adverse change in the market information since the date of the CIA Report which may qualify, contradict, misrepresent or otherwise adversely affect the accuracy and completeness of the information in this section in material respects.

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 inquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Prospectus misleading.

INFORMATION ABOUT 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. For applicants under the Hong Kong Public Offering and the Preferential Offering, this Prospectus and the Application Forms contain all the terms and conditions of the Hong Kong Public Offering and the Preferential Offering. Details of the structure of the Global Offering, including its conditions, are set forth in the section headed "Structure and Conditions of the Global Offering" and the procedures for applying for Hong Kong Offer Shares and Reserved Shares are set forth in the section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares" and on the relevant Application Forms.

The Hong Kong Offer Shares and 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 forth 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 any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Selling Shareholder, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the Global Offering.

No prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("**ASIC**"), in relation to the Offer. This prospectus, or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Reserved Shares does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "**Corporations Act**"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "**Exempt Investors**") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

No Shares may be offered to any person in the BVI for purchase or subscription except under circumstances that will result in compliance with the rules concerning offering of such Shares in the BVI and with the laws of the BVI. Accordingly, the Preferential Offering does not constitute and shall not be construed as an offer to the public in the BVI to purchase or subscribe for the Reserved Shares. The Reserved Shares shall not be received for the account or benefit of any person who is a resident of, or who is domiciled in, the BVI, other than a BVI business company (as defined under the BVI Business Companies Act, 2004 (as amended)) incorporated in the BVI that is not resident in the BVI, nor to a custodian, nominee or trustee of any such person.

The Macau Commercial Code (the "**Code**") prescribes that only the companies which have in Macau its main administration are subject to the provisions contained in the Code. Since China Evergrande Group does not have any main administration in Macau, none of the corporate regulatory provisions of the laws of Macau are applicable to China Evergrande Group. China Evergrande Group does not wish to designate the laws of Macau to govern the Preferential Offering and Macau is not the place more closely connected with the same transaction. There are no legal restrictions under the laws of Macau on the Preferential Offering nor any requirements of the relevant regulatory body in Macau regarding the Preferential Offering to the Qualifying China Evergrande Shareholders located in Macau.

UNDERWRITING

The listing of our Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to agreement on the Offer Price to be determined between the Joint Representatives (for themselves and on behalf of the Underwriters) and us (for ourselves and on behalf of the Selling Shareholder) on the Price Determination Date.

Further information about the Hong Kong Underwriters and the underwriting arrangements is set forth in the section headed "Underwriting."

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares and the Reserved Shares under the Hong Kong Public Offering and the Preferential Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares and the Reserved Shares to, confirm that he/she is aware of the restrictions on offer and sale of the Offer Shares described in this Prospectus and the 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 or the Application Forms in any jurisdiction other than Hong Kong. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering 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.

SELLING SHAREHOLDER

We estimate the net proceeds to the Selling Shareholder from the sale of Sale Shares pursuant to the Global Offering, assuming the Over-allotment Option is not exercised, to be approximately HK$7,305.9 million (assuming an Offer Price of HK$9.13 per Offer Share, being the mid-point of the indicative Offer Price range), after deducting the underwriting commission and estimated related expenses payable by the Selling Shareholder. We will not receive net proceeds from the sale of Sale Shares pursuant to the Global Offering, whether or not the Over-allotment Option is exercised.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of 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 pursuant to the exercise of the Over-allotment Option). Except for our pending application to the Stock Exchange for the listing of, and permission to deal in, the Shares, no part of our share or loan capital is listed on or dealt in on the Stock Exchange or any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares are expected to commence at 9:00 a.m. on December 2, 2020. The Shares will be traded in board lots of 500 Offer Shares each. The stock code of the Shares is 6666.

SHARES WILL BE ELIGIBLE FOR ADMISSION TO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and our 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.

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 enabling the Shares to be admitted into CCASS.

OVER-ALLOTMENT OPTION AND STABILIZATION

Further details with respect to stabilization and the Over-allotment Option are set out in "Structure and Conditions of the Global Offering—Stabilization" and "Structure and Conditions of the Global Offering—Over-allotment Option", respectively.

REGISTER OF MEMBERS AND STAMP DUTY

The Company's principal register of members will be maintained by our principal share registrar, Conyers Trust Company (Cayman) Limited, in the Cayman Islands and our Company's Hong Kong register of members will be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. All of the Offer Shares will be registered on our Company's Hong Kong register of members in Hong Kong. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Share Registrar and may not be lodged in the Cayman Islands.

Dealings in our Shares registered in our Company's Hong Kong register of members 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 our Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required).

PROFESSIONAL TAX ADVICE RECOMMENDED

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

PROCEDURES FOR APPLICATION FOR THE HONG KONG OFFER SHARES AND RESERVED SHARES

The procedures for applying for the Hong Kong Offer Shares and the Reserved Shares are set forth under the section headed "How to Apply for Hong Kong Offer Shares and the Reserved Shares" and on the relevant Application Forms.

CSRC APPROVAL AND OTHER RELEVANT PRC AUTHORITIES APPROVAL

The Listing does not require the approval of the CSRC or any other PRC government authorities under the current PRC laws, rules and regulations.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations of certain currencies based on the exchange rates prevailing on the Latest Practicable Date published by the PBOC for foreign exchange transactions. Unless otherwise specified, (i) translations of Renminbi into Hong Kong dollars are based on the rate of RMB0.8549: HK$1.00; (ii) translations of Hong Kong dollars into US dollars are based on the implied rate of HK$7.7540: US$1.00; and (iii) translations of Renminbi into US dollars are based on the rate of RMB6.6285: US$1.00.

No representation is made that any amount in Hong Kong dollars, Renminbi or US dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

LANGUAGE

If there is any inconsistency between this Prospectus and the Chinese translation of this Prospectus, this Prospectus shall prevail unless otherwise stated. Translated English names of PRC laws, regulations, governmental authorities, enterprises, natural persons or other entities and the like included in this Prospectus and for which no official English translation exists are unofficial translations for identification purposes only. To the extent there is any inconsistency between the Chinese language and the English translation, the Chinese language shall prevail.

ROUNDING

In this Prospectus, where information is presented in hundreds, thousands, ten thousands, millions or hundred millions, certain amounts of less than one hundred, one thousand, ten thousand, one million or a hundred million, as the case may be, have been rounded to the nearest hundred, thousand, ten thousand, million or hundred million, respectively. Amounts presented as percentages have, in certain cases, been rounded to the nearest tenth or hundredth of a percent. Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Zhao Changlong (趙長龍)	Room 2801, Building 4 Phase V, Zhaoshang Taohuayuan West of Xinggong Road Nanshan District Shenzhen Guangdong PRC	Chinese
Mr. Hu Liang (胡亮)	Room 1404, Building 4 Phase V, Zhaoshang Taohuayuan West of Xinggong Road Nanshan District Shenzhen Guangdong PRC	Chinese
Mr. Wang Zhen (王震)	Room 204, Building 4 Phase V, Zhaoshang Taohuayuan West of Xinggong Road Nanshan District Shenzhen Guangdong PRC	Chinese
Ms. An Lihong (安麗紅)	Room 2303, Building 4 Phase V, Zhaoshang Taohuayuan West of Xinggong Road Nanshan District Shenzhen Guangdong PRC	Chinese
Independent Non-executive Directors		
Mr. Chan Chun Hung, Vincent (陳鎮洪)	Flat 2401 24th Floor, Block A Villa Lotto, 18 Broadwood Road Happy Valley Hong Kong	Chinese

Name	Address	Nationality
Mr. Victor Huang (黃偉德)	Flat A, 6/F, Block 9 Braemar Hill Mansion 31 Braemar Hill Road North Point Hong Kong	Chinese
Mr. Guo Zhaohui (郭朝暉)	8-4-201 Fenghua Tiancheng Taohualin 150 Ping'an Road Wuchang District Wuhan Hubei PRC	Chinese

For further information regarding our Directors, see "Directors and Senior Management".

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	UBS Securities Hong Kong Limited 52/F, Two International Finance Centre 8 Finance Street Central Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong

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

Haitong International Capital Limited
8/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Joint Global Coordinators

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

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

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

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

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

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

Joint Bookrunners	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	UBS AG Hong Kong Branch 52/F, Two International Finance Centre 8 Finance Street Central Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	Haitong International Securities Company Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	ICBC International Capital Limited 37/F, ICBC Tower 3 Garden Road Hong Kong

Joint Lead Managers	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	UBS AG Hong Kong Branch 52/F, Two International Finance Centre 8 Finance Street Central Hong Kong
	ABCI Securities Company Limited 10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	Haitong International Securities Company Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	ICBC International Securities Limited 37/F, ICBC Tower 3 Garden Road Hong Kong

	Fortune (HK) Securities Limited 43/F, COSCO Tower 183 Queen's Road Central Hong Kong
Legal Advisors to our Company	*As to Hong Kong and U.S. law:* **Sidley Austin** 39th Floor, Two International Finance Centre 8 Finance Street Central Hong Kong
	As to PRC law: **King and Wood Mallesons** 25th Floor, Guangzhou CTF Finance Centre No. 6 Zhujiang East Road Zhujiang New Town Tianhe District, Guangzhou Guangdong Province PRC
	As to Cayman Islands law: **Conyers Dill & Pearman** Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands

Legal Advisors to the Joint Sponsors, Joint Global Coordinators and the Underwriters	*As to Hong Kong and U.S. law:* **Freshfields Bruckhaus Deringer** 55th Floor, One Island East Taikoo Place Quarry Bay Hong Kong *As to PRC law:* **Commerce & Finance Law Offices** 10/F, Tower 1 Jing An Kerry Centre 1515 West Nanjing Road Shanghai PRC
Independent Industry Consultant	**China Index Academy** Tower A No. 20 Guogongzhuang Middle Street Fengtai 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
Compliance Advisor	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
Receiving Bank	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

Registered office	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and Principal Place of Business in the PRC	Third Compartment of Room 3101 No. 78, Huangpu Avenue West Tianhe District Guangzhou Guangdong PRC
Principal Place of Business in Hong Kong	23rd Floor, China Evergrande Centre 38 Gloucester Road Wanchai Hong Kong
Company's Website	**www.evergrandeservice.com** *(Information contained in this website does not form part of this Prospectus)*
Company Secretary	Mr. Fong Kar Chun, Jimmy (方家俊) *(Solicitor of Hong Kong)* 23rd Floor, China Evergrande Centre 38 Gloucester Road Wanchai Hong Kong
Authorized Representatives	Mr. Zhao Changlong (趙長龍) Room 2801, Building 4 Phase V, Zhaoshang Taohuayuan West of Xinggong Road Nanshan District Shenzhen Guangdong PRC Mr. Fong Kar Chun, Jimmy (方家俊) 23rd Floor, China Evergrande Centre 38 Gloucester Road Wanchai Hong Kong

Audit Committee	Mr. Victor Huang (*Chairperson*) Mr. Chan Chun Hung, Vincent Mr. Guo Zhaohui
Remuneration Committee	Mr. Guo Zhaohui (*Chairperson*) Mr. Victor Huang Mr. Hu Liang
Nomination Committee	Mr. Zhao Changlong (*Chairperson*) Mr. Chan Chun Hung, Vincent Mr. Guo Zhaohui
Principal Share Registrar and Transfer Office in the Cayman Islands	**Conyers Trust Company (Cayman) Limited** Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal Banks	**Shanghai Pudong Development Bank, Guangzhou Dongfeng Branch** Area B, Ground Floor Guangdong Finance Building No. 481, Dongfeng Middle Road Yuexiu District Guangzhou Guangdong PRC **Industrial and Commercial Bank of China, Guangzhou Industrial Avenue Branch** 31 North Industrial Avenue Haizhu District Guangzhou Guangdong PRC

China Minsheng Bank,
Guangzhou Xincheng Branch
No. 25, Tianhe East Road
Tianhe District
Guangzhou
Guangdong
PRC

In preparation for the Listing, our Group has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Our Company does not, and for the foreseeable future, will not, have executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Our Group's business operations and assets are primarily based outside Hong Kong, and it would be practically difficult and not commercially necessary for us to relocate our executive Directors to Hong Kong for the purpose of satisfying the requirements under 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 compliance with Rule 8.12 of the Listing Rules on the basis that the following measures have been adopted by us:

(a) we have appointed two authorized representatives, Mr. Zhao Changlong, our executive Director and chairman of our Board, and Mr. Fong Kar Chun, Jimmy, 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 they comply with the Listing Rules at all times. Mr. Fong Kar Chun, Jimmy is ordinarily resident in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong 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 is authorized to communicate on our behalf with the Stock Exchange;

(b) both our authorized representatives have 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. 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, when required. All Directors have provided his/her mobile phone numbers, fax numbers and e-mail addresses (where available) to our authorized representatives, in the event that a Director expects to travel, 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 numbers, office phone numbers, fax numbers and email addresses (where available) to the Stock Exchange;

(c) we have appointed Huatai Financial Holdings (Hong Kong) Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which has access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and

(d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the compliance advisor, 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 the compliance advisor.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after the Listing. We have applied for, and the Stock Exchange has granted us, waivers from strict compliance with (i) the announcement requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in "Connected Transactions—(B) Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from 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." See "Connected Transactions" for further information.

EQUITY INTERESTS ACQUIRED AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, a new listing applicant is required to include in its accountants' report in the listing document the results and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the listing applicant have been made up in respect of each of the three financial years immediately preceding the issue of the listing document, or since the incorporation of such subsidiary or the commencement of such business if this occurred less than three years prior to such issue, or such shorter period as may be acceptable to the Stock Exchange.

Since the end of the Track Record Period, for the purpose of expanding our business, our Group has entered into equity transfer agreements to acquire equity interests in Nanchang Xinya, Chengdu Wellspo, Zunyi Zhongxin, Hubei Guanbo and Yongkang Jiahua (collectively, the "**Target Companies**"), details of which are set out below (the "**Acquisitions**").

1. Acquisition of Nanchang Xinya

On September 4, 2020, Jinbi Property entered into an equity transfer agreement with each of Jiangxi Tianjie Environmental Protection Service Co., Ltd. (江西省天潔環保服務有限公司) ("**Jiangxi Tianjie**"), Su Chaoqiu (蘇超球), Li Jinglong (李敬龍) and Nanchang Xinya, pursuant to which Jinbi Property agreed to acquire the entire equity interest in Nanchang Xinya from Jiangxi Tianjie, at a consideration of RMB33.0 million. The consideration was determined on an arm's length basis taking into consideration the then financial and business positions of Nanchang Xinya, the then existing GFA and projects under its management and its business prospects and, subject to the satisfactory completion of the due diligence conducted by Jinbi Property, has been/will be paid with our internal resources by installments as follows:

(i) Jiangxi Tianjie transferred 51% of the equity interest in Nanchang Xinya to Jinbi Property on September 25, 2020 at a consideration of RMB10.56 million, representing 32% of the total consideration, upon which Nanchang Xinya has become our indirect non-wholly-owned subsidiary and its financial results have been consolidated into the financial statements of our Group;

(ii) six months after the completion of equity transfer stated in (i) above, Jiangxi Tianjie will transfer 15% of the equity interest in Nanchang Xinya to Jinbi Property at a consideration of RMB7.92 million, representing 24% of the total consideration, upon which Jinbi Property will hold 66% of the equity interest in Nanchang Xinya;

(iii) six months after the completion of equity transfer stated in (ii) above, Jiangxi Tianjie will transfer 14% of the equity interest in Nanchang Xinya to Jinbi Property at a consideration of RMB7.92 million, representing 24% of the total consideration, upon which Jinbi Property will hold 80% of the equity interest in Nanchang Xinya; and

(iv) 36 months after the completion of equity transfer stated in (i) above, Jiangxi Tianjie will transfer 20% of the equity interest in Nanchang Xinya to Jinbi Property at a consideration of RMB6.6 million, representing 20% of the total consideration, upon which Nanchang Xinya will become our indirect wholly-owned subsidiary.

Nanchang Xinya is a company established in the PRC and is engaged in the provision of property management services, and based on the information provided by the seller, as of the date of the acquisition, there were 32 properties (including residential properties, banks, schools, office buildings and public properties) located in Nanchang, Jiangxi with a total GFA of 1.63 million sq.m. under its management, all of which were under projects developed by Independent Third Parties. Given that the property management services of Nanchang Xinya are provided for properties developed by independent third-party property developers, it is expected that the acquisition of Nanchang Xinya will further broaden our property management services portfolio and strengthen our existing customer base, the majority of which are Independent Third Parties. According to the unaudited management accounts of Nanchang Xinya, its net profit for the year ended December 31, 2019 was approximately RMB0.01

million and its net assets as of June 30, 2020 was approximately RMB2.6 million. To the best of our Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Jiangxi Tianjie and its ultimate beneficial owners, Su Chaoqiu and Li Jinglong, is an Independent Third Party.

2. Acquisition of Chengdu Wellspo

On September 5, 2020, Chengdu Jinbi entered into an equity transfer agreement with Wei Qiang (魏強), Li Biao (李彪) and Chengdu Wellspo, pursuant to which Chengdu Jinbi agreed to acquire (i) 88.24% of the equity interest in Chengdu Wellspo from Wei Qiang, and (ii) 11.76% of the equity interest in Chengdu Wellspo from Li Biao, at a total consideration of RMB39.0 million. The consideration was determined on an arm's length basis taking into consideration the then financial and business positions of Chengdu Wellspo, the then existing GFA and projects under its management and its business prospects and, subject to the satisfactory completion of the due diligence conducted by Chengdu Jinbi, has been/will be paid with our internal resources in two installments, the first, being RMB27.3 million which represents 70% of the total consideration, upon the transfer of entire equity interest on November 2, 2020, upon which Chengdu Wellspo became our indirect wholly-owned subsidiary and its financial results had been consolidated into the financial statements of our Group; and the second, being RMB11.7 million which represents 30% of the total consideration, within six months after the equity transfer.

Chengdu Wellspo is a company established in the PRC and is engaged in the provision of property management services, and based on the information provided by the sellers, as of the date of the acquisition, there were seven residential properties located in Chengdu, Sichuan with a total GFA of 1.31 million sq.m. under its management, all of which were under projects developed by Independent Third Parties. Given that the property management services of Chengdu Wellspo are provided for properties developed by independent third-party property developers, it is expected that the acquisition of Chengdu Wellspo will further broaden our property management services portfolio and strengthen our existing customer base, the majority of which are Independent Third Parties. According to the unaudited management accounts of Chengdu Wellspo, its net profit for the year ended December 31, 2019 was approximately RMB5.8 million and its net assets as of June 30, 2020 was approximately RMB23.1 million. To the best of our Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Wei Qiang and Li Biao is an Independent Third Party.

3. Acquisition of Zunyi Zhongxin

On September 8, 2020, Guiyang Xinshenghuo entered into an equity transfer agreement (as supplemented by a supplemental agreement on October 16, 2020) with Zhang Chuanfang (張傳芳), Gan Hong (甘鴻) and Zunyi Zhongxin, pursuant to which Guiyang Xinshenghuo agreed to acquire (i) 70% of the equity interest in Zunyi Zhongxin from Zhang Chuanfang, and (ii) 30% of the equity interest in Zunyi Zhongxin from Gan Hong, at a total consideration of RMB19.125 million. The consideration was determined on an arm's length basis taking into consideration the then financial and business positions of Zunyi Zhongxin, the then existing

GFA and projects under its management and its business prospects and, subject to the satisfactory completion of the due diligence conducted by Guiyang Xinshenghuo, has been/will be paid with our internal resources in three installments, the first, being RMB10.15 million which represents approximately 53.1% of the total consideration, upon the transfer of entire equity interest on October 19, 2020, upon which Zunyi Zhongxin became our indirect wholly-owned subsidiary and its financial results had been consolidated into the financial statements of our Group; the second, being RMB4.625 million which represents approximately 24.2% of the total consideration, within three months after the equity transfer; and the third, being RMB4.35 million which represents approximately 22.7% of the total consideration, within six months after the equity transfer (subject to the completion of the renewal of the agreement of each of the 24 projects).

Zunyi Zhongxin is a company established in the PRC and is engaged in the provision of property management services, and based on the information provided by the sellers, as of the date of the acquisition, there were 30 properties (including residential properties, office buildings, banks and commercial properties) located in Zunyi, Guizhou with a total GFA of 1.25 million sq.m. under its management, all of which were under projects developed by Independent Third Parties. Given that the property management services of Zunyi Zhongxin are provided for properties developed by independent third-party property developers, it is expected that the acquisition of Zunyi Zhongxin will further broaden our property management services portfolio and strengthen our existing customer base, the majority of which are Independent Third Parties. According to the unaudited management accounts of Zunyi Zhongxin, its net profit for the year ended December 31, 2019 was approximately RMB0.06 million and its net assets as of June 30, 2020 was approximately RMB6.4 million. To the best of our Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Zhang Chuanfang and Gan Hong is an Independent Third Party.

4. Acquisition of Hubei Guanbo

On September 10, 2020, Wuhan Jinbi entered into an equity transfer agreement with each of Hubei Meicen Environmental Service Co., Ltd. (湖北美岑環保服務有限公司) ("**Hubei Meicen**"), Deng Hui (鄧輝), Guo Xiao (郭曉) and Hubei Guanbo, pursuant to which Wuhan Jinbi agreed to acquire 51% of the equity interest in Hubei Guanbo from Hubei Meicen at a consideration of RMB12.24 million. The consideration was determined on an arm's length basis taking into consideration the then financial and business positions of Hubei Guanbo, its registered capital of RMB10.03 million and its business prospects and, subject to the satisfactory completion of the due diligence conducted by Wuhan Jinbi, has been/will be paid with our internal resources by two installments, the first, being RMB7.344 million which represents 60% of the total consideration, upon the transfer of 51% of the equity interest on October 12, 2020, upon which Hubei Guanbo became our indirect non-wholly-owned subsidiary and its financial results had been consolidated into the financial statements of our Group; and the second, being RMB4.896 million which represents 40% of the total consideration, within six months after the first payment is settled (subject to the condition that there is no dispute and compliance issue in relation to the business operations and management of Hubei Guanbo).

Hubei Guanbo is a company established in the PRC and is engaged in the provision of property management services, and based on the information provided by the sellers, as of the date of the acquisition, there were 45 properties (including residential properties, banks and public properties) located in Xiantao and Yichang, Hubei with a total GFA of 2.0 million sq.m. under its management, all of which were under projects developed by Independent Third Parties. Given that the property management services of Hubei Guanbo are provided for properties developed by independent third-party property developers, it is expected that the acquisition of Hubei Guanbo will further broaden our property management services portfolio and strengthen our existing customer base, the majority of which are Independent Third Parties. According to the unaudited management accounts of Hubei Guanbo, its net profit for the year ended December 31, 2019 was approximately RMB0.1 million and its net assets as of June 30, 2020 was approximately RMB4.9 million. To the best of our Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Hubei Meicen and its ultimate beneficial owners, Deng Hui and Guo Xiao, is an Independent Third Party.

5. Acquisition of Yongkang Jiahua

On September 10, 2020, Ningbo Jinbi entered into an equity transfer agreement with Zhou Erqiang (周爾強), Chen Jiangbo (陳江波) and Yongkang Jiahua, pursuant to which Ningbo Jinbi agreed to acquire (i) 60% of the equity interest in Yongkang Jiahua from Zhou Erqiang, and (ii) 40% of the equity interest in Yongkang Jiahua from Chen Jiangbo, at a total consideration of RMB20.0 million. The consideration was determined on an arm's length basis taking into consideration the then financial and business positions of Yongkang Jiahua, the then existing GFA and projects under its management and its business prospects and, subject to the satisfactory completion of the due diligence conducted by Ningbo Jinbi, has been/will be paid with our internal resources in two installments, the first, being RMB15.0 million which represents 75% of the total consideration, upon the transfer of entire equity interest on October 14, 2020, upon which Yongkang Jiahua became our indirect wholly-owned subsidiary and its financial results had been consolidated into the financial statements of our Group; and the second, being RMB5.0 million which represents 25% of the total consideration, within six months after the equity transfer.

Yongkang Jiahua is a company established in the PRC and is engaged in the provision of property management services, and based on the information provided by the sellers, as of the date of the acquisition, there were 11 residential properties located in Jinhua and Quzhou, Zhejiang, Shanghai and Shenyang, Liaoning with a total GFA of 1.53 million sq.m. under its management, all of which were under projects developed by Independent Third Parties. Given that the property management services of Yongkang Jiahua are provided for properties developed by independent third-party property developers, it is expected that the acquisition of Yongkang Jiahua will further broaden our property management services portfolio and strengthen our existing customer base, the majority of which are Independent Third Parties. According to the unaudited management accounts of Yongkang Jiahua, its net loss for the year ended December 31, 2019 was approximately RMB3.4 million and its net liabilities as of June 30, 2020 was approximately RMB15.6 million. To the best of our Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Zhou Erqiang and Chen Jiangbo is an Independent Third Party.

We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the preparation of financial statements in respect of the Target Companies on the following grounds:

(a) **Ordinary and usual course of business** – our Group is principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services. The Acquisitions were made in the ordinary and usual course of business of our Group as it is one of our principal business strategies to enhance our market position and to expand the scale of our business operations. All the Target Companies are regional property management companies engaged in the provision of property management services. As of the Latest Practicable Date, the Target Companies had an aggregate GFA under management of 7.72 million sq.m., all developed by independent third-party property developers. The acquisition of the Target Companies, the business of which are in line with our business, was for the purpose of broadening our property management services portfolio and diversifying our existing customer base, thereby further expanding our business and consolidating our leading position in the industry. See "Business—Our Business Strategies—Solidify our Leadership Position by Expanding the Scale of our Business Operations" for details. Our Directors believe that the terms of the Acquisitions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

(b) **Immateriality of the Target Companies** – the scale of the business operated by the each of the Target Companies as compared to that of our Group is immaterial. Based on the unaudited management accounts of the Target Companies available to us, all the applicable size test percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisitions referenced against the financials of our Company in the most recent financial year of the Track Record Period are less than 5%. Moreover, the Acquisitions, when calculated on an aggregated basis, are not significant enough to require our Company to prepare pro forma financial information under Rule 4.28 of the Listing Rules.

Accordingly, our Directors believe that (i) the Acquisitions are immaterial when compared to the scale of our Group's operations as a whole; (ii) the Acquisitions have not resulted in any significant change to the financial position of our Group since the end of the Track Record Period; and (iii) all information that is reasonably necessary for potential investors to make an informed assessment of the activities or financial position of our Group has been included in this Prospectus. As such, an exemption from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investing public.

(c) **Unavailability of information** – as all of the Acquisitions had only been completed recently, our Group does not have full and immediate access to the books and records of the Target Companies for the purpose of complying with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules. Even with full and immediate access to the Target Companies' books and records, it will require considerable time and resources for our Company to familiarize with the management accounting policies of all Target Companies and for our Company and our reporting accountants to compile the necessary financial information for disclosure in this Prospectus. As such, it would be impracticable and unduly burdensome to our Company to disclose the audited financial information of the Target Companies as required under the Listing Rules.

(d) **Alternative disclosure available** – our Company has provided in this Prospectus alternative information regarding the Acquisitions which is comparable to the information that is required to be included in the announcement of a discloseable transaction (as defined in the Listing Rules), including:

(i) description of the principal business activities of the Target Companies;

(ii) the unaudited net profit/loss for the year ended December 31, 2019 and the unaudited net asset as of June 30, 2020 of each of the Target Companies;

(iii) confirmation as to whether each of the counterparties and/or the ultimate beneficial owners of the counterparties is an Independent Third Party;

(iv) the date of each of the Acquisitions;

(v) the consideration of each of the Acquisitions, how the consideration was or would be satisfied and the basis upon which the consideration was determined;

(vi) the reasons for the Acquisitions and the benefits which are expected to accrue to our Group as a result of the Acquisitions; and

(vii) a statement that our Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CLAWBACK MECHANISM

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 the Offer Shares under the Hong Kong Public Offering to certain percentage of the total number of the Offer Shares offered under the Global Offering if a certain prescribed total demand level is reached. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with paragraph 4.2 of Practice Note 18 of the Listing Rules such that the initial allocation of Offer Shares under the Hong Kong Public Offering shall be approximately 10% of the Global Offering and in the event of over-subscription under the Hong Kong Public Offering, the Joint Global Coordinators (for themselves and on behalf of the other Underwriters), shall apply an alternative clawback mechanism to the provisions under paragraph 4.2 of Practice Note 18 of the Listing Rules, following the closing of the application lists as disclosed in "Structure and Conditions of the Global Offering—The Hong Kong Public Offering – Reallocation."

Our business operations are subject to extensive supervision and regulation by the PRC Government. This section sets out a summary of the material laws, regulations and policies to which we are subject.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

According to the Provisions on Guiding the Orientation of Foreign Investment (《指導外商投資方向規定》) (No. 346 Order of the State Council) which was promulgated by the State Council on February 11, 2002 and came into effect on April 1, 2002, foreign investment projects are divided into four categories, namely "encouraged", "permitted", "restricted" and "prohibited" categories. Foreign investment projects of the encouraged, restricted and prohibited categories are listed in the Catalogue of Industries for Guiding Foreign Investment (《外商投資產業指導目錄》). Foreign investment projects that are not of the encouraged, restricted and prohibited categories belong to the permitted foreign investment projects which are not listed in the Catalogue of Industries for Guiding Foreign Investment.

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

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

The Implementing Regulation for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, provides implementing measures and detailed rules to ensure the effective implementation of the Foreign Investment Law of the PRC. The Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which was promulgated on December 30, 2019 and came into effect on January 1, 2020, sets out the details of the foreign investment information report system.

The Catalogue of Industries for Encouraged Foreign Investment (2019 Edition) (《鼓勵外商投資產業目錄(2019年版)》) (the "**Catalogue**") was promulgated by the National Development and Reform Commission (the "**NDRC**") and the Ministry of Commerce (the "**MOFCOM**") on June 30, 2019, and came into effect on July 30, 2019. Catalogue for the Guidance of Foreign Investment Industries (2017 Revision) (《外商投資產業指導目錄(2017年修訂)》) released on June 28, 2017 and the Catalog of Priority Industries for Foreign Investment in the Central-Western Region (2017 Revision) (《中西部地區外商投資優勢產業目錄(2017年修訂)》) released on February 17, 2017, were repealed simultaneously.

According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2020 Edition) (《外商投資准入特別管理措施(負面清單)(2020年版)》) and Special Administrative Measures (Negative List) for Foreign Investment Access in Pilot Free Trade Zones (Edition 2020) (《自由貿易試驗區外商投資准入特別管理措施(負面清單)(2020年版)》), both promulgated by the NDRC and the MOFCOM on June 23, 2020 and taking effect on July 23, 2020, the property management service does not fall into such categories which foreign investment is restricted or prohibited.

LEGAL SUPERVISION OVER PROPERTY MANAGEMENT SERVICES

On May 28, 2020, the National People's Congress approved the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "**Civil Code**"), which will come into effect on January 1, 2021 and replace the Property Law of the PRC (《中華人民共和國物權法》), the Contract Law of the PRC (《中華人民共和國合同法》) and several other basic civil laws in the PRC. The Civil Code, which basically follows the current regulatory principles of property management industry, will form the legal foundation for the property management services in the PRC in the future. Prior to the effectiveness of the Civil Code, the Provisions on Property Management (《物業管理條例》) and the Property Law of the PRC (《中華人民共和國物權法》) have laid down the basic legal framework for the property management industry in China.

Qualification of Property Management Enterprises

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

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

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

In accordance with the Decision of the State Council on Canceling the Third Batch of Administrative Licencing Items Designated by the Central Government for Implementation by Local Governments (《國務院關於第三批取消中央指定地方實施行政許可事項的決定》) promulgated by the State Council on January 12, 2017 and taking effect on the same day, the examination and approval of Level 2 and Level 3 qualifications of property management enterprises were cancelled. According to the Decision of the State Council on Canceling a Batch of Administrative Licencing Items (《國務院關於取消一批行政許可事項的決定》), which was promulgated by the State Council on September 22, 2017 and came into effect on the same day, the examination and approval of Level 1 qualification of property management enterprises was cancelled.

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

On March 19, 2018, the State Council promulgated the Decision of the State Council to Amend and Repeal Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》) (Order of the State Council No. 698), according to which the Regulations on Property Management (《物業管理條例》) was amended. The Regulations on Property Management (2018 Revision) (《物業管理條例》) (2018年修正) has removed the qualification accreditation of the property management enterprises.

Procedures to convene a general meeting of property owners and establish a property owners' association

According to the Regulations on Property Management (《物業管理條例》), the property owners within a single property management area shall, under the direction of street office or township people's government or the real estate administration department of the county or district people's government where the relevant real estate is situated, convene a general meeting of property owners and elect a property owners' association. However, where there is only one property owner or where there are relatively few property owners and they are all in agreement, the property owners(s) may choose not to convene a general meeting of property owners, in which case the functions assigned to both a general meeting of property owners and property owners' association shall be performed by the owner(s). The Circular on Issuing the Guidance Rules of the General Meeting of the Property Owners and the Property Owners' Association (關於印發《業主大會和業主委員會指導規則》的通知) (JF[2009] No. 274) (promulgated by MOHURD on December 1, 2009, which came into effect on January 1, 2010) provides a practical guideline for the establishment and governance of the general meeting of property owners and property owners' association, and the supervision of the real estate administrative department of the local government.

According to the Civil Code, the general meeting of property owners may vote to establish a property owners' association. The property owners' association is elected by the property owners, and represents their interest in matters related to property management, and the association's decisions are binding on the property owners. Property owners of nonresidential properties are not required to establish a property owners' association under the relevant PRC laws and regulations.

Appointment of Property Management Enterprises

According to the Civil Code, a quorum for the general meeting of the property owners to engage or dismiss a property management enterprise, to change the usage of common space or to conduct operating activities in common space or to decide for certain other matters shall consist of the property owners who hold no less than two-thirds of the total GFA of the exclusive area of the community and represent no less than than two-thirds of the total number of property owners. A general meeting of the property owners of a community can engage or dismiss a property management enterprise with affirmative votes of property owners who participate in the voting and hold more than half of the total GFA of the exclusive area owned by the voting owners and who represent more than half of the total number of property owners participating in the voting. For other matters, such as changing the usage of common space or conducting operating activities in common space, the approvals requires the affirmative votes of property owners who participate in the voting and hold more than 75% of the total GFA of the exclusive area owned by the voting owners and who represent more than 75% of the total number of property owners participating in the voting. In addition, the Civil Code explicitly requires that any income generated from the usage of common space in properties under management, net of any reasonable operating costs, shall belong to the property owners. Under the Civil Code, the income from the buildings and ancillary facilities shall be distributed according to the property owners' agreement or based on their respective proportion of the total GFA of the exclusive area of the community if there is no agreement or the agreement is ambiguous.

According to the Regulations on Property Management (2018 Revision) (《物業管理條例》(2018年修正)), a general meeting of the property owners of a community can engage or dismiss a property management enterprise with affirmative votes of owners who own more than half of the GFA of the community and who account for more than half of the total number of the property owners. Property owners' association, on behalf of the general meeting, can sign the property management contract with the property management enterprise engaged at the general meeting. Before the engagement of a property management enterprise by property owners and a general meeting of the property owners, a written preliminary service contract should be entered into between the property developer and the selected and engaged property management enterprise. The preliminary property management contract may stipulate the contract duration. If the property management contract signed by the property owners' association and the property management enterprise comes into force within the term of preliminary property management, the preliminary property management contract automatically terminates.

According to the Regulations on Property Management (2018 Revision) 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》) promulgated by the Ministry of Construction on June 26, 2003 and taking effect on September 1, 2003, developer of residential buildings and non-residential buildings in the same property management area shall engage property management enterprises by inviting bid. In case where there are less than three bidders or for small-scale properties, the developer can hire property management enterprises by signing an agreement with the approval of the real estate administrative department of the local government of the place where the property is located. 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.

Bid assessment shall be the responsibility of the bid assessment committee established by the bid inviter in accordance with relevant laws and regulations. The bid assessment committee shall be composed of the representative of the bid inviter and experts in the related property management fields and the number of members shall be an odd number at or above five. The expert members shall represent at least two-thirds of the total members. Expert members in the bid assessment committee shall be determined by random select from the roster of experts established by the competent real estate administrative department. A person having an interest with a bidder shall not join the bid assessment committee of the related project.

In addition, on May 15, 2009, the Supreme People's Court promulgated the Interpretation of the Supreme People's Court on Several Issues the Specific Application of Law in the Trial of Cases of Disputes over Property Management Service (《最高人民法院關於審理物業服務糾紛案件具體應用法律若干問題的解釋》) (the "**Interpretation**"), which came into effect on October 1, 2009. The Interpretation stipulates the interpretation principles applied by the court when hearing disputes on specific matters between property owners and property management enterprises. For example, the preliminary property management contract signed by the developer and the property management enterprise according to the relevant laws and regulations, and the property management contract signed by the property owners' association and property management enterprises hired by the general meeting according to the relevant laws and regulations are legally binding on property owners, the people's court shall not support a claim if property owners plead as property owners are not a party to the contract. The court shall support a claim if property owners' association or property owners appeal to the court to confirm that the clauses of property management service contracts which exempt the responsibility of property management enterprises or which aggravate the responsibility or harm the rights of property owners' association or property owners are invalid.

Fees Charged by Property Management Enterprises

According to the Measures on the Charges of Property Management Enterprise (《物業服務收費管理辦法》) (the "**Measures on the Charges**"), which was jointly promulgated by the NDRC and the Ministry of Construction on November 13, 2003 and came into effect on January 1, 2004, 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 the sanitation and order in relevant regions according to 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.

In accordance with the Measures on the Charges, except the circumstance where the government guidance price shall be implemented, the market-based price applies to the property management fees. The standard of such fees is determined by the property management enterprise and the developer or property owners through negotiation.

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

According to the Property Management Pricing Cost Supervision and Examination Approaches (Trial) (《物業服務定價成本監審辦法(試行)》) which was jointly promulgated by the NDRC and the Ministry of Construction on September 10, 2007 and came into effect on October 1, 2007, the competent price administration department of people's government formulates or regulates property management charging standards, the pricing cost of property management services should be the social average cost of community property services as verified by the competent price administration department of the people's government. With the assistance of competent real estate administrative department, competent pricing department is responsible to organize the implementation of the property management pricing cost supervision and examination work. 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, public facilities and equipment as well as public liability insurance costs, office expenses, shared administration fee, fixed assets depreciation and other fees approved by property owners.

At present, no uniform standard for the government guidance price of fees for property management services has been established at the national level. In accordance with the Circular of the 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》), which was promulgated by NDRC on December 17, 2014 and became effective on the same day, the price control on property services of non-government-supported houses was cancelled. The provincial price authorities shall, jointly with the housing and urban-rural development administrative authorities, decide to implement government guidance prices for property management fees for government-supported houses, houses under housing reform, old residence communities and preliminary property management service in light of the actual situation. The benchmark and floating range of these government guidance prices vary from region to region. Fees charged by property management service providers or parking service companies from property owners or users of residential areas for the providing and management of parking spaces and parking facilities in accordance with the agreed parking service contract.

For example, in Guangdong, according to the Notice of Price Bureau and Housing and Urban Construction Department of Guangdong Province on the Measures of Property Service Fee (《廣東省物價局、廣東省住房和城鄉建設廳關於物業服務收費管理辦法的通知》) (Yue Jia [2010] No. 1), government guidance prices or market-regulated price shall be implemented for charges of property management in light of the nature and characteristics of different properties. The government guidance prices shall be implemented for the charges of property management of a residential property (including self-owned parking space and garages) before the establishment of the owners' congress, and market-regulated prices shall be implemented for the service fee of villas, residential properties (including self-owned parking space and garages) after the establishment of the owners' congress and other non-residential properties.

According to the Notice on Further Standardization on Property Management Services Fees (《關於進一步規範物業服務收費的通知》) (Yue Fa Gai Jia Ge Han [2019] No. 2897) issued by the Development and Reform Commission of Guangdong Province and the Guangdong Provincial Bureau of Housing and Urban-rural Development which has taken effect on August 1, 2019, the property management charging standards for which government guidance prices are carried out will be determined by the property management companies and the property owners through negotiation, and will no longer be required to report to the local Development and Reform Commission for filing.

In Shanghai, in accordance with the Residential Property Management Regulation of Shanghai (《上海市住宅物業管理規定》), Shanghai loosened the price control on the local property management market by removing the government guidance prices for residential properties in March 2019. Where property service charges are priced by market, property owners and property management enterprises shall agree on the charges in property management service agreements.

In Chongqing, according to Measures of Chongqing for the Administration of the Fees for Property Management Services (《重慶市物業服務收費管理辦法》) and the Notice of Chongqing Municipal Bureau of Land and House Administration and Chongqing Price Bureau on the Integral Implementation of Measures of Chongqing for the Administration of the Fees for Property Management Services (《重慶市國土房管局、重慶市物價局關於全面貫徹執行<重慶市物業服務收費管理辦法>的通知》), the government guidance price, within the main districts of Chongqing, is divided into four levels, and the standards of each level differ in contents and qualities of services. Specifically, pursuant to the above regulations, the residential property management services are judged from five aspects, namely (i) basic requirements, including service management procedures and personnel, (ii) maintenance of common area and public facilities, (iii) maintenance of public order, (iv) cleaning and (v) green conservation. Requirements for higher levels are stricter and more comprehensive than those for lower levels. For residential properties with lift, the benchmark price for the first, second, third and fourth level is RMB1.00/sq.m. per month, RMB1.30/sq.m. per month, RMB1.60/sq.m. per month and RMB1.90/sq.m. per month, respectively. For residential properties without lift, the benchmark price for the first, second, third and fourth level is RMB0.60/sq.m. per month, RMB0.85/sq.m. per month, RMB1.10/sq.m. per month and

RMB1.35/sq.m. per month. For residence communities more than 40,000 sq.m., the pricefloat range for each level is 10%. For residence communities no more than 40,000 sq.m., the price-float range for each level is 15%.

As of June 30, 2020, the number of projects that were subject to government guidance price was 133, contributing to total revenue of RMB672.4 million in the six months ended June 30, 2020, accounting for 14.7% of our total revenue during the same period.

In 2017, 2018, 2019 and the six months ended June 30, 2020, the number of properties under management which were subject to government price guidance and incurred losses was 24, 19, 16 and six, respectively. For details on loss-making properties and measures adopted to turn around our performances, see "Business—Property Management Services—Property Management Fees—Lump Sum Basis."

Property Management Service Outsourcing

In accordance with the Regulations on Property Management (2018 Revision), a property management enterprise may outsource a specific service within the property management area to a specialized service enterprise, but it shall not outsource all the property management business within such area to third parties.

Parking Service Fees

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 MOHURD, the NDRC and the Ministry of Public Security of the PRC and came into effect on 19 May 2010), a licensed management system shall be adopted with market access and exit standards and the open, fair and equitable selection of professional urban parking service enterprises.

Pursuant to Guidance on Further Improving Charging Policies for Motor Vehicle Parking Service (《關於進一步完善機動車停放服務收費政策的指導意見》) (Fa Gai Jia Ge [2015] No. 2975) (jointly promulgated by NDRC, MOHURD and Ministry of Transport on 15 December 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 (《關於放開部分服務價格意見的通知》) (Fa Gai Jia Ge [2014] No. 2755) (promulgated by NDRC on 17 December 2014 and came into effect on the same day), price control on parking services in residence communities was also cancelled.

Fire Protection

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

LEGAL SUPERVISION OVER CLUBHOUSES

Supervision on Public Area Hygiene

According to the Public Area Hygiene Administration Regulation (《公共場所衛生管理條例》) which was promulgated by the State Council on April 1, 1987 and amended on February 6, 2016 and April 23, 2019 and according to the Implementing Measures for the Public Area Hygiene Administration Regulation (《公共場所衛生管理條例實施細則》) which was promulgated by the Ministry of Health on March 10, 2011 and amended by the National Health and Family Planning Commission on January 19, 2016 and December 26, 2017, a clubhouse must obtain a public area hygiene license before opening for business, the clubhouses failing to obtain a public area hygiene license or comply with other requirements set forth in such regulations may be subject to the following administrative penalties depending on the seriousness of their respective activities: (i) warnings; (ii) fines between RMB500 and RMB30,000; (iii) orders to correction within a stipulated period or (iv) orders to suspend operations for rectification, or to revoke the public hygiene license.

Supervision on High-Risk Sports Projects

According 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》) which was promulgated by the State General Administration of Sports on February 21, 2013 and amended on April 29, 2016, a clubhouse operating high-risk sports projects must obtain administrative licensing, and shall satisfy the following requirements: (i) relevant sports facilities shall comply with the national standards; (ii) hiring social sports instructors and rescuers who reach the prescribed number and have obtained national professional qualification certificates; (iii) having security systems and measures.

LEGAL SUPERVISION OVER THE INTERNET INFORMATION SERVICES

Regulation on the Internet Information Services

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

Where an entity provides commercial Internet information 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 but less than five times of such gains shall be imposed. Where there is no illegal gain or the gain is less than RMB50,000, a fine of RMB100,000 to RMB1 million shall be imposed. Where the circumstance is serious, the website shall be ordered to shut down. Where an entity provides non-commercial Internet information 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.

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 promulgated by the Cyberspace Administration of PRC on June 28, 2016 and came into effect on August 1, 2016, entities providing information services through mobile internet applications shall obtain relevant qualifications according to law. Mobile internet application provider 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 other's legal rights and interests, or use mobile internet applications to produce, copy, publish and spread illegal information prohibited by laws and regulations. The Cyberspace Administration of PRC shall be responsible for the supervision and administration and law enforcement with regard to the nationwide mobile internet applications information contents. The local cyberspace administrations shall be responsible for the supervision and administration and law enforcement in terms of the mobile internet applications information contents within their respective jurisdiction.

Regulations on Information Security and Privacy Protection

According to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated by the SCNPC on 7 November 2016 and came into effect on 1 June 2017, network operators shall comply with laws and regulations and fulfill their obligations to ensure the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities committed on the network, and maintain the integrity, confidentiality, and availability of network data. In addition, the network operators shall neither collect the personal information irrelevant to the services provided by them nor collect or use the personal information in violation of the provisions of any laws or administrative regulation or the agreement between both parties. On 28 December 2012, the SCNPC promulgated the Decision on Strengthening Information Protection on Networks (《關於加強網絡信息保護的決定》) to enhance the protection of information security and privacy on the Internet. On 16 July 2013, the Ministry of Industry and Information Technology (the "**MIIT**") promulgated the Provisions on Protection of Personal Information of Telecommunication and the Internet Users (《電信和互聯網用戶個人信息保護規定》), which became effective on 1 September 2013, to regulate the collection and use of personal information of users in the provision of telecommunication service and the Internet information service. According to the Several Provisions on Regulating the Market Order of the Internet Information Services (《規範互聯網信息服務市場秩序若干規定》) (the "**Provisions**"), which promulgated by the MIIT on 29 December 2011, and came into effect on 15 March 2012, without the consent of users, the Internet information service providers shall neither collect information which is relevant to users and can serve to identify users solely or in combination with other information (the "**personal information of users**") nor shall they provide personal information of users to others, unless otherwise provided by laws and administrative regulations. The Provisions also require that the Internet information service providers shall properly preserve the personal information of users.

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

SUPERVISION OVER REAL ESTATE BROKERAGE BUSINESS

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

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

LEGAL SUPERVISIONS OVER LABOR PROTECTION IN THE PRC

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

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

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

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

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademark

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 24, 1982, taking effect on March 1, 1983 and amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019, and the Implementation Regulation of the PRC trademark Law (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002, amended on April 29, 2014, and went into effect on May 1, 2014. The trademark office under the SAMR handles trademark registration and grants registered trademarks for a validity period of 10 years. Trademarks may be renewable every ten years where a registered trademark needs to be used after the expiration of its validity period. Trademark registrants may license, authorize others to use their registered trademark by signing up a trademark license contract. For trademarks, trademark law adopts the principle of "prior application" with respect to trademark registration. Where a trademark under registration application is identical with or similar to another trademark that has, in respect of the same or similar commodities or services, been registered or, after preliminary examination and approval, this application for such trademark registration may be rejected. Anyone applying for trademark registration shall not prejudice the existing right first obtained by anyone else, or forestall others by improper means in registering a trademark which others have already begun to use and enjoyed certain degree of influence.

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, came into effect on April 1, 1985, and was amended on September 4, 1992, August 25, 2000 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.

Copyright

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

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

Provisions of the Supreme People's Court on Certain Issues Concerning the Application of Law in the Trail of Civil Cases Involving Disputes over Infringement of the Right of Dissemination through Information Networks (《最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定》), issued by the Supreme People's Court on December 17, 2012 and came into effect on January 1, 2013, stipulates that web users or web service providers who, through information networks, provide works, performances, or audio-video products in which the right holders enjoy the transmission right of information network without due authorization, they shall be deemed to have infringed upon the transmission right of information network by the people's court.

Domain Name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and came into effect on November 1, 2017, the Ministry of Industry and Information Technology is responsible for managing internet network domain names of China. 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 about the domain name holder's identity for the registration purpose, and sign the registration agreements. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

LEGAL REGULATIONS OVER TAX IN THE PRC

Income Tax

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

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

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

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

Value-added Tax

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

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

City Maintenance and Construction Tax and Educational Surcharges

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

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

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

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

REGULATIONS RELATING TO FOREIGN EXCHANGE

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

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE on June 9, 2016 and came into effect on the same day, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign 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. This Notice 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.

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

HISTORY AND DEVELOPMENT

Overview

Our history dates back to 1997 when we began providing property management services to properties developed by our Controlling Shareholder, China Evergrande Group, a leading property development company in the PRC. Leveraging our long-term and close cooperation with China Evergrande Group and benefiting from China Evergrande Group's rapid expansion, we have experienced significant growth in our business scale. The provision of our property management services has also extended to properties developed by independent third-party property developers.

We have also expanded our service offerings, and have introduced and upgraded our community value-added services and value-added services to non-property owners. The quality of our services has been well recognized and evidenced by various awards and rankings as detailed below. As of June 30, 2020, we were contracted to provide property management services, value-added services to non-property owners and/or community value-added services to 1,354 projects in over 280 cities in 22 provinces, five autonomous regions, four municipalities and Hong Kong, with a total GFA under management of approximately 254.0 million sq.m. and contracted GFA of 513.3 million sq.m., serving nearly two million households.

Key Business Development Milestones

The following events set forth the key milestones in the history of our business development:

YEAR	EVENT
1997	Jinbi Property was established as Guangzhou Jinbi Property Management Co., Ltd. (廣州市金碧物業管理有限公司) and we began offering property management services.
2004	As our business scale expanded, we changed our name to Guangzhou Jinbi Property Group Co., Ltd. (廣州市金碧物業集團有限公司).
2007	We changed our name to Jinbi Property Co., Ltd. (金碧物業有限公司). We obtained the OHSAS18001:2007 international occupational health and safety management system certification in recognition of our service quality.

YEAR	EVENT
2015	We obtained the ISO9001:2015 standards, which was successfully renewed in 2017. We also obtained the ISO14001:2015 environmental management certification.
2016	Our GFA under management exceeded 100 million sq.m.
2017	We began to roll out a series of smart community initiatives to develop a series of smart community solutions.
2019	Our GFA under management exceeded 200 million sq.m.
	We were ranked 5th among the Top 100 Property Management Companies in China by CIA in terms of overall strength.
	We were ranked as one of the Top 50 Property Management Company Brand Value (物業服務企業品牌價值50強) by China Property Management Institute (中國物業管理協會).
	We were ranked 5th among the Top 500 Property Management Companies (物業服務企業綜合實力500強) by China Property Management Institute (中國物業管理協會) and China Real Estate Appraisal Center of Shanghai E-House Real Estate Research Institute (上海易居房地產研究院中國房地產測評中心).
	We were named the Property Management Service Provider of First Choice for the Top 500 Property Developers in China (中國房地產開發企業500強首選物業管理公司10強) by the China Real Estate Association (中國房地產業協會) and China Real Estate Appraisal Center of Shanghai E-House Real Estate Research Institute (上海易居房地產研究院中國房地產測評中心) in 2019.
2020	Since the outbreak of the COVID-19 pandemic, our employees have been providing 24/7 property management services to property owners and residents across over 280 cities in China. In addition to overtime pay, China Evergrande Group awarded our employees with a "Special Recognition Award" (重大嘉獎令) to those who worked in the front-line during the COVID-19 pandemic.
	We introduced a group of strategic investors including Sequoia Capital China Growth, CITIC Capital Holdings Limited, Yunfeng Capital Limited and Tencent Holdings Limited at a total consideration of HK$23.5 billion.

Corporate Development

The major corporate developments of our subsidiaries which were material to our performance during the Track Record Period are set out below:

Jinbi Property

Jinbi Property was established in the PRC on September 10, 1997 with an initial registered capital of RMB1,000,000. It is engaged in the provision of property management services and related value-added services. Jinbi Property is the principal operating subsidiary of our Company in the PRC. Upon its establishment, Jinbi Property was owned as to 80% by Guangzhou Evergrande Industrial Group Co., Ltd. (廣州恒大實業集團有限公司), a company wholly owned by Mrs. Hui, the spouse of Dr. Hui, and 20% by Guangzhou Kailong Real Estate Co., Ltd. (廣州市凱隆置業有限公司), an indirect wholly-owned subsidiary of China Evergrande Group.

Subsequent to a series of equity transfers, Jinbi Property became wholly owned by Success Will on October 27, 2007.

Following a series of changes in registered capital, as of January 1, 2017, Jinbi Property was wholly owned by Success Will, with a registered capital of RMB177,600,000.

Hengyun Sports

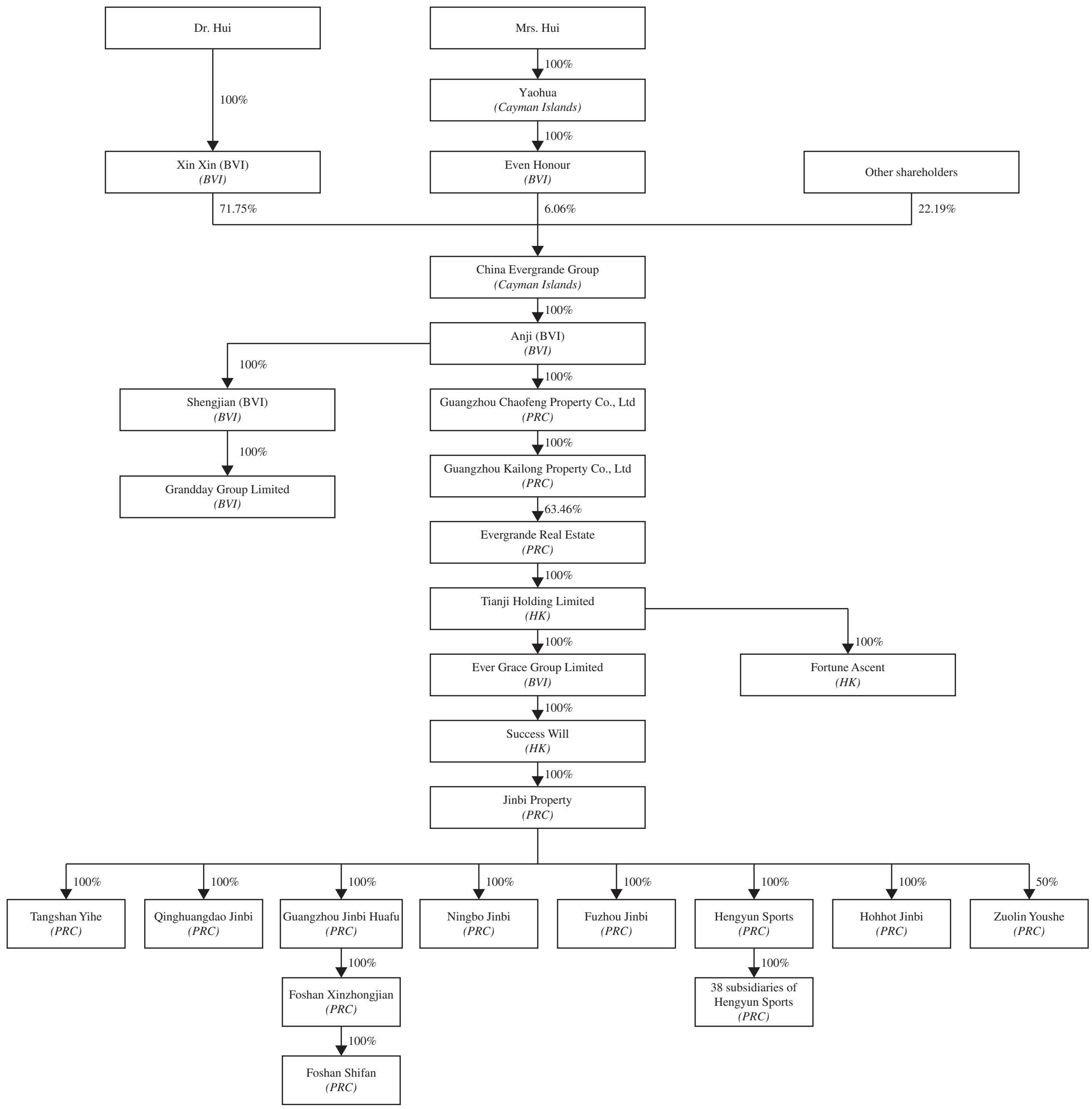
Hengyun Sports was established in the PRC on December 8, 2017 with an initial registered capital of RMB50,000,000. It is mainly engaged in the provision of recreation operational management services. Hengyun Sports has been wholly owned by Jinbi Property since its establishment.

ACQUISITIONS AFTER THE TRACK RECORD PERIOD

Since the end of the Track Record Period, for the purpose of expanding our business, our Group has entered into agreements to acquire the equity interest in certain property management companies. It is expected that such acquisitions will broaden our management portfolio and expand our business in terms of services provided in respect of properties developed by independent third-party property developers. For details, see "Waivers from Strict Compliance with the Listing Rules—Equity Interests Acquired after the Track Record Period."

REORGANIZATION

The following diagram illustrates our shareholding structure before the Reorganization:



In preparation of the Listing, the following steps were implemented to establish our Group:

1. Incorporation of our Company

On March 13, 2020, our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability with an authorized share capital of US$50,000 divided into 5,000,000 ordinary shares of US$0.01 each. Upon its incorporation, one share was issued at par to an initial subscriber, being an Independent Third Party, which was transferred to CEG Holdings at a consideration of US$0.01 on July 20, 2020.

On July 27, 2020, each of our issued and unissued shares of US$0.01 each was subdivided into 100 Shares of US$0.0001 each. Accordingly, the one issued share of US$0.01 of our Company held by CEG Holdings was subdivided into 100 Shares of US$0.0001 each. On the same date, an additional 9,999,900 Shares of US$0.0001 each were issued to CEG Holdings at par.

2. Incorporation of Eagle Investment

On July 20, 2020, Eagle Investment was incorporated in the BVI with limited liability and is authorized to issue up to 50,000 ordinary shares of a single class without par value. As of the date of incorporation, one share was issued to our Company at a subscription price of US$1.00.

3. Acquisition of Success Will

On August 6, 2020, Knight Honour, which was wholly owned by Flying Bloom Investments Limited ("**Flying Bloom**"), an indirect subsidiary of Ever Grace Group Limited, acquired the entire issued share capital of Success Will, an investment holding company which holds the entire equity interest of Jinbi Property, from Ever Grace Group Limited. In consideration of such acquisition, Knight Honour issued two shares to Flying Bloom. Upon completion of the acquisition, Success Will became wholly owned by Knight Honour.

4. Acquisition of Fortune Ascent

On August 6, 2020, Oriental Joy, a wholly-owned subsidiary of Eagle Investment, acquired the entire issued share capital of Fortune Ascent from Tianji Holding Limited, a wholly-owned subsidiary of Evergrande Real Estate, at a consideration of HK$9,939,000, which was determined after arm's length negotiation with reference to the net asset value of Fortune Ascent as of June 30, 2020. The consideration was fully settled on September 25, 2020. Upon the completion of such transfer, Fortune Ascent became wholly owned by Oriental Joy.

5. Transfer of Knight Honour

On August 18, 2020, Flying Bloom transferred the entire issued share capital of Knight Honour, an investment holding company which holds the entire issued share capital of Success Will, to Shengjian (BVI), an indirect wholly-owned subsidiary of China Evergrande Group, in exchange of the entire issued share capital of Grandday Group Limited, an investment holding company which holds a parcel of land for a property development project in Jiangsu, the PRC. The appraised value of Grandday Group Limited was approximately equivalent to the appraised value of Success Will, the only investment holding of Knight Honour. Upon completion of such shares exchange, Knight Honour became wholly owned by Shengjian (BVI).

On the same date, Shengjian (BVI) transferred the entire issued share capital of Knight Honour to Eagle Investment in consideration of the issue of one share of CEG Holdings to Shengjian (BVI). Upon completion of such transfer, Knight Honour became wholly owned by Eagle Investment, and CEG Holdings became owned as to 50% by China Evergrande Group and 50% by Shengjian (BVI).

6. Restructuring of Jinbi Property

The following transactions were effected to consolidate all the property management operating entities of our business into our Group.

Name of entity	Date of completion	Subject matter(1)	Transferor	Transferee	Approximate consideration of the equity transfer
Sichuan Zhongxin(2)	June 16, 2020	Transfer of 100% interests	City Faith Limited (都信有限公司)(3)	Jinbi Property	RMB4.69 million (as determined with reference to the valuation of the target company conducted by an independent third-party valuer)
Guiyang Zhongyu(2)	May 28, 2020	Transfer of 100% interests	Guiyang Zhongyu Real Estate Development Co., Ltd. (貴陽中渝置地房地產開發有限公司)(3)	Jinbi Property	RMB1 (as determined with reference to the net asset value of the target company as of April 30, 2020)

Name of entity	Date of completion	Subject matter[1]	Transferor	Transferee	Approximate consideration of the equity transfer
Chengdu Leju[2]	June 18, 2020	Transfer of 100% interests	Trend Rich Investment Limited (毅富投資有限公司)[3]	Jinbi Property	RMB4.15 million (as determined with reference to the valuation of the target company conducted by an independent third-party valuer)
Wuhan Jinbi Jiayuan[2]	May 29, 2020	Transfer of 100% interests	Wuhan Evergrande Jinbi Real Estate Development Co., Ltd. (武漢恒大金碧房地產開發有限公司)[4]	Jinbi Property	RMB3.56 million (as determined with reference to the net asset value of the target company as of April 30, 2020)
Xi'an Hongze[2]	May 25, 2020	Transfer of 100% interests	Xi'an Zhongyu Land Co., Ltd. (西安中渝置地有限公司)[3]	Jinbi Property	RMB1 (as determined with reference to the net asset value of the target company as of April 30, 2020)
Hainan Lingshui[5]	May 29, 2020	Transfer of 100% interests	Hainan Lingshui Palm Springs Property Co., Ltd. (海南陵水棕櫚泉置業有限公司)[3]	Jinbi Property	RMB0.95 million (as determined with reference to the net asset value of the target company as of April 30, 2020)
Shenzhen Jianshe Jiayuan[2]	May 21, 2020	Transfer of 100% interests	Evergrande Property (Shenzhen) Co., Ltd. (恒大地產集團(深圳)有限公司)[3]	Jinbi Property	RMB1 (as determined with reference to the net asset value of the target company as of April 30, 2020)
Guangzhou Jinbi Shijia[2]	May 27, 2020	Transfer of the capital contribution of RMB10 million, representing 100% of the interests	Evergrande Real Estate	Jinbi Property	RMB8.78 million (as determined with reference to the net asset value of the target company as of April 30, 2020)

Name of entity	Date of completion	Subject matter[(1)]	Transferor	Transferee	Approximate consideration of the equity transfer
Guangzhou Jinbi Hengying[(2)]	June 5, 2020	Transfer of the capital contribution of RMB10 million, representing 100% of the interests	Evergrande Real Estate	Jinbi Property	RMB5.48 million (as determined with reference to the net asset value of the target company as of April 30, 2020)
Chengdu Jinbi[(6)]	May 25, 2020	Transfer of 100% interests	Evergrande Real Estate Group Chengdu Co., Ltd. (恒大地產集團成都有限公司)[(3)]	Jinbi Property	RMB4.23 million (as determined with reference to the valuation of the target company conducted by an independent third-party valuer)
Chongqing Tongjing[(7)]	May 25, 2020	Transfer of 100% interests	Chongqing Tongjing Property Co., Ltd. (重慶同景置業有限公司)[(3)]	Jinbi Property	RMB5.10 million (as determined with reference to the net asset value of the target company as of April 30, 2020)
Xianju Dawei[(8)]	June 22, 2020	Transfer of 100% interests	Zhejiang Dawei Real Estate Development Co., Ltd. (浙江大衛房地產開發有限公司)[(3)]	Jinbi Property	RMB1 (as determined with reference to the net asset value of the target company as of April 30, 2020)
Guiyang Xinshenghuo[(9)]	May 27, 2020	Transfer of 100% interests	Guiyang Xinshijie Real Estate Co., Ltd. (貴陽新世界房地產有限公司)[(3)]	Jinbi Property	RMB1 (as determined with reference to the net asset value of the target company as of April 30, 2020)
Wuhan Jinbi[(10)]	May 21, 2020	Transfer of 100% interests	Wuhan Badengcheng Investment Co., Ltd. (武漢巴登城投資有限公司)[(11)]	Jinbi Property	RMB1 (as determined with reference to the net asset value of the target company as of April 30, 2020)

Name of entity	Date of completion	Subject matter[(1)]	Transferor	Transferee	Approximate consideration of the equity transfer
Sichuan Zhongjia[(12)]	June 18, 2020	Transfer of 100% interests	Sichuan Desheng Group Cultural Tourism Investment Development Co., Ltd. (四川德勝集團文化旅遊投資發展有限公司)[(3)]	Jinbi Property	RMB1 (as determined with reference to the net asset value of the target company as of April 30, 2020)
Kunming Jialize[(2)]	September 14, 2020	Transfer of 100% interests	Kunming Jialize Tourism Culture Co., Ltd. (昆明嘉麗澤旅遊文化有限公司)[(13)]	Jinbi Property	RMB0.68 million (as determined with reference to the valuation of the target company conducted by an independent third-party valuer)
Evergrande Hengkang[(2)]	September 14, 2020	Transfer of 100% interests	Guangzhou Hengze Health Service Co., Ltd. (廣州恒澤養生服務有限公司)[(14)]	Jinbi Property	RMB46.86 million (as determined with reference to the valuation of the target company conducted by an independent third-party valuer)

Notes:

1. Each of such entities had been a subsidiary of China Evergrande Group since the commencement of the Track Record Period or the establishment date (if such entity was established during the Track Record Period) and all such equity transfers had been settled as of the Latest Practicable Date.

2. Each of Sichuan Zhongxin, Guiyang Zhongyu, Chengdu Leju, Wuhan Jinbi Jiayuan, Xi'an Hongze, Shenzhen Jianshe Jiayuan, Guangzhou Jinbi Shijia, Guangzhou Jinbi Hengying and Kunming Jialize had been a subsidiary of China Evergrande Group as of the commencement of the Track Record Period or the establishment dates (if such entity was established during the Track Record Period) and up to the Latest Practicable Date.

3. Each of City Faith Limited (都信有限公司), Guiyang Zhongyu Real Estate Development Co., Ltd. (貴陽中渝置地房地產開發有限公司), Trend Rich Investment Limited (毅富投資有限公司), Xi'an Zhongyu Land Co., Ltd. (西安中渝置地有限公司), Hainan Lingshui Palm Springs Property Co., Ltd. (海南陵水棕櫚泉置業有限公司), Evergrande Property (Shenzhen) Co., Ltd. (恒大地產集團(深圳)有限公司), Evergrande Real Estate Group Chengdu Co., Ltd. (恒大地產集團成都有限公司), Chongqing Tongjing Property Co., Ltd. (重慶同景置業有限公司), Zhejiang Dawei Real Estate Development Co., Ltd. (浙江大衛房地產開發有限公司), Guiyang Xinshijie Real Estate Co., Ltd. (貴陽新世界房地產有限公司) and Sichuan Desheng Group Cultural Tourism Investment Development Co., Ltd. (四川德勝集團文化旅遊投資發展有限公司) is a wholly-owned subsidiary of Evergrande Real Estate.

4. Wuhan Evergrande Jinbi Real Estate Development Co., Ltd. (武漢恒大金碧房地產開發有限公司) is owned as to approximately 81.39% by Evergrande Real Estate Group (Wuhan) Co., Ltd. (恒大地產集團武漢有限公司), a wholly-owned subsidiary of Evergrande Real Estate, and as to 18.61% by four Independent Third Parties.

5. Hainan Lingshui had been a subsidiary of China Evergrande Group as of December 15, 2017 and up to the Latest Practicable Date.

6. Chengdu Jinbi had been a subsidiary of China Evergrande Group as of March 7, 2018 and up to the Latest Practicable Date.

7. Chongqing Tongjing had been a subsidiary of China Evergrande Group as of January 19, 2017 and up to the Latest Practicable Date.

8. Xianju Dawei had been a subsidiary of China Evergrande Group as of October 17, 2018 and up to the Latest Practicable Date.

9. Guiyang Xinshenghuo had been a subsidiary of China Evergrande Group as of June 11, 2018 and up to the Latest Practicable Date.

10. Wuhan Jinbi had been a subsidiary of China Evergrande Group as of December 18, 2017 and up to the Latest Practicable Date.

11. Wuhan Badengcheng Investment Co., Ltd. (武漢巴登城投資有限公司) is an indirect wholly-owned subsidiary of China Evergrande Group.

12. Sichuan Zhongjia had been a subsidiary of China Evergrande Group as of October 27, 2017 and up to the Latest Practicable Date.

13. Kunming Jialize Tourism Culture Co., Ltd. (昆明嘉麗澤旅遊文化有限公司) is owned as to 80% by Evergrande Auto and as to 20% by two Independent Third Parties.

14. Guangzhou Hengze Health Service Co., Ltd. (廣州恒澤養生服務有限公司) is an indirect wholly-owned subsidiary of Evergrande Auto.

7. Disposal of Foshan Xinzhongjian

Foshan Xinzhongjian was established in the PRC on September 11, 2001 as a limited liability company and is principally engaged in the business of property development. It also owns a school in Nanhai, the PRC. Prior to the disposal detailed below, Foshan Xinzhongjian was wholly owned by Guangzhou Jinbi Huafu. For the three years ended December 31, 2019 and the six months ended June 30, 2020, the net loss of Foshan Xinzhongjian was approximately RMB17.6 million, RMB100.79 million, RMB4.32 million and RMB273.81 million, respectively. Given that Foshan Xinzhongjian is principally engaged in real estate development which does not form part of our core business, on July 30, 2020, Guangzhou Jinbi Huafu transferred the entire equity interest in Foshan Xinzhongjian to Evergrande Real Estate Group Guangdong Real Estate Development Co., Ltd. (恒大地產集團廣東房地產開發有限公司), a wholly-owned subsidiary of Evergrande Real Estate, at a consideration of RMB684 million. The consideration was determined after arm's length negotiations with reference to the valuation of Foshan Xinzhongjian of RMB684 million conducted by an independent third-party valuer with an asset-based approach and was fully settled on August 4, 2020. Upon completion of such transfer, Guangzhou Jinbi Huafu ceased to be interested in Foshan Xinzhongjian.

8. Disposal of Zuolin Youshe

Zuolin Youshe was established in the PRC on May 25, 2018 as a limited liability company which had been set up for developing the insurance business of the Evergrande Group. Prior to the disposal detailed below, Zuolin Youshe had not commenced business and was owned as to 50% by Jinbi Property and 50% by Evergrande Insurance Brokers Co., Ltd. (恒大保險經紀有限公司) ("**Evergrande Insurance**"), an indirect wholly-owned subsidiary of China Evergrande Group. For the two years ended December 31, 2019 and the six months ended June 30, 2020, the net loss of Zuolin Youshe was approximately RMB0.13 million, RMB0.05 million and RMB0.07 million, respectively. As the contemplated business of Zuolin Youshe is unrelated to the core business of our Group, on May 22, 2020, Jinbi Property transferred its entire equity interest of Zuolin Youshe to Evergrande Insurance at a nominal consideration of RMB1. The consideration was determined after arm's length negotiations with reference to the net asset value of Zuolin Youshe as of April 30, 2020 and was fully settled on June 24, 2020. Upon completion of such equity transfer, Jinbi Property ceased to be interested in Zuolin Youshe.

PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisors have confirmed that all the required consents, approvals, authorization or filings in relation to the equity transfers and disposals in respect of the PRC companies as described above have been made or obtained for the completion of the equity transfers and disposals and such equity transfers and disposals have been carried out in accordance with applicable PRC laws and regulations.

PRE-IPO INVESTMENTS

1. Investments by the Pre-IPO Investors

On August 13, 2020, each of Ms. Chan Hoi Wan (陳凱韻), Huatai International Greater Bay Area Investment Limited (華泰國際大灣區投資有限公司), SCC Growth VI 2020 B, L.P., CC Eagle Investments Limited, YF Evergreat Property Limited, Image Frame Investment (HK) Limited (意像架構投資(香港)有限公司) and Golden Fortune Holding Limited, China Dragon Limited, Tisé Opportunity Fund I LP, ABCI Global Opportunities SPC – ABCI China Rising Private Equity 3 Segregated Portfolio, Elite Explorer Limited, Advance Power International Limited, Super Brilliant Investments Limited (超智投資有限公司), Well Smart Developments Limited and Treasure Pitcher Limited (the "**Pre-IPO Investors**") entered into an investment agreement (the "**Investment Agreement**") with CEG Holdings, China Evergrande Group and our Company, pursuant to which CEG Holdings transferred an aggregate of 2,806,115 Shares, representing 28.061% of the issued share capital of our Company, to the Pre-IPO Investors, at a total consideration of HK$23,500 million. Such consideration was determined after arm's length negotiations between CEG Holdings and each of the Pre-IPO Investors on normal commercial terms after taking into account various factors, including the growth prospects of our Group and the property management sector in the PRC, the financial performance of our Group up to June 30, 2020 and the market value of other comparable companies engaged in the property management business in the PRC as a whole. In addition, the investment risks assumed by the Pre-IPO Investors of investing in a company which was yet to be listed, as well as the potential contributions and strategic benefits expected to be brought about by the Pre-IPO Investors to our Group, were also considered.

Details of the Pre-IPO Investments are set out below:

	Ms. Chan Hoi Wan	Huatai International Greater Bay Area Investment Limited	Sequoia Capital China Growth	CC Eagle Investments Limited	YF Evergreat Property Limited	Image Frame Investment (HK) Limited and Golden Fortune Holding Limited	China Dragon Limited
Date of agreement	August 13, 2020						
Consideration	HK$4,500 million	HK$4,000 million	HK$3,450 million	HK$3,000 million	HK$1,500 million	HK$1,200 million	HK$1,000 million
Date of settlement of consideration	August 20, 2020	August 20, 2020	August 19, 2020	August 20, 2020	August 20, 2020	August 20, 2020	August 20, 2020
Number of Shares acquired before Capitalization Issue	537,342	477,637	411,962	358,228	179,114	143,291	119,409
Approximate cost per Share[(1)]	HK$8.375						
Discount to the Offer Price[(2)]	8.3%						
Use of proceeds	As the Pre-IPO Investments were effected by way of sale of existing Shares by CEG Holdings, no proceeds were received by our Company.						
Shareholding in our Company immediately upon completion of the Pre-IPO Investments	5.373%	4.776%	4.120%	3.582%	1.791%	1.433%	1.194%
Shareholding in our Company immediately upon completion of the Global Offering[(3)]	4.970%[(6)]	4.418%	3.811%	3.314%	1.657%	1.325%	1.105%
Strategic benefits to our Company	Our Directors believe that our Group will benefit from the synergy generated by combining the resources and expertise of the Pre-IPO Investors, as well as the additional value to our corporate profile that the Pre-IPO Investors, who are renowned strategic investors, could bring.						

	Tisé Opportunity Fund I LP	ABCI Global Opportunities SPC – ABCI China Rising Private Equity 3 Segregated Portfolio	Elite Explorer Limited and CEL Odyssey Project Fund, L.P.[4]	Advance Power International Limited[5]	Super Brilliant Investments Limited	Well Smart Developments Limited	Treasure Pitcher Limited
Date of agreement	August 13, 2020						
Consideration	HK$1,000 million	HK$1,000 million	HK$800 million	HK$550 million	HK$500 million	HK$500 million	HK$500 million
Date of settlement of consideration	August 19, 2020	August 20, 2020	August 20, 2020	August 20, 2020	August 20, 2020	August 20, 2020	August 19, 2020
Number of Shares acquired before Capitalization Issue	119,409	119,409	95,527	65,675	59,704	59,704	59,704
Approximate cost per Share[1]	HK$8.375						
Discount to the Offer Price[2]	8.3%						
Use of proceeds	As the Pre-IPO Investments were effected by way of sale of existing Shares by CEG Holdings, no proceeds were received by our Company.						
Shareholding in our Company immediately upon completion of the Pre-IPO Investments	1.194%	1.194%	0.955%	0.657%	0.597%	0.597%	0.597%
Shareholding in our Company immediately upon completion of the Global Offering[3]	1.105%	1.105%	0.884%	0.607%[7]	0.552%	0.552%	0.552%
Strategic benefits to our Company	Our Directors believe that our Group will benefit from the synergy generated by combining the resources and expertise of the Pre-IPO Investors, as well as the additional value added to our corporate profile that the Pre-IPO Investors, who are renowned strategic investors, could bring.						

Notes:

1. The approximate cost per Share is calculated based on the amount of consideration paid by each Pre-IPO Investor divided by the number of Shares to be held by it upon Listing (assuming the Over-allotment Option is not exercised).

2. The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK$9.13 per Share, being the mid-point of the indicative Offer Price range of HK$8.50 to HK$9.75.

3. Without taking into account any Reserved Shares which may be taken up by the Pre-IPO Investors who are Qualifying China Evergrande Shareholders.

4. On September 22, 2020, Elite Explorer Limited transferred 93,616 Shares of its initially subscribed 95,527 Shares to CEL Odyssey Project Fund, L.P. at a consideration of HK$784,000,000, the cost per Share of which was equivalent to the cost per Share paid by Elite Explorer Limited. Elite Explorer Limited is wholly owned by China Everbright Limited. CEL Odyssey Project Fund, L.P. is managed, advised and sponsored by China Everbright Limited. Upon completion of such transfer to CEL Odyssey Project Fund L.P., Elite Explorer Limited held 1,911 Shares.

5. Mr. Xia Haijun, being the vice chairman of the board and the chief executive officer of China Evergrande Group, is the ultimate beneficial owner of Advance Power International Limited.

6. Based on the disclosure of interests filings made under Part XV of the SFO in relation to the shares of China Evergrande Group, as of the Latest Practicable Date, Ms. Chan Hoi Wan, through her controlled corporations and as trustee for her children under 18 (the "**Chan Hoi Wan Group**"), was interested in 1,173,383,000 shares of China Evergrande Group, representing approximately 8.84% of the existing issued share capital of China Evergrande Group. Assuming the Chan Hoi Wan Group remained to be interested in the same number of shares of China Evergrande Group on the Record Date and the Chan Hoi Wan Group will fully take up its Assured Entitlement to the Reserved Shares under the Preferential Offering, Ms. Chan Hoi Wan will be interested in approximately 5.08% of the total number of issued Shares upon the completion of the Global Offering.

7. Based on the disclosure of interests filings made under Part XV of the SFO in relation to the shares of China Evergrande Group, as of the Latest Practicable Date, Mr. Xia Haijun was not an existing shareholder of China Evergrande Group but was the beneficial owner of 34,991,000 share options granted under the share option scheme of China Evergrande Group, representing approximately 0.26% of the existing issued share capital of China Evergrande Group.

2. Special Rights

The Pre-IPO Investors were granted certain special rights, including, among others, tag-along rights, pre-emptive rights, redemption rights, information rights, anti-dilution rights and rights to be consented prior to certain corporate actions, none of which shall survive the Listing.

3. Lock-up and Public Float

Pursuant to the Investment Agreements, the Pre-IPO Investors shall not sell or transfer any Shares held by them until (i) 18 months from the date of the Investment Agreements, if a Qualifying IPO is not completed within 18 months from the date of the Investment Agreements; or (ii) six months after the completion of a Qualifying IPO, if a Qualifying IPO is completed within 18 months from the date of the Investment Agreements.

A "**Qualifying IPO**" means an initial public offering and listing on the Stock Exchange, under which the price per Share in the initial public offering will not be less than the cost per Share paid by the Pre-IPO Investors. The Global Offering constitutes a Qualifying IPO for the purpose of the Investment Agreements.

Upon completion of the Global Offering, the Shares held by all of the Pre-IPO Investors will be counted towards the public float of our Company.

4. Information on the Pre-IPO Investors

Ms. Chan Hoi Wan is an executive director of Chinese Estates Holdings Limited, a company the shares of which are listed on the Stock Exchange (stock code: 127), and has held various properties and securities investments. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, Ms. Chan is an Independent Third Party.

Huatai International Greater Bay Area Investment Limited is a company incorporated in the BVI wholly owned by Huatai International Greater Bay Area Investment Fund, L.P. (華泰國際大灣區投資資金) (formerly known as Huatai International Acquisition Fund I, L.P.) ("**Huatai Funds**"), an exempted limited partnership formed under the laws of the Cayman Islands. The fund manager of Huatai Funds is Huatai Financial Holdings (Hong Kong) Limited, which 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 under the Securities and Futures Ordinance. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Huatai International Greater Bay Area Investment Limited, Huatai Funds and Huatai Financial Holdings (Hong Kong) Limited, is an Independent Third Party.

SCC Growth VI 2020 B, L.P. ("**Sequoia Capital China Growth**") is an exempted limited partnership formed under the laws of the Cayman Islands, which is principally engaged in equity investment in private companies. The general partner of SCC Growth VI 2020 B, L.P. is SC China Growth VI Management L.P., the general partner of which is SC China Holding Limited, which is in turn a wholly-owned subsidiary of SNP China Enterprises Limited, the sole shareholder of which is Mr. Neil Nanpeng Shen. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of SCC Growth VI 2020 B, L.P., SC China Growth VI Management L.P., SC China Holding Limited, SNP China Enterprises Limited and Mr. Neil Nanpeng Shen is an Independent Third Party.

CC Eagle Investments Limited is a company incorporated in the Cayman Islands, which is principally engaged in equity investment in private companies. Its ultimate beneficial owner is CC Eagle (2020A) L.P., the general partner of which is CC Eagle (2020A) GP Ltd., which is in turn an associate company of CITIC Capital Holdings Limited, a global alternative investment management and advisory company. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of CC Eagle Investments Limited, CC Eagle (2020A) L.P., CC Eagle (2020A) GP Ltd. and its ultimate beneficial owner is an Independent Third Party.

YF Evergreat Property Limited is a company incorporated in the BVI, which is principally engaged in equity investment in private companies. It is wholly owned by YF Evergreat Fund L.P., a limited partnership formed under the laws of the Cayman Islands with its general partner being YF Evergreat Investment Limited. The Fund is managed by Yunfeng Capital Limited, a well-known market-oriented and independently operated professional investment institution focusing on Great China investment opportunities. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of YF Evergreat Property Limited, YF Evergreat Fund L.P. and YF Evergreat Investment Limited is an Independent Third Party.

Image Frame Investment (HK) Limited is a company incorporated in Hong Kong, which is principally engaged in investment holding. It is a wholly-owned subsidiary of Tencent Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 700). Tencent Holdings Limited is a leading provider of Internet value-added services in the PRC, including communications and social, digital content online advertising, FinTech and business services in the PRC. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Image Frame Investment (HK) Limited and Tencent Holdings Limited is an Independent Third Party.

Golden Fortune Holding Limited is a wholly-owned subsidiary of TPP Fund II. L.P., a limited partnership formed under the laws of Cayman Islands principally engaged in investment holding. The general partner of TPP Fund II. L.P. is TPP GP II, Ltd., a subsidiary of Tencent Holdings Limited. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Golden Fortune Holding Limited, TPP Fund II. L.P. and TPP GP II, Ltd. is an Independent Third Party.

China Dragon Limited is a company incorporated in the BVI, which is principally engaged in investment holding. It is ultimately wholly owned by Mr. Or Wai Sheun, who has over 35 years of experience in property development, industrial and financial investment business in Hong Kong, Mainland China and Macau and is currently the chairman of the board of Kowloon Development Company Limited, a company the shares of which are listed on the Stock Exchange (stock code: 34). To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of China Dragon Limited and Mr. Or Wai Sheun is an Independent Third Party.

Tisé Opportunity Fund I LP is a limited partnership formed under the laws of Cayman Islands, which is principally engaged in investment holding. The general partner of Tisé Opportunity Fund I LP is Tisé Capital Management Limited, a company wholly owned by Mr. Bryant Yutao Zhang. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Tisé Opportunity Fund I LP, Mr. Bryant Yutao Zhang and Tisé Capital Management Limited is an Independent Third Party.

ABCI Global Opportunities SPC – ABCI China Rising Private Equity 3 Segregated Portfolio is an independent investment portfolio company incorporated under the laws of the Cayman Islands. Its investment manager is ABCI Asset Management Limited, which is a wholly-owned subsidiary of ABC International Holdings Limited, a subsidiary of the Agricultural Bank of China Limited. ABCI Asset Management Limited is licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of ABCI Global Opportunities SPC – ABCI China Rising Private Equity 3 Segregated Portfolio, ABCI Asset Management Limited, ABC International Holdings Limited and Agricultural Bank of China Limited is an Independent Third Party.

Elite Explorer Limited is a company incorporated in the BVI, which is principally engaged in investment holding. CEL Odyssey Project Fund, L.P. is an exempted limited partnership formed under the laws of the Cayman Islands, which is principally engaged in investment holding. The general partner of CEL Odyssey Project Fund, L.P. is CEL Odyssey Project GP Ltd. Each of Elite Explorer Limited and CEL Odyssey Project GP Ltd is wholly owned by China Everbright Limited, a financial services company the shares of which are listed on the Stock Exchange (stock code: 0165). CEL Odyssey Project Fund, L.P. is managed, advised and sponsored by China Everbright Limited. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Elite Explorer Limited, CEL Odyssey Project Fund, L.P., CEL Odyssey Project GP Ltd and China Everbright Limited is an Independent Third Party.

Advance Power International Limited is a company incorporated in the BVI, which is principally engaged in investment holding. It is ultimately wholly owned by Mr. Xia Haijun, the vice chairman of the board and the chief executive officer of China Evergrande Group.

Super Brilliant Investments Limited is a company incorporated in the BVI, which is principally engaged in investment holding. It is ultimately wholly owned by Mr. Dai Yongge who, together with his associates, are the controlling shareholders of China Dili Group, a company the shares of which are listed on the Stock Exchange (stock code: 1387). Mr. Dai Yongge was the chairman and an executive director of China Dili Group who resigned in September 2018. He is now an entrepreneur with diversified investments in China as well as overseas. He has over 20 years' experience in investment and currently owns and operates a network of 22 underground shopping malls in 12 cities in China with gross floor area of 1.3 million sq.m. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Super Brilliant Investments Limited and Mr. Dai Yongge is an Independent Third Party.

Well Smart Developments Limited is a company incorporated in the BVI, which is principally engaged in investment holding. It is indirectly wholly-owned by Chow Tai Fook Nominee Limited which is ultimately controlled by Dr. Cheng Kar-Shun, Henry and other family members of the late Dato' Dr. Cheng Yu Tung. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Well Smart Developments Limited and Chow Tai Fook Nominee Limited is an Independent Third Party.

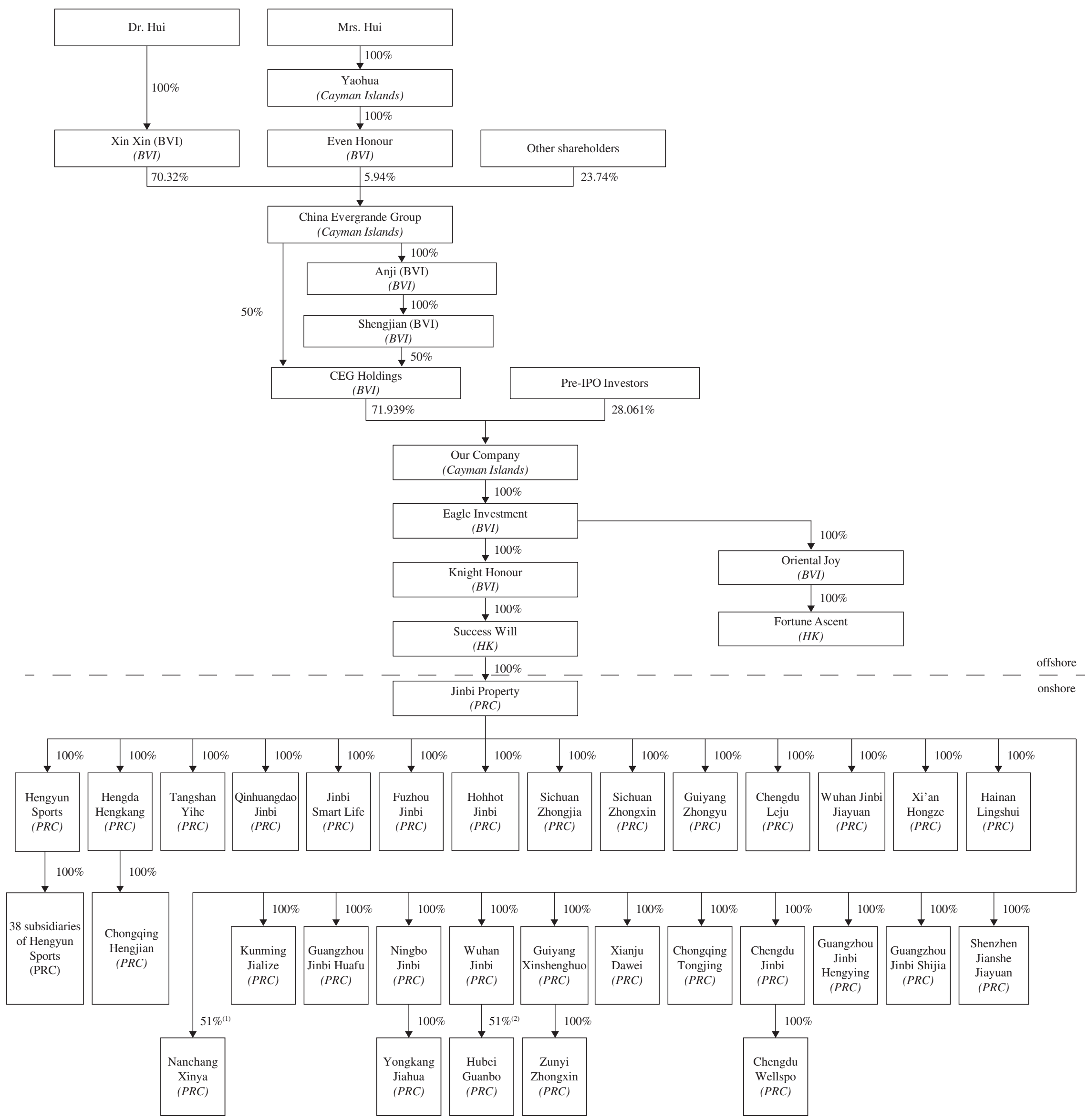
Treasure Pitcher Limited is a company incorporated in the BVI, which is principally engaged in investment holding. It is ultimately wholly owned by Lifestyle International Holdings Limited, a company the shares of which are listed on the Stock Exchange (stock code: 1212). To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Treasure Pitcher Limited and Lifestyle International Holdings Limited is an Independent Third Party.

5. Joint Sponsors' Confirmation

The Joint Sponsors confirm that the Pre-IPO Investments are in compliance with Guidance Letter HKEx-GL29-12 issued by the Stock Exchange in January 2012 and updated in March 2017, Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 and updated in July 2013 and March 2017 and the Guidance Letter HKEx-GL44-12 issued by the Stock Exchange in October 2012 and updated in March 2017.

CORPORATE STRUCTURE UPON COMPLETION OF THE REORGANIZATION AND THE PRE-IPO INVESTMENTS

The following chart sets forth our corporate and shareholding structure upon completion of the Reorganization and the Pre-IPO Investments and immediately prior to the Capitalization Issue and the Spin-off:



Notes:

1. The remaining equity interest of Nanchang Xinya is held by Jiangxi Tianjie Environmental Protection Service Co., Ltd. (江西省天潔環保服務有限公司), an Independent Third Party.

2. The remaining equity interest of Hubei Guanbo is held by Hubei Meicen Environmental Co., Ltd. (湖北美岑環保服務有限公司), an Independent Third Party.

INCREASE IN AUTHORIZED SHARE CAPITAL

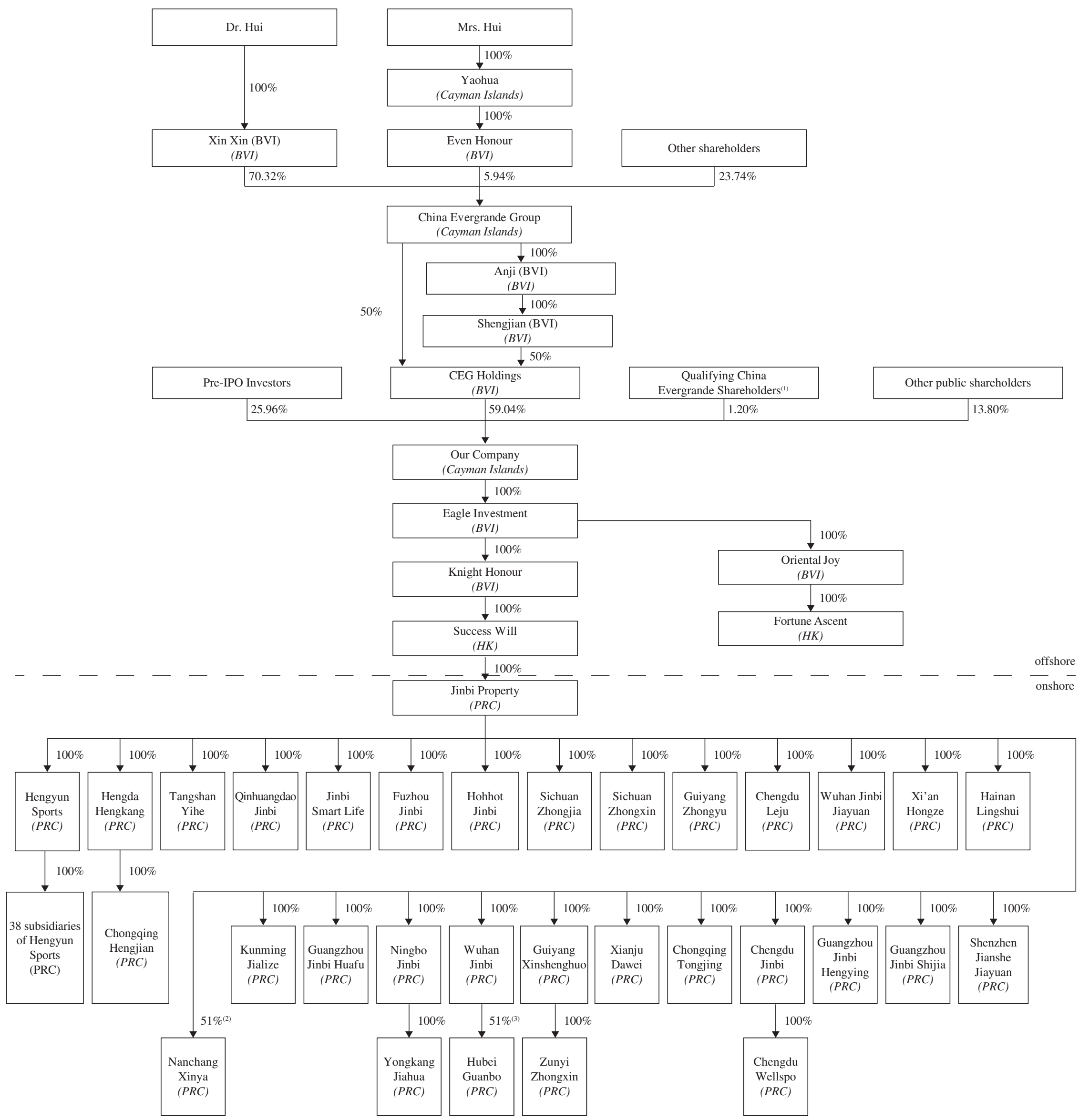
On November 13, 2020, our Company increased its authorized share capital to US$10,000,000 by the creation of 99,500,000,000 additional Shares.

CAPITALIZATION ISSUE

Pursuant to the written resolutions of our Shareholders passed on November 13, 2020, conditional on the share premium account of our Company being credited as a result of the Global Offering, our Directors are authorized to capitalize an amount of US$999,000 standing to the credit of the share premium account of our Company by applying such sum towards the paying up in full at par a total of 9,990,000,000 Shares for issue and allotment to holders of Shares whose names appear on the register of members of our Company on the date of passing such resolutions in proportion (as near as possible without involving fractions so that no fraction of a share shall be issued and allotted) to their then existing respective shareholdings in our Company.

CORPORATE STRUCTURE UPON COMPLETION OF THE CAPITALIZATION ISSUE AND THE SPIN-OFF

The following chart sets forth our corporate and shareholding structure upon completion of the Capitalization Issue and the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying China Evergrande Shareholders and the Over-allotment Option is not exercised):



Notes:

1. This includes the Reserved Shares which may be fully taken up by Shareholders of our Company and their associates who/which are Qualifying China Evergrande Shareholders. Assuming that on the Record Date, Xin Xin (BVI), Even Honour and the Chan Hoi Wan Group remain to be shareholders of China Evergrande Group of the same number of shares under their disclosure of interest filings made under Part XV of the SFO as of the Latest Practicable Date, interests in our Company held by each of them as Qualifying China Evergrande Shareholders under the Preferential Offering, will represent approximately 0.85%, 0.07% and 0.11% of the total number of issued Shares immediately following the completion of the Capitalization Issue and the Spin-off.

2. The remaining equity interest of Nanchang Xinya is held by Jiangxi Tianjie Environmental Protection Service Co., Ltd. (江西省天潔環保服務有限公司), an Independent Third Party.

3. The remaining equity interest of Hubei Guanbo is held by Hubei Meicen Environmental Co., Ltd. (湖北美岑環保服務有限公司), an Independent Third Party.

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 of our Company will constitute a spin-off of China Evergrande Group.

The board of directors of China Evergrande Group considers that the Spin-off is in the interests of China Evergrande Group and the shareholders of China Evergrande Group as a whole based on the following reasons:

(a) the Spin-off will allow China Evergrande Group and its shareholders an opportunity to realize the value of investment in our Group under a separate standalone platform for the spin-off business;

(b) the Spin-off will enable our Group to build our identity as a separately listed group, to have a separate fund-raising platform and to broaden our investor base through the Global Offering. The Spin-off would allow us to gain direct access to the capital markets for equity and/or debt financing to fund our existing operations and future expansion without reliance on the Evergrande Group, thereby improving our operating and financial management efficiencies;

(c) the Spin-off will enable us to enhance our corporate profile, thereby increasing our ability to attract strategic investors for making investment in and forming strategic partnerships directly with us, which could provide synergy for our Group;

(d) the Spin-off would enable a more focused development, strategic planning and better allocation of resources for China Evergrande Group and our Group with respect to our respective businesses. Both China Evergrande Group and our Group would benefit from the efficient decision-making process under the separate management structures;

(e) the separate listing of our Group will strengthen our reputation, thus leading to potentially better operational performance and better realization of our value. Such increased value will enable China Evergrande Group and its shareholders an opportunity to increase the value of investment in our Group under such separate standalone platform for our business; and

(f) the Spin-off will improve the operational and financial transparency of our Company, which would enable investors to better appraise its operation results and financial conditions on a standalone basis, which in turn may enhance the overall value.

The Spin-off by China Evergrande Group complies with the requirements of Practice Note 15 of the Listing Rules. The Spin-off is not subject to shareholder's approval of China Evergrande Group.

OVERVIEW

We are one of the largest and fastest-growing comprehensive property management service providers in China. Among the Top 100 Property Management Companies in China, we ranked **second** in number of cities covered by our projects; **third** in each of total revenue, total gross profit and total net profit; **third** in contracted GFA and **fourth** in GFA under management, as of or for the year ended December 31, 2019, according to CIA. Our net profit increased at a CAGR of 195.5% from 2017 to 2019, which was the **highest** growth rate among the Top 20 Property Management Companies in China, according to CIA.

We are an all-round property manager. We manage a diverse portfolio of properties, including mid- to high-end residential properties, office buildings and commercial properties, and have been contracted to manage other types of properties such as theme parks, industrial parks, healthcare complexes, themed towns and schools, among others. As of June 30, 2020, we were contracted to provide property management services, value-added services to non-property owners and/or community value-added services to 1,354 projects in over 280 cities in 22 provinces, five autonomous regions, four municipalities and Hong Kong, with a total GFA under management of approximately 254.0 million sq.m. and contracted GFA of 513.3 million sq.m., serving nearly two million households.

Our focus on people's wellbeing and commitment to customer satisfaction have shaped our brand image for high-caliber services. We foster a safe, convenient, healthy and caring community through our butlers who are on call round-the-clock. Our customer-centric culture has guided us to forge ahead and explore new ways to better serve our customers. For example, we have implemented a smart information platform that utilizes information and intelligent technologies to facilitate online interactions between our customers and butlers, which enhances customer experience, reduces our reliance on manual labor and improves operating efficiency.

We believe that we have a highly visible path to growth, underpinned by our close cooperation with the Evergrande Group, a conglomerate with diversified businesses covering real estate, cultural tourism, health and wellbeing management and new energy vehicles, among others. The Evergrande Group ranked first among the "Top 100 Real Estate Companies in China" in 2020 in terms of overall strength, according to China Real Estate Top 10 Research Group, and ranked first among property developers in China in terms of attributable contracted sales for three consecutive years starting from 2017, according to CRIC. We believe that the Evergrande Group's vast land bank provides us with a large potential pipeline of high-quality projects.

In August 2020, we introduced a group of reputable strategic investors, including, among others, Sequoia Capital China Growth, CITIC Capital Holdings Limited, Yunfeng Capital Limited and Tencent Holdings Limited. We believe the investment by these strategic investors enables us to explore synergistic new service offerings and other collaborations with them, thereby enhancing the scope and depth of our business operations, and contributing to our long-term sustainable growth.

Our quality services generated robust results of operations during the Track Record Period. In 2017, 2018, 2019 and the six months ended June 30, 2020, our revenue was RMB4,399.4 million, RMB5,903.2 million, RMB7,332.7 million and RMB4,563.9 million, respectively; our net profit amounted to RMB106.6 million, RMB239.0 million, RMB930.5 million and RMB1,147.7 million, respectively.

OUR COMPETITIVE STRENGTHS

One of the Largest and Fastest-growing Comprehensive Property Management Service Providers in China with an Extensive Geographical Coverage and Outstanding Service Quality

We are one of the largest comprehensive property management service providers in China. According to CIA, among the Top 100 Property Management Companies in China, we ranked:

- second in number of cities covered by our projects as of December 31, 2019;
- third in each of total revenue, total gross profit and total net profit in 2019;
- third in contracted GFA as of December 31, 2019; and
- fourth in GFA under management as of December 31, 2019.

We are deeply rooted in China and have an extensive geographical coverage. As of June 30, 2020, we were contracted to provide property management services, value-added services to non-property owners and/or community value-added services to 1,354 projects in over 280 cities in 22 provinces, five autonomous regions, four municipalities and Hong Kong, with a total GFA under management of approximately 254.0 million sq.m. and contracted GFA of 513.3 million sq.m., serving nearly two million households. According to CIA, our GFA under management was 5.6 times the average of the Top 100 Property Management Companies in China as of December 31, 2019.

We are one of the fastest-growing property management service providers in China. According to CIA, our net profit increased from RMB106.6 million in 2017 to RMB930.5 million in 2019 at a CAGR of 195.5%, which was the highest growth rate among the Top 20 Property Management Companies in China, and was significantly higher than both the 26.4% average growth rate of the Top 100 Property Management Companies in China and the 52.3% average growth rate of the Top Ten Property Management Companies in China. Our net profit increased by 181.8% from RMB407.3 million in the six months ended June 30, 2019 to RMB1,147.7 million in the six months ended June 30, 2020.

We have been committed to "conscientious services and heartfelt companionship (貼心服務，真誠相伴)" throughout our journey of nearly 24 years. We are customer-centric and result-oriented, in relentless pursuit of scalable development, standardized operation, professional services and intelligent management (規模化發展、標準化運營、專業化服務、智慧化管理). We strive to create happy communities with premium living environment and cultural values with our quality services. Our dedication to quality has earned us extensive market recognition. Over the years, we have received more than 300 awards and accolades in the industry, including 115 at the provincial level or above. For example, as early as 2006, we were named an "Outstanding Enterprise with High Customer Satisfaction (全國用戶滿意先進單位)" by China Real Estate Entrepreneurs Association, becoming one of the first companies to receive this award. We were ranked top three among the Top 100 Property Service Enterprise Brands (中國物業服務企業品牌百強榜) by the China Real Estate News in 2020. In the same year, we were named the Property Management Service Provider of First Choice for the Top 500 Property Developers in China (中國房地產開發企業500強首選物業管理公司) by the China Real Estate Association. We believe that a strong brand appeal and high service quality can help us maintain a relatively high contract retention rate and obtain quality projects from Independent Third Parties, bringing us more market opportunities.

Our leading business scale and geographical coverage bring a large and growing customer base. We are well positioned to leverage this large customer base to develop our community value-added services and further solidify our existing market position.

Highly Visible Growth Underpinned by the Evergrande Group's Trusted Brand and Diversified Business Segments

We believe that we have a highly visible path to growth, as we have long-term and close cooperation with the Evergrande Group. The Evergrande Group is a conglomerate with diversified businesses covering real estate, cultural tourism, health and wellbeing management and new energy vehicles, among others. "Evergrande" is a household brand in China with global reputation, and has been a Fortune Global 500 company for five consecutive years starting from 2016, ranking 152th in 2020. It was also named one of the World's 100 Most Valuable Brands in 2020 by Brand Finance.

Our long-term cooperation with the Evergrande Group has brought us a stable source of projects and business opportunities. The Evergrande Group is a leading property developer in China. According to China Real Estate Top 10 Research Group, the Evergrande Group ranked No.1 among the "Top 100 Real Estate Companies in China" in 2020 in terms of overall strength. According to its 2020 interim results announcement, the Evergrande Group had residential land reserves of approximately 240 million sq.m. as of June 30, 2020. According to its 2019 annual report, the Evergrande Group had 752 projects under development with a total GFA of 123 million sq.m. as of December 31, 2019. According to CRIC, it ranked first among property developers in China in terms of attributable contracted sales for three consecutive years starting from 2017. In addition, the Evergrande Group had 104 urban redevelopment projects as of June 30, 2020, 55 of which were located in Shenzhen. We believe the Evergrande Group's vast land bank provides us with a large potential pipeline of high-quality projects while its growing contracted sales GFA and completed GFA help to quickly turn pipeline projects into our projects under management.

Our business integrates well with the Evergrande Group's diverse business segments. We provide tailored property management and value-added services to the Evergrande Group's real estate, cultural tourism, health and wellbeing management and new energy vehicles businesses, among others. At the same time, we integrate the resources of the Evergrande Group to create a comprehensive "Evergrande Life Circle (恒大生活圈)" that serves some of the most fundamental needs of our customers, such as housing, travel, leisure and health. The diagram below illustrates our synergies with, and the value-added services we provide to, the Evergrande Group's business segments:

We believe we will continue to benefit from the Evergrande Group's multi-disciplinary development and achieve sustainable growth with the leverage on its vast land reserve and other business opportunities.

Diversified Property Portfolio and Service Offerings Bringing High-margin Revenue Streams

Over the years, as our business has grown and our services have evolved, our commitment to "conscientious service and heartfelt companionship (貼心服務，真誠相伴)" has endured. Guided by this commitment, we have tailored our service offerings to address customers' needs and pain points.

Enriched Property Portfolio

We have expanded the property portfolio we serve from mid-to high-end residential properties to other types of properties, such as office buildings and commercial properties, and have been contracted to manage other types of properties such as theme parks, industrial parks, healthcare complexes, themed towns and schools. Our total GFA under management for non-residential properties was 1.4 million sq.m., 1.7 million sq.m., 2.1 million sq.m. and 2.7 million sq.m. as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. We expect to continue increasing our portfolio of non-residential properties under management in the future, in particular theme parks, industrial parks and healthcare complexes. Our diversified portfolio of properties under management has helped us diversify our revenue streams. It also positions us well to take advantage of a wide range of high-quality third-party property management projects.

Diversified Value-added Services

Under our "Property Management plus (物業+)" service structure, our services are built on property management and extend outwards from there. We apply transferrable know-how obtained from traditional property management to our value-added services and continuously upgrade and refine our value-added services.

Value-added services to non-property owners

Our value-added services to non-property owners, primarily property developers, cover the entire industry value chain of real estate development. Our value-added services to non-property owners comprise (i) preliminary property management services (including construction site management, sales office management and consulting services) during the course of construction and pre-sale; (ii) pre-delivery services (including pre-delivery cleaning and inspection services and assistance in the delivery process) after the completion of development and during the delivery process; (iii) repair and maintenance services during the post-delivery quality warranty periods of properties; and (iv) property transaction assistance services with respect to parking spaces and retail spaces. In 2017, 2018, 2019 and the six months ended June 30, 2020, revenue from value-added services to non-property owners amounted to RMB1.6 billion, RMB2.1 billion, RMB2.1 billion and RMB1.2 billion, respectively, with a CAGR of 15.5% from 2017 to 2019. Through the provision of such services, we can establish in-depth and extensive cooperative relationships with property developers, which we believe will be more inclined to invite us to bid for property management service contracts for their properties.

Community value-added services

In the course of daily interactions with the extensive network of property owners and residents we have built up over the years, we have obtained first-hand information on their needs and pain points. Leveraging our strong resource integration capability, we offer a wide spectrum of community value-added services that address customers' needs and pain points. Our community value-added services comprise (i) community operation services (including community space management with respect to common areas, group purchase facilitations, electric vehicle charging stations and potable water stations); (ii) community asset management services (including parking space rental, second-hand property transaction assistance services and recreation center operations services); and (iii) community living services (such as housekeeping, home furnishing, repair and maintenance services). For example, we cooperate with high-quality home decoration service providers to provide property owners with one-stop home decoration and furnishing services, covering preliminary consulting, interior design, onsite construction and after-sales warranty. We offer potable water stations and electric vehicle charging stations in the communities we manage in cooperation with third-party merchants to meet customers' high-frequency uses of such facilities, which enhances convenience for our customers, improves customer experience and broadens our revenue sources. We also cooperate with reputable merchants to sell and deliver select daily supplies to our customers, such as groceries and local food specialties. In 2017, 2018, 2019 and the six months ended June 30, 2020, revenue from community value-added services amounted to RMB251.1 million, RMB335.4 million, RMB573.0 million and RMB508.1 million, respectively, with a CAGR of 51.1% from 2017 to 2019. As our value-added services are usually highly specialized and customized, they usually generate higher profit margins than conventional property management services. In 2017, 2018, 2019 and the six months ended June 30, 2020, the gross profit margin of our community value-added services was 52.2%, 52.2%, 57.4% and 65.0%, respectively.

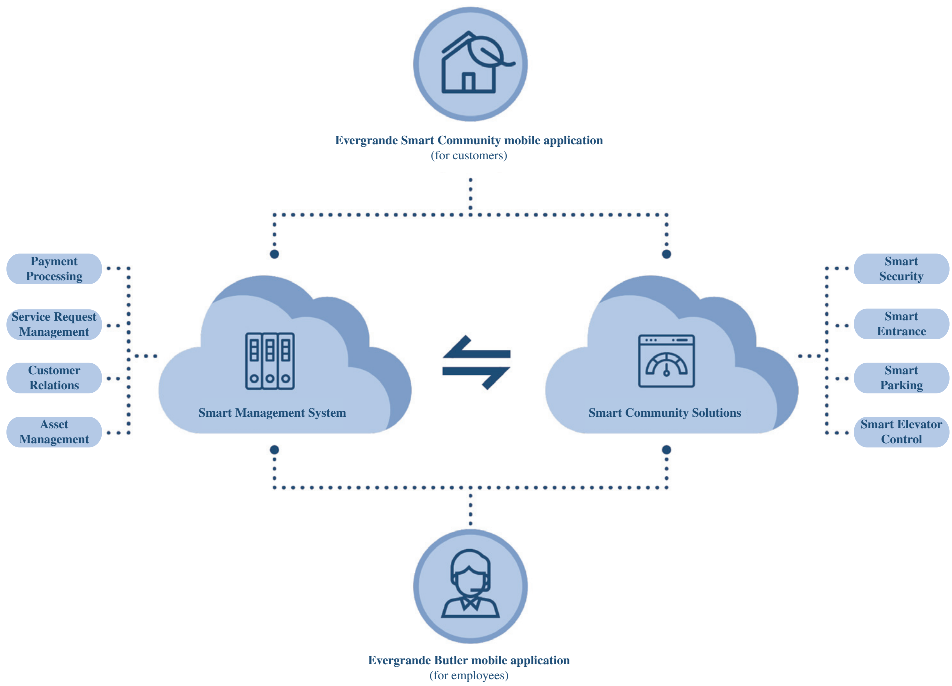
Through multi-scenario and high-frequency interactions with customers, we strive to continuously discover unmet market demands and new market opportunities, vastly expanding the potential of our property management business. According to CIA, we ranked fourth among the Top 100 Property Management Companies in China in terms of the percentage of revenue from value-added services in 2019. We were accredited with "Leading Property Management Companies in China in Featured Services – Community Value Enhancement (中國物業特色服務領先企業—社區附加值提升)" from 2018 to 2020 and "Leading Property Management Brands of China in Specialized Operations (中國物業服務專業化運營領先品牌企業)" in 2018 and 2019 by CIA.

Smart Information Platform and Standardized Management Systems Designed to Improve Customer Experience and Operating Efficiency and Reduce Costs

We are dedicated to building our smart information platform and standardized management systems to improve customer experience and operating efficiency, reduce operating costs and enhance our core competitiveness.

Smart Information Platform

We have implemented a smart information platform which leverages information and intelligent technologies to improve customer experience, reduce reliance on manual labor and lower operating costs. The following diagram shows the key features of our smart information platform:



Smart Communities

Leveraging technologies such as Internet-of-Things (IoT), cloud computing, artificial intelligence (AI) and facial recognition technologies, we consolidate a series of smart systems to manage pedestrian walkways, vehicle roads, common area surveillance, community bulletin boards and elevator operations. Taken together, these form an integrated smart community platform that creates a safe, comfortable and convenient community for property owners and residents. For example, our smart traffic control system can identify property owners and residents at the entrance using car plate recognition and facial recognition technologies. This allows property owners and residents to pass the entrance without noticing the check-in process. Upon recognizing the property owners and residents, the smart traffic control system will automatically call the elevator for them so that they can access the elevator seamlessly after parking. Using facial recognition technologies, we are able to timely detect unauthorized entries into the properties we manage. Our smart perimeter intrusion monitoring and command system (智能周界入侵監測及安保指揮智慧系統) features 24/7 video surveillance and patrolling, which helps identify non-resident visitors that enter the community to better safeguard property owners and residents. As of the Latest Practicable Date, we had implemented the car plate recognition system and 24/7 video surveillance in all properties under management, and implemented the facial recognition system and smart perimeter intrusion monitoring and command system in some residential communities we managed.

Smart Life

Leveraging our Evergrande Smart Community mobile application, we offer convenient online living services to users. As of August 31, 2020, the Evergrande Smart Community mobile application had approximately 1.7 million registered users, providing functions including online payment, service request, complaints and feedback, designated butler, community announcements, online booking and visitor registration. During the COVID-19 pandemic, the Evergrande Smart Community mobile application launched functions such as health codes, online daily necessities booking, daily pandemic reports and policy publicity. In March 2020, the Evergrande Smart Community mobile application recorded a total of over three million visits. We believe the Evergrande Smart Community mobile application helped property owners and residents get through those trying times and was widely appreciated by users.

Smart Management

Our ERP system provides technical support for our various business operations, including functions such as data and information management, payment processing, service request management, customer relations management, asset management and repair and maintenance management. We have standardized business operations and improved management effectiveness through streamlined execution procedures, with a focus on the "people, funds, things and events" involved in our operation process.

In addition, our Evergrande Butler mobile application assists our employees in obtaining various management approvals and tracking service orders to enhance work efficiency. Such technological tools also enabled us to access and monitor operating information and data in real time, providing us with valuable information for our management's decision-making processes.

Standardized Management Systems

Leveraging our rich management and service experience, we have established standardized management systems, including a centralized management system, a uniform service standards system and an internal policy system. We have created a three-tier management structure, comprising management guidelines at the headquarters level, implementation rules at the regional level and operational manuals at the project level. Our standardized management systems help us achieve refined, systematized and flattened management structure, and scale up efficiently.

Through the application of our smart information platform and standardized management systems, we have significantly improved our operational efficiency. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our operating profit margin (calculated as operating profit divided by revenue) was 3.4%, 5.5%, 17.2%, 16.0% and 33.1%, respectively. From December 31, 2017 to December 31, 2019, our GFA under management per employee increased at a CAGR of 35.5%, which was higher than the average CAGR of 17.6% for Top 100 Property Management Companies and of 10.6% for Top Ten Property Management Companies during the same period, according to CIA. Our capita per employee (calculated as revenue for the period divided by the number of employees at the end of the period) increased at a CAGR of 32.7% from 2017 to 2019, which was higher than the CAGR of 19.2% for Top 100 Property Management Companies and 13.6% for Top Ten Property Management Companies during the same period, according to CIA.

High-quality Services Winning Market Acceptance and Paving the Way for Expansion

We believe our leading market position was earned through continuous efforts and dedication to details since our inception. With our high-quality services and colorful cultural activities, we endeavor to foster communities where people live in peace and contentment.

Quality Property Management Services

We are customer-centric and result-oriented. We are dedicated to providing customers with high-quality property management services through our professional butlers. We have a team of highly educated employees who serve as butlers. Nearly 100% of these butlers hold a junior college diploma or above, and over 60% of them hold a bachelor's degree or above. Each household is assigned a butler whom the property owners and residents can turn to whenever they are in need. Our butlers interact frequently with property owners and residents, obtain first-hand information on their needs and pain points, and provide tailored services. We have a security team known as "a team of civility and etiquette (文明之師，禮儀之師)," and have built an intelligent security system to guard the safety of property owners and residents 24/7. Moreover, we have established a "1-5-30" speedy response mechanism, requiring our butlers to answer customer calls and record requests within one minute, make initial responses within five minutes and dispatch relevant personnel onsite to evaluate the situation and formulate solutions within 30 minutes. Property owners and residents can reach out to our butlers through the Evergrande Smart Community mobile application and our 24/7 customer service hotline. We require all customer feedback be properly and timely handled, keep track of the progress and perform callback interviews to ensure customer satisfaction.

Premium Functional Facilities and Activities

We enrich customers' lives with our premium functional facilities and colorful cultural activities.

- ***Recreation centers***. We provide sports and entertainment services to property owners and residents at the recreation centers we operate, which include facilities such as heated swimming pools, billiard tables, basketball courts, tennis courts, table tennis courts, squash courts, gyms, children's activity centers, restaurants, bars, tea rooms, and activity rooms for music, dance, art, chess and cards, among others. We engage property owners and residents of all age groups, making community activities a colorful part of the retirement life of the elderly as well as an enjoyable and educational experience for the young. As of June 30, 2020, we operated 647 recreation centers. During the Track Record Period, the recreation centers we operate received an average of approximately 50,000 visitors each day, and served approximately 17 million property owners and residents each year.

- ***Ancillary commercial spaces***. We upgrade ancillary commercial properties by sourcing merchants providing services that meet customers' diverse needs for shopping, entertainment and social interaction. We aim to create community retail clusters with a focus on convenience, quality and value for money. As of June 30, 2020, we had entered into cooperation agreements with over 400 vendors across the country.

- ***Community cultural activities***. We strive to create a healthy, lively and caring community atmosphere through the "Friendly Neighborhood Plan (友鄰友愛計劃)." We endeavor to build our unique brand of community cultural activities through our cultural activity series, such as Impression Evergrande Festival (印象恒大節), Flourish Young Evergrande Festival (花young恒大節), Filial Piety Evergrande Festival (孝悌恒大節), Warm Winter Evergrande Festival (暖冬恒大節) and New Year Evergrande Festival (新春恒大節). As of June 30, 2020, over 2.6 million property owners and residents had participated in our cultural activities.

We believe our premium services have led to high customer satisfactions and contract retention rates. Our survey shows that our customer satisfaction rate reached 92.6% and 95.6% in 2019 and the six months ended June 30, 2020, respectively. During the same periods, our contract retention rate was 100% (excluding one project we voluntarily quit in 2019). According to CIA, we are a "leading property management company in China in terms of customer satisfaction (中國物業服務滿意度領先企業)" in 2020. We believe customer satisfaction will continue to be the touchstone of our future success, and only through such pursuit can we sustain our leadership position amid fierce market competition.

A number of properties we managed were selected as model communities by provincial or municipal government authorities, which we believe enhances our brand awareness and positions us to earn businesses from third-party developers. Subsequent to June 30, 2020 and up to the Latest Practicable Date, we entered into six property management service agreements and five framework property management service agreements in relation to projects developed by independent third-party property developers.

Seasoned, Energetic and Stable Management Team, Effective Human Resource Management System and Reputable Strategic Investors

Professional Management Team

We believe our people are the fundamental drivers for our long-term growth. As of June 30, 2020, we had nearly 50,000 employees. We have an energetic, highly-educated and experienced core management team whose members have on average over ten years of property management industry experience and an average age of approximately 38. More than 60% of its members hold degrees from a well-known university in China. Our core management team has keen insight of the property management industry and stays abreast of industry development trends, which we believe will enable us to capture market growth and make appropriate decisions at the group level. Meanwhile, we have a team of mid-level managers, more than 95% of whom hold a bachelor degree or above, and more than half of whom have a degree from a well-known university in China. With solid educational background and an average age of 35, our middle-management team possesses as a group the necessary experience and passion to effectively connect the strategies and initiatives from our core management team with our onsite personnel at the project level to ensure proper implementation.

Efficient Human Resources System

We have established an efficient human resources system. Each year, we recruit talent from universities across China and offer them support in compensation schemes, training and career development opportunities. For over 12 years, we have focused our recruitment efforts on outstanding graduates from reputable universities and colleges, and created three-year specialized development plans and related compensation schemes for them, all to ensure a steady stream of well-educated, well-trained and professional workers. Meanwhile, we have created a system of performance appraisal and incentives to reward outstanding performance and create clear career tracks for different types of talent. We upskill our talent through a series of training programs, such as our "Gold Butler (金管家)" and "Gold General Program (金將計劃)."

To create a highly professional workforce and ensure the smooth implementation of our corporate initiative and standardized operations procedures, we offered a series of training sessions. We also organized online exams, covering our corporate cultures, management policies and professional skills through which our employees can earn "Evergrande Property Manager" certificates.

We believe our performance based corporate culture, comprehensive talent development system and effective incentive schemes aligns our employees' interests with ours, which we believe has enabled us to stand out from our competitors.

Reputable Strategic Investors

In August 2020, we introduced a group of reputable strategic investors, including, among others, Sequoia Capital China Growth, CITIC Capital Holdings Limited, Yunfeng Capital Limited and Tencent Holdings Limited, which collectively acquired a 28.061% equity interest in our Company. We believe the investment by these strategic investors enables us to explore synergistic new service offerings and other collaborations with them, thereby enhancing the scope and depth of our business operations, and contributing to our long-term sustainable growth.

OUR BUSINESS STRATEGIES

Solidify our Leadership Position by Expanding the Scale of Our Business Operations

Leveraging our long-term and stable relationship with the Evergrande Group, we plan to further expand our service offerings and geographical coverage. In addition to continuing to provide high-quality property management services to existing customers including the Evergrande Group, we plan to capitalize on our brand value and market reputation to develop new business and customers, prioritizing expansions in cities where we already have business operations in order to capitalize on economies of scale and achieve a balance of geographical presence and profitability. Besides residential properties, we plan to enhance expansion efforts on other property types such as office buildings, commercial properties, hospitals, schools, industrial parks, government buildings and public facilities, to further enrich our property portfolio. In addition, we plan to explore more business opportunities with players in other industries, such as elevators and other equipment maintenance service providers, advertising media companies, real estate agencies, educational service providers, home decoration service providers and insurance brokerage companies, to further diversify our business and consolidate our leading position in the industry.

To improve our market share, we also plan to expand through acquisition of other companies. We intend to primarily target (i) residential property management companies that have solid financial and operational performance, brand image and creditworthiness, and non-residential property companies whose businesses are complementary to our current property portfolio under management; (ii) companies that offer property management related services, including cleaning, greening and gardening, security, equipment maintenance and smart technologies; and (iii) municipal operations service providers. We plan to use approximately 65.0% of the net proceeds from the Global Offering for strategic acquisitions and investments. See "Future Plans and Use of Proceeds." We believe the acquisitions of and investments in other property management companies may further increase our market share, improve our economies of scale and strengthen our position in the industry. In addition, we believe that the acquisitions of and investments in companies providing property management related services will help us provide more comprehensive and integrated services, obtain more projects, gain better control over service quality and related cost and elevate our brand image.

Diversify Value-added Service Offerings and Improve Customer Satisfaction

We are dedicated to satisfying our customers' needs by further strengthening our capabilities to provide and diversify our community value-added services, such as community operations services and community asset management services, collaborating with third-party companies to develop more diversified and high-quality value-added services which are designed to better serve owners and residents of properties under our management as well as surrounding properties.

We plan to further enhance our collaboration with the Evergrande Group, leveraging its strong user base in services related to healthcare, tourism, life insurance and new energy vehicles. Based on the varying characteristics of the different properties, we plan to offer targeted, personalized and featured value-added services to property owners and residents. For example, leveraging the Evergrande Group's amusement parks and healthcare complexes, we intend to collaborate with the Evergrande Group to design and offer tourism and healthcare packages to property owners and residents of properties under our management. We may also hold organized tours and promotion events among our property owners and residents to boost the sales of these packages. Leveraging our large customer base, and good customer relationship, we also intend to explore options to introduce insurance products offered by the Evergrande Group to property owners and residents, such as a combination of critical illness insurance, medical insurance, accident insurance, life insurance, home insurance, car insurance and children education funds catering to different families' needs, thereby creating a win-win situation among our customers, the Evergrande Group and us. Furthermore, we intend to collaborate with the Evergrande Group's new energy vehicle business to extend the coverage of electric vehicle charging stations in properties under our management to make our property owners and residents' usage of new energy vehicles more convenient and affordable. We may also organize product display, test driving, and promotion events and provide enquiry handling and sales assistance services for the Evergrande Group's new energy vehicle products.

We intend to explore cooperation opportunities with our strategic investors such as Sequoia Capital China Growth, CITIC Capital Holdings Limited, Yunfeng Capital Limited and Tencent Holdings Limited to further expand the breadth and depth of our service offerings. We plan to leverage big data technology of some of our strategic investors to develop a big data analysis platform to conduct behavioral analysis and consumption habits analysis to offer more tailored services. We also intend to cooperate with our strategic investors to develop customized smart municipal services related to public transportation, environmental protection, health-related services and other public services by leveraging their big data, IoT, AI and cloud computing technologies. Our strategic investors have extensive resources and network in industries such as healthcare, elderly care, education, tourism, catering, community retail, as well as new retail which offers a new shopping experience by integrating online and offline commerce. We intend to explore cross-selling and cooperation opportunities in these areas with our strategic investors and companies in which they invest.

We plan to use approximately 15.0% of the net proceeds from the Global Offering for further development of our value-added services. See "Future Plans and Use of Proceeds." We intend to acquire or invest in upstream or downstream companies to add additional value-added service offerings. According to CIA, there is vast market potential for community value-added services, including, among others, insurance brokerage, real estate agency, educational services, health-related services, and home decoration services, as they cater to the everyday living needs of property owners and residents. Revenue from community valued-added services accounted for 45.3% of overall revenue from value-added services in 2019 for the Top 100 Property Management Companies, representing an increase of 3.2% from 2018. Accordingly, as advised by CIA, there is adequate demand for these services, which makes a property management company's business expansion into these services feasible. In the course of providing property management services to and interaction with property owners and residents and through customer satisfaction surveys, we receive enquiries from them from time to time for these services. We believe we are well positioned to offer insurance brokerage services to property owners and residents as insurance products are becoming increasingly popular among Chinese families. Based on our experience, real estate agency, educational services and health-related services and decoration services, are commonly operated in or near residential communities and are closely related to what property owners and residents need in their daily life. We learned the needs of property owners and residents, including the customer demands for these value-added services and plan our expansion into these areas. Accordingly, we plan to leverage the experiences and industry knowledge of the acquired companies as well as our customer base and nationwide service network, to develop our businesses in these area. Specifically, we may promote these services in each property project under our management and try to identify the potential customers based on our understanding of our property owners and residents. We believe acquiring or investing in companies providing these services will be beneficial to our expansion plan and create synergies as (i) these services are complementary to our existing service offering as they help address underserved needs of property owners and residents and diversify our revenue sources, (ii) leveraging our established customer base and nationwide service network, the acquired or invested companies may help us reduce the costs to provide relevant services and their business can quickly expand at controllable costs, (iii) our rich management experience in operation standardization and digitalization can help the acquired or invested companies quickly improve operating efficiency, (iv) additional services offerings provided by the acquired or invested companies will further improve our competitiveness in the race to obtain projects developed by Independent Third Parties.

Further Optimize Our Smart Management Platform and Enhance Our Operational Capabilities and Efficiency Powered by Technologies

Enabled by our continued investment in technologies, we will continue our dedication to improving online service systems, upgrading our online management systems, improving our smart community solutions, exploring new technological applications and improving our service and management efficiency and effectiveness. Leveraging IoT, big data and artificial intelligence (AI) technologies, we plan to improve our work efficiency, decision-making processes, and customer experience. In particular, we plan to invest in developing or enhancing the following systems.

- *Safety alert system*. Through the application of high-resolution surveillance equipment and AI technologies, we plan to better monitor and detect unauthorized entries into properties under our management, high-rise littering, fire safety and other community safety issues to ensure the overall safety and security of properties under our management.

- *Smart customer service system*. Through the application of voice robots and AI technologies, we plan to analyze text and voice complaints from our hotlines and online platforms, which will help us better understand and address customers' needs and demands.

- *Smart equipment management*. Through the application of IoT, AI technologies and 5G network, we aim to remotely extract data, monitor and generate alerts on equipment located in properties under our management, and offer full-cycle intelligent management of these equipment to ensure their safe and efficient operations, which we believe will lead to higher efficiency and lower operating costs.

- *Smart AI energy management*. Through the applications of IoT and big data technologies, we aim to realize the intelligent and standardized management of our energy consumption of water, electricity, natural gas and heat, which we believe will contribute to reduced waste and greater energy conservation in the common areas of properties under our management.

- *Smart corporate decision-making*. Through AI and big data technologies, we aim to extract operating data, such as market data, financial data, ERP data and performance data, and establish multi-tier monitoring interfaces at the headquarters and regional levels, to offer comprehensive and clear data and information support for our decision-making processes, detect potential risks, and improve management efficiency.

- *Smart customer profiles*. Through the combination of big data and AI technologies, we hope to give our personnel tools to combine data and information collected from offline interactions with customers as well as from customers' input of online information on purchases, complaints and travels. Based on such comprehensive information and data, we plan to create targeted and precise customer profiles, to enable us to provide more customized services to address their individual needs.

- *Smart robots.* Leveraging robotics and AI technologies, we intend to reduce our operating costs by applying smart robots to perform certain property management functions such as cleaning, watering and patrolling.

We plan to use approximately 8.0% of the net proceeds from the Global Offering for upgrading our information system and equipment. See "Future Plans and Use of Proceeds." We expect to further expand the coverage of the technological applications in properties under our management and add new features into our smart management platform to offer more service to boost revenue, improve customer satisfaction and experience as well as enhance operating efficiency and profit margin.

Improve Service Quality and Competitiveness Leveraging our Brand Image and Service Capabilities

Customer satisfaction is our fundamental standard for managing our services. To improve customer satisfaction and loyalty, as well as enhance our brand image and market influence, we plan to continuously improve our service quality and capabilities. In particular, under our service concept of "conscientious services and heartfelt companionship" ("貼心服務，真誠相伴"), we intend to further enhance our including our 24-hour service hotline, customer complaint hotline, "1-5-30" maintenance response systems, all of which are dedicated to improving our responsiveness to customers' needs for household services such as maintenance, cleaning and household errands.

We also plan to tailor service standards for different property types based on the unique features of each property type and varying customer needs. For example, we plan to introduce customized service packages and standards for industrial parks, amusement parks, healthcare complexes and public facilities, leveraging our experience in offering standardized quality services for residential properties. We believe this will improve our operational efficiency, strengthen our brand and improve our market competitiveness.

Enhance Our Human Resource System to Motivate Organizational Growth and Higher Employee Productivity

We believe that human resources lie at the foundation of our corporate growth. To that end, we plan to continue to enhance our incentive schemes and human resource structure to discover, select and cultivate a loyal workforce that identifies with our corporate culture, has a strong sense of belonging, and is motivated to grow. We offer both management track and expertise track for employees with different interests, and provide competitive compensations.

In addition, we intend to deepen our talent development program by enhancing our various training programs as well as our employee evaluation and promotion systems. We also encourage employees to study for various professional certificates and qualifications, as well as higher education degrees, which we believe improves our employees' professional capabilities. We plan to continue to recruit into our management staff program approximately 120 college-graduate management trainees per year in cooperation with higher education institutions.

We also plan to continue to implement various employee incentive plans to ensure their compensation packages are closely tied to their job performance. We believe that proper incentive schemes recognize their value and hard work, safeguard the stability of our workforce, and promote our long-term sustainable growth.

We plan to use approximately 2.0% of the net proceeds from the Global Offering for recruiting and cultivating talent by cooperating with higher education institutions to prepare a pipeline of talent for our recruitment, improving training programs, incentivizing employees to obtain relevant professional certificates and higher education degrees and providing better benefits to our employees. See "Future Plans and Use of Proceeds." We believe our human resource system will be further enhanced by this plan and the motivated staff force and the growing talent pool will support our business growth.

OUR BUSINESS MODEL

We primarily generate revenue from three business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

- *Property management services.* We offer a wide range of property management services to property owners, residents and property developers, as well as tenants in non-residential properties under our management. Our services typically include butler services, security services, cleaning and greening services, and repair and maintenance services. We manage a diverse portfolio of properties, including residential properties, office buildings and commercial properties, and have been contracted to manage other types of properties such as theme parks, industrial parks, healthcare complexes, themed towns and schools, among others. We charge property management fees primarily on a lump sum basis, with only a very small portion charged on a commission basis.

- *Value-added services to non-property owners.* We offer property developers full-cycle value-added services covering various stages of the property development and delivery process. Our value-added services to non-property owners include (i) preliminary property management services, which comprise (a) construction site management in which we patrol and manage the security of property developers' construction sites; (b) sales office management services in which we provide property management services to property developers' sales offices and show flats; and (c) consulting services in which we advise on various stages of property developers' business operations from a property management perspective; (ii) pre-delivery services in which we clean and inspect the properties to be delivered, as well as assist in the delivery process; (iii) repair and maintenance services in which we assist with the repair and maintenance of properties during their post-delivery quality warranty periods; and (iv) property transaction assistance services in which we facilitate property developers in selling parking spaces and leasing retail spaces.

- *Community value-added services.* We offer community value-added services primarily to property owners and residents. Our community value-added services include (i) community operations services, which comprise (a) community space management services in which we rent out leasable common area to third-party vendors and provide certain onsite services to promote and facilitate such third-party vendors' businesses; and (b) other services such as group purchase facilitations, electric vehicle charging stations and drinking fountains; (ii) community asset management services, which comprise (a) parking space rental services in which we lease parking spaces from property developers and then sublease them to property owners; (b) second-hand property transaction assistance services in which we facilitate property owners in selling or renting their properties; and (c) recreation center operations services in which we operate recreation centers located in residential properties under our management; and (iii) community living services such as housekeeping, home furnishing, and repair and maintenance.

The following table sets forth a breakdown of our total revenue by business line during the Track Record Period, both in absolute amount and as a percentage of total revenue during the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	2,538,392	57.7	3,464,390	58.7	4,612,212	62.9	2,154,683	62.2	2,824,261	61.9
Value-added services to non-property owners	1,609,865	36.6	2,103,431	35.6	2,147,527	29.3	1,056,069	30.5	1,231,480	27.0
Community value-added services	251,099	5.7	335,405	5.7	572,983	7.8	255,008	7.3	508,114	11.1
Total	**4,399,356**	**100.0**	**5,903,226**	**100.0**	**7,332,722**	**100.0**	**3,465,760**	**100.0**	**4,563,855**	**100.0**

PROPERTY MANAGEMENT SERVICES

We have been providing property management services since our establishment in 1997. As of June 30, 2020, our aggregate contracted GFA reached over 513.3 million sq.m., covering more than 280 cities across 22 provinces, five autonomous regions, four municipalities and Hong Kong. As of the same date, we managed 716 properties with an aggregate GFA under management of 254.0 million sq.m. Our revenue from property management services reached RMB2,538.4 million, RMB3,464.4 million, RMB4,612.2 million, RMB2,154.7 million and RMB2,824.3 million in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively, accounting for 57.7%, 58.7%, 62.9%, 62.2% and 61.9% of our total revenue for the same periods, respectively.

The following table sets forth the number of properties and GFA under our 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,			As of June 30,	As of the Latest Practicable Date
	2017	2018	2019	2020	Date
Number of properties under management[1]	421	534	686	716	787
Number of properties we were contracted to manage[2]	660	872	1,060	1,108	1,157
GFA under management *(sq.m. in thousands)*	138,348	185,408	237,855	254,019	278,910
Contracted GFA *(sq.m. in thousands)*	326,694	422,540	505,122	513,310	543,437
Difference between GFA under management and contracted GFA *(sq.m. in thousands)*	188,346	237,132	267,267	259,291	264,527

Notes:

(1) Refers to properties that have been delivered to us for property management purposes.

(2) Refers to all properties for which we have entered into the relevant operating property management service agreements, which may include properties that have not been delivered to us for property management purposes in addition to properties under management.

Scope of Services

We primarily provide the following types of property management services.

- *Butler service.* We offer property owners of each household under our management butler services which address their daily living needs. Our professional butler service personnel are well-educated with a majority of them holding a bachelor degree or above, which we believe is critical in providing quality services that satisfactorily resolve property owners' various needs and establishing favorable relationships with them.

- *Security services*. We provide quality security services, as a part of which we manage the overall security, fire safety, and parking in properties under our management. We check the identities of visitors and visiting vehicles, and handle emergencies on demand. We provide security services through our own employees.

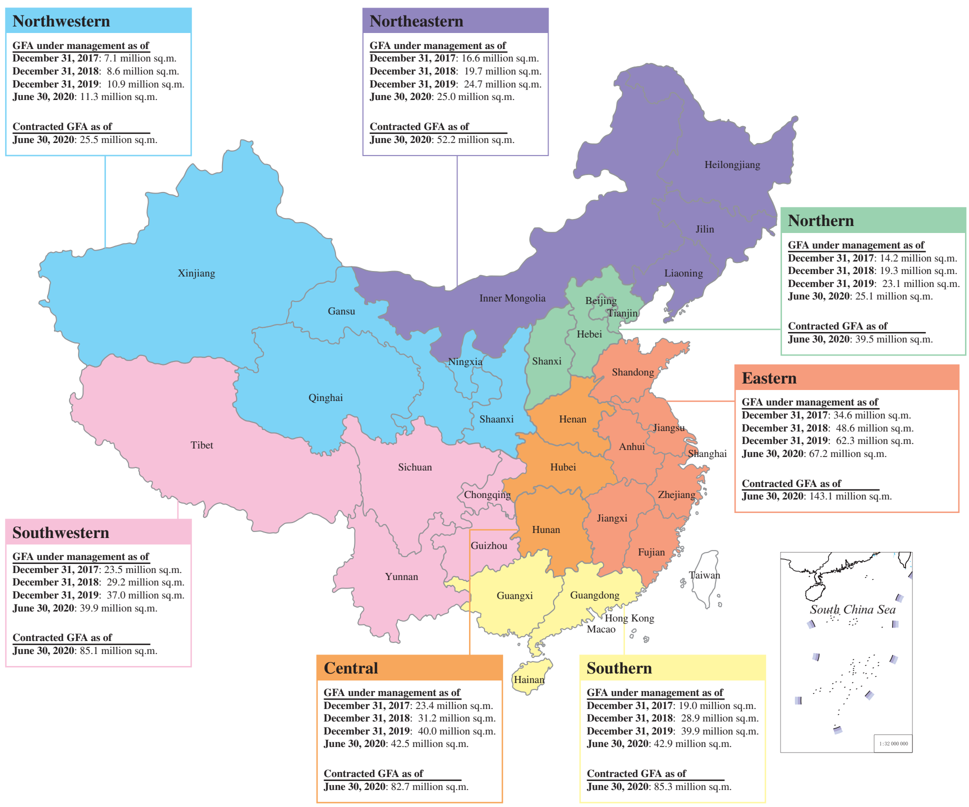
- *Cleaning and greening services*. To create a clean and tidy living environment, we provide general cleaning, garbage collection and pest control services for common areas of buildings and public facilities in properties under our management. We also provide greening and gardening services to common areas of the properties we manage. We primarily delegate greening and gardening services to third-party subcontractors, and provide cleaning services using our own employees and through third-party subcontractors.

- *Common area facility repair and maintenance services*. We are generally responsible for the maintenance of (i) common area facilities and construction structures such as lifts, escalators and central air conditioning facilities; (ii) fire and safety facilities such as fire extinguishers and fire alarm systems; (iii) security facilities such as entrance gates, fences and surveillance cameras; and (iv) utility facilities such as electricity generators, power distribution equipment, water pump rooms, water supply and drainage systems. We provide repair and maintenance services using our own employees and through third-party subcontractors.

As of June 30, 2020, we employed more than 26,000 onsite personnel and engaged approximately 260 third-party subcontractors to provide the abovementioned property management services.

Our Geographic Presence

Since our establishment in 1997, we have expanded our presence nationwide, and have achieved an aggregate contracted GFA of 513.3 million sq.m., covering over 280 cities across 22 provinces, five autonomous regions, four municipalities and Hong Kong as of June 30, 2020. We managed 716 properties with an aggregate GFA under management of 254.0 million sq.m. as of June 30, 2020. The following map illustrates the locations of properties we managed and were contracted to manage as of June 30, 2020, as well as the number of properties under our management as of December 31, 2017, 2018 and 2019 and June 30, 2020.



The following table sets forth a breakdown of our total GFA under management by geographic region as of the dates indicated, and our revenue from property management services by geographic region for the years/periods indicated, both in absolute amount and as a percentage of our revenue from property management services.

	As of/for the year ended December 31,									As of/for the six months ended June 30, 2020		
	2017			2018			2019					
	GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Eastern China[(1)]	34,577	533,688	21.0	48,595	739,114	21.3	62,271	1,033,728	22.4	67,248	635,907	22.5
Northern China[(2)]	14,206	254,276	10.0	19,328	429,776	12.4	23,071	537,303	11.7	25,074	301,495	10.7
Northwestern China[(3)]	7,077	123,671	4.9	8,553	159,898	4.6	10,930	205,003	4.4	11,329	118,933	4.2
Southern China[(4)]	19,042	423,294	16.7	28,909	586,882	16.9	39,934	834,704	18.1	42,948	558,827	19.8
Southwestern China[(5)]	23,476	449,687	17.7	29,177	562,931	16.3	36,971	706,765	15.3	39,914	449,995	15.9
Central China[(6)]	23,408	374,232	14.7	31,178	521,149	15.1	39,968	721,754	15.7	42,548	428,243	15.2
Northeastern China[(7)]	16,562	379,544	15.0	19,668	464,640	13.4	24,710	572,955	12.4	24,958	330,861	11.7
Total	**138,348**	**2,538,392**	**100.0**	**185,408**	**3,464,390**	**100.0**	**237,855**	**4,612,212**	**100.0**	**254,019**	**2,824,261**	**100.0**

Notes:

(1) Includes Anhui, Fujian, Jiangsu, Jiangxi, Shandong, Shanghai and Zhejiang.

(2) Includes Beijing, Hebei, Shanxi and Tianjin.

(3) Includes Gansu, Ningxia, Qinghai, Shaanxi and Xinjiang.

(4) Includes Guangdong, Guangxi, Hainan and Hong Kong.

(5) Includes Guizhou, Sichuan, Tibet, Yunnan and Chongqing.

(6) Includes Henan, Hubei and Hunan.

(7) Includes Heilongjiang, Jilin, Liaoning and Inner Mongolia.

Portfolio of Properties under Management

We primarily offer property management services to properties developed by the Evergrande Group or joint ventures of the Evergrande Group. The following table sets forth a breakdown of our total GFA under management by developer type as of the dates indicated, as well as revenue from property management services by developer type for the years/periods indicated, both in absolute amount and as a percentage of revenue from property management services.

	As of/for the year ended December 31,												As of/for the six months ended June 30, 2020			
	2017				2018				2019							
	GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue	
	(sq.m.'000)		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*
The Evergrande Group[(1)]	137,836	418	2,532,597	99.8	183,121	524	3,425,456	98.9	233,969	664	4,538,996	98.4	251,339	697	2,790,733	98.8
Joint ventures of the Evergrande Group[(2)]	312	1	1,699	0.1	1,886	5	33,099	1.0	3,064	10	58,589	1.3	1,656	6	20,067	0.7
Independent third-party property developers[(3)]	200	2	4,096	0.1	401	5	5,835	0.1	822	12	14,627	0.3	1,024	13	13,461	0.5
Total	**138,348**	**421**	**2,538,392**	**100.0**	**185,408**	**534**	**3,464,390**	**100.0**	**237,855**	**686**	**4,612,212**	**100.0**	**254,019**	**716**	**2,824,261**	**100.0**

Notes:

(1) Refers to properties solely developed by the Evergrande Group or jointly developed by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the total equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations. The GFA and number of properties under management developed by joint ventures decreased from December 31, 2019 to June 30, 2020, primarily because the number of joint ventures involved decreased from ten to six as of the same dates, as four joint ventures became subsidiaries of the Evergrande Group in the six months ended June 30, 2020.

(3) Refers to properties developed solely by independent third-party property developers.

We primarily manage residential properties. We also manage other types of properties such as office buildings and commercial properties, and have been contracted to manage other types of properties such as theme parks, industrial parks, healthcare complexes, themed towns and schools, among others. The following table sets forth a breakdown of our total GFA under management by property type as of the dates indicated, and revenue from property management services by property type for the years/periods indicated, both in absolute amount and as a percentage of revenue from property management services.

	As of/for the year ended December 31,									As of/for the six months ended June 30, 2020		
	2017			2018			2019					
	GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Residential properties(1) . . .	136,966	2,452,466	96.6	183,753	3,398,385	98.1	235,788	4,524,308	98.1	251,355	2,763,869	97.9
Non-residential properties	1,382	85,926	3.4	1,655	66,005	1.9	2,067	87,904	1.9	2,664	60,392	2.1
Total	**138,348**	**2,538,392**	**100.0**	**185,408**	**3,464,390**	**100.0**	**237,855**	**4,612,212**	**100.0**	**254,019**	**2,824,261**	**100.0**

Note:

(1) Includes carparks, garages, ground-level stores and related facilities in residential facilities.

During the Track Record Period, non-residential properties to which we provided property management services and from which we generated revenue from property management services included China Evergrande Center (中國恒大中心), an office building; Guangzhou Evergrande Center (廣州恒大中心), an office building; Guilin Evergrande Plaza (桂林恒大廣場), an office building and commercial property; Ningbo Evergrande City Light (寧波恒大城市之光), an office building and commercial property; Yichang Evergrande Pedestrian Street (宜昌恒大步行街), an office building and commercial property; Shenzhen Jianshe Building (深圳建設大廈), an office building; Hefei Evergrande Center (合肥恒大中心), a commercial property; Hefei Evergrande Plaza (合肥恒大廣場), an office building and commercial property; Fushun Evergrande International Financial Center (撫順恒大國際金融中心), a commercial property; Harbin Evergrande International Center (哈爾濱恒大國際中心), an office building and commercial property; Ji'nan Evergrande Times Fortune Center (濟南恒大時代財富中心), an office building and commercial property; Shijiazhuang Evergrande Center (石家莊恒大中心), an office building; Guiyang Evergrande Center (貴陽恒大中心), an office building; and Nanchang Evergrande Famous City (南昌恒大名都), an office building and commercial property. Save for these properties, all other properties from which we generated revenue from property management services during the Track Record Period were classified as residential properties.

Property Management Service Agreements

During the Track Record Period, we generally obtained preliminary property management service agreements by participating in tenders, a process where property developers evaluate and select from multiple property management companies. With respect to residential property management, tender processes are required unless a property is considered by the relevant local real estate administration authorities as insignificant and does not warrant a tendering process, or there are fewer than three bidders and the relevant local real estate administration authorities allow the engagement of a property management company directly through negotiations without going through the tender process.

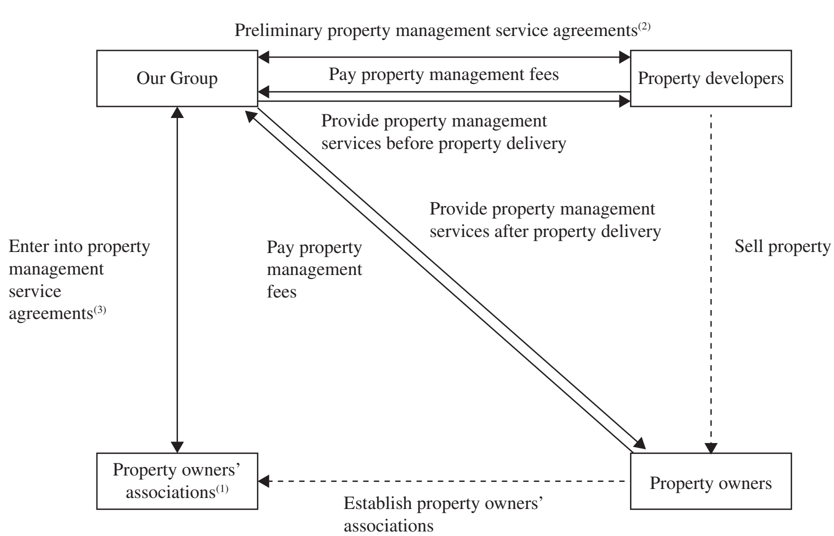
The tender process is well-established, competitive and fairly structured. We do not enjoy any preferential treatments in the selection process for properties developed by the Evergrande Group and are not given extra weight in the selection processes due to our relationship with the Evergrande Group.

The tender process requires a minimum of three bidders. Generally, approximately five to seven bidders participate in a tender process. For higher quality projects, the number of bidders could be even higher. The bidders other than ourselves are generally independent regional or national property management companies that possess the necessary qualifications to submit a bid for the tendering process. The tender process will be evaluated by a tender evaluation committee organized under the Interim Measures for Tender and Bidding Management for Preliminary Property Management (前期物業管理招標投標管理暫行辦法) where neither the property developer nor we would be able to exert influence on the selection process. The tender evaluation committee shall consist of an odd number of at least five members, including: (i) at least a two-thirds majority of property management experts who are independent of the relevant developer and our Group and are selected on a random basis from a list of experts compiled by the local real estate administrative department; and (ii) the representative members from the property developer. In evaluating the bids, the tender evaluation committee would consider a number of factors, including reputation, quality of service, management system, human resources management and the proposed management plan.

Tender invitations are usually issued by property developers for properties under development, or from property owners' associations for properties that wish to replace their existing property management service provider. After receiving the tender invitations, we submit tender documents to the property developer or property owners' associations which generally include proposed pricing, proposal and plan for property management and other information as specified by the tender invitation. We may be required to provide pre-qualification documents for vetting before submitting the formal tender documents. The property developers and property owners' associations will then evaluate the tenders received, and select the winner based on factors such as reputation, quality of service, management system, human resources management and the proposed management plan. After winning the tenders, we enter into property management service agreements with the relevant property developers and property owners' associations, and then file the agreements with the relevant authorities. The following flow chart illustrates each stage of a typical tender process.

We provide property management services to substantially all residential properties developed by the Evergrande Group or joint ventures of the Evergrande Group. We started to provide property management services to properties solely developed by independent third-party property developers in 2017. We procure a majority of our property management service agreements through the tender process regulated by applicable PRC laws and a small portion through commercial negotiations as permitted by relevant local authorities. Our tender success rate was 100.0% throughout the Track Record Period.

The following diagram illustrates our relationships with various parties under our property management agreements.



Notes:

(1) A property owners' association is authorized under PRC laws to act on behalf of the property owners.

(2) A preliminary property management service agreement entered into between a property developer and us before the property is delivered to property owners is legally binding on all future property owners in accordance with the relevant PRC laws and regulations.

(3) A property management service agreement entered into between a property owners' association and us is legally binding on all property owners in accordance with the relevant PRC laws and regulations.

Key Terms of Agreements with Property Developers

Our preliminary property management service agreements with property developers typically include the following key terms.

- *Scope of services*. A typical agreement with a property developer sets out the scope of services, which typically includes the formulation of property management policies and protocols, facility management, security, cleaning, greening and gardening and maintaining common area traffic order and road conditions.

- *Performance standards*. The agreement sets forth specific standards and frequency for our main services, as well as the number of staff for each service.

- *Property management fees*. The agreement sets forth the amount of property management fees and the GFA covered, as well as whether the fee is payable on a lump sum or commission basis. The property developer is responsible for paying the property management fees for unsold property units, which typically begin to accrue upon the execution of the property management service agreement and delivery of the relevant unit to a property purchaser. We also charge a late fee for overdue property management fees, which is typically a percentage of the overdue amount. For properties with carparks, we also set out our fee rate for each carpark space per month.

- *Property developer's rights and obligations*. The property developer is entitled to (i) supervise our services according to the standards included in the agreement; and (ii) review and approve property management service plans and management policies. The property developer is typically responsible for (i) offering us the necessary office space to carry out our services; (ii) cooperating with our work; (iii) informing property owners and residents of their obligations to pay property management fees and follow property management policies; (iv) handling certain repair and maintenance obligations; and (v) offering records, blueprints and other documents and materials as necessary.

- *Our rights and obligations*. We are entitled to receive property management fees according to the relevant provisions in the agreement. We are responsible for (i) providing the services included in the agreement; (ii) cooperating with the supervision by property developers; (iii) monitoring property use; (iv) publicly disclosing collection and spending of public maintenance funds; and (v) offering relevant records and materials as necessary.

- *Term of service*. The agreement typically expires after the property owners' association is established.

- *Dispute resolution*. Parties are typically required to resolve any contractual dispute through negotiations first, failing which the dispute is to be resolved through court proceedings.

After delivery of the properties by property developers, property owners may form and operate property owners' associations. For properties where we have entered into property management service agreements with property developers without fixed terms, property owners and residents are obligated to pay property management fees to us until the property owners' associations enter into new property management service agreements with the property management companies selected by the general meetings of the property owners and the new agreements become effective. For agreements with fixed terms that expire prior to the formation of property owners' associations, the property developer is responsible for renewing the agreements with us or selecting a new property management company. If, upon the expiration of a preliminary property management service agreement, the property owners' association has not been formed or a new property management service agreement has not been entered into between the property owners' association and us, (i) the preliminary property management service agreement will be renewed automatically until a new property management service agreement with the property owners' association is entered into if there is applicable provision in the preliminary property management service agreement to that effect; or (ii) the property developers and us may choose to extend the services absent any automatic renewal provision in the preliminary property management service agreement, in which event a new property management service agreement will be entered into between the property developer and us.

As of December 31, 2017, 2018, 2019 and June 30, 2020, the number of properties under our management that had established property owners' associations was 15, 20, 24 and 29, respectively, which accounted for approximately 3.6%, 3.7%, 3.5% and 4.1%, respectively, of the total number of properties under our management. Our total revenue from properties that had established property owners' associations as of December 31, 2017, 2018, 2019 and June 30, 2020 was RMB191.7 million, RMB224.8 million, RMB257.7 million and RMB153.3 million, respectively, in 2017, 2018, 2019 and the six months ended June 30, 2020, accounting for 4.4%, 3.8%, 3.5% and 3.4% of our total revenue, respectively. Such property owners' associations had not requested to replace us with other property management companies as of the Latest Practicable Date. The property owners' associations are independent from us.

Key Terms of Agreements with Property Owners

Our property management service agreements with property owners' associations and property owners typically include the following key terms.

- *Scope of services*. The agreement sets forth our scope of services, which typically includes property management services to common areas and facilities, such as security, cleaning, greening and gardening, managing common area traffic and parking, repairing and maintaining public facilities, managing the carparks, setting up community activities, and recordkeeping. We may outsource certain services to qualified subcontractors.

- *Performance standards.* The agreement sets forth specific standards, staffing requirements and frequency for our main services.

- *Property management fees.* The agreement sets forth the amount, basis (lump sum or commission) and calculation method of property management fees. The amount of property management fees for each period is dependent on the GFA occupied by property owners and residents, as well as property types. The agreement also includes a fee schedule for additional services beyond the scope of services mentioned above, such as parking space management services, which property owners may select based on their needs. We may impose surcharges on property owners or residents who fail to pay property management fees on time.

- *Rights and obligations of property owners' associations.* The property owners' association has the right to (i) renew agreements with us or terminate us for cause; (ii) supervise the use of public funds and the management of common areas and public facilities; and (iii) review our annual budget and property management plans. Under the supervision of property owners, property owners' associations are responsible for (i) ensuring timely payment of property management fees and contributions to specialized repair funds; (ii) cooperating with our property management services; (iii) keeping necessary records; and (iv) offering us office space to carry out our work.

- *Our rights and obligations*. We are entitled to timely collection of property management fees as provided in the agreement. We are in turn responsible for offering services provided in the agreement pursuant to the relevant service standards. We are also responsible for recordkeeping, managing use of properties by occupants, and announcing major information such as collection and spending of fees.

- *Terms and termination*. The agreement term is typically two to ten years from the date of signing. If property owners' association decides not to renew the agreement, it is typically responsible for delivering three-month notices. We may be responsible for transitioning the property management work to our successor. The property owners' association and we both have the right to terminate the agreement prior to the expiration of the agreement term for causes listed in the agreement. Such causes typically include our failure to offer satisfactory services pursuant to the service standards included in the agreements, or property owners' association's failure to cooperate with our work which led to our economic losses.

- *Dispute resolution*. Parties are required to resolve any contractual dispute through negotiations first, failing which the dispute is to be resolved through court proceedings.

According to relevant PRC laws and regulations, the property owners' association is elected by property owners, and represents their interests in matters concerning property management. The property owners' association's decisions are binding on all property owners. As advised by our PRC Legal Advisors, the agreements between property owners' associations and property management companies are valid and legally binding on property owners represented by property owners' association, even if the property owners are not themselves parties to such agreement. As a result, we have legal claims against property owners for accrued and outstanding property management fees.

During the Track Record Period, for properties under management where we had entered into property management service agreements with property owners' associations, the level of fees charged and scope of services included in such agreements typically did not materially differ from the preliminary property management service agreements with property developers. In particular, among the ten property management service agreements we had entered into with property owners' associations, eight did not experience any changes in property management fees from the preliminary property management services, and two experienced increases in property management fees.

Key Terms of Property Management Service Agreements for Non-residential Properties

We enter into property management service agreements with customers such as property owners and property developers for the management of non-residential properties. Our property management service agreements for non-residential properties typically include key terms which largely track the terms contained in property management service agreements in residential properties under our management, such as scope of services, performance standards, property management fees, the parties' respective rights and obligations, terms of service and dispute resolutions.

Property Management Fees

We primarily charge property management fees on a lump sum basis where we act as the principal provider of property management services, and recognize the entire amount received or receivable from property developers, property owners and residents as our revenue, and all related costs as cost of sales, over the service period. Our revenue from property management fees charged on a lump sum basis accounted for approximately 99.3%, 99.4%, 99.5%, 99.5% and 99.6% of our revenue from property management services in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively.

The following table sets forth a breakdown of our total GFA under management as of the dates indicated, and revenue from property management services by revenue model during the years/periods indicated, both in absolute amount and as a percentage of revenue from property management services.

	As of/for the year ended December 31,									As of/for the six months ended June 30, 2020		
	2017			2018			2019					
	GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Lump sum basis . .	135,165	2,520,325	99.3	181,382	3,443,694	99.4	232,727	4,586,951	99.5	248,759	2,813,356	99.6
Commission basis	3,183	18,067	0.7	4,026	20,696	0.6	5,128	25,261	0.5	5,260	10,905	0.4
Total	**138,348**	**2,538,392**	**100.0**	**185,408**	**3,464,390**	**100.0**	**237,855**	**4,612,212**	**100.0**	**254,019**	**2,824,261**	**100.0**

We take into account a number of factors in determining whether to charge property management fees on a lump sum basis or a commission basis, including type of properties, local regulations, requirements of property developers or property owners' associations, local market conditions, and the nature and requirements of individual properties, on a case by case basis. We assess our prospective customers and evaluate key factors such as the estimated costs of managing the properties, historical fee collection rates and projected profitability.

Lump Sum Basis

Under the lump sum basis, we charge a predetermined property management fee per sq.m. of GFA under management on a regular basis which represents an all-inclusive fee for all property management services provided by us and our subcontractors. We are entitled to retain the full amount of property management fees received from property developers, property owners and residents. We also bear property management service costs, which we recognize as our cost of sales. If the property management fees we charge during the term of a property management service agreements are not sufficient to cover all the costs incurred, we bear the loss and may not request property developers, property owners or residents to pay us the shortfall.

In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, we incurred losses of RMB114.8 million, RMB112.3 million, RMB59.0 million, RMB34.8 million and RMB14.4 million, respectively, with respect to 96, 84, 48, 50 and 24 properties under our management, respectively. The following table sets forth a breakdown of the number of our loss-making projects and the amount of losses by developer type during the periods indicated.

	For the year ended December 31,						Six months ended June 30, 2020	
	2017		2018		2019			
	Number of properties	Loss	Number of properties	Loss	Number of properties	Loss	Number of properties	Loss
		(RMB'000)		*(RMB'000)*		*(RMB'000)*		*(RMB'000)*
The Evergrande Group[(1)]	94	114,152	80	106,823	45	56,742	22	13,708
Joint ventures of the Evergrande Group[(2)]	1	185	1	1,389	–	–	–	–
Independent third-party property developers[(3)]	1	445	3	4,087	3	2,216	2	698
Total	**96**	**114,782**	**84**	**112,299**	**48**	**58,958**	**24**	**14,406**

Notes:

(1) Refers to properties solely developed by the Evergrande Group or jointly developed by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the total equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations.

(3) Refers to properties developed solely by independent third-party property developers.

Such losses were primarily because the amount of property management fees we received was insufficient to cover the service costs incurred to offer quality property management services. The number of loss-making projects decreased during the Track Record Period as some of these loss-making projects became profitable. Such turnaround was primarily due to economies of scale and several measures we adopted to reduce operating costs and expenses. For example, as the GFA under management in a certain city increases, we were able to share certain human resources and other overhead costs among different properties within the same or adjacent cities, thereby improving operating efficiency. In October 2018, our corporate headquarter started to centrally hire and allocate our human resources based on the types of services involved, revenue contribution of different properties and the costs per sq.m. of relevant properties, and to centrally manage the compensation packages of our personnel. These measures have led to increased efficiency in human resource utilization and reduced labor costs. We also improved our compensation schemes to incentivize employees to perform with high productivity and efficiency. We also promoted the Evergrande Smart Community mobile application in more properties under our management to help us allocate our workforce more efficiently and effectively. We also improved the energy efficiency of our common area equipment such as lighting and water pumps to reduce utility expenses.

We plan to continue making improvements in operations to turn-around the remaining loss-making projects by (i) actively communicating with the relevant property developers or property owners' associations to renegotiate our fee rates upon renewal of the relevant property management service agreements; (ii) further streamlining our business operations and improve the efficiency of our employees by leveraging economies of scale as well as our various information systems; and (iii) promoting community value-added services in those properties, which typically generates higher profit margins than property management services, and including the promotion and provision of community value-added services as a part of our assessment of our employees' performance. Our revenue from property management services from such loss-making properties was approximately RMB573.7 million, RMB501.8 million, RMB227.4 million, RMB120.1 million and RMB45.1 million in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively, representing 13.0%, 8.5%, 3.1%, 3.5% and 1.0% of our total revenue for the same periods, respectively. See "Risk Factors—Risks Relating to Our Business and Industry—We may be subject to losses and our profit margins may decrease if we fail to control our costs in rendering our property management services on a lump sum basis."

Commission Basis

During the Track Record Period, we derived revenue from a limited number of property management service agreements on a commission basis. Revenue from property management services derived on a commission basis represented 0.7%, 0.6%, 0.5%, 0.5% and 0.4% of our revenue from property management services in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively. We recognize a predetermined property management commission fee, generally representing 8% to 10% of the property management fees, as revenue, while the remainder serves as working capital to cover the property management costs and expenses incurred by the property. We coordinate various property management services. We typically adopt the commission basis for non-residential properties.

Management office of each property typically uses our finance department to collect and make property management service related payments. If the working capital balance of a property is insufficient to cover costs and expenses incurred, the shortfall is recognized as trade receivable subject to impairment. See "Risk Factors—Risks relating to Our Business and Industry—We may fail to recover all payments made on behalf of property owners and residents of the properties managed on a commission basis." When the ending balance after paying for all property management service 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, nor do we recognize any cost of sales under commission basis in general.

Our Pricing Policy

We generally price our services based on a number of factors, including (i) the types, sizes and locations of the properties; (ii) the scope and quality of our services; (iii) our estimated costs and expenses; (iv) our target profit margins; (v) the profiles of property owners and residents; (vi) the local government's guidance price on property management fees (where applicable); and (vii) the maximum pricing of comparable properties. Under the property management service agreements, we may raise property management fees upon renewal of the agreements after negotiations with property owners and residents.

The relevant price administration department and construction administration department of the State Council are jointly responsible for supervising property management fees and issuing relevant guidance. See "Regulatory Overview—Legal Supervision Over Property Management Services—Fees Charged by Property Management Enterprises."

The following table sets forth the average property management fee per sq.m. of the properties under our management by developer type for the years indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2017	2018	2019	2019	2020
	(RMB per sq.m. per month)				
Residential properties					
The Evergrande Group[1]	2.02	2.11	2.13	2.13	2.18
Joint ventures of the Evergrande Group[2]	2.66	2.83	2.97	2.93	2.57
Independent third-party property developers[3]	2.16	2.31	2.32	2.28	2.52
Overall average property management fee for residential properties	2.02	2.11	2.14	2.14	2.19
Non-residential properties					
Overall average property management fee for non-residential properties	5.05	5.18	6.11	5.84	5.94
Property management fee by city tier					
Tier-one cities	2.77	3.06	3.06	3.01	3.10
Tier-two cities	2.03	2.17	2.23	2.20	2.27
Other cities	2.00	2.04	2.07	2.08	2.13
Overall average property management fee	2.05	2.14	2.18	2.17	2.22

Notes:

(1) Refers to properties solely developed by the Evergrande Group or jointly developed by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the outstanding equity interests, and the Evergrande Group does not hold sufficient equity interests to have control of such joint ventures according to their articles of associations.

(3) Refers to properties developed solely by independent third-party property developers.

During the Track Record Period, the average property management fee charged on properties developed by the Evergrande Group was generally comparable to that of similar properties developed by independent third-party property developers in the same area and in respect of comparable services, standards, types of properties, years of completion and locations. We only had a limited number of residential properties under management that were developed by joint ventures of the Evergrande Group and independent third-party property developers during the Track Record Period. The average property management fees of residential properties developed by joint ventures of the Evergrande Group were higher than those of residential properties developed by the Evergrande Group and independent third-party property developers during the Track Record Period, mainly because residential properties developed by joint ventures of the Evergrande Group were relatively new and high-end properties primarily located in provincial capitals and major regional cities such as Shenyang, Hohhot, Chengdu and Dalian. The monthly property management service fees for residential properties developed by independent third-party property developers were higher than those for residential properties developed by the Evergrande Group during the Track Record Period, primarily because residential properties developed by independent third-party property developers were mainly located in tier-one and tier-two cities while residential properties developed by the Evergrande Group cover a wide range of cities across different tiers of cities in China. The increase in the average property management fees for properties developed by independent third-party property developers in the 2018 was mainly attributable to two newly delivered property projects for our management during the period, namely, Hohhot Feicui Huating (呼和浩特翡翠華庭) and Wenchang Jintang Habor (文昌晉唐海灣), with relatively high property management fees. The increase in the average property management fees for properties developed by independent third-party property developers in the six months ended June 30, 2020 was mainly because we had three new property projects delivered to us for management in December 2019, namely, Qingdao Shuijing Plaza (青島水晶廣場), Kunming Kunhai Lake (昆明昆海湖) and Chengdu Yinhai Lake (成都銀海湖), which had relatively high property management fees. The decrease in the average property management fees for residential properties developed by joint ventures of the Evergrande Group in the six months ended June 30, 2020 were mainly (i) due to a newly delivered project for our management in Hunan province, Chenzhou Evergrande Linxijun (郴州恒大林溪郡), with relatively low property management fee; and (ii) because the property developer of a project under our management in Hainan province, Haikou Evergrande Meilisha (海口恒大美麗沙), which had relatively high property management fee in 2019, was recognized as our subsidiary in the first half of 2020.

Our average property management fees for non-residential properties increased from RMB5.18 per sq.m. in 2018 to RMB6.11 per sq.m. in 2019 and then decreased to RMB5.94 per sq.m. in the six months ended June 30, 2020. The relatively high average property management fees for non-properties were primarily due to the increased proportion of high-end commercial properties under our management with relatively higher average property management fees in the second half of 2019, such as Shijiazhuang Evergrande Center (石家莊恒大中心), a high-end office building, and Ningbo Evergrande City Light (寧波恒大城市之光), a high-end commercial complex.

Payment and Credit Terms

Property management fees are generally due in advance on a monthly, quarterly or annual basis in accordance with the agreement provisions. For property management fees charged on a lump sum basis, property owners and residents pay us a fixed amount, and we retain the surplus and bear the losses after paying necessary operating costs and expenses. For property management fees charged on a commission basis, any surplus in working capital at the end of the year is carried over to the next year, and any shortfalls in working capital are to be recovered from property owners and residents, with each property owner and resident's share of the shortfall generally proportional to the property owner and resident's share of the total GFA under management.

We issue demand notes to property owners and/or property developers prior to payment due dates, and typically receive payments of our property management service fees after the issuance of the demand note, which, according to CIA, is consistent with the property management industry norm in the PRC.

We primarily accept payments for property management fees through bank transfers, online payment platforms and cash. We adopt different collection approaches, such as making phone calls, sending text messages, paying in-person visits, issuing legal collection letters and filing lawsuits.

Expiration Schedule of Property Management Service Agreements

The following table sets forth the expiration schedule of our property management service agreements as of June 30, 2020.

	Contracted GFA		Number of agreements	
	(sq.m. in thousands)	%		%
Property management service agreements without fixed term[(1)]	474,248	92.4	1,275	88.7
Property management service agreements expiring in				
Year ending December 31, 2020	3,137	0.6	13	0.9
Year ending December 31, 2021	7,992	1.6	27	1.9
Years ending December 31, 2022 and beyond	27,933	5.4	123	8.5
Subtotal	39,062	7.6	163	11.3
Total	**513,310**	**100.0**	**1,438**	**100.0**

Notes:

(1) Includes preliminary property management service agreements we entered into with property developers. Such agreements can be terminated when the property owners' associations are formed and decide to select other property management companies.

The following table sets forth movements of our contracted GFA and GFA under management during the periods indicated.

	As of December 31,						As of June 30, 2020	
	2017		2018		2019			
	Contracted GFA	GFA under management	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 period	240,832	90,790	326,694	138,348	422,540	185,408	505,122	237,855
New engagements[(1)]	85,862	47,558	95,905	47,119	82,475	52,340	8,188	16,164
Acquisitions[(2)]	–	–	–	–	124	124	–	–
Terminations[(3)]	–	–	59	59	17	17	–	–
As of the end of the period	**326,694**	**138,348**	**422,540**	**185,408**	**505,122**	**237,855**	**513,310**	**254,019**

Notes:

(1) Primarily includes (i) preliminary property management service agreements entered into with property developers for new properties; and (ii) property management service agreements for residential properties that replaced their previous property management companies. The renewed agreements are not regarded as new engagements entered into during such year. The newly engaged GFA under management includes the newly delivered GFA we contracted in prior years.

(2) Refers to new GFA we obtained through our acquisitions of other property management companies.

(3) Primarily arose out of non-renewal of certain property management service agreements, reflecting our reallocation of resources to more profitable engagements in an effort to optimize our property management portfolio.

During the Track Record Period, our agreement retention rates remained relatively favorable, which we believe reflects on our capabilities in offering quality property management services. During the Track Record Period, we terminated two property management service agreements due to our own commercial considerations prior to the expirations of the relevant property management service agreements, and none of our property management service agreements was terminated or not renewed upon expiration by property owners' associations or property owners. In 2017, 2018, 2019 and the six months ended June 30, 2020, our property management service agreement retention rate (the number of property management service agreements effective at the end of a year, being the number of agreements that existed less the number of agreements terminated and the number of agreements that expired and were not renewed during the period divided by the number of property management service agreements that existed during the same year) was 100.0%, 99.8%, 99.9% and 100.0%, respectively. The following table sets forth the number of property management service agreements entered into, terminated and expired during the periods indicated.

	For the year ended December 31,									For the six months ended June 30,		
	2017			2018			2019			2020		
	The Evergrande Group(1)	Joint ventures of the Evergrande Group(2)	Independent Third Parties(3)	The Evergrande Group(1)	Joint ventures of the Evergrande Group(2)	Independent Third Parties(3)	The Evergrande Group(1)	Joint ventures of the Evergrande Group(2)	Independent Third Parties(3)	The Evergrande Group(1)	Joint ventures of the Evergrande Group(2)	Independent Third Parties(3)
Number of agreements that existed	418	1	2	524	5	5	664	10	12	697	6	13
Number of agreements terminated	–	–	–	1	–	–	–	–	1	–	–	–
Number of agreements expired and were not renewed	–	–	–	–	–	–	–	–	–	–	–	–

Notes:

(1) Refers to properties solely developed by the Evergrande Group or jointly developed by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the total equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations.

(3) Refers to properties developed solely by independent third-party property developers.

VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

Our value-added services to non-property owners include (i) preliminary property management services; (ii) pre-delivery services; (iii) repair and maintenance services; and (iv) property transaction assistance services. The following table sets forth a breakdown of our revenue from value-added services to non-property owners for the years/periods indicated, both in absolute amount and as a percentage of our revenue from value-added services to non-property owners.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Preliminary property management services	1,597,021	99.2	1,906,198	90.6	1,605,862	74.8	790,724	74.9	710,944	57.7
Pre-delivery services	–	0.0	176,789	8.4	463,586	21.6	233,385	22.1	312,753	25.4
Repair and maintenance services	9,158	0.6	13,633	0.7	6,570	0.3	4,677	0.4	159,435	13.0
Property transaction assistance services	3,686	0.2	6,811	0.3	71,509	3.3	27,283	2.6	48,348	3.9
Total	**1,609,865**	**100.0**	**2,103,431**	**100.0**	**2,147,527**	**100.0**	**1,056,069**	**100.0**	**1,231,480**	**100.0**

Preliminary Property Management Services

Construction Site Management Services

We manage the construction sites of our property developer customers by patrolling the construction sites and managing the security and orderliness of the construction sites. We typically charge service fees based on the number of staff we assign to a particular construction site.

Sales Office Management Services

We offer property management services to sales offices and show flats of property developers, such as security services, cleaning services and visitor reception. We do not participate in the sales transactions of our customers.

We typically charge property developers a fixed service fee on a cost-plus basis. As of June 30, 2020, we managed a total of 803 sales offices with a total GFA under management of 9.9 million sq.m. The sales offices under our management typically include a reception hall, clubhouses, sales offices for our staff to communicate with customers, as well as multiple show flats showing the various floor plans offered within the particular property project.

Consulting Services

We offer various planning and design consulting services which address property developers' needs at different stages of their business operations from a property management perspective. For example, we advise on the design and positioning of property entrances, security technologies, equipment rooms, intelligent equipment, parking spaces for motor and non-motor vehicles and property management offices. We review construction blueprints and advise on building structure, related electricity, water and heating infrastructure, fire safety, home furnishing and decorations, and landscaping. We offer selection and maintenance services over property management equipment, such as central air conditioning, elevators, electricity equipment, energy management equipment, among others. We also provide training on equipment repair and maintenance, cost estimations, energy conservation, and emergency responses, among other areas. We typically charge our customers on a cost-plus basis.

Pre-delivery Services

Leveraging our experience in offering value-added services to non-property owners, we began offering a series of additional services to property developers before they deliver completed properties to property owners, including pre-delivery property cleaning since 2019 and property inspection since 2018. Prior to us, non-property owners, including both the Evergrande Group and Independent Third Parties, typically engaged other service providers to provide such services. Property developers request our inspections after construction is complete. After our initial round of inspections, we provide feedback to property developers in relation to properties that need further work, and conduct follow-up inspections until such properties meet our delivery standards. On the date of property delivery to property owners, we accompany property owners and record their feedback and complaints on the property. We typically charge pre-delivery service fees on a per sq.m. basis.

Repair and Maintenance Services

We assist with the repair and maintenance of properties during their post-delivery quality warranty periods. We receive requests from property owners and residents for repair and maintenance services through our customer service hotline, our Evergrande Smart Community mobile application and in-person visits. After recording such requests, we dispatch relevant personnel onsite to evaluate the situation and formulate solutions. We then liaise with construction companies to provide the requested services. Under certain circumstances, such as when the construction companies fail to provide the requested services in a timely manner, we may step in and provide the services directly. We charge service fees based on the amount of services provided. In the future, we may consider entering into agreements directly with the construction companies to provide repair and maintenance services on their behalf during the post-delivery warranty periods of properties, and charge service fees on a lump sum basis. We believe this new model would allow us to have more control over the process and respond to property owners and residents' requests in a more timely and effective manner, thereby improving user experience and customer satisfaction.

Property Transaction Assistance Services

We assist property developers in selling parking spaces in exchange for service fees calculated as a pre-agreed percentage of the transaction value. We also assist property developers in renting out other unsold properties, and charge a fee calculated as a pre-agreed percentage of the monthly rent of the relevant property.

COMMUNITY VALUE-ADDED SERVICES

We offer community value-added services to property owners and residents, including (i) community operations services; (ii) community asset management services; and (iii) community living services. The following table sets forth a breakdown of our revenue from community value-added services during the years/periods indicated, both in absolute amount and as a percentage of revenue from community value-added services.

We believe our quality community value-added services help improve the living experience and environment of property owners and residents of properties under our management, leading to higher overall customer satisfactions.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Community operations services	25,675	10.2	36,657	10.9	202,239	35.3	96,177	37.7	305,757	60.2
Community asset management	174,317	69.4	234,034	69.8	302,846	52.9	135,967	53.3	165,975	32.7
Community living services	51,107	20.4	64,714	19.3	67,898	11.8	22,864	9.0	36,382	7.1
Total	**251,099**	**100.0**	**335,405**	**100.0**	**572,983**	**100.0**	**255,008**	**100.0**	**508,114**	**100.0**

Our revenue from community value-added services increased during the Track Record Period, primarily due to (i) an increase in the number of communities under our management and the residents we served, as a result of our business expansion; and (ii) our launch and expansion efforts of various services such as group purchase and sale of agricultural products, community asset management services and parking space rental services. See "Financial Information—Results of Operations" for more details.

Community Operations Services

We offer a wide range of community operations services leveraging the common spaces of properties under our management for the benefits of property owners and residents, such as (i) community space management services; (ii) group purchase facilitation services; and (iii) others.

Community Space Management Services

We assist property owners in renting out leasable facilities in the common areas of properties under our management to third-party vendors seeking a place to operate or promote their businesses, and charge a percentage of the rental proceeds as our service fees. We also provide certain onsite services to promote and facilitate such third-party vendors' businesses in exchange for service fees, such as facilitating their promotional events and equipment maintenance in the properties we manage.

Group Purchase Facilitation

We offer property owners and residents group purchase facilitation services where we facilitate the purchase and sale of agricultural products and other popular merchandise by connecting property owners and residents of properties under our management with vendors of such products. We charge a commission and promotional service fee from the vendors.

Others

We cooperate with third parties to offer electric vehicle charging stations and allow property owners and residents to charge their electric vehicle including electric bicycles and electric cars. We also cooperate with an independent third-party vendor to offer potable water stations where property owners can purchase drinking water. We charge fees in line with the prevailing market prices.

Community Asset Management

Parking Space Rental Services

We lease parking spaces from property developers and sublease such spaces to property owners in exchange for monthly rental fees. We also charge temporary parking fees for customers who did not sublease parking spaces from us based on the length of parking.

Second-hand Property Transaction Assistance Services

We assist property owners in selling and renting out their properties, and charge service fees. We offer second-hand property transaction assistance services primarily in cooperation with third-party real estate agencies where we communicate with property owners seeking to sell or rent out their properties, collect and record their information, and coordinate open house events with third-party real estate agencies, charging a percentage of the sales proceeds as our fees.

Recreation Center Operations Services

We operate recreation centers mainly located in properties under our management. These centers are primarily open to property owners and residents to satisfy their sports and recreational needs, and typically include facilities such as heated swimming pools, billiard tables, basketball courts, tennis courts, table tennis courts, squash courts, gyms, children's activity centers, restaurants, bars, tea rooms, and activity rooms for music, dance, art, chess and cards, among others. We typically charge service fees on a commission basis calculated as a percentage of the revenue of these centers while the remaining portion of the revenue from the recreation centers goes to the owners of the recreation centers.

Community Living Services

We offer certain household services to property owners to improve their household living experience and charge fixed service fees based on the amount of services rendered, such as housekeeping, home furnishing, repair and maintenance of home appliances, furniture and other in-unit facilities, among others. We also cooperate with third-party service providers to provide home appliance repair and maintenance services, and charge a percentage of the service fees paid to such third-party service providers by property owners as our commission.

RELATIONSHIP WITH THE EVERGRANDE GROUP

Overview

We have a long and close working relationship with the Evergrande Group. We started our business in 1997 by providing property management services to properties developed by the Evergrande Group. As the Evergrande Group started to develop commercial properties, we began managing commercial properties in 2013. During the Track Record Period, we provided property management services to substantially all of the properties developed by the Evergrande Group or its joint ventures. The Evergrande Group was our largest customer during the Track Record Period. According to CIA, it is industry practice for property management companies to have a close business relationship with their affiliated property developer, or their ultimate controlling shareholder.

Given our long and close relationship with the Evergrande Group, we are familiar with its specific requirements and expected deliverables. We have always provided quality services, which help enhance the brand image of the Evergrande Group and the value of their property development projects. Our Directors are of the view that our relationship with the Evergrande Group is mutually beneficial.

Having considered (i) our long standing cooperation relationship with the Evergrande Group; (ii) our familiarity with the Evergrande Group's requirements and our capability to provide quality services; and (iii) the mutual benefits for both the Evergrande Group and us to maintain such reciprocal relationship, our Directors are of the view that the current relationship between the Evergrande Group and us is unlikely to be materially adversely changed or terminated. See "Relationship with Controlling Shareholders—Our Relationship with the Evergrande Group." We expect to continue to provide services to the Evergrande Group and derive revenue therefrom.

We strive to expand our operations by developing business opportunities with Independent Third Parties. During the Track Record Period, revenue from Independent Third Parties as a percentage of our total revenue experienced continuous increases from 55.8% in 2017 to 57.2% in 2018, and further to 62.5% in 2019, and from 61.0% in the six months ended June 30, 2019 to 64.1% in the six months ended June 30, 2020. The following table sets forth a breakdown of our revenue by type of customers for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000) (unaudited)	(%)	(RMB'000)	(%)
Independent Third Parties	2,456,051	55.8	3,377,445	57.2	4,586,862	62.5	2,116,248	61.0	2,926,245	64.1
The Evergrande Group	1,935,397	44.0	2,439,682	41.3	2,658,346	36.3	1,316,549	38.0	1,597,434	35.0
Joint ventures of the Evergrande Group	7,908	0.2	86,099	1.5	87,514	1.2	32,963	1.0	40,176	0.9
Total	**4,399,356**	**100.0**	**5,903,226**	**100.0**	**7,332,722**	**100.0**	**3,465,760**	**100.0**	**4,563,855**	**100.0**

The following table sets forth a breakdown of our revenue by type of property developer for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
The Evergrande Group	4,376,481	99.5	5,751,094	97.4	7,142,303	97.4	3,370,773	97.2	4,475,607	98.1
Joint ventures of the Evergrande Group	9,211	0.2	111,601	1.9	141,362	1.9	64,671	1.9	55,299	1.2
Independent Third Parties	13,664	0.3	40,531	0.7	49,057	0.7	30,316	0.9	32,949	0.7
Total	**4,399,356**	**100.0**	**5,903,226**	**100.0**	**7,332,722**	**100.0**	**3,465,760**	**100.0**	**4,563,855**	**100.0**

Services Provided to the Evergrande Group

Property Management Services

During the Track Record Period, we provided property management services to properties developed by the Evergrande Group. See "—Property Management Services." The following table sets forth a breakdown of our total GFA under management by developer type as of the dates indicated, as well as revenue from property management services by developer type for the periods indicated, both in absolute amount and as a percentage of revenue from property management services.

	As of/for the year ended December 31,									As of/for the six months ended June 30, 2020		
	2017			2018			2019					
	GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
The Evergrande Group[(1)]	137,836	2,532,597	99.8	183,121	3,425,456	98.9	233,969	4,538,996	98.4	251,339	2,790,733	98.8
Joint ventures of the Evergrande Group[(2)]	312	1,699	0.1	1,886	33,099	1.0	3,064	58,589	1.3	1,656	20,067	0.7
Independent third-party property developers[(3)]	200	4,096	0.1	401	5,835	0.1	822	14,627	0.3	1,024	13,461	0.5
Total	**138,348**	**2,538,392**	**100.0**	**185,408**	**3,464,390**	**100.0**	**237,855**	**4,612,212**	**100.0**	**254,019**	**2,824,261**	**100.0**

Notes:

(1) Refers to properties solely developed by the Evergrande Group or jointly developed by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the total equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations. The GFA under management of properties developed by joint ventures decreased from December 31, 2019 to June 30, 2020, primarily because the number of joint ventures involved decreased from ten to six as of the same dates, as four joint ventures became subsidiaries of the Evergrande Group in the six months ended June 30, 2020.

(3) Refers to properties developed solely by independent third-party property developers.

Value-added Services to Non-property Owners

In addition to property management services, we also provide value-added services to the Evergrande Group, including (i) sales office management services; (ii) preliminary consulting services; (iii) pre-delivery services; (iv) after-sales services; and (v) property transaction assistance services. See "—Value-added Services to Non-property Owners." During the Track Record Period, our value-added services to non-property owners were provided to both the Evergrande Group as well as Independent Third Parties. During the Track Record Period, about 98.5% to 99.4% of our total revenue from value-added services to non-property owners was attributable to properties developed by the Evergrande Group and its joint ventures and associates. The following table sets forth a breakdown of our revenue from value-added services to non-property owners by customer type during the periods indicated.

	For the years ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
The Evergrande Group	1,592,140	98.9	1,994,840	94.8	2,039,630	95.0	1,011,401	95.8	1,178,687	95.7
Joint ventures of the Evergrande Group	7,789	0.5	79,500	3.8	79,346	3.7	28,889	2.7	34,823	2.8
Independent Third Parties	9,936	0.6	29,091	1.4	28,551	1.3	15,779	1.5	17,970	1.5
Total	**1,609,865**	**100.0**	**2,103,431**	**100.0**	**2,147,527**	**100.0**	**1,056,069**	**100.0**	**1,231,480**	**100.0**

Purchases from the Evergrande Group

We purchase certain materials and services from the Evergrande Group, primarily including (i) maintenance materials and parts; (ii) office and communication equipment; (iii) staff uniforms and other consumables; and (iv) gardening services.

Our Efforts to Explore Market Opportunities with Independent Third Parties

We began proactively sourcing projects from independent third-party property developers since 2019. As of June 30, 2020, the GFA under management of properties developed by independent third-party property developers was 1.0 million sq.m.

We are one of the leading comprehensive property management service providers in the PRC with more than 20 years of experience in providing property management services. We were ranked 5th among the Top 100 Property Management Companies in China by CIA in 2020 and 5th among the 2019 Top 500 Property Management Companies (2019物業服務企業綜合實力500強) by China Property Management Institute (中國物業管理協會) and China Real Estate Appraisal Center of Shanghai E-House Real Estate Research Institute ("上海易居房地產研究院中國房地產測評中心") in 2019. Over the years, we have gained extensive experience, reputation and competitive advantages to secure property management service agreements from independent third-party property developers. Benefiting from the quality of our property management services and our brand recognition, we have a proven track record of maintaining a high retention rate of our property management service agreements, which illustrates our ability to operate independently of the Evergrande Group.

In June 2020, we set up an external business development team focusing on developing businesses related to properties developed by independent third-party property developers. The scope of our external business development covers not only residential properties but also non-residential property projects, such as public facilities, commercial properties and industrial properties. When selecting targets for expansion, we primarily focus on (i) the cities in which the properties are located. We give priority to properties located in cities or areas where we already have operations in order to optimize management efficiency and capitalize on economies of scale; (ii) the size, unit property management fee level and collection record of the properties; (iii) in case of acquisitions of property management companies, the financial and operational performance as well as the brand image and creditworthiness of the targets. We direct our regional subsidiaries to conduct preliminary researches on the sizes, business operations, indebtedness, financial condition, and legal compliance statuses of potential acquisition and cooperation targets, and submit research reports for review and approval by our headquarters. If approved, our headquarters will instruct and supervise our regional companies to complete the bidding, contract negotiation and signing, and subsequent ramp-up processes. Subsequent to June 30, 2020 and up to the Latest Practicable Date, we had entered into six property management service agreements for the projects developed by independent third-party property developers with an aggregate contracted GFA of 1.0 million sq.m. and five framework property management service agreements for projects developed by independent third-party property developers with a total GFA of 4.4 million sq.m. We plan to continue to leverage our brand image to seek future cooperation opportunities with Independent Third Parties.

In addition, since we set up the external business development team in June 2020, we have initiated a series of acquisitions. As of the Latest Practicable Date, we had entered into agreements to acquire five regional property management companies which had an aggregate GFA under management of 7.72 million sq.m., all developed by independent third-party property developers. On September 4, 2020, we entered into an equity transfer agreement to acquire a 100% equity interest in Nanchang Xinya at a consideration of RMB33.0 million payable in installments. As of September 4, 2020, Nanchang Xinya had a total GFA under management of 1.63 million sq.m. On September 5, 2020, we entered into an equity transfer agreement to acquire a 100% equity interest in Chengdu Wellspo at a consideration of RMB39.0 million. As of September 5, 2020, Chengdu Wellspo had a total GFA under management of 1.31 million sq.m. On September 8, 2020, we entered into an equity transfer agreement (as supplemented by a supplemental agreement on October 16, 2020) to acquire a 100% equity interest in Zunyi Zhongxin at a consideration of RMB19.1 million. As of September 8, 2020, Zunyi Zhongxin had a total GFA under management of 1.25 million sq.m. On September 10, 2020, we entered into an equity transfer agreement to acquire a 51% equity interest in Hubei Guanbo at a consideration of RMB12.2 million. As of September 10, 2020, Hubei Guanbo had a total GFA under management of 2.0 million sq.m. On September 10, 2020, we entered into an equity transfer agreement to acquire a 100% equity interest in Yongkang Jiahua at a consideration of RMB20.0 million. As of September 10, 2020, Yongkang Jiahua had a total GFA under management of 1.53 million sq.m. See “Waivers from Strict Compliance with the Listing Rules—Equity Interests Acquired after the Track Record Period.” As of the Latest Practicable Date, the transfers of the entire equity interests in Chengdu Wellspo, Zunyi Zhongxin and Yongkang Jiahua and the transfers of 51% equity interests in Nanchang Xinya and Hubei Guanbo had been completed. As these companies over which we have entered into equity transfer agreements primarily provide property management services to properties developed by independent third-party property developers, we expect that the acquisitions will help further expand our property management service portfolio and enlarge our customer base especially with respect to independent third-party property developers.

EFFECT OF THE COVID-19 PANDEMIC

An outbreak of respiratory illness caused by a novel coronavirus, namely COVID-19, was reported in December 2019 and continues to expand globally. The outbreak of the COVID-19 pandemic is likely to have an adverse impact on the livelihood of people around the world and on the global economy.

Effects of the COVID-19 Pandemic on Our Business Operations

According to CIA, the PRC property management industry is under pressure in the short term as property management companies are required to suspend certain services and incur additional costs to comply with additional regulations and government measures. In particular, our following services have experienced certain short-term impacts as a result of the COVID-19 pandemic.

- *Property management services.* To comply with government regulations and measures to combat the COVID-19 pandemic, we assigned additional staff and incurred additional medical material costs, which affected the short-term financial performance of our property management services. The outbreak of COVID-19 pandemic also resulted in the slower collection of property management fees in the first half of 2020.

- *Sales office management services*. Certain of the sales offices and show flats we managed suspended operations after the outbreak of the COVID-19 pandemic as a result of government requirements, decrease in demand, and changes in property developers’ business plans.

- *Recreation center operations services.* A majority of recreation centers located in properties under our management were closed for extended periods of time during the first half of 2020. Because we charge a percentage of the revenue from these centers as our service fees, our financial performance was also negatively affected.

- *Community space management services*. During the COVID-19 pandemic, due to lock-down measures in place in many properties under our management, our ability to rent out community spaces was negatively affected.

Since the outbreak of the COVID-19 pandemic and up to the Latest Practicable Date, we had not encountered any material disruption to the services provided by our subcontractors and utilities service providers and the supply of materials from our suppliers. Our Directors consider that while the supply chains in all industries will be affected to a certain extent by the COVID-19 pandemic, particularly due to the prolonged suspension of business operations and the instability of a workforce arising from the mandatory quarantine requirements, in view of the nature of our business, our Directors do not expect that we will encounter any material disruptions of our supply chain given that we do not rely on any particular service subcontractors or material suppliers and there are many other subcontractors and suppliers in the market as back-up. In view of the foregoing, our Directors believe that we can continue to provide our services and discharge our obligations under existing contracts.

To the best knowledge of our Directors after consulting China Evergrande Group, we do not anticipate there will be any material delay in sales, construction and delivery of the properties developed by the Evergrande Group, joint ventures of the Evergrande Group and independent third-party property developers for our management as scheduled. We were informed by China Evergrande Group that while the Evergrande Group anticipated certain delay in certain stages of its overall property development progress as a result of the business suspension imposed by the PRC Government in curbing the COVID-19 pandemic, the Evergrande Group expected that it has sufficient resources, capability and capacity to catch up with the process of developments and did not anticipate significant delay in completing the developments of the aforesaid properties. After consulting with China Evergrande Group, our Directors are of the view that nothing has come to their attention which would suggest otherwise. Accordingly, we believe such delay would not be significant and will unlikely have material adverse impact on our financial condition.

In the long term, however, the COVID-19 pandemic is expected to bring about positive changes to the property management industry. During the fight against the COVID-19 pandemic, property management companies played a significant role, serving as a bridge among the government, community workers and residents. We believe our efforts to control the outbreak has earned us higher degrees of trust and reliance from property owners and residents at properties under our management. The lockdown measures imposed in many regions have also led to residents' increasing reliance on community value-added services to address their daily living needs, which we believe presents us significant opportunities to expand our related service offerings. We also expect that new government regulations on property management industry may be promulgated from time to time, which offers us a higher degree of regulatory certainty in our long-term business operations. Based on the above, our Directors are of the view that no material adverse effect on our operations and financial performance is expected to result from the recent COVID-19 pandemic.

Our Response to the COVID-19 Pandemic

In response to the COVID-19 pandemic, we have adopted the following hygiene and precautionary measures across the properties under our management since late January 2020.

- *Communications with the relevant government authorities.* We have been closely following the latest regulatory measures on combatting the COVID-19 pandemic in terms of checking the health status of property owners and our employees, and timely reporting potential issues to the relevant authorities.

- *Entrance management.* We verify the identities of all people and vehicles entering properties under our management, and check the body temperature of every person that pass through our gates.

- *Activity suspension.* We suspended various playgrounds and recreation centers and other facilities under our management, and cancelled various community cultural events to reduce gathering of people.

- *Disinfection.* We spray disinfectants in public facilities, building corridors, elevators and other public spaces under our management at least twice a day.

- *Garbage disposal.* We timely remove and transport garbage away from properties under our management, and designate specialized collection and disposal sites for used masks, gloves and other potentially hazardous materials.

- *Property owner education.* We actively inform property owners through WeChat groups and community posters regarding the latest policies and measures on the COVID-19 pandemic as well as our plans as a property management service providers.

We estimate that the additional costs for implementing these enhanced measures, after taking into account the medical and cleaning supplies distributed by local governments, will be approximately RMB10.9 million in 2020. This primarily represents increased staff costs to carry out these measures as well as costs for purchasing protective materials such as face masks, ethanol hand wash, disinfectants, and infrared thermometers. Our Directors confirm that the additional costs associated with the enhanced measures will not have a significant impact on our Group's financial position or results of operations in 2020.

Since the outbreak of the COVID-19 pandemic and up to the Latest Practicable Date, we had not encountered any material disruption to the services provided by our subcontractors and utilities service providers and the supply of materials from our suppliers. Our Directors consider that while the supply chains in all industries will be affected to a certain extent by the COVID-19 pandemic, particularly due to the prolonged suspension of business operations and the instability of a workforce arising from the mandatory quarantine requirements, in view of the nature of our business, our Directors do not expect that we will encounter any material disruptions of our supply chain given that we do not rely on any particular service subcontractors or material suppliers and there are many other subcontractors and suppliers in the market as back-up. In view of the foregoing, our Directors believe that we can continue to provide our services and discharge our obligations under existing contracts.

In the long term, however, the COVID-19 pandemic is expected to bring about positive changes to the property management industry. During the fight against the COVID-19 pandemic, property management companies played a significant role, serving as a bridge among the government, community workers and residents. We believe our efforts to control the outbreak has earned us higher degrees of trust and reliance from property owners and residents at properties under our management. The lockdown measures imposed in many regions have also led to residents' increasing reliance on community value-added services to address their daily living needs, which we believe presents us significant opportunities to expand our related service offerings. We also expect that new government regulations on property management industry may be promulgated from time to time, which offers us a higher degree of regulatory certainty in our long-term business operations.

Effects of the COVID-19 Pandemic on Our Business Strategies

According to CIA, the COVID-19 pandemic is expected to bring about positive changes to the property management industry. We therefore believe that our expansion plan as discussed in "—Business Strategies" is feasible, and we currently expect that it is unlikely that we would change the use of the net proceeds received by our Company from the Global Offering as disclosed in "Future Plans and Use of Proceeds" in this Prospectus as a result of the COVID-19 pandemic.

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, due to the COVID-19 outbreak, taking into account our cash and cash equivalents as of August 31, 2020, the expected 10.0% of the net proceeds from the Global Offering as allocated for our working capital and other general business operations, we estimate that our Group will remain financially viable for approximately 14 months starting September 2020. Our key assumptions of the worst case scenario where our business is forced to be suspended due to the impact of COVID-19 include but not limited to: (i) we will not generate any income due to the suspension of business; (ii) overall operating and administrative expenses and estimated monthly fixed costs will be incurred to maintain our operations at a minimum level (including staff costs, rental costs and other miscellaneous charges); (iii) the expansion plan is suspended under such condition; (iv) we would only use the immediate cash and deposits available, including, among others, our cash and cash equivalents as of August 31, 2020, and there will be no further internal or external financing from Shareholders or financial institutions; (v) no further dividend will be declared and paid under such situation; (vi) the non-trade amount due from/or to related parties as set out in the audited consolidated financial statements for the six months ended June 30, 2020 would be received or paid, respectively, by our Group before the Listing;

(vii) our trade payables will be settled when due, while we will be able to collect trade receivables from our customers based on historical settlement pattern; and (viii) there are no material changes in the near future that would significantly affect the aforementioned key assumptions.

The abovementioned extreme situation may or may not occur. The abovementioned analysis is for illustrative purpose only and our Directors currently assess that the likelihood of such situation is remote. The actual impact from the outbreak of COVID-19 will depend on its subsequent development; therefore, there is a possibility that such impact to our Group may be out of our Director's control and beyond our estimation and assessment.

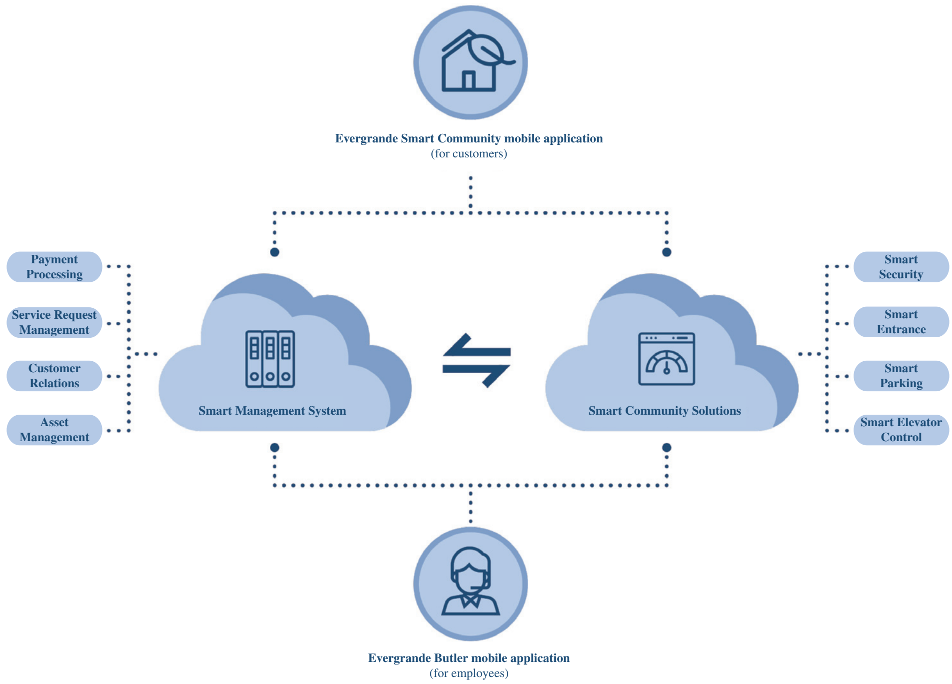
Since June 30, 2020 and up to the Latest Practicable Date, our business remained stable which was in line with the past trends and our expectations. After due and careful consideration, save for the aforesaid effects of the COVID-19 outbreaks, our Directors confirmed that, since June 30, 2020 and up to the Latest Practicable Date, 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 conclusion, our Directors confirm that the COVID-19 outbreak will not have a material adverse impact on our business operations or financial performance after taking into consideration a range of factors and circumstances, including that (i) we had not encountered any material disruption to the services provided by our employees, our subcontractors and utilities service providers and the supply of materials from our suppliers; (ii) we can continue to provide our services and discharge our obligations under existing contracts; (iii) to the best knowledge of our Directors after consulting China Evergrande Group, we do not anticipate there will be any material delay in sales, construction and delivery of the properties developed by the Evergrande Group, joint ventures of the Evergrande Group and independent third-party property developers for our management as scheduled; and (iv) we have sufficient working capital to maintain our business operations.

SMART INFORMATION PLATFORM

We have implemented a smart information platform leveraging internet and IoT technologies, which we believe enhance our capabilities to improve customer experience, reduce reliance on manual labor, and lower operating costs. Our information systems primarily include (i) our Evergrande Smart Community mobile application; (ii) Evergrande Butler mobile application; (iii) ERP system; and (iv) smart community solutions.

The following diagram illustrate our smart information platform.



Evergrande Smart Community Mobile Application

We purchased the Evergrande Smart Community mobile application from the Evergrande Group in August 2020. As of August 31, 2020, our Evergrande Smart Community mobile application had over 1.7 million registered users. Currently the application has 26 basic functions and connects users with ten additional functions offered by third parties. These functions primarily include:

- *Online payment.* Users are able to verify their identities by uploading various types of government issued IDs, after which they may pay for various services online instead of physically visiting our offices. In particular, users can monitor the amount of property management fees, carpark related fees and other temporary service fees that are due, past due and paid, and make the relevant payments on the mobile application.

- *Service request.* Users can request various property management services, such as household repair and maintenance services. Users can also track the status of their requests and submit evaluation or complaints.

- *Community announcements.* Users can receive the latest announcements on the mobile application.

- *Visitor management.* Users can apply for guest passes in the form of QR codes, and can set the expiration date and times of entry of the codes on the mobile application. Our security personnel will allow visitors with valid QR codes to enter the properties.

- *Third-party services.* Users can browse various goods offerings and register their purchase needs. We then redirect users to the relevant vendors for their further transactions with the users. We also redirect users to various third-party service providers in utility payment, household errands, among other services.

- *The COVID-19 pandemic related functions.* Users can access the latest news and local updates on the COVID-19 pandemic, and our responses and measures such as entrance management and online grocery shopping.

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 revised on January 8, 2011, internet information services refer to the provision of information to web users through the internet, which can be divided into commercial internet information services and non-commercial internet services. Commercial Internet information services refer to paid services of providing information to or creating web pages for web users through the internet. Non-commercial internet information services refer to free services of providing public, commonly shared information to web users through the internet. Entities engaging in providing commercial internet information services shall apply for a license for value-added telecommunication services of internet information services. As for the operations of non-commercial internet information services, only filings with the relevant authority of the PRC Government are required.

As advised by our PRC Legal Advisors, the business conducted by us on our Evergrande Smart Community mobile application is regarded as "non-commercial Internet information services" because we use our Evergrande Smart Community mobile application as a tool to facilitate the provision of our services. We do not generate revenue from matching customers with third-party vendors or paid advertisement services through our mobile application. Therefore, our operations of our Evergrande Smart Community mobile application do not constitute value-added telecommunications services. After acquiring the mobile application from the Evergrande Group in August 2020, we immediately started to prepare for obtaining the filings necessary to offer non-commercial internet information services, which is confirmed by consultation with Shenzhen Communications Administration (深圳市通信管理局) that it is not an admittance qualification to be obtained before carrying out our business in Evergrande Smart Community mobile application. We completed such filings in relation to non-commercial internet information services in October 2020.

Evergrande Butler Mobile Application

To improve our employees' work performances, we have launched the Evergrande Butler mobile application, which has covered all of our onsite staff. Our staff can submit their routine work activities for approval, check status of service requests, perform assigned tasks, search customer information, apply for and return materials, respond to customer inquiries, verify visitor identities, among others. We believe our Evergrande Butler helps our staff better manage their work performance and improve their efficiency by enabling our staff to achieve paperless online handling of the above-mentioned tasks.

ERP System

Our ERP system collects and manages data and information on properties and customers in order to avoid inaccuracies in underlying information. Based on such data and information, our ERP system connects cash collection from customers with our financial reporting and invoice systems to ensure accurate and timely financial record. Our ERP system also records customer complaints as well service requests and enables our employees to timely monitor and handle these complaints and requests. Our ERP system provides system support to our customer service staff and our Evergrande Butler mobile application. When customers contact us by phone, our ERP system extracts and displays relevant customer information to our service staff, which enable more targeted problem-solving. The system also records each customer phone call, which enable us to monitor the quality of our responses. We also incorporate data about 15 types of over 5,000 pieces of equipment in properties under our management into our ERP system, which allows us to manage the entire cycle of these equipment including purchasing, shelving, usage, storage, testing, and disposal. We are also able to generate equipment status reports which clearly analyze and illustrate the utilization of various equipment. Below are a few examples of applications of our ERP system.

Parking Management System

Our parking management system handles customer payments of parking related fees and grants entrances to our carparks according to payment status of each vehicle. The system also collects information on vehicle identities, monitors onsite fee collections and entrance management, and generates alerts when abnormalities occur. As of August 31, 2020, we had implemented our parking management system in 544 properties, among which 187 properties supported online payment of parking related fees.

Payment Management System

We have established a payment management system in collaboration with UnionPay, which allows us to monitor and collect cash payments in multiple channels. Such system automates the information input process, enhances the cash collection efficiency, and gives us greater bargaining power with third-party payment service providers in terms of payment processing fees.

Smart Community Solutions

In 2017, we began to roll out a series of smart community initiatives in collaborations with leading external technology companies to develop a series of smart community solutions. Equipped with a wide range of technologies including artificial intelligence, cloud computing, big data, and Internet of Things (IoT) devices, these smart community solutions seek to leverage hardware and software systems to bring convenience, safety and comfort to the lives of property owners and residents.

- *Smart entrance management.* Property owners and residents can expediently verify their identities using facial recognition, QR codes or resident cards and gain access to our properties and buildings without manual checks, which facilitates the smooth flow of people at entrance gates and buildings.

- *Smart parking system.* Carparks equipped with our smart parking system allows users to pay for monthly or temporary parking fees through our Evergrande Smart Community mobile application.

- *Smart surveillance system.* We conduct 24-hour surveillance of the common areas of properties through high-definition digital video surveillance tools, providing real-time footages in our property management offices that allows our personnel to timely respond to abnormal situations inside the properties.

- *Others.* Our smart community solutions also include systems such as (i) information display system which displays public information such as local events and weather; (ii) broadcasting system which broadcast in targeted areas of properties; and (iii) equipment monitoring system which monitors, reports and handles the status of property alert system, equipment malfunctions and other key incidents in properties under our management.

As of June 30, 2020, we had a team of 20 research and development personnel, most of whom have bachelor's degrees or above. Our research and development personnel primarily focus on the development, testing, operations, and maintenance of our various abovementioned systems and solutions.

Data Security and Privacy

We have adopted various internal control measures to ensure data security and privacy protection in relation to our internal operational data, as well as external data, such as customer data obtained through our information systems. We have explained the terms and conditions to customers and have also gained their prior consent before collecting their data. In particular, we have adopted the following measures to control access and use of data.

- *End users*. Our employee end users who need to access business data and information containing our customers' sensitive information can only do so after logging into our intranet, and must specify the reason for accessing the data, scope of data intended to access, and intended usage of the data before receiving permission to access. All such data and information visible to authorized employees have been anonymized to protect private information. When we are requested to disclose personal information and data at the request of government authorities, we require the representatives of the relevant authorities to present valid identifications and the authorizing legal documents. We then seek approvals from senior management.

- *IT staff*. When maintaining our customer database, our IT staff are required to operate under our security audit platform which monitors and records all on-screen activities by our employees to prevent unauthorized operations.

- *Data room access*. Our server rooms are equipped with access controls that are separate from other facilities. Employees who need to enter the server rooms can only access the server room after obtaining approvals from supervisors and swiping the key cards. We have established round-the-clock surveillance in the server rooms to closely monitor the activities within the server room.

SALES AND MARKETING

Our sales and marketing team is primarily responsible for creating and implementing our marketing strategy, conducting market research and organizing our sales and marketing events. Our sales and marketing team also actively communicates with leading property management companies and takes initiative to participate in industry events to learn from the advanced marketing strategy in the industry.

Our sales and marketing team is also responsible for preparing for and participating in tenders to obtain new contracts with third-party property developers and maintain and strengthen our relationships with existing customers. For details on our business expansion with Independent Third Parties, see "—Relationship with the Evergrande Group—Our Efforts to Explore Market Opportunities with Independent Third Parties."

CUSTOMERS

We have a large, growing and loyal customer base primarily consisting of property owners, residents, third-party providers of home furnishing services and property developers. The following table sets forth the types of our major customers for each of our three business lines.

Business line	Major customers
Property management services	Property owners, residents and property owners' associations, property developers
Value-added services to non-property owners	Property developers
Community value-added services	Property owners, residents and third-party vendors

In 2017, 2018, 2019 and the six months ended June 30, 2020, revenue from sales to our five largest customers amounted to RMB1,943.0 million, RMB2,460.7 million, RMB2,812.3 million and RMB1,713.7 million, respectively, which accounted for approximately 44.2%, 41.7%, 38.4% and 37.6%, respectively, of our total revenue. During the same periods, revenue from sales to our single largest customer the Evergrande Group amounted to RMB1,935.4 million, RMB2,439.7 million, RMB2,658.3 million and RMB1,597.4 million, respectively, which accounted for approximately 44.0%, 41.3%, 36.3% and 35.0%, respectively, of our total revenue. See "Connected Transactions—(C) Continuing Connected Transactions Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements." We have established ongoing business relationships and cooperation with our largest customer during the Track Record Period, the Evergrande Group, for more than 23 years. The credit terms granted to our five largest customers in 2017, 2018, 2019 and the six months ended June 30, 2020 ranged from 30 to 90 days. We accept payments through bank transfers.

The following tables set out certain details of our five largest customers for the Track Record Period:

Six months ended June 30, 2020

Rank	Customer	Customer Type	Length of business relationship with us	Products/ services provided by us	Revenue	Percentage of total revenue	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
1.	The Evergrande Group	Property developer	23	Property management services	1,597,434	35.0	Related Party

Rank	Customer	Customer Type	Length of business relationship with us	Products/ services provided by us	Revenue	Percentage of total revenue	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
2.	Customer A	Agriculture and animal husbandry	1	Product sale	77,462	1.7	Independent Third Party
3.	Customer B	Food products and edible oil company	1	Product sale	15,677	0.3	Independent Third Party
4.	Customer C	Beverage company	1	Product sale	13,666	0.3	Independent Third Party
5.	Customer D	Marketing	1	Advertisement and sales office management services	9,434	0.2	Independent Third Party
					1,713,673	**37.6**	

2019

Rank	Customer	Customer Type	Length of business relationship with us	Products/ services provided by us	Revenue	Percentage of total revenue	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
1.	The Evergrande Group	Property developer	23	Property management services	2,658,346	36.3	Related Party
2.	Customer A	Agriculture and animal husbandry	1	Product sale	123,346	1.7	Independent Third Party
3.	Customer B	Food products and edible oil company	1	Product sale	13,656	0.2	Independent Third Party
4.	Customer C	Beverage company	1	Product sale	9,290	0.1	Independent Third Party
5.	Customer E	Property developer	6	Preliminary property management services	7,616	0.1	Related Party
					2,812,254	**38.4**	

2018

Rank	Customer	Customer Type	Length of business relationship with us	Products/ services provided by us	Revenue	Percentage of total revenue	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
1.	The Evergrande Group	Property developer	23	Property management services	2,439,682	41.3	Related Party
2.	Customer F	Property developer	4	Preliminary property management services	6,123	0.1	Related Party
3.	Customer E	Property developer	6	Preliminary property management services	5,193	0.1	Related Party
4.	Customer H	Property developer	4	Preliminary property management services	4,938	0.1	Related Party
5.	Customer I	Property developer	4	Preliminary property management services and delivery and acceptance process services	4,731	0.1	Related Party
					2,460,667	**41.7**	

2017

Rank	Customer	Customer Type	Length of business relationship with us	Products/ services provided by us	Revenue	Percentage of total revenue	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
1.	The Evergrande Group	Property developer	23	Property management services	1,935,397	44.0	Related Party
2.	Customer E	Property developer	6	Preliminary property management services	4,269	0.1	Related Party
3.	Customer J	Property developer	3	Preliminary property management services	1,176	0.03	Independent Third Party
4.	Customer K	Property developer	3	Preliminary property management services	1,146	0.03	Independent Third Party
5.	Customer L	Property developer	3	Preliminary property management services	1,024	0.02	Independent Third Party
					1,943,012	**44.2**	

As of the Latest Practicable Date, save for disclosed above, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owns more than 5% of our issued share capital had any interest in any of our five largest customers (other than the Evergrande Group).

SUPPLIERS

The following table sets forth the types of our major suppliers for our three business lines.

Business line	Major suppliers
Property management services	Subcontractors providing cleaning, common area facility repair and maintenance services and greening services;
Value-added services to non-property owners	Subcontractors providing customer reception services and cleaning services;
Community value-added services	Property developers providing parking spaces, subcontractors providing repair and maintenance services, and suppliers of merchandise under our group purchase facilitation services.

In 2017, 2018, 2019 and the six months ended June 30, 2020, purchases from our five largest suppliers amounted to RMB155.2 million, RMB218.5 million, RMB240.7 million and RMB134.8 million, respectively, which accounted for approximately 21.6%, 23.7%, 20.6% and 17.3%, respectively, of our total purchases. During the same periods, purchases from our single largest supplier amounted to RMB100.0 million, RMB138.5 million, RMB106.7 million and RMB63.6 million, respectively, which accounted for approximately 13.9%, 15.0%, 9.1% and 8.2%, respectively, of our total purchases.

The following tables set out details of our five largest suppliers for the Track Record Period:

Six months ended June 30, 2020

Rank	Supplier	Supplier Type	Length of business relationship with us	Products/services provided to us	Purchase amount	Percentage of total purchase	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
1.	The Evergrande Group[1]	Property developer	10	Materials supplies and greening services	63,643	8.2	Related Party
2.	Supplier A	Elevator manufacturing, sale and maintenance	5	Elevator Maintenance	30,017	3.9	Independent Third Party
3.	Supplier B	Elevator manufacturing, sale and maintenance	11	Elevator Maintenance	17,015	2.2	Independent Third Party
4.	Supplier C	Elevator manufacturing, sale and maintenance	8	Elevator Maintenance	12,592	1.6	Independent Third Party
5.	Supplier D	Cleaning and housekeeping services	4	Cleaning Services	11,499	1.5	Independent Third Party
					134,766	**17.3**	

2019

Rank	Supplier	Supplier Type	Length of business relationship with us	Products/services provided to us	Purchase amount	Percentage of total purchase	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
1.	The Evergrande Group(1)	Property developer	10	Materials supplies and greening services	106,695	9.1	Related Party
2.	Supplier A	Elevator manufacturing, sale and maintenance	5	Elevator Maintenance	46,929	4.0	Independent Third Party
3.	Supplier E(2)	Production and sale of agricultural products	6	Products such as water, milk powder and oil	38,135	3.3	Independent Third Party
4.	Supplier B	Elevator manufacturing, sale and maintenance	11	Elevator Maintenance	29,881	2.6	Independent Third Party
5.	Supplier D	Cleaning and housekeeping services provider	4	Cleaning Services	19,035	1.6	Independent Third Party
					240,675	**20.6**	

2018

Rank	Supplier	Supplier Type	Length of business relationship with us	Products/services provided to us	Purchase amount	Percentage of total purchase	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
1.	The Evergrande Group(1)	Property developer	10	Materials supplies and greening services	138,476	15.0	Related Party
2.	Supplier A	Elevator manufacturing, sale and maintenance service provider	5	Elevator Maintenance	30,535	3.3	Independent Third Party
3.	Supplier E(2)	Production and sale of agricultural products	6	Products such as water, milk powder and oil	24,057	2.6	Independent Third Party
4.	Supplier D	Cleaning and housekeeping services provider	4	Cleaning Services	13,094	1.4	Independent Third Party
5.	Supplier C	Elevator manufacturing, sale and maintenance service provider	8	Elevator Maintenance	12,374	1.3	Independent Third Party
					218,536	**23.7**	

Notes:

(1) The Evergrande Group provided certain carpark spaces, maintenance and office materials, greening services, cleaning services, hotel services and dining services to us and became one of our top five suppliers during the Track Record Period. The Evergrande Group was also our single largest customer during the Track Record Period.

(2) Supplier E provided products such as water, milk, power and oil to us in 2018 and 2019 and became one of our top five suppliers in the same period. Supplier E was also one of our top five customers in 2019 and the six months ended June 30, 2020 and purchased offline and online promotion services from us. See descriptions of Customer A in "—Customers" for more details.

2017

Rank	Supplier	Supplier Type	Length of business relationship with us	Products/services provided to us	Purchase amount	Percentage of total purchase	Relationship with us
			(Year)		*(RMB in thousands)*	*(%)*	
1.	The Evergrande Group[(1)]	Comprehensive provider of goods and services	10	Property developer	100,044	13.9	Related Party
2.	Supplier A	Elevator manufacturing, sale and maintenance service provider	5	Elevator Maintenance	20,645	2.9	Independent Third Party
3.	Supplier D	Cleaning and housekeeping services provider	4	Cleaning Services	12,425	1.7	Independent Third Party
4.	Supplier F	Cleaning, gardening and municipal engineering service provider	4	Cleaning Services	12,225	1.7	Independent Third Party
5.	Supplier G	Property management and cleaning service provider	6	Cleaning Services	9,874	1.4	Independent Third Party
					155,213	**21.6**	

Note:

(1) The Evergrande Group provided certain carpark spaces, maintenance and office material, and gardening services to us and became one of our top five suppliers during the Track Record Period. The Evergrande Group was also our single largest customer during the Track Record Period.

During the Track Record Period, we did not experience any material delay, supply shortages or disruptions in our operations relating our suppliers, or any material product claims attributable to our suppliers. As of the Latest Practicable Date, save for disclosed above, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital had any interest in any of our five largest suppliers (other than the Evergrande Group). We do not have any long-term agreements with our top five suppliers. We typically enter into one-year agreements with our suppliers and renew them after negotiations. Payments to suppliers are typically settled by month via bank transfers.

SUBCONTRACTING

We outsource certain labor-intensive services and specialized services, primarily including cleaning, greening and gardening, and repair and maintenance services, to subcontractors, which enables us to reduce our operating and labor costs, improve service quality and dedicate more resources to management and other value-added services. We believe such subcontracting arrangements allow us to leverage the human resources and technical expertise of the subcontractors, and enhance the overall profitability of our operations. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, subcontracting costs amounted to RMB486.0 million, RMB720.0 million, RMB909.6 million, RMB417.7 million and RMB514.2 million, respectively, which accounted for approximately 12.3%, 13.9%, 16.3%, 15.6% and 18.2%, respectively, of our total cost of sales.

As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our five largest subcontractors.

Selection and Management of 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 subcontractors based on our series of assessment standards, including, among others, the amount of registered capital, length of existence, size of overall operations, industry credentials and past cooperation with us. After initial evaluation of subcontractors, we also regularly review the performance of subcontractors and assign grades to subcontractors. During the Track Record Period, the key terms and pricing of subcontracting agreements with the Evergrande Group are comparable with independent third-party subcontractors and were entered into at arm’s length.

Key Terms of Our Subcontracting Agreement

A typical subcontracting agreement entered into between subcontractors and us generally includes the following key terms:

- *Term*. A subcontracting agreement typically has a term of approximately one year to three years and may be renewed upon mutual consent.

- *Our responsibilities*. We are typically responsible for providing onsite personnel dispatched by the subcontractor with necessary working space, tools and materials. We are also responsible for supervising and providing feedback on the work performed by the personnel dispatched by the subcontractor.

- *Obligations of the subcontractor*. The subcontractor is typically responsible for providing services in accordance with the scope, frequency and standards prescribed in the relevant subcontracting agreement and in compliance with all applicable laws and regulations. In the event of sub-standard performance, the subcontractor is required to take necessary rectification measures within the period required by us, failing which we have the right to claim damages and penalties, or terminate the contract. The subcontractor is required to manage its personnel providing the contracted services and there is no employment relationship between us and the personnel of the subcontractor.

- *Risk allocation*. The subcontractor is responsible for any damages to property or personal injuries caused by the fault of the subcontractor in the course of providing the contracted services. We typically require the subcontractor to indemnify us for any damages that it causes to the properties of the residents and us. The subcontractor is also required to pay all social insurance and housing provident funds contributions for its personnel in accordance with PRC laws and regulations and bear the liabilities and responsibilities in the event of any non-compliance.

- *Procurement of raw materials*. Raw materials are to be procured by the subcontractor. The procurement costs are usually included in the subcontracting fee.

- *Subcontracting fee*. Subcontracting fee is typically payable monthly, including costs incurred in connection with the procurement of raw materials, labor costs, equipment maintenance costs, tax expenses and other miscellaneous costs incurred by the subcontractor.

- *Intellectual property.* The subcontractors are typically not allowed to use our brand name to promote its businesses, or to cause damages to our brand names.

- *Confidentiality.* The subcontractors are not allowed to disclose the content of the agreement to third-parties or use the agreement for the promotion of their businesses. The confidentiality clause survives the termination of the agreement.

- *Anti-bribery*. We and our employees are forbidden from requesting bribes from the subcontractor in any forms, and the subcontractor is forbidden from offering any financial assistance or other forms of bribes to our employees. The agreement provides ways for subcontractors to report inappropriate behaviors by our employees, and we reserve the right to pursue legal actions if subcontractor's breach of its anti-bribery obligations causes damages to us.

- *Termination*. The agreement is terminated when the term of the contract expires. We may also terminate the agreement if the subcontractor provides sub-standard performances and fail to rectify upon notices. We may also terminate the agreement if the subcontractor breaches provisions regarding confidentiality, anti-bribery, or other material terms of the agreement.

QUALITY CONTROL

We believe quality control is crucial to the long-term success of our business. We have a professional quality control team which primarily focuses on maintaining service standards, standardizing service procedures and supervising service quality throughout our operational processes.

Quality Control over Property Management Services

In 2017, we successfully renewed the certification according to ISO9001:2015 standards. We also obtained ISO14001:2015 environmental management certification and OHSAS18001:2007 international occupational health and safety management system certification in recognition of our service quality. We implement a "three-in-one" quality control system by aligning quality, environment protection and occupational health, which provides an all-round quality control guidance to our daily operations and minimize disruption to our operations and related operation costs.

In order to ensure service and consumer satisfaction, we conduct internal reviews on consumer satisfaction at all properties under our management on a monthly basis. The quality check and consumer satisfaction results factor in the performance review of project companies and regional companies.

Quality Control over Subcontractors

We typically include in the agreements with subcontractors detailed quality standards for the services to be provided. We regularly monitor and evaluate the performance of the subcontractors and may require the subcontractors to take necessary rectification measures when their services do not meet the agreed standards. We also conduct annual surveys among property owners and residents regarding the quality of services provided by our subcontractors. We have the contractual right to adjust the subcontracting fees and decide whether to continue our subcontracting contract depending on the outcomes of such surveys. See "—Subcontracting—Selection and Management of Subcontractors."

Quality Control over Third-party Vendors

We implement a various measures and policies to ensure the quality of the products and services offered by third-party vendors, such as screening candidate vendors by examining their qualifications and conducting onsite inspection of their business premises, before entering into cooperation agreements with them. We also conduct annual assessment on our vendors in respect of transaction volume, service quality and after-sales services. We also have the right to replace a third-party vendor in the event of substandard performance.

Enhanced Hygiene and Precautionary Measures against the COVID-19 Pandemic

In response to the COVID-19 pandemic, we have adopted enhanced hygiene and precautionary measures across the properties under our management since late January 2020. The additional costs for implementing these enhanced measures primarily represent increased staff costs to carry out these measures as well as costs for purchasing protective materials such as face masks, ethanol hand wash, disinfectants, and infrared thermometers. See "—Effect of the COVID-19 Pandemic—Our Response to the COVID-19 Pandemic."

Feedback and Complaint Management

During the ordinary course of our business, we receive feedback, suggestions and complaints (such as report of loss of properties and request for repair of public facilities) from property owners and residents of the properties we manage from time to time regarding our services. We have established internal procedures to record, process and respond to the feedback, suggestions and complaints and conduct follow-up reviews of the results of our responses.

In our communities, each household is assigned to a butler who attends to their needs and provides one-stop services in a timely manner. For example, we require our butlers to observe the principle of "fast response, efficient service and satisfactory result (響應快速、服務高效、滿意至上)" in providing repair and maintenance services. To enhance our responsiveness to property owners' and residents' requests and improve customer satisfactions, we have established the "1-5-30 Prompt Response Mechanism" under which we target to answer customer calls and record their concerns within the first minute, make initial responses within five minutes, and dispatch relevant personnel onsite to evaluate the situation and formulate solutions within 30 minutes. We will follow up with our customers within 24 hours after their problems get resolved to collect customers' feedback. In order to provide better customer experience and enhance our customer service, we offer a service hotline for residents living in the residential properties we manage, which has been up and running since 2015. Through the hotline, our customers can inquire about our services, provide us with their complaints and feedback as well as order products that are advertised on our service platform, and we can follow up and respond in time to provide timely and efficient solutions to the problems of our clients.

During the Track Record Period, we did not experience any customer complaints about our services or products that would have a material adverse impact on our operations or financial results. In 2017, 2018, 2019 and the six months ended June 30, 2020, our property management service agreement retention rate was 100.0%, 99.8%, 99.9% and 100.0%, respectively.

INTELLECTUAL PROPERTY

We consider our intellectual property rights as critical to our success. We primarily rely on laws and regulations on trademarks and trade secrets and our employees' and third parties' contractual commitments to confidentiality and non-competition to protect our intellectual property rights. As of the Latest Practicable Date, we had obtained the license of 11 trademarks including ten registered trademarks and one pending registration and had registered four domain names in the PRC. We also had 35 patents for our smart community solutions, two copyrights for our Evergrande Smart Community applications and three copyrights for our ERP System.

As of the Latest Practicable Date, we were not aware of any infringement which could have a material adverse effect on our business operations by our Group against any intellectual property rights of any third party or by any third party against any intellectual property rights of our Group, or any disputes with third parties with respect to intellectual property rights.

AWARDS

The following table sets forth a selection of the notable awards and accreditations we received during the Track Record Period.

Awarding Year	Award/Recognition	Awarding Entity
2019	Top 50 Property Management Company Brand Value (物業服務企業品牌價值50強)	China Property Management Institute (中國物業管理協會)
2019	Property Management Company with Featured Brand Image in Community Value-added Services (特色物業服務品牌企業 – 社區附加值提升)	China Property Management Institute (中國物業管理協會)
2019	Top 500 Property Management Service Provider in Overall Strength (物業服務企業綜合實力500強)	China Property Management Institute (中國物業管理協會)
2018	Top 100 Property Management Company in Overall Strength (物業服務企業綜合實力測評TOP100)	China Property Management Institute (中國物業管理協會)
2018-2019	Top 100 Property Management Companies in China (中國物業服務百強企業)	CIA
2018-2019	Top 100 Property Management Companies in Service Quality (中國物業服務百強服務質量領先企業)	CIA
2018-2019	Top Ten Property Management Companies in Service Scale (中國物業服務百強企業服務規模TOP Ten)	CIA
2018-2019	Top 100 Property Management Companies in Community Value-added Services (中國物業服務百強特色服務領先企業 – 社區附加值提升)	CIA
2018-2019	Leading Brands in Professionalized Operations of Property Management Industry (中國物業服務專業化運營領先品牌企業)	CIA

As of June 30, 2020, 93 properties under our management received provincial level recognition for the excellent property management services. In addition, 73 properties have earned various awards in gardening, greening and general living experience, and 32 properties have earned awards in energy conservation and environmental protection as of the same date.

COMPETITION

According to CIA, the PRC property management industry is fragmented and competitive, with approximately 130,000 property management service providers operating in the industry in 2019. As a property management company with national presence, we compete with both national and regional property management companies in terms of property management companies, and with other providers of similar services in terms of our value-added services. Moreover, according to CIA, there are several barriers for players in China's property management industry to successfully compete and achieve sustainable growth, such as brand value, capital requirements, quality of management and availability of talent and technical expertise, which we believe we have and will continue to overcome. For more information on the industry and the markets that we operate in, see "Industry Overview" and "Risk Factors—Risks Relating to Our Business and Industry—We are in a highly competitive business and we may not be able to compete successfully against existing and new competitors."

SOCIAL, HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

We are subject to PRC laws in relation to labor, safety and environment protection matters. In addition, we have established occupational safety and sanitation systems, implemented the ISO14001:2015 and OHSAS18001:2007 standards certified by the China Quality Certification Center, and provided employees with workplace safety trainings on a regular basis to increase their awareness of work safety issues. We also assign security personnel and provide 24-hour safely and security patrol at each of properties under our management to help promote the safety and security of the property owners and residents.

We hire employees based on their merits and it is our corporate policy to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics. During the Track Record Period and up to the Latest Practicable Date, we had complied with PRC laws in relation to workplace safety in all material respects and had not had any incidents which have materially and adversely affected our operations.

We consider the protection of the environment to be important and have implemented measures in the operation of our businesses to ensure our compliance with all applicable requirements. Given the nature of our operations, we do not believe we are subject to material environmental liability risk or compliance costs. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties due to violation of environmental laws in China.

Since our inception, we have been dedicated to serving the communities where we operate, and have implemented the following measures to fulfill our social responsibilities.

- *Combat of the COVID-19 pandemic.* Since the outbreak of the COVID-19 pandemic, we have been on the frontline of preventing the spread of the pandemic, with our employees working around the clock in 280 cities across China to safeguard the health and safety of property owners and residents. We closely verify the identities and monitor the health status of every person entering properties under our management, and offered comprehensive community living services to residents under quarantine, such as delivery of food, water and medicine.

- *Poverty relief.* We actively participate in various poverty relief measures in cooperation with local communities and local governments. For example, in collaboration with the Evergrande Group, we offered career training to people living in poverty conditions to increase their competitiveness in the labor market. We also actively participate in various poverty relief events hosted by China Property Management Institute (中國物業管理協會) and China Poverty Relief Volunteer Associations (中國扶貧志願者服務促進會).

- *Environmental protection.* We have established various policies to save energy and achieve a low carbon footprint, which guide the performance of our employees. We also actively guide property owners and residents to participate in efforts to save energy and improve the environment. For example, we have been introducing energy-saving LED lights and reclaimed waters for garden irrigation in several properties under our management. We have also actively promoted waste recycling in various communities and increased our efforts in introducing professional subcontractors to recycle and separate waste from the properties under our management.

- *Employee benefits.* We truly appreciate the services of our employees, and care about their wellbeing. To that end, we offer employee benefits such as free housing, shuttle and meal services, vacation packages, group trips, and birthday parties. We have organized various employee affinity groups where employees can explore their personal interests. We also offer targeted financial assistance to employees in serious financial needs.

EMPLOYEES

We believe that the expertise, experience and professional development of our employees is critical to our growth. Our human resources department manages, trains and hires employees.

As of June 30, 2020, we had a total of 46,529 full-time employees. The following table sets forth the number and breakdown of our full-time employees by function as of the dates indicated.

		Number of employees			
		As of December 31,			As of June 30,
Corporate level	Function	2017	2018	2019	2020
Corporate headquarters	Management	124	189	192	223
	Subtotal	124	189	192	223
Regional headquarters	Management	235	337	304	263
	Administrative staff	321	485	423	497
	Operations management	210	302	341	276
	Quality control	199	309	270	246
	Engineering management	364	441	347	271
	Subtotal	1,329	1,874	1,685	1,553
Onsite staff	Security staff	10,897	11,007	13,319	11,384
	Sales cooperation	19,522	14,866	13,056	11,353
	Customer service	7,684	7,929	7,747	6,445
	Engineering, repair and maintenance	5,620	5,885	6,185	5,962
	Integrated management	2,125	2,598	2,555	2,541
	Recreation center staff	1,614	1,890	2,778	2,416
	Middle management	1,582	2,043	2,209	2,130
	Project managers	372	415	384	458
	Others	4,771	4,379	2,543	2,064
	Subtotal	54,187	51,012	50,776	44,753
	Total	**55,640**	**53,075**	**52,653**	**46,529**

We have adopted several measures during the Track Record Period to streamline our human resource management and improve the efficiency of our employees, which contributed to the decrease in the total number of our employees despite the increases in revenue and net profit during the Track Record Period. Such measures include:

- *Work process optimization.* We analyzed our various work streams in order to identify and consolidate redundant work processes and procedures accordingly to reduce our headcount needed. We set limits and targets on the number of employees per sq.m. of property under management and costs per employee to avoid redundant staffing and to achieve efficient labor allocations.

- *Smart information platform.* Our smart information platform has also contributed to our streamlined human resource management. For example, our Evergrande Smart Community mobile application has automated certain job functions which were traditionally performed by manual labor, such as payment processing and visitor management. Our smart community solutions also have certain features which effectively improve our efficiency and reduce our reliance on manual labor, such as our smart entrance management, smart parking system and smart surveillance system. See "—Smart Information Platform" for more details.

- *Centralized hiring.* In 2018, all recruitment must be approved by our corporate headquarters after evaluating several factors, such as the reasons for hiring, expected benefits and salaries, number of new hires, and the availability of existing employees who can be staffed for that position.

In particular, our sales cooperation employees, who primarily served property developers under our sales office management services, decreased from 19,522 as of December 31, 2017 to 11,353 as of June 30, 2020, primarily because (i) we optimized our labor allocation and planning with regards to sales offices under our management based on the estimated amount of work; (ii) we strengthened the multi-tasking capabilities of our employees at sales offices through dedicated training programs and therefore reduced our headcount needed; and (iii) we set strict limits on new hires and filled new openings by transferring employees from neighboring sales offices with less labor needs.

The number of employees under "others" primarily includes newly hired college graduates who were typically placed on a rotation program under which they work in different departments in their first 12 to 18 months. Upon completion of the rotation program, these employees were placed into various positions taking into account their performance during the program and personal preferences. During the Track Record Period, the number of employees under such program decreased primarily due to (i) our careful assessment of our need for talent throughout our Group in the near future; and (ii) completion of the rotation program by new hires in 2017 and 2018 who were re-categorized into one of the other types of employees in the table above.

During the Track Record Period and up to the Latest Practicable Date, our employees did not negotiate their terms of employment through any labor union or by way of collective bargaining agreements nor did we experience any material labor disputes or shortages that may have a material adverse effect on our business, financial position and results of operations.

We endeavor to hire competent and qualified employees in the market by offering competitive wages and benefits, systematic training opportunities and internal upward mobility. We provide systematic and extensive training programs to our employees to improve and enhance their technical and service skills, as well as to supplement their knowledge of industry quality standards and work place safety standards.

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 in the day of receipt, and must seek approval for withdrawal and usage of such cash.

Cash flow transactions	Cash handling policies and internal control measures
Cash inflow in relation to payments of property management fees, deposits, rent or service fees from our customers	We typically have designated cashiers or customer service personnel specifically responsible for cash collection who verify that the amount of cash collected is correct prior to issuing receipts.
Payment made to suppliers, service providers and subcontractors of our subsidiaries and branches	Payments by our subsidiaries and branches to their suppliers, service providers and subcontractors 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 RMB50,000 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.
Cash transfers to the bank accounts of our subsidiaries and branch offices	We receive cash through methods such as online payment, credit or debit card payments and bank transfers, and cash collected from these methods are directly deposited into the bank accounts of our subsidiaries and branch offices.
Opening and managing bank accounts of our subsidiaries and branch offices	Our subsidiaries and branch offices must adhere to our internal policies and procedures in relation to the opening of bank accounts. They are typically required to complete an application form before opening any bank accounts. Our subsidiaries and branch offices are typically required to reconcile and check bank balances on a monthly basis.

INSURANCE

We maintain insurance policies against major risks and liabilities arising from our business operations, primarily (i) liability insurance to cover liabilities for property damages or personal injuries suffered by third parties arising out of or related to our business operations; and (ii) property insurance for damages to both movable and immovable properties owned by us or in our custody. We require our subcontractors to purchase accident insurance for their employees who provide services to our Group, and in accordance with our standard terms in the agreements between subcontractors and us, the subcontractors are responsible for all workplace injuries to their employees, except for injuries directly attributable to us.

We believe that our insurance coverage is in line with the industry practice in the PRC. However, our insurance coverage may not adequately protect us against certain operating risks and other hazards, which may result in adverse effects on our business. For more details, see "Risk Factors—Risks Relating to Our Business and Industry—Our insurance coverage may not sufficiently cover the risks related to our business."

CERTIFICATES, LICENSES AND PERMITS

We are required to obtain and maintain various certificates, licenses and permits in relation to our operations. As advised by our PRC Legal Advisors, save as the certificates, licenses and permits that were being renewed as of the Latest Practicable Date, we obtained all material certificates, licenses and permits from relevant regulatory authorities for our main business lines as of Latest Practicable Date. We are required to renew such certificates, licenses and permits from time to time. As to the certificates, licenses and permits that were being renewed as of the Latest Practicable Date, we do not expect any difficulties in such renewals so long as we meet the applicable requirements and conditions set by the relevant government agencies and adhere to procedures set forth in relevant laws and regulations.

The following table sets forth the licenses and permits of our subsidiaries and significant branches which are required to operate our business as of the Latest Practicable Date.

Type of certificates	Number of certificates	Range of expiration date
Hygiene permit (衛生許可證)	81	November 2020 – September 2024
Food business license (食品經營許可證)	78	November 2021 – September 2025
High-risk sports business license (高危險性體育項目經營許可證)	61	December 2020 – August 2025
Self-recruiting security guard unit record certificate (自行招用保安員單位備案證)	5	N/A
Property management service company qualification certificate (物業服務企業資質證書)	5	January 2021 – January 2022
Special equipment use registration certificate (特種設備使用登記證)	4	N/A
Real estate agency filing (房地產經紀機構備案)	4	October 2021
Security practitioner registration certificate (保安從業單位備案書)	2	N/A
Small meal business license (小餐經營許可證)	1	June 2022
Urban drainage permit (城鎮排水許可證)	2	January 2025 – August 2025
Filing of sports business activities (體育經營活動備案)	1	N/A

As of the Latest Practicable Date, we had obtained and maintained all material business licenses to operate our businesses. Such license were valid and were not being renewed as of the Latest Practicable Date.

PROPERTIES

As of the Latest Practicable Date, we owned one property in China with an aggregated GFA of approximately 296 sq.m., and had obtained the relevant ownership certificate. Such property is currently vacant and for sale. As of the Latest Practicable Date, we also leased 882 properties in various locations in the PRC with an aggregated GFA of approximately 106,343 sq.m. for use primarily as office spaces, canteens and employee dormitories. The lessors are all Independent Third Parties.

As of the Latest Practicable Date, we had not filed the lease agreements for 839 of our leased properties with the local housing administration authorities as required under PRC law, primarily due to lack of cooperation from the landlords in registering the relevant lease agreements, which was beyond our control, or due to the nature of the properties which render them unregistrable under relevant laws and regulations. We were advised by our PRC Legal Advisors, that such non-filing of lease agreements would not affect the validity of such leases, but we might be ordered to rectify this non-compliance by competent authorities and if we do not 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. See "Risk Factors—Risks Relating to Our Business and Industry—Some of our lease agreements have not been filed with the relevant PRC authorities and, as a result, we might be subject to administrative fines." As of the Latest Practicable Date, our Directors confirm that we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of our failure to file the lease agreements described above. Our Directors do not expect any practical difficulty in identifying alternative premises subject to the lease agreements that have not been filed, and are of the view that such non-filing would not have a material impact on our business operations.

The lessors of one of our leased properties could not provide relevant title certificates or proof of property rights. As advised by our PRC Legal Advisors, if third parties are able to prove that they have valid titles to or valid leasehold interests in these properties and refuse to acknowledge our lease of such properties, we may not be able to enforce the lease agreement in relation to the leased property. In the event that we are required to relocate from the leased property as a result of the foregoing, given the nature of our operation, we do not believe that any relocation would result in material disruptions to our business. Moreover, replacement premises for the leased property without title certificate and proof of property right are readily available. Although we may incur additional relocation costs, our Directors are of the view that this would not have any material impact on our business, financial position and results of operations.

We had no single property with a carrying amount of 15% or more of our total assets as of the Latest Practicable Date and, therefore, we did not need to prepare a valuation report with respect to our property interests in reliance upon the exemption provided by section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

RISK MANAGEMENT AND INTERNAL CONTROL

We have implemented various risk management policies and measures to identify, assess and manage risks arising from our operations. Details on risk categories identified by our management, internal and external reporting mechanism, remedial measures and contingency management have been codified in our policies. For details of the major risks identified by our management, see "Risk Factors—Risks Relating to Our Business and Industry." In addition, we face various financial risks, including interest rate, price, credit and liquidity risks that arise during our ordinary course of business. See "Financial Information—Quantitative and Qualitative Analysis about Market Risk."

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Global Offering, we have adopted or will adopt, among others, the following risk management and internal control measures:

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems. See "Directors and Senior Management—Board Committees—Audit Committee" for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our audit committee;

- the appointment of Mr. Fong Kar Chun, Jimmy as our company secretary to ensure the compliance of our operation with relevant laws and regulations. For their biographical details, see "Directors and Senior Management";

- the appointment of Huatai Financial Holdings (Hong Kong) Limited as our compliance advisor upon the Listing to advise us on compliance with the Listing Rules; and

- the engagement of external legal advisors to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary.

We embed a culture of compliance in the daily work routine of our employees through regular compliance trainings, and set various expectations for our employees' work performances in terms of compliance.

Finally, we adopt before the Global Offering, various internal regulations against corrupt and fraudulent activities, which includes measures against receiving bribes and kickbacks, and misuse of company assets. Major measures and procedures to implement such regulations include:

- authorizing our audit department to assume responsibility for daily execution of our anti-corruption and anti-fraud measures, including handling complaints, ensuring protection for the whistleblower and conducting internal investigations;

- providing anti-corruption compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and including relevant policies and express prohibitions against non-compliance in staff handbooks; and

- undertaking rectification measures with respect to any identified corrupt or fraudulent activities, evaluating the identified corrupt or fraudulent activities and proposing and establishing preventative measures to avoid future non-compliance.

Our Directors are of the view that such controls and measures are effective to avoid the occurrence of corruption, bribery, or other improper conduct of our employees. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any government investigation or litigation with respect to claims or allegations of monetary and non-monetary bribery activities.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We have been involved in legal proceedings or disputes from time to time in the ordinary course of business, such as contract disputes with our customers, suppliers or disputes with other third parties at properties under our management. As of the Latest Practicable Date, there were no litigation or arbitration proceedings or administrative proceedings pending against us or any of our Directors which would have a material adverse effect on our business, financial position or results of operations.

Historical Non-Compliance Incidents

As advised by our PRC Legal Advisors, we had not been subject to significant fines or legal actions involving non-compliances with any PRC laws or regulations relating to our business which would have a material adverse effect on our business during the Track Record Period and up to the Latest Practicable Date. Below is a summary of incidents of historical non-compliance with applicable regulations during the Track Record Period. Our Directors believe that following non-compliance incidents will not have any material operational or financial impact on us.

Social Insurance and Housing Provident Fund Contributions

According to the relevant PRC laws and regulations, we are required to make contributions to social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund for the benefit of our employees in China. During the Track Record Period, some of our PRC subsidiaries did not make full contribution to the social insurance and housing provident funds for some of our employees as required under PRC laws and regulations.

As confirmed by our Directors, we did not make full social insurance and housing provident fund contributions during the Track Record Period, primarily because some of our employees, especially our onsite personnel providing cleaning, greening and gardening, security, repair and maintenance services as well as canteen staff who typically demonstrate high mobility, voluntarily opted not to make contributions to social insurance and housing provident funds.

As advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations in respect of social insurance contributions, if we do not pay the full amount of social insurance contributions as required, the relevant authorities may demand us to pay the outstanding social insurance contributions within the deadline stipulated by them, and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. We may be liable to a fine from one to three times the amount of the outstanding contributions if we fail to make such payments. In respect of failure to complete the housing provident fund registration and outstanding housing provident fund contributions, we may be ordered to complete the housing provident fund registration by a deadline stipulated by the relevant authorities. If we fail to rectify by that deadline, we may be subject to a fine of RMB10,000 to RMB50,000 for each non-compliant subsidiaries and, for outstanding housing provident fund contributions that we did not fully pay within the prescribed period, the relevant government authorities may demand that we pay the outstanding housing provident fund contributions by a stipulated deadline. If we fail to rectify by that deadline, we may be subject to an order from the relevant People's court for compulsory enforcement. In 2017, 2018, 2019 and the six months ended June 30, 2020, among the 14 subsidiaries that did not obtain confirmations from competent authorities regarding social insurance and housing provident fund contributions compliance, the number of employees for whom we did not fully comply with the relevant social insurance and housing provident fund contributions was 709, 719, 781 and 654, respectively, accounting for 1.3%, 1.4%, 1.5% and 1.4%, respectively, of our total number of employees, and 67.9%, 58.2%, 57.1% and 56.0%, respectively, of our total number of employees for these 14 subsidiaries.

Our Directors have considered the following in assessing our exposures relating to social insurance and housing provident fund contributions: (i) as of the Latest Practicable Date, we had not received any notification from relevant government authorities requiring us to pay shortfalls or penalties with respect to social insurance and housing provident funds; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties, material litigations and legal proceedings, nor were we aware of any material employee complaints nor involved in any material labor disputes with our employees with respect to social insurance and housing provident funds; (iii) all of our subsidiaries as of the Latest Practicable Date have obtained written confirmations from competent local government authorities which confirmed that no penalties had been imposed on us with respect to social insurance and housing provident funds during the Track Record Period; (iv) we made provisions for social insurance and housing provident fund contributions of RMB1.1 million, RMB2.4 million, RMB3.9 million and RMB2.3 million, respectively, in 2017, 2018, 2019 and the six months ended June 30, 2020; (v) we will make full contributions or pay any shortfall within a prescribed time period if demanded by the relevant government authorities; and (vi) the Undertaking Controlling Shareholders have undertaken that in the event that we receive requests from the relevant authorities to pay the overdue social insurance and housing provident funds contributions, or that we are required to pay any late charges or penalties as a result of such overdue contributions, they will indemnify us the overdue contributions and any late charges and penalties imposed by the relevant authorities to the extent the provisions we made are insufficient to cover such overdue contributions, late charges and penalties. Some of our employees actively sought to avoid full or any contributions to the social insurance and housing provident funds in order to retain more immediate cash. On September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilization the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》), which promotes the reduction in the amount of social insurance contributions by companies to avoid overburdening enterprises, and prohibits local authorities from requiring enterprises to make up for historically underpaid or unpaid social insurance contributions in one go. We believe that our provisions for social insurance and housing provident fund contributions are sufficient, having considered the reasons aforementioned.

Based on the foregoing, our PRC Legal Advisors are of the view that our failure to make full contributions to the social insurance and housing provident funds for our employees would not have a material adverse effect on our business operations or financial performance.

Remedial Measures

We have issued an internal notice, pursuant to which our human resources department shall strictly follow and promote our employee benefit policies and relevant laws and regulations on social insurance and housing provident fund contributions. We have strengthened our internal policies, which include (i) regular review of payments of social insurance and housing provident fund by our legal compliance and risk management department; and (ii) timely rectification to ensure the protection of our employees' interests.

OVERVIEW

Immediately upon completion of the Capitalization Issue and the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying China Evergrande Shareholders and without taking into account any Shares which may be sold pursuant to the exercise of the Over-allotment Option), our Company will, in aggregate, be owned as to 59.04% by CEG Holdings. CEG Holdings is directly held as to 50% by China Evergrande Group and 50% by Shengjian (BVI), a direct wholly-owned company of Anji (BVI), which in turn is wholly owned by China Evergrande Group. As of the Latest Practicable Date, China Evergrande Group was indirectly owned as to 70.32% by Dr. Hui through Xin Xin (BVI) (a company wholly owned company by Dr. Hui) and 5.94% by Mrs. Hui, the spouse of Dr. Hui, through Even Honour which is in turn wholly owned by Yaohua (a company wholly owned company by Mrs. Hui). Accordingly, Dr. Hui, Mrs. Hui, Xin Xin (BVI), Even Honour, Yaohua, China Evergrande Group, Anji (BVI), Shengjian (BVI) and CEG Holdings together constitute a group of our Controlling Shareholders.

Each of CEG Holdings, Shengjian (BVI), Anji (BVI), Xin Xin (BVI), Even Honour and Yaohua is an investment holding company.

DELINEATION OF BUSINESS

The Retained Business

The Evergrande Group is primarily engaged in (i) property development business; (ii) the development and operation of large-scale cultural and tourism development projects and theme parks for tourists and vacation house owners; (iii) health and wellbeing management and new energy vehicle business through Evergrande Auto (stock code: 708.HK), a subsidiary of China Evergrande Group listed on the Main Board; (iv) internet community and investment business through HengTen Networks (stock code: 136.HK), a subsidiary of China Evergrande Group listed on the Main Board; (v) property and cinema business through Calxon Group Holdings Co., Ltd. (stock code: SZ.000918), a subsidiary of China Evergrande Group which is an A-share company listed on the Shenzhen Stock Exchange; (vi) banking business through a controlling interest held in Shengjing Bank Co., Ltd. (stock code: 2066.HK), the H-shares of which are listed on the Main Board; (vii) investments in the financial services sector, including shareholding interests in a PRC insurance company, a securities and brokerage firm and a futures firm; and (viii) football club business through a jointly controlled entity quoted on the over-the-counter electronic equity system operated by the National Equities Exchange and Quotations System Co., Ltd. (全國中小企業股份轉讓系統) (collectively, the "**Retained Businesses**").

Excluded Business

Pursuant to a strategic cooperation agreement dated September 21, 2018 (the "**Cooperation Agreement**"), Evergrande Real Estate, a subsidiary of China Evergrande Group, acquired a 40.964% equity interest in Xinjiang Guanghui Industrial Investment Group Co., Ltd. (新疆廣匯實業投資(集團)有限責任公司) ("**Guanghui Industrial**"). The remaining equity interests of Guanghui Industrial are held as to 50.057% by an individual and as to 8.979% by other third parties, all of which are independent of and unrelated to our Company or the Evergrande Group. Given that China Evergrande Group is not the majority shareholder and does not have control over the board of Guanghui Industrial, Guanghui Industrial is not regarded as a subsidiary of China Evergrande Group and its financial information has not been consolidated with that of China Evergrande Group.

To the best knowledge of our Directors, Guanghui Industrial is a PRC conglomerate which is engaged in energy, automobile, logistics and real estate businesses. To complement its real estate business, Xinjiang Guanghui Property Management Co., Ltd. (新疆廣匯物業管理有限公司) ("**Guanghui Property Management**"), a subsidiary of Guanghui Industrial, provides property management services to the property projects developed by Guanghui Industrial and its subsidiaries (the "**Guanghui Group**"). As of June 30, 2020, Guanghui Property Management had a total GFA under management of approximately 18.0 million sq.m., covering 143 projects located mainly in its major operation base of Ürümqi, Xinjiang. In contrast, as of June 30, 2020, we were contracted to provide property management services, value-added services to non-property owners and/or community value-added services to 1,354 projects in over 280 cities in 22 provinces, five autonomous regions, four municipalities and Hong Kong, with a total GFA under management of approximately 254.0 million sq.m. Our Directors are of the view that as (a) Guanghui Property Management has a much smaller scale of operation as compared with our Group; (b) Guanghui Property Management provides property management services predominantly for the projects developed by Guanghui Industrial, which are mainly located in its major operation base of Ürümqi, Xinjiang; (c) China Evergrande Group is only a passive investor in Guanghui Industrial and is not involved in the day-to-day operations and management of Guanghui Property Management, which is carried out by its own management and operation team; (d) the management and operational decisions of our Group are made by our executive Directors and senior management independently from China Evergrande Group; (e) none of the directors of Guanghui Industrial appointed by China Evergrande Group overlaps with our Directors or is otherwise involved in the day-to-day operations of our Group; and (f) there are adequate corporate governance measures in place to manage existing and potential conflicts of interest between our Group and our Controlling Shareholders if such circumstances arise, the interests of China Evergrande Group in Guanghui Property Management will not constitute substantive competing interest with our Group.

Since China Evergrande Group is not the majority shareholder and does not have control over the board of Guanghui Industrial, it is unable to make major decisions unilaterally for Guanghui Industrial, including any disposal of interest in Guanghui Property Management. Accordingly, it is practically impossible to include Guanghui Property Management in our Group as part of the Reorganization. In addition, given that (a) apart from the business carried out by Guanghui Property Management, Guanghui Industrial is also engaged in other businesses such as energy, automobile, logistics and real estate businesses; and (b) other shareholders of Guanghui Industrial are entitled to a right of first refusal to acquire the equity interest in Guanghui Industrial according to the PRC Company Law, and we believe it is unlikely that they would waive their respective right of first refusal if China Evergrande Group intends to transfer its equity interest in Guanghui Industrial to our Group, our Directors are of the view that it is neither possible nor in the interests of our Group to include Guanghui Industrial, as it may cause us to engage in business that may be in competition with the business of our Controlling Shareholder or be involved in business that is not in line with our core business of the provision of property management services. As such, Guanghui Industrial was also not included in our Group as part of the Reorganization.

On November 1, 2020, Evergrande Real Estate entered into an equity transfer agreement with Shenergy Group Limited (申能(集團)有限公司), Guanghui Industrial and Mr. Sun Guangxin (孫廣信), both Shenergy Group Limited and Mr. Sun Guangxin being Independent Third Parties, pursuant to which Evergrande Real Estate agreed to transfer the 40.964% equity interest in Guanghui Industrial to Shenergy Group Limited, subject to the conditions precedent of the agreement being satisfied. Upon completion of such transfer, China Evergrande Group will no longer hold any interest in Guanghui Industrial. Save as disclosed above, upon completion of the Spin-off, China Evergrande Group will not be engaged in any property management business, including ancillary value-added services, other than through our Group.

Based on the foregoing, we believe that (i) there is a clear delineation between our business and the Retained Business; and (ii) save as disclosed above, there will be no direct or material competition between our Group and the Evergrande Group upon completion of the Spin-off.

Other businesses of our Controlling Shareholders

Apart from our Controlling Shareholders' interest in the Evergrande Group, Dr. Hui and Mrs. Hui, our ultimate Controlling Shareholders, are interested in other investments outside of our Group. These investments do not form part of our Group and, as the principal businesses of such investments are separate and distinct from our business, there is no competition with the businesses of our Group.

Save as disclosed above, as of the Latest Practicable Date, none of our Controlling Shareholders and our Directors had any interest in any other business which competes or is likely to compete, either directly or indirectly with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

To ensure that competition will not exist in the future, the Undertaking Controlling Shareholders have entered into the Deed of Non-Competition in favor of our Group to the effect that each of them will not, and will procure each of their respective close associates not to, directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with our business, further details of which are set out in "—Deed of Non-Competition" in this section.

OUR RELATIONSHIP WITH THE EVERGRANDE GROUP

Our Group has a well-established and ongoing business relationship with the Evergrande Group.

China Evergrande Group ranked first among the "Top 100 Real Estate Companies in China" in 2020 in terms of overall strength, according to China Real Estate Top 10 Research Group, and ranked first among property developers in China in terms of attributable contracted sales for three consecutive years starting from 2017, according to CRIC. We believe China Evergrande Group's vast land bank provides us with a large potential pipeline of high-quality projects. According to its 2020 interim results announcement, China Evergrande Group had residential land reserves of approximately 240 million sq.m. as of June 30, 2020.

Our Group and the Evergrande Group have a long and close working relationship. The development of our Group matches that of the development of the property development business of the Evergrande Group, which comprises primarily of residential properties across the PRC. Jinbi Property has provided property management services to the projects of the Evergrande Group since 1997 and our Group had achieved a 100% success rate in all of the tenders bids submitted for properties developed by the Evergrande Group. For the years ended December 31, 2017, 2018, 2019 and the six months ended June 30, 2020, we provided property management services to 99.5%, 99.4%, 98.8% and 98.7% of the properties developed and delivered by the Evergrande Group, respectively; for the same period, we provided property management services to all of the properties developed by the joint ventures of the Evergrande Group. We were not engaged to provide property management services to 2, 3, 8 and 9 properties during the years ended December 31, 2017, 2018, 2019 and the six months ended June 30, 2020, respectively, as they were acquired by the Evergrande Group after service providers had already been contracted to provide property management services. As of December 31, 2017, 2018 and 2019 and June 30, 2020, approximately 99.6%, 98.8%, 98.4% and 99.0% of our total GFA under management was developed by the Evergrande Group. During the Track Record Period, revenue generated from the Evergrande Group as well as the joint ventures of China Evergrande Group amounted to 44.2%, 42.8%, 37.5% and 35.9%, respectively. For the six months ended June 30, 2020, the revenue received by us from the Evergrande Group represented 0.7% of the Evergrande Group's operating costs. As of December 31, 2017, 2018, 2019 and June 30, 2020, the proportion of properties developed by the Evergrande Group and its joint ventures to which we provided property management services in terms of GFA under management was 99.8%, 99.8%, 99.6% and 99.6%, respectively.

We consider our close business relationship between our Group and the Evergrande Group to be mutually beneficial and complementary, which is common among property management service providers and their parent companies in the PRC. Over years of cooperation, both our Group and the Evergrande Group have developed a mutual and deep understanding of their respective business operations. Given the long and close relationship between our Group and the Evergrande Group, our Group is familiar with the Evergrande Group's specific requirements and expected deliverables, which helped to reduce communication costs, accumulate tacit knowledge of service provisions to the Evergrande Group, build mutual trust and has enabled us to constantly provide the high-quality property management services that met the Evergrande Group's specific requirements. In addition, our Group has always provided tailored quality services, which helped to enhance the Evergrande Group's brand image, thereby attracting more customers to purchase properties from the Evergrande Group, and will in turn likely bring more business to our Group. Going forward, based on our mutual and complementary business relationship, we consider that it may also not be in the best interest of the Evergrande Group to engage a new service provider in place of our Group, considering the time required and the uncertainties involved for the Evergrande Group to engage a new service provider which is able to provide equally satisfactory services. We consider we have competitive advantage which distinguishes us from our competitors and we believe we will continue to secure future engagements from the Evergrande Group.

Having considered the abovementioned factors, including (a) the long standing cooperation relationship between our Group and the Evergrande Group; (b) our Group's familiarity with the Evergrande Group's requirements and our Group's capability to provide services with quality; and (c) the mutual benefits for both our Group and the Evergrande Group to maintain such reciprocal relationship, our Directors are of the view that the current relationship between our Group and the Evergrande Group is unlikely to be materially adversely changed or terminated.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

We believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates (other than our Group) after the Listing for the following reasons:

Management Independence

Our Board comprises four executive Directors, namely Mr. Zhao Changlong, Mr. Hu Liang, Mr. Wang Zhen and Ms. An Lihong and three independent non-executive Directors, namely Mr. Chan Chun Hung, Vincent, Mr. Victor Huang and Mr. Guo Zhaohui. Upon Listing, save as (i) one of our executive Directors, Mr. Zhao Changlong, will concurrently hold directorship in Evergrande Real Estate, a subsidiary of China Evergrande Group, which, apart from Mr. Zhao Changlong who is not involved in its day-to-day management and operations, has its own separate and independent board and senior management team; and (ii) one of our independent non-executive Directors, Mr. Guo Zhaohui, also serves as an independent director at Calxon Group Holdings Co., Ltd., a subsidiary of China Evergrande Group, none of our

Directors holds any directorship or senior management role in our Controlling Shareholders or their respective close associates. In addition, save as disclosed above, there is no overlap of the senior management members between our Group and our Controlling Shareholders and their respective close associates. Our senior management team will carry out the business operations of our Group independently from our Controlling Shareholders and their respective close associates.

Each of the Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is any potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Based on the reasons above, our Directors are of the view 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.

Operational Independence

We have full rights, hold and enjoy the benefit of all relevant licenses material to the operation of our business. We are of the view that we have sufficient capital and employees necessary to make all decisions on, and to carry out, our own business operation independent from our Controlling Shareholders and their respective close associates and will continue to do so after the Listing.

At the pre-delivery stage, our preliminary management contracts for properties developed by the Evergrande Group were secured primarily through standard tender and bidding processes, in which tender bids would be evaluated by tender evaluation committees established by the Evergrande Group (in accordance with the Interim Measures for Tender and Bidding Management for Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》). The tendering process is a well-established, competitive and fairly structured process where neither the Evergrande Group nor our Group is able to exert influence on the selection process. Tender evaluation committees must consist of an odd number of no less than five members, including at least a two-thirds majority of property management experts who are independent of our Group. The experts are selected on a random basis from a list compiled by the local real estate administrative department. In evaluating the bids, the tender evaluation committee would consider a number of factors, including reputation, quality of service, management system, human resources management and the proposed management plan. We do not enjoy a preferential right to be engaged as the preliminary property management service provider for projects developed by the Evergrande Group and we are not given extra weighting in the selection process and will not be automatically awarded property management contracts simply due to our relationship with the Evergrande Group, and our tender bids are considered on the same basis as tender bids submitted by other property management service providers during the tender and bidding process. We undergo the same tender and bidding process to secure preliminary management contracts for properties developed by independent third-party property developers. For more information, see "Business—Property Management Services—Property Management Service Agreements" in this Prospectus.

We consider that our ability to continuously secure contracts with the Evergrande Group successfully through tenders is attributable to our reputation and recognition in the property management industry, our rich experience in providing service solution and our resources and execution ability to meet the requirements of the project that excel over the other bidders:

(a) we are one of the leading comprehensive property management companies in the PRC with more than 20 years of experience. We possess the qualification certificate of first class Property Management Enterprise in the PRC (中國一級物業服務企業資質) and have received many awards and honors over the years for its service quality. We are highly recognized by homeowners with satisfactory level of over 90% and retention rate of property management contracts of over 99.8%;

(b) with more than 20 years of property management experience and a service footprint covering more than 280 cities in the PRC, we have rich service experience and the understanding of the regional characteristics and local customs in providing service solutions to property projects of different categories of the Evergrande Group;

(c) with our resources and expertise accumulated over 20 years of experience in the industry, we have the execution ability and a proven track record of delivery of high-quality property management services.

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 Evergrande 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 select 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. The Evergrande Group does not have any decisive influence over the decisions of property owners or their property owners' associations to engage or dismiss property management service providers. We have to provide quality services to the residents/owners of the properties in order to secure our continuous appointment by the property owners' association. We have not experienced any early termination of our property management contracts due to the establishment of property owners' associations or our Group failing to be engaged as the property management services provider after the establishment of the property owners' associations.

With regards to the selection of property management service providers, the choice of the property owners to not enter into a new management contract with another property management service provider could be perceived as a testament that the property owners are satisfied with the services provided under the initial property management company. During the Track Record Period, we had terminated two property management contracts due to our own commercial consideration and we had been retained by independent third-party customers for all of the contracts after having won the preliminary management contracts from the Evergrande Group through the tendering process.

Our proven track record of being retained by the property owners after the expiry of the preliminary management contracts is a good testament to the quality of the management services being provided by our Group and our ability to operate independently of the Evergrande Group. Save for the two above mentioned property management contracts terminated by us, we did not have any residential or commercial property management services contract terminated or not renewed during the Track Record Period. In light of the above, our Directors are of the view that our Group has a strong ability in retaining the contracts for property management services.

As of June 30, 2020, approximately 99.6% of our total GFA under management was developed by the Evergrande Group and the joint ventures of China Evergrande Group. Despite the above, we have been able to maintain a diversified customer base, primarily by continuing our property management services to property owners or property owners' associations after the delivery of residential properties, by participating in tender and bidding processes conducted by property developers, and by providing value-added services to other property developers and household service providers. Accordingly, the majority of our customers are independent individual property owners and independent third-party property developers. Our revenue generated from customers other than the Evergrande Group (and its associates) accounted for approximately 64.1% of our total revenue for the six months ended June 30, 2020.

We believe that our GFA under management and revenue attributable to independent third-party property developers will continue to increase. We began to proactively source projects from independent third-party property developers in 2019. Despite the short history, we have been able to secure contracts for the provision of management services for properties developed by independent third-party property developers. As of June 30, 2020, the GFA under management of properties developed by independent third-party property developers was 1.0 million sq.m. Subsequent to June 30, 2020 and as of the Latest Practicable Date, we had been contracted to manage additional properties with an aggregated contracted GFA of approximately 30.1 million sq.m., out of which an aggregate contracted GFA of approximately 1.0 million sq.m. was attributable to properties developed by independent third-party property developers.

In addition, we have been actively pursuing cooperation opportunities and exploring acquisitions of quality targets with considerable business scale, diversified property management portfolio and regional competitive strength. Subsequent to the Track Record Period and as of the Latest Practicable Date, we had entered into six property management service agreements for projects developed by independent third-party property developers with an aggregated contracted GFA of 1.0 million sq.m. We had also signed five framework agreements with independent third-party property developers with a total GFA of 4.4 million sq.m. (including a framework agreement for strategic cooperation with an independent third-party property developer with projects in various parts of the PRC, the shares of which are listed on the Main Board (the "**Framework Agreement**")). Under the Framework Agreement, we will be accorded priority consideration in projects developed by the developer in respect of multiple pre-delivery value-added services, as well as the provision of property management services to delivered properties, subject to the public tendering and bidding process. The scope of the cooperation is for an initial term of ten years and covers initially ten projects under development and one project that has been completed and delivered. We have also entered into agreements to acquire five regional property management companies which engaged in the provision of property management services for properties developed by independent third-party property developers with an aggregate GFA under management of 7.72 million sq.m. See "Waivers from Strict Compliance with the Listing Rules—Equity Interests Acquired after the Track Record Period." We believe that the aforesaid strategic cooperation and acquisitions have solidified our market position, contributed to our enlarged scale and increased variety of managed properties, and helped enhance our market development capabilities for obtaining service engagements from different sources.

Going forward, we intend to increase our business scale and market share through means such as (i) continuing to participate in tender and bidding processes organized by property owners' associations and independent third-party property developers; and (ii) selectively pursuing acquisition and investment opportunities. For more information, see "Business—Business Strategies—Solidify our Leadership Position by Expanding the Scale of Our Business Operations" in this Prospectus. We believe that we will not have difficulties expanding our third-party developers' portfolio given that smaller independent property developers would be in need of property management services from a reputable property management services provider such as our Group. We are also confident that with our business scale, brand recognition and nation-wide operating platform, we will be well positioned to acquire more suitable targets given that (a) there are ample acquisition opportunities in the property management market. Independent property management companies in the PRC with no operational support from their related property developers are interested to team up with property management companies with strong support from top property developer; and (b) the property management industry has begun to experience a trend of consolidation. According to the Industry Consultant, the property management industry in the PRC is highly fragmented, with the Top 100 Property Management Companies accounting for only approximately 43.6% of the total property management GFA in 2019, an increase of 4.8% from the previous year.

Over the years, we have received a number of awards and honors from various organizations in recognition of our property management business and, among other things, our brand and overall reputation in the property management industry. We believe that, as the one of the leading comprehensive property management service providers in the PRC with more than 20 years of experience in providing property management services, our revenue attributable to independent property owners and property developers will continue to increase due to the increment in revenue derived from (i) independent individual property owners of the residential property projects currently under development by the Evergrande Group, for which we have been engaged to provide property management services and is expected to account for the majority of our Group's revenue; and (ii) property developers other than the Evergrande Group, as a result of our Group's increased efforts in participating in tender and bidding processes conducted by other property developers and potential customers which are Independent Third Parties, as well as acquisitions of property management projects.

Licenses required for operation

We hold and enjoy the benefit of all relevant licenses and permits material to the operation of our business.

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 independently from our Controlling Shareholders and their respective close associates and primarily through both internal referrals and external sources such as recruiting websites.

Continuing connected transactions with our Controlling Shareholders

The section headed "Connected Transactions" in this Prospectus sets out the continuing connected transactions between our Group and our Controlling Shareholders or their associates which will continue after the completion of the Spin-off. All such transactions are determined after arm's length negotiations and on normal commercial terms.

As such, we expect that we will be able to maintain the aggregate amounts of the continuing connected transactions with our Controlling Shareholders or their associates at a reasonable percentage with respect to our total revenues after Listing. Accordingly, such continuing connected transactions are not expected to affect our operational independence as a whole.

Financial Independence

All loans, advances and balances due to or from the Controlling Shareholders or their close associates which were not arising out of the ordinary course of business will be fully settled before Listing. As of the Latest Practicable Date, there were no bank borrowings of our Group for which any of our Controlling Shareholders or their close associates had provided guarantee or security.

In addition, we have our own internal control and accounting systems, accounting and finance department, independent treasury function for cash receipts and payment and independent access to third party financing. Accordingly, we believe we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

DEED OF NON-COMPETITION

Each of the Undertaking Controlling Shareholders has unconditionally and irrevocably undertaken to us in the Deed of Non-Competition that he/it will not, and will procure his/its close associates (save for members of our Group) not to, directly or indirectly conduct or be involved in any business (other than our business) that directly or indirectly competes, or may compete, with our business, being the provision of property management services, value-added services to non-property owners and value-added services to property owners and residents (collectively referred to as the "**Restricted Businesses**"), or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by our Group, except where the Undertaking Controlling Shareholders and their close associates hold (i) less than 30% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange); or (ii) less than 50% of interest of any private company, which is engaged in any business that is or may be in competition with any business engaged by any member of our Group and they do not possess the right to control the board of directors of such company. The above restrictions do not apply (i) when our Group engages in a new business that is not a Restricted Business and at the time of commencement of such new business, any of the Undertaking Controlling Shareholders had already been conducting or been involved in, or otherwise been interested in, the relevant business; and (ii) to the investment in Guanghui Industrial described in "Delineation of Business – The Retained Business" above.

Further, each of the Undertaking Controlling Shareholders has undertaken that if any new business investment or other business opportunity relating to the Restricted Businesses (the "**Competing Business Opportunity**") is identified by or made available to him/it or any of his/its close associates (save for members of our Group), he/it shall, and shall procure that his/its close associates shall, refer such Competing Business Opportunity to our Company on a timely basis by giving written notice (the "**Offer Notice**") to our Company within 30 business days of identifying such Competing Business Opportunity, the nature of the Competing Business Opportunity, the investment or acquisition costs and all other details reasonably necessary for our Company to consider whether to pursue such Competing Business Opportunity.

Upon receiving the Offer Notice, our Company shall seek approval from a board committee comprising only our independent non-executive Directors who do not have an interest in the Competing Business Opportunity (the "**Independent Board Committee**") as to whether to pursue or decline the Competing Business Opportunity (any Director who has actual or potential interest in the Competing Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the Independent Board Committee) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such Competing Business Opportunity). The Independent Board Committee shall consider the financial impact of pursuing the Competing Business Opportunity offered, whether the nature of the Competing Business Opportunity is consistent with our Group's strategies and development plans and the general market conditions of our business. If appropriate, the Independent Board Committee may appoint independent financial advisors and legal advisors to assist in the decision making process in relation to such Competing Business Opportunity. The Independent Board Committee shall, within 30 days of receipt of the Offer Notice, inform the Undertaking Controlling Shareholders in writing on behalf of our Company its decision whether to pursue or decline the Competing Business Opportunity.

The relevant Undertaking Controlling Shareholder shall be entitled but not obliged to pursue such Competing Business Opportunity if he/it receives a notice from the Independent Board Committee declining such Competing Business Opportunity, or if the Independent Board Committee fails to respond within the 30-day period as mentioned above. If there is any material change in the nature, terms or conditions of such Competing Business Opportunity, the relevant Undertaking Controlling Shareholder shall refer or procure the referral of such revised Competing Business Opportunity to our Company as if it were a new Competing Business Opportunity.

The Deed of Non-Competition will lapse automatically if the Undertaking Controlling Shareholders cease to hold, whether directly or indirectly, 50% or above of our Shares with voting rights or if our Shares cease to be listed on the Stock Exchange. In the event we cease to conduct any of the Restricted Businesses, the Undertaking Controlling Shareholders will no longer be prohibited under the Deed of Non-Competition from conducting such business.

In order to promote good corporate governance practices and to improve transparency, the Deed of Non-Competition also includes the following provisions:

- each of the Undertaking Controlling Shareholders has undertaken to us that he/it will provide and procure his/its close associates (save for members of our Group) to provide on best endeavor basis, all information necessary for the annual review by our independent non-executive Directors on the compliance status of the Deed of Non-Competition; and

- the Undertaking Controlling Shareholders will make a declaration in each of our annual reports on the compliance with the Deed of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report.

In addition, our Company has taken, or will take, the following measures to safeguard good corporate governance standards in respect of the Deed of Non-Competition:

- our independent non-executive Directors shall review on an annual basis the Deed of Non-Competition and compliance with the Deed of Non-Competition by the Undertaking Controlling Shareholders;

- we will disclose in our annual report or by way of announcement in accordance with the requirements of the Listing Rules, the decisions on matters reviewed by the Independent Board Committee (including the reasons for not taking up any Competing Business Opportunity referred to our Company) and the review by our independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-Competition; and

- in the event that any of our Directors and/or their respective close associates has material interests in any matter to be deliberated by our Board in relation to the compliance and enforcement of Deed of Non-Competition, he/she may not vote on the resolutions of our Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles of Association.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that he/she/it fully comprehends his/her/its obligations to act in our Shareholders' best interests as a whole. Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we have implemented the following measures:

(a) as part of our preparation for the Spin-off, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest and abstain from the board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive Directors and independent non-executive Directors. We have appointed independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, see "Directors and Senior Management—Board of Directors—Independent non-executive Directors" in this Prospectus;

(d) we have appointed Huatai Financial Holdings (Hong Kong) Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance;

(e) as required by the Listing Rules, our independent non-executive Directors shall review any 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;

(f) on an annual basis, our independent non-executive Directors will review the non-compete undertakings provided by the Undertaking Controlling Shareholders pursuant to the Deed of Non-competition and their compliance with such undertakings;

(g) on an annual basis, our independent non-executive Directors will review the compliance of Rule 8.10 of the Listing Rules by our Controlling Shareholders; and

(h) our Company will disclose in its annual report each year the compliance status of the Deed of Non-Competition.

Our Group has entered into a number of agreements with parties who will, upon completion of the Listing, become our connected persons, and the transactions disclosed in this section will constitute continuing connected transactions of our Company under the Listing Rules upon the Listing.

(A) CONTINUING CONNECTED TRANSACTION FULLY EXEMPT FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Trademark Licensing

On August 12, 2020, a trademark license agreement was entered into between Jinbi Property and Evergrande Real Estate (the "**PRC Trademark License Agreement**"), pursuant to which Evergrande Real Estate agreed to irrevocably and unconditionally grant to Jinbi Property, its subsidiaries and branches, its controlling shareholders and its controlling shareholders' subsidiaries an exclusive license to use certain trademarks (the "**PRC Trademarks**") on a royalty-free basis. The PRC Trademark License Agreement is a transitional arrangement between Jinbi Property and Evergrande Real Estate to allow our Group to use the PRC Trademarks while the parties are in the process of completing the transfer of the PRC Trademarks to Jinbi Property pursuant to a trademark transfer agreement dated August 12, 2020, upon completion of which Jinbi Property will be the owner of the PRC Trademarks. The PRC Trademark License Agreement has a term commencing from the date of the PRC Trademark License Agreement until the completion date of the transfer of the PRC Trademarks.

On November 19, 2020, a deed of trademark licensing was entered into between our Company and China Evergrande Group (the "**Hong Kong Trademark License Deed**"), pursuant to which China Evergrande Group agreed to irrevocably and unconditionally grant to our Company and other members of our Group a non-transferrable and non-exclusive license to use the trademark (the "**Hong Kong Trademark**"), being a trademark registered in Hong Kong, on a royalty-free basis, for a perpetual term commencing from the date of the Hong Kong Trademark License Deed. China Evergrande Group has undertaken in the Hong Kong Trademark License Deed to maintain the registration of the Hong Kong Trademark throughout the term of the Hong Kong Trademark License Deed.

For details of the PRC Trademarks and the Hong Kong Trademark, see "Appendix IV—B. Information about Our Business—2. Intellectual property rights of our Group."

We believe that the entering into of the PRC Trademark License Agreement with a term which ends on the completion date of the transfer of the PRC Trademarks and the entering into of the Hong Kong Trademark License Deed with a term of more than three years can ensure the stability of our operations, and is beneficial to us and the Shareholders as a whole. The Joint Sponsors are of the view that it is normal business practice for agreements of this type to be of duration of more than three years.

China Evergrande Group is one of our Controlling Shareholders and therefore a connected person of our Company for the purpose of the Listing Rules. As of the Latest Practicable Date, Evergrande Real Estate was indirectly owned as to 63.46% by China Evergrande Group. Evergrande Real Estate is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the PRC Trademark License Agreement and the Hong Kong Trademark License Deed will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the rights to use the PRC Trademarks and the Hong Kong Trademark are granted on a royalty-free basis, the transactions under the PRC Trademark License Agreement and the Hong Kong Trademark License Deed will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will be exempt 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 EXEMPT FROM INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

1. Car Parking Space Leasing

On November 19, 2020, our Company entered into a master car parking space leasing agreement (the "**Master Car Parking Space Leasing Agreement**") with China Evergrande Group, pursuant to which our Group will lease from the subsidiaries, joint ventures and associates of China Evergrande Group (the "**Evergrande Associates**") certain car parking spaces (the "**Car Parking Spaces**") situated in the residential and commercial properties developed by the Evergrande Associates and managed by us for subleasing to residents and tenants in such residential and commercial properties. The Master Car Parking Space Leasing Agreement has a term commencing from the Listing Date until December 31, 2022.

For each of the three years ended December 31, 2019 and the six months ended June 30, 2020, the total amount of rent payable by our Group to the Evergrande Associates for the leasing of the Car Parking Spaces amounted to approximately RMB33.2 million, RMB48.6 million, RMB59.7 million and RMB40.5 million, respectively.

The rent to be paid by our Group for the lease of the Car Parking Spaces will be determined after arm's length negotiations with reference to, among others, the prevailing market rent of car parking spaces in similar locations and similar properties and the number and occupancy rate of the Car Parking Spaces leased by our Group from the Evergrande Associates.

It is estimated that the maximum amounts of rent fee payable by our Group for the leasing of the Car Parking Spaces for each of the three years ending December 31, 2022 will not exceed RMB121.8 million, RMB146.2 million and RMB175.4 million, respectively.

The expected increase in the annual caps for the leasing of the Car Parking Spaces is primarily due to the estimated increase in the demand for car parking spaces, having taken into account the estimated increase in the GFA of the properties developed by the Evergrande Associates which will be under our management for the three years ending December 31, 2022, which in turn has been estimated based on the existing signed contracts with the Evergrande Associates as of June 30, 2020 and our estimation of the delivery schedule and the future development plan of the Evergrande Associates. In addition, we have factored in the expected increase in vehicles possessed by the owners and occupants of the related managed properties for the three years ending December 31, 2022.

The substantial increase in the proposed annual caps for the three years ending December 31, 2022 as compared to the historical transaction amounts for the Track Record Period is primarily due to (i) the introduction of user-charging car parking spaces at certain properties of the Evergrande Associates in 2019, which incentivizes us to lease such type of car parking spaces from the Evergrande Associates for sub-leasing purposes in the next three years; (ii) the total estimated GFA to be delivered and time of delivery of properties developed by the Evergrande Associates in the second half of 2020 pursuant to our estimation of the scheduled delivery plan of the Evergrande Associates; and (iii) the estimated increase in our capacity for the car parking space subleasing business, having taken into account the termination of our provision of transaction assistance services in respect of the leasing of car parking spaces in June 2020 in order to focus more resources on the car parking space subleasing business.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts in relation to the lease of the Car Parking Spaces during the Track Record Period;

- the terms and conditions, in particular, the rent, under the existing lease agreements which is expected to remain stable in the three years ending December 31, 2022;

- the prevailing market rent of the car parking spaces in similar locations and similar properties and the estimated increase for the three years ending December 31, 2022;

- the estimated number and occupancy rate of the Car Parking Spaces leased by our Group from the Evergrande Associates for the three years ending December 31, 2022; and

- the expected increase in rental fee and demand for the Car Parking Spaces having taken into account the estimated GFA of residential and commercial properties to be developed and delivered by the Evergrande Associates and managed by our Group based on the properties under development and the land bank held by the Evergrande Associates as of June 30, 2020 and its development plan for the three years ending December 31, 2022. According to the 2020 interim results announcement of China Evergrande Group, as of June 30, 2020, it had residential land reserves of approximately 240 million sq.m. (including a total GFA under construction of 123 million sq.m.), which covered 817 projects located in 229 cities across China. It also held investment properties including commercial podiums in living communities and office buildings with GFA of approximately 8.97 million sq.m. and approximately 359,000 car parking spaces.

China Evergrande Group is one of our Controlling Shareholders and therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Car Parking Space Leasing Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Master Car Parking Space Leasing Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Master Car Parking Space Leasing Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

2. Procurement of Goods and Services

On November 19, 2020, our Company entered into a master procurement agreement (the "**Master Procurement Agreement**") with China Evergrande Group, pursuant to which our Group agreed to procure from the Evergrande Associates certain goods and services, including but not limited to (i) maintenance materials and parts for use in our operations; (ii) office and communication equipment; (iii) staff uniforms and other consumables; and (iv) gardening services (the "**Procurement**"). The Master Procurement Agreement has a term commencing from the Listing Date until December 31, 2022.

For each of the three years ended December 31, 2019 and the six months ended June 30, 2020, the total amount of fees payable by our Group to the Evergrande Associates for the Procurement amounted to approximately RMB103.5 million, RMB139.8 million, RMB111.6 million and RMB63.5 million, respectively. The decrease in the total amount of fees payable for the Procurement in 2019 was primarily due to the decrease in the procurement of consumables from the Evergrande Associates as a result of the destocking measures implemented in such year which increased the rate of consumption of earlier procurement. Such stock had been largely consumed by the end of 2019 and the demand for the procurement of consumables increased in 2020.

The fees to be paid by our Group for the Procurement will be determined after arm's length negotiations with reference to (i) the catalog prices (if available) of goods from the Evergrande Associates and other independent third-party suppliers; and (ii) the prevailing market price of similar goods and services (having taken into account the scope of services and the anticipated operational costs including but not limited to labor costs and costs of materials).

It is estimated that the maximum amounts of fees payable by our Group for the Procurement for each of the three years ending December 31, 2022 will not exceed RMB146.1 million, RMB169.0 million and RMB193.6 million, respectively. The expected increase in the annual caps for the Procurement as compared to the historical transaction amounts for the Track Record Period is primarily due to the estimated increase in demand for the Procurement, having taken into account the existing signed contracts in relation to the Procurement as of June 30, 2020, the expected increase in the total GFA of properties under our management and our business development for the three years ending December 31, 2022, which in turn has been estimated based on the existing GFA of properties under our management as of June 30, 2020, the existing contracted GFA of properties developed and yet to be delivered by the Evergrande Associates as of June 30, 2020 and our business development plan.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts in relation to the Procurement during the Track Record Period;

- the estimated transaction amounts in relation to the Procurement for the three years ending December 31, 2022 based on existing signed contracts;

- the estimated GFA of properties developed by the Evergrande Group which will be under our management for the three years ending December 31, 2022 and the land bank held by the Evergrande Associates as of June 30, 2020 and its development plan for the three years ending December 31, 2022. According to the 2020 interim results announcement of China Evergrande Group, as of June 30, 2020, it had residential land reserves of approximately 240 million sq.m. (including a total GFA under construction of 123 million sq.m.), which covered 817 projects located in 229 cities across China;

- the estimated demand for the Procurement for the three years ending December 31, 2022 based on our business development plan.

China Evergrande Group is one of our Controlling Shareholders and is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Procurement Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Master Procurement Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Master Procurement Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

3. Recreation Center Operational Management Services

On November 19, 2020, our Company entered into a master recreation center operational management services agreement (the "**Master Recreation Center Operational Management Services Agreement**") with China Evergrande Group, pursuant to which our Group agreed to provide operational management services (the "**Recreation Center Operational Management Services**") with respect to recreation centers situated in the residential and commercial properties developed and owned by the Evergrande Associates. The Master Recreation Center Operational Management Services Agreement has a term commencing from the Listing Date until December 31, 2022.

For each of the three years ended December 31, 2019 and the six months ended June 30, 2020, the total service fee payable to our Group in respect of the Recreation Center Operational Management Services amounted to approximately RMB2.3 million, RMB6.6 million, RMB11.0 million and RMB0.9 million, respectively. The decrease in the total amount of service fee for the Recreation Center Operational Management Services for the six months ended June 30, 2020 was primarily due to the fact that many recreation centers were not in operation for the corresponding period as a result of the COVID-19 pandemic and no operational management services were rendered.

The fees to be charged for the Recreation Center Operational Management Services will be determined after arm's length negotiations with reference to the prevailing market rate (having taken into account the location and condition of the recreation centers, the scope of services and the anticipated operational costs including but not limited to labor costs, administrative costs and costs of materials).

It is estimated that the maximum amounts of service fee payable to our Group in relation to the Recreation Center Operational Management Services for each of the three years ending December 31, 2022 will not exceed RMB4.2 million, RMB20.1 million and RMB26.2 million, respectively.

The substantial increase in the annual caps for the two years ending December 31, 2022 as compared to the estimated transaction amount in 2020 and the historical transaction amounts during the Track Record Period is primarily due to (i) the expected full resumption of operation of the recreation centers; and (ii) the expected continuous growth in the number of recreation centers to be managed by our Group for the two years ending December 31, 2022 with reference to the estimated number of properties to be delivered by the Evergrande Associates for the two years ending December 31, 2022 in which such recreation centers will be situated, which has been estimated based on our estimation of the future development plan of the Evergrande Associates.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts in relation to the Recreation Center Operational Management Services during the Track Record Period;

- the costs incurred for the Recreation Center Operational Management Services during the Track Record Period;

- the estimated revenue from the provision of the Recreation Center Operational Management Services for the three years ending December 31, 2022 based on existing signed contracts with the Evergrande Associates and the estimated operation and usage rate of the recreation centers for the three years ending December 31, 2022; and

- the estimated size and number of recreation centers to be developed by the Evergrande Associates for the three years ending December 31, 2022 pursuant to the development plan of the Evergrande Associates which will require our operational management services and the opening time of such recreation centers.

China Evergrande Group is one of our Controlling Shareholders and therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Recreation Center Operational Management Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Master Recreation Center Operational Management Services Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Master Recreation Center Operational Management Services Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

4. Property Transaction Assistance Services

On November 19, 2020, our Company entered into a master property transaction assistance services agreement (the "**Master Property Transaction Assistance Services Agreement**") with China Evergrande Group, pursuant to which our Group agreed to provide transaction assistance services in respect of (i) the leasing to third parties of properties (excluding car parking spaces) owned by the Evergrande Associates for commercial use; and (ii) the sales to third parties of the car parking spaces situated in residential and commercial properties developed by the Evergrande Associates (the "**Property Transaction Assistance Services**"). The Master Property Transaction Assistance Services Agreement has a term commencing from the Listing Date until December 31, 2022.

For each of the three years ended December 31, 2019 and the six months ended June 30, 2020, the total service fee payable to our Group in respect of the Property Transaction Assistance Services amounted to nil, approximately RMB3.2 million, RMB54.8 million and RMB42.5 million.

The fees to be charged for the Property Transaction Assistance Services will be determined after arm's length negotiations with reference to (i) the rental and GFA of the properties to be leased through our Property Transaction Assistance Services, (ii) the selling price and number of car parking spaces to be sold through our Property Transaction Assistance Services; (iii) the scope of our Property Transaction Assistance Services; and (iv) a certain service fee calculated at a rate which is comparable to the prevailing market rate paid by the Evergrande Associates to other independent property transaction assistance service providers for similar services.

It is estimated that the maximum amounts of service fee payable to our Group in relation to the Property Transaction Assistance Services for each of the three years ending December 31, 2022 will not exceed RMB121.7 million, RMB157.6 million and RMB192.3 million, respectively.

The expected increase in the annual caps is primarily due to the estimated increase in the number of the car parking spaces situated in properties developed by the Evergrande Associates and to be sold through the assistance of our Group for the three years ending December 31, 2022, which is in line with the increase in the expected GFA of the properties developed by the Evergrande Associates which will be under our management for the three years ending December 31, 2022 based on our estimation of the future development plan of the Evergrande Associates.

The annual caps are expected to increase substantially as the provision of property transaction assistance services by us in respect of leasing of unsold properties (excluding car parking spaces) developed by the Evergrande Associates and the provision of property transaction assistance services by us in respect of the sales of the car parking spaces situated in properties developed by the Evergrande Associates were not accounted for in the historical amounts before the commencement of each of such services in 2018 and 2019, respectively. With all of the Property Transaction Assistance Services operating in full scale and more efficiently after the initial years of operation, the relevant transaction amounts, driven by our increased capacity and efficiency, are expected to increase at a more rapid rate than during the Track Record Period.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts in relation to the Property Transaction Assistance Services during the Track Record Period;

- the estimated revenue from the provision of the Property Transaction Assistance Services for the three years ending December 31, 2022 based on existing signed contracts with the Evergrande Associates;

- the estimated GFA of units and car parking spaces to be sold by the Evergrande Associates based on its existing projects available for sale, projects under development and land bank as of June 30, 2020 which will require the Property

Transaction Assistance Services for the three years ending December 31, 2022 with reference to the historical proportion of sales which was procured by our Group. According to the 2020 interim results announcement of China Evergrande Group, as of June 30, 2020, it had residential land reserves of approximately 240 million sq.m. (including a total GFA under construction of 123 million sq.m.), which covered 817 projects located in 229 cities across China. It also held investment properties including commercial podiums in living communities and office buildings with GFA of approximately 8.97 million sq.m. and approximately 359,000 car parking spaces; and

- the estimated increase of our capacity in providing the Property Transaction Assistance Services.

China Evergrande Group is one of our Controlling Shareholders and therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Property Transaction Assistance Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Master Property Transaction Assistance Services Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Master Property Transaction Assistance Services Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(C) CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Property Management and Related Services

On November 19, 2020, our Company entered into a master property management and related services agreement (the "**Master Property Management and Related Services Agreement**") with China Evergrande Group, pursuant to which our Group agreed to provide to the Evergrande Associates property management and related services, including but not limited to (i) property management services for unsold properties and properties owned by the Evergrande Associates; (ii) pre-delivery services including (a) management and maintenance services for construction sites, show flats and property sales centers and preliminary planning and design consultancy services at the pre-delivery stage, (b) pre-delivery cleaning services, and (c) pre-delivery inspection services; and (iii) repair and maintenance services during the warranty period of residential and commercial properties developed by the Evergrande Associates (the "**Property Management and Related Services**"). The Master Property Management and Related Services Agreement has a term commencing from the Listing Date until December 31, 2022.

For each of the three years ended December 31, 2019 and the six months ended June 30, 2020, the total service fee payable to our Group in respect of the Property Management and Related Services amounted to approximately RMB1,937.3 million, RMB2,512.4 million, RMB2,663.6 million and RMB1,588.8 million, respectively.

The fees to be charged for the Property Management and Related Services will be determined after arm's length negotiations with reference to the prevailing market price (having taken into account the location and condition of the property, the scope of services and the anticipated operational costs including but not limited to labor costs, administrative costs and costs of materials), historical transaction amounts and the prices charged by our Group for providing comparable services to Independent Third Parties.

It is estimated that the maximum amounts of service fee payable to our Group in relation to the Property Management and Related Services for each of the three years ending December 31, 2022 will not exceed RMB3,945.3 million, RMB5,305.7 million and RMB6,534.3 million, respectively.

The expected increase in the annual caps for the Property Management and Related Services as compared to the historical transaction amounts for the Track Record Period is primarily due to (i) the expected increase in GFA of the properties developed by the Evergrande Associates which will be under our management for the three years ending December 31, 2022 as estimated with reference to our existing signed contracts with the Evergrande Associates for Property Management and Related Services and our estimation of the future property development plans of the Evergrande Associates; (ii) the expected increase in related fees charged by us due to expected increase in staff cost for the provision of pre-delivery services resulting from an estimated increase in the number of staff, which is due to the expected increase in the number of projects under development of the Evergrande Associates for the three years ending December 31, 2022; and (iii) the estimated increase in the number of sales centers of the Evergrande Associates requiring our services for the three years ending December 31, 2022.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts in relation to the Property Management and Related Services during the Track Record Period;

- the estimated transaction amount for the three years ending December 31, 2022 based on existing signed contracts with the Evergrande Associates. As of June 30, 2020, we were contracted to manage properties developed and yet to be delivered by the Evergrande Associates with a total contracted GFA of approximately 259 million sq.m.;

- the costs incurred for the related services during the Track Record Period;

- the estimated size and number of properties to be delivered by the Evergrande Associates in the three years ending December 31, 2022, which is based on the properties under development and the land bank held by the Evergrande Associates as of June 30, 2020. According to the 2020 interim results announcement of the China Evergrande Group, as of June 30, 2020, it had residential land reserves of approximately 240 million sq.m. (including a total GFA under construction of 123 million sq.m.), which covered 817 projects located in 229 cities across China;

- the estimated monthly management fee to be charged in respect of residential and commercial properties owned by the Evergrande Associates, which is based on the same average monthly management fee charged for the year ended December 31, 2019. Such estimated fee is considered by CIA to be in line with the expected prevailing market rate trend;

- the estimated service fee to be charged in respect of residential and commercial properties to be delivered by the Evergrande Associates which will require our pre-delivery services. Such estimated fee is considered by CIA to be in line with the expected prevailing market rate trend;

- the estimated service fee to be charged in respect of residential and commercial properties to be sold by the Evergrande Associates which will require our repair and maintenance services during the warranty period and is based on the average service fee charged during the Track Record Period. Such estimated fee is considered by CIA to be in line with the expected prevailing market rate trend; and

- the demand for our Property Management and Related Services, which has been estimated based on the expected volume of sale, number of sales centers, size and number of the properties of the Evergrande Associates which will require our Property Management and Related Services, having taken into account the total GFA of properties developed by the Evergrande Associates under our management during the Track Record Period and our estimation of the time of pre-sales and delivery with reference to its historical pre-sale and delivery schedule.

China Evergrande Group is one of our Controlling Shareholders and therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Property Management and Related Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Master Property Management and Related Services Agreement is expected to be more than 5% on an annual basis, the transactions under the Master Property Management and Related Services Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(D) APPLICATION FOR WAIVER

The transactions described in "—(B) Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from Independent Shareholders' Approval Requirement" in this section constitutes our continuing connected transactions under the Listing Rules, which are subject to the reporting, annual review and announcement requirements but exempt from independent shareholders' approval requirement of the Listing Rules.

The transactions described in "—(C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in this section constitute our continuing connected transactions under the Listing Rules which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements of the Listing Rules.

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted us, waivers exempting us from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in "—(B) Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from Independent Shareholders' Approval Requirement"; and the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules 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" in this section, 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).

(E) DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described in "—(B) Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from Independent Shareholders' Approval Requirement" and "—(C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in this section have been and will be carried out: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms; 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 in "—(B) Continuing Connected Transaction subject to the Reporting, Annual Review and Announcement Requirements but exempt from 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 Company and our Shareholders as a whole.

(F) JOINT SPONSORS' VIEW

Based on the due diligence findings of the Joint Sponsors, information provided by us, confirmation by our Directors (including independent non-executive Directors), discussion with CIA on the prevailing market rate (where available) of the underlying services, and review of the terms of the relevant framework agreements, the Joint Sponsors are of the view (i) that the continuing connected transactions described in "—(B) Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from Independent Shareholders' Approval Requirement" and "—(C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in this section have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms, that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (ii) that 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.

BOARD OF DIRECTORS

Our Board of Directors comprises four executive Directors and three independent non-executive Directors. The powers and duties of our Board include determining our business and investment plans, preparing our annual financial budgets and final reports, and exercising other powers, functions and duties as conferred by the Articles. We have entered into a service agreement with each of our executive Directors and a letter of appointment with each of our independent non-executive Directors.

The table below set out certain information in respect of our Directors:

Name	Age	Date of joining our Group *(Note)*	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors or senior management
Executive Directors						
Mr. Zhao Changlong (趙長龍)	56	August 20, 2007	September 23, 2020	Executive Director and chairman of our Board	Responsible for the overall management and strategic planning of our Group	None
Mr. Hu Liang (胡亮)	33	July 14, 2008	September 23, 2020	Executive Director and general manager	Responsible for the formulation of group policies and daily business operation of our Group	None
Mr. Wang Zhen (王震)	36	January 28, 2015	September 23, 2020	Executive Director and deputy general manager	Responsible for human resources and administrative management of our Group	None
Ms. An Lihong (安麗紅)	50	April 6, 2015	September 23, 2020	Executive Director and deputy general manager	Responsible for finance and cost management of our Group	None

Name	Age	Date of joining our Group *(Note)*	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors or senior management
Independent non-executive Directors						
Mr. Chan Chun Hung, Vincent (陳鎮洪)	57	November 13, 2020	November 13, 2020	Independent non-executive Director	Responsible for providing independent advice on the operations and management of our Group	None
Mr. Victor Huang (黃偉德)	49	November 13, 2020	November 13, 2020	Independent non-executive Director	Responsible for providing independent advice on the operations and management of our Group	None
Mr. Guo Zhaohui (郭朝暉)	42	November 13, 2020	November 13, 2020	Independent non-executive Director	Responsible for providing independent advice on the operations and management of our Group	None

Note: Denotes the time from which the relevant Director first became involved in matters relating to the business of our Group while under the employment of the Evergrande Group or our Group (where applicable).

Executive Directors

Mr. Zhao Changlong (趙長龍), aged 56, was appointed as our executive Director and chairman of our Board on September 23, 2020. He is primarily responsible for the overall management and strategic planning of our Group. Mr. Zhao joined our Group in August 2007 and has been serving as the chairman of the board of Jinbi Property since July 2020, where he is responsible for its overall management.

Mr. Zhao has over 20 years of experience in the property development and property management industries. Mr. Zhao joined the Evergrande Group in September 2003 and has served in various positions in subsidiaries of the Evergrande Group. From September 2003 to February 2005, Mr. Zhao served as the general manager of Maoming Evergrande Steel Group

Co., Ltd. (茂名恒大鋼鐵集團有限公司), a metal materials manufacturer, where he was primarily responsible for its overall operations. From February 2005 to August 2007, Mr. Zhao successively served as a vice president, an assistant to the president and the general manager of the development center of Evergrande Real Estate, where he was primarily responsible for its development management. From August 2007 to July 2020, Mr. Zhao served various positions in district companies including the chairman of the board and the general manager of Evergrande Real Estate Group (Xi'an) Co., Ltd (恒大地產集團西安有限公司), the chairman of the board of Evergrande Real Estate Group (Jiangxi) Co., Ltd (恒大地產集團江西有限公司) and the chairman of the board of Evergrande Real Estate Group (Shanxi) Co., Ltd (恒大地產集團山西有限公司), where he was primarily responsible for the operations and management of district companies including their property management business. Mr. Zhao has also been serving as a director of Evergrande Real Estate since November 2017.

Prior to joining the Evergrande Group, from March 1998 to July 2003, Mr. Zhao served as an assistant president and later as an assistant to the president and the general manager of the development center of Guangzhou Evergrande Industrial Group Co., Ltd. (廣州恒大實業集團有限公司), a property developer, where he was primarily responsible for its development management.

Mr. Zhao graduated from the Shenyang Metallurgical Machinery School (沈陽冶金機械專科學校) with a diploma in metallurgy and heat treatment in the PRC in July 1986. Mr. Zhao graduated from the Zhengzhou University of Technology (鄭州工業大學) with a major in industrial engineering in the PRC in December 1997.

Mr. Hu Liang (胡亮), aged 33, was appointed as our executive Director on September 23, 2020. Mr. Hu joined our Group in July 2008 and has been serving as the general manager of Jinbi Property since March 2020. He is primarily responsible for the formulation of group policies and daily business operation of our Group. He currently holds directorships in a number of subsidiaries of our Group.

Mr. Hu has over 12 years of experience in the property management industry. Mr. Hu joined the Evergrande Group in July 2008 and has served in various positions in subsidiaries of the Evergrande Group. From July 2008 to November 2009, Mr. Hu served as a quality management staff of Evergrande Real Estate, where he was primarily responsible for its quality management work. From November 2009 to November 2010, Mr. Hu served as a project deputy general manager of the Guangzhou branch of Jinbi Property, where he was primarily responsible for property management services for such project. From November 2010 to March 2014, Mr. Hu served as an assistant to the general manager of the Nanning branch of Jinbi Property and as a deputy general manager of Qinzhou Evergrande Lvzhou Customer Services Center (欽州恒大綠洲客服中心), where he was primarily responsible for the quality management of its operations as well as the management of the customer services center. From March 2014 to April 2015, Mr. Hu served as an assistant to the general manager of Evergrande Real Estate Group (Nanning) Co., Ltd. (恒大地產集團南寧有限公司), where he was primarily responsible for the management of its property management services. From April 2015 to July 2015, Mr. Hu served as the chairman of the board of the Shijiazhuang branch of Jinbi Property, where he was responsible for its overall management. From July 2015 to December 2016, Mr. Hu served as a deputy general manager of Evergrande Real Estate Group (Beijing) Co., Ltd. (恒大地產集團北京有限公司), where he was primarily responsible for the management of its property management services. From January 2017 to July 2017, Mr. Hu served as the general manager of property operational management center of Evergrande Group Co., Ltd. (恒大集團有限公司), where he was primarily responsible for the management of its property management services. From July 2017 to March 2020, Mr. Hu successively served as an executive deputy general manager of the property management center and the general manager of the property management center of Evergrande Real Estate, where he was primarily responsible for the management of its property management services.

Mr. Hu obtained a bachelor's degree in sociology from the Northwest A&F University (西北農林科技大學) in the PRC in July 2008. Mr. Hu is currently an honorary vice president of China Property Management Association (中國物業管理協會) and a vice president of Guangdong Property Management Association (廣東省物業管理協會).

Mr. Wang Zhen (王震), aged 36, was appointed as our executive Director on September 23, 2020. Mr. Wang joined our Group in January 2015 and has been serving as the deputy general manager of Jinbi Property since March 2020. He is primarily responsible for human resources and administrative management of our Group.

Mr. Wang has over 12 years of experience in human resources and administrative management. Mr. Wang joined the Evergrande Group in July 2008 and has served in various positions in subsidiaries of the Evergrande Group. From July 2008 to January 2015, Mr. Wang successively served as a personnel management staff, a deputy manager of the administration and personnel department, a manager of the administration and personnel department and a deputy general manager of Evergrande Yuanlin Group Co., Ltd. (恒大園林集團有限公司) ("**Evergrande Yuanlin**"), a company principally engaged in the provision of landscape engineering and design services, and was primarily responsible for its human resources, administrative management, legal and internal control management. From January 2015 to July 2017, Mr. Wang successively served as an assistant to the general manager and a deputy general manager of the property management center of Evergrande Real Estate, where he was primarily responsible for its human resources, administrative management and training management. Mr. Wang served as a deputy general manager of the Beijing branch of Evergrande Real Estate and chairman of the board of the Beijing branch of Jinbi Property in July 2017, and was responsible for the management of the property management services. From July 2017 to March 2020, Mr. Wang served as an executive deputy general manager of the property management center of Evergrande Real Estate, where he was primarily responsible for human resources, administrative management and training management.

Mr. Wang obtained a bachelor's degree in English from Tianjin University of Commerce (天津商業大學) in the PRC in June 2008 and a master's degree in project management from Wuhan University of Science and Technology (武漢科技大學) in the PRC in June 2017.

Ms. An Lihong (安麗紅), aged 50, was appointed as our executive Director on September 23, 2020. Ms. An joined our Group in April 2015 and has been serving as a deputy general manager of Jinbi Property since March 2020. She is primarily responsible for finance and costs management of our Group.

Ms. An has over 27 years of experience in accounting and financial management. Ms. An joined the Evergrande Group in August 2003. From August 2003 to December 2006, Ms. An served as an accountant at Evergrande Real Estate, where she was responsible for its revenue and cost management. From December 2006 to February 2009, Ms. An served as a deputy financial manager of Guangzhou Yuexiu Residential Construction Engineering Co., Ltd. (廣州市越秀住宅建築工程有限公司), a company principally engaged in real estate related business, where she was primarily responsible for its financial management. From February 2009 to January 2020, Ms. An served various positions in the finance center of the Evergrande Real Estate, including a deputy manager of the finance department two, a manager of the finance department two, a manager of the finance department one, a deputy general manager and a district financial manager of the finance center. From January 2020 to March 2020, Ms. An served as a deputy general manager of the property management center of Evergrande Real Estate, where she was primarily responsible for the financial management.

Prior to joining the Evergrande Group, from July 1993 to March 2001, Ms. An served as an accountant at Harbin Zhengda Construction Enterprise Group Co., Ltd. (哈爾濱正大建築企業集團有限公司), a company principally engaged in real estate and construction related business, where she was responsible for its financial accounting. From March 2001 to August 2003, Ms. An served as a director of the accounting and finance department of Xinheng Group Co., Ltd. (信恒集團有限公司), a company principally engaged in real estate and construction related business, where she was primarily responsible for its financial accounting management.

Ms. An obtained a bachelor's degree in accounting from Northeast Agricultural University (東北農業大學) in the PRC in July 2004. Ms. An was admitted as a certified public accountant granted by the Harbin Finance Bureau (哈爾濱市財政局) in April 1998 and an intermediate accountant by the MOF in May 2000.

Independent non-executive Directors

Mr. Chan Chun Hung, Vincent (陳鎮洪), aged 57, was appointed as our independent non-executive Director on November 13, 2020. Mr. Chan is responsible for providing independent advice on the operations and management of our Board.

Mr. Chan has over 25 years of experience in private equity management. Mr. Chan was the senior manager of HSBC Private Equity Management Limited, a company principally engaged in investment management, from October 1991 to October 1994, the director of Suez Asia Holdings (Hong Kong) Limited, a company principally engaged in investment management, from February 1997 to November 2000, the managing director and corporate director of JAFCO Investment (Asia Pacific) Ltd., a company principally engaged in private equity investment, from November 2000 to November 2007, and the chief executive officer of

Spring Capital Asia, Limited, a company principally engaged in private equity investment, from October 2007 to December 2015. Mr. Chan has been the senior managing director of Samena Capital Hong Kong Limited, a company principally engaged in private equity investment, since January 2016. He has been an independent non-executive director of CN Logistics International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2130) since September 2020.

Mr. Chan was a member of the Public Shareholders Group of the SFC from July 2005 to March 2011 and a member of the Main Board and GEM Listing Committee of the Stock Exchange from May 2007 to May 2012. Mr. Chan is currently the president and executive director of the Hong Kong Venture Capital and Private Equity Association. Mr. Chan is currently a committee member of the 15th election of the Chinese People's Political Consultative Conference in Chengdu (中國人民政治協商會議成都市委員會). Mr. Chan has been a member of the Main Board and GEM Listing Review Committees of the Stock Exchange since July 2020.

Mr. Chan obtained a bachelor's degree in arts from The University of Hong Kong in November 1986 and a master's degree in business administration from The Victoria University of Manchester in the United Kingdom in July 1988. He was admitted as a chartered financial analyst of The Institute of Chartered Financial Analysts in September 1993.

Mr. Chan was a director of Apex Strategy Limited, a company incorporated in Hong Kong which was solvent prior to its dissolution and was deregistered on January 30, 2014 as it had ceased to conduct business. Mr. Chan was a director of Smart Command Limited, a company incorporated in Hong Kong which was solvent prior to its dissolution and was deregistered on January 30, 2014 as it had ceased to conduct business. Mr. Chan confirmed that, as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the dissolution of Apex Strategy Limited and Smart Command Limited.

Mr. Victor Huang (黃偉德), aged 49, was appointed as our independent non-executive Director on November 13, 2020. Mr. Huang is responsible for providing independent advice on the operations and management of our Board.

Mr. Huang has over 27 years of experience in finance, accounting and transaction services. He joined PricewaterhouseCoopers in Hong Kong in January 1993 and became its partner in July 2005 and served this role up to June 2014. From July 2014 to August 2017, he served as a partner at KPMG in Hong Kong. Mr. Huang has served as an independent non-executive director of LBX Pharmacy Chain Co., Ltd. (老百姓大藥房連鎖股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603883), and Trinity Limited (利邦控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 891), since February 2018 and December 2018, respectively. He has been an independent non-executive director of Qingdao Haier Biomedical Co., Ltd. (青島海爾生物醫療股份有限公司), a company listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (stock code: 688139), since August 2018. He has been an independent non-executive director of

Manpowergroup Greater China Limited (萬寶盛華大中華有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2180), since March 2019. He has been an independent non-executive director of Scholar Education Group (思考樂教育集團), a company listed on the Main Board of the Stock Exchange (stock code: 1769), since June 2019. He has been an independent non-executive director of Topsports International Holdings Limited (滔搏國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6110), since September 2019. He has been an independent non-executive director of China Bright Culture Group (煜盛文化集團), a company listed on the Main Board of the Stock Exchange (stock code: 1859), since February 2020. He has been an independent non-executive director of Cosco Shipping Energy Transportation Co., Ltd. (中遠海運能源運輸股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1138), and an independent non-executive Director of New Times Energy Corporation Limited (新時代能源有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 166) since June 2020.

While Mr. Huang is currently holding directorships in the aforesaid listed companies, our Directors are of the view that Mr. Huang will be able to devote sufficient time to discharge his duties and responsibilities as an independent non-executive Director given that: (i) he currently acts as an independent non-executive director of the aforesaid listed companies and such roles in these other listed companies primarily require him to oversee their management independently, rather than to allocate substantial time to participation in the day-to-day management and operations of their respective businesses; (ii) he has demonstrated that he is capable of devoting sufficient time to discharge his duties owed to each of these listed companies by attending board meetings and board committee meetings of these listed companies and has attended all their board meetings in 2019 based on the latest annual reports of the relevant listed companies (if applicable); (iii) he has acquired extensive management experience, participated in continuous professional development and trainings and developed substantial knowledge on corporate governance through his directorships in other listed companies, such that he is fully aware of the responsibilities and the expected time involvement to act as as an independent non-executive director of a listed company, which is expected to facilitate the proper discharge of his duties and responsibilities as an independent non-executive Director; (iv) he is not pre-occupied with any full time employment which allows him to devote sufficient time to commit to the affairs of our Company in addition to those of the other listed companies in which he holds directorship; and (v) he has confirmed that he will have sufficient time to fulfill his duties as an independent non-executive Director notwithstanding his existing independent non-executive directorships in other listed companies.

Mr. Huang obtained a bachelor's degree of arts in economics and business from University of California, Los Angeles in the United States in September 1992. He was admitted as an associate of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) in June 1996. He was also certified as a qualified independent director of the Shanghai Stock Exchange in June 2018.

Mr. Huang was a director of Orient Spread Investment Limited (東翔投資有限公司), a company incorporated in Hong Kong which was solvent prior to its dissolution and was deregistered on February 24, 2006 as it had ceased to conduct business. Mr. Huang confirmed that, as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the dissolution of Orient Spread Investment Limited.

Mr. Guo Zhaohui (郭朝暉), aged 42, was appointed as our independent non-executive Director on November 13, 2020. Mr. Guo is responsible for providing independent advice on the operations and management of our Board.

Since October 2004, Mr. Guo has been working at Wuhan University of Science and Technology (武漢科技大學), where he successively served various positions including a tutor, lecturer, associate professor and master instructor, primarily responsible for human resources management related teaching and research work. Mr. Guo has been serving as an independent director at Calxon Group Holdings Co., Ltd. (嘉凱城集團股份有限公司), a company principally engaged in the property and cinema business whose shares are listed on the Shenzhen Stock Exchange (stock code: 000918) and a subsidiary of China Evergrande Group, since October 2019.

Mr. Guo obtained a bachelor's degree in human resources management from Wuhan University of Science and Technology (武漢科技大學) in the PRC in June 2001 and a master's degree in administrative management from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in June 2004. Mr. Guo received the Associate Professor (Economics and Management) Professional Technical Qualification Certificate (副教授(經濟及管理)專業技術資格證書) issued by Hubei Title Reform Work Leading Group Office (湖北省職稱改革工作領導小組辦公室) in June 2011 and the Qualification Certificate of Independent Director of Listed Company (上市公司獨立董事資格證書) issued by the Shenzhen Stock Exchange in December 2019.

Save as disclosed above, none of our Directors have held any other directorships in listed companies during the three years immediately preceding the date of this Prospectus. There is no other information relating to the relationship of any of our Directors with other Directors and senior management officers that should be disclosed pursuant to Rule 13.51(2) or paragraph 41(3) of Appendix 1A of the Listing Rules.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needed to be brought to the attention of our Shareholders and there was no information relating to our Directors that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our executive Directors and other members of our senior management are responsible for the day-to-day operations and management of the business of our Group.

For the biographical details of Mr. Zhao Changlong, Mr. Hu Liang, Mr. Wang Zhen and Ms. An Lihong, see "Executive Directors" in this section. Member of the senior management of our Group also include the following:

Name	Age	Date of joining our Group	Existing position(s) in our Group	Roles and responsibilities
Mr. Fang Shun (方舜)	33	November 23, 2015	Deputy general manager	Responsible for procurement, value-added services to homeowners and comprehensive business supervision and management
Mr. Chen Xiang (陳相)	35	August 7, 2012	Deputy general manager	Responsible for investment and external business development
Mr. Ge Xiao (葛曉)	34	August 5, 2019	Deputy general manager	Responsible for property management business in Pearl River Delta
Mr. Han Chao (韓超)	31	January 20, 2015	Assistant to the general manager	Responsible for quality management of property management services

Mr. Fang Shun (方舜), aged 33, joined our Group in November 2015 and has been serving as a deputy general manager of Jinbi Property since March 2020. He is primarily responsible for procurement, value-added services to homeowners and comprehensive business supervision and management.

Mr. Fang joined the Evergrande Group in July 2011. From July 2011 to June 2013, Mr. Fang served as the procurement chief of Guangzhou Evergrande Material and Equipment Co., Ltd. (廣州恒大材料設備有限公司), a materials and equipment supplier, where he was primarily responsible for the procurement and delivery. From July 2013 to November 2015, Mr. Fang worked at Evergrande Yuanlin with his last position as a quality supervision manager of its planning and supervision center, where he was primarily responsible for its business supervision and plan management. From November 2015 to March 2020, Mr. Fang served various positions at Evergrande Real Estate, with his last position as a deputy general manager of the property management center, where he was primarily responsible for its procurement, value-added services to homeowners and comprehensive business supervision.

Mr. Fang obtained a bachelor's degree in polymer materials and engineering from Sun Yat-sen University (中山大學) in the PRC in June 2011.

Mr. Chen Xiang (陳相), aged 35, joined our Group in August 2012 and has been serving as a deputy general manager of Jinbi Property in March 2020. He is primarily responsible for investment and external business development.

Mr. Chen joined the Evergrande Group in August 2012. From August 2012 to October 2015, Mr. Chen first served as a deputy general manager and project general manager of the Wuhan branch of Jinbi Property, and later served as its deputy general manager where he was primarily responsible for management of property management projects and quality management of its operations. From October 2015 to February 2016, Mr. Chen served as an assistant to the general manager of the property management center of Evergrande Real Estate, where he was primarily responsible for its property business supervision and planning management. From February 2016 to August 2016, Mr. Chen served as a deputy general manager of Evergrande Real Estate Guangdong Real Estate Development Co., Ltd. (恒大地產集團廣東房地產開發有限公司) ("**Evergrande Guangdong Real Estate**"), where he was primarily responsible for its property management business. From August 2016 to July 2017 Mr. Chen worked at Evergrande Real Estate, with his last position as an assistant to the general manager of its property management center, where he was primarily responsible for the quality management of property management services. From July 2017 to March 2020, Mr. Chen served as a deputy general manager of the Evergrande Real Estate Chongqing Co., Ltd. (恒大地產集團重慶有限公司), where he was responsible for its property management business.

Prior to joining the Evergrande Group, from April 2007 to August 2012, Mr. Chen worked at Wuhan Vanke Property Services Co., Ltd. (武漢市萬科物業服務有限公司), a property developer and a subsidiary of China Vanke Co., Ltd. (萬科企業股份有限公司) whose shares are listed on the Shenzhen Stock Exchange (stock code: 000002) and the Stock Exchange (stock code: 2202), with his last position as a department manager.

Mr. Chen graduated from the Military Economy School of the People's Liberation Army (中國人民解放軍軍事經濟學院) with a diploma in logistics management in the PRC in June 2005 and a bachelor's degree in computer sciences and technology from the Artillery School of the People's Liberation Army (中國人民解放軍炮兵學院) in the PRC in June 2007 through online learning.

Mr. Ge Xiao (葛曉), aged 34, joined our Group in August 2019. Mr. Ge has been serving as a deputy general manager of Jinbi Property since August 2020 and the chairman of the board of the Guangzhou branch of Jinbi Property since March 2020. He is primarily responsible for property management business in Pearl River Delta.

Mr. Ge joined the Evergrande Group in July 2009. From July 2009 to August 2019, Mr. Ge worked at Evergrande Yuanlin with his last position as a deputy general manager of Evergrande Yuanlin, where he was primarily responsible for the design management and investment development. From August 2019 to November 2019, Mr. Ge served as a deputy general manager of Evergrande Guangdong Real Estate, where he was primarily responsible for the management of property management services. From November 2019 to March 2020, Mr. Ge served as a deputy general manager of Evergrande Real Estate Pearl River Delta Real Estate Development Co., Ltd. (恒大地產集團珠三角房地產開發有限公司), where he was primarily responsible for the management of property management services.

Mr. Ge obtained a bachelor's degree in landscape gardening from the Northwest A&F University (西北農林科技大學) in the PRC in July 2009.

Mr. Han Chao (韓超), aged 31, joined our Group in January 2015 and has been serving as an assistant to the general manager of Jinbi Property since March 2020. He is primarily responsible for quality management of property management services.

Mr. Han joined the Evergrande Group in July 2011. From July 2011 to July 2013, Mr. Han served as an inspector of the supervision center of Evergrande Real Estate, where he was primarily responsible for its internal discipline supervision. From July 2013 to January 2015, Mr. Han successively served as a deputy manager of the procurement department and a deputy manager of the engineering service center of Evergrande Yuanlin, where he was primarily responsible for its procurement and engineering management. From January 2015 to May 2015, Mr. Han served as an assistant to the project general manager of the Guangzhou branch of Jinbi Property, where he was primarily responsible for the management of its property management projects. From May 2015 to November 2015, Mr. Han successively served as an assistant to the manager of the planning and supervision center and a staff of the property management center of Evergrande Real Estate, where he was primarily responsible for assisting in the supervision and procurement management. From November 2015 to May 2016, Mr. Han served as a quality management staff of the Changsha branch of Jinbi Property, where he was primarily responsible for assisting in improving the quality of property management services. From May 2016 to March 2017, Mr. Han worked at the property management center of Evergrande Real Estate, where he was primarily responsible for assisting in improving the quality of property management services. From March 2017 to May 2018, Mr. Han served as an assistant to the project general manager of the Guangzhou branch of Jinbi Property, where he was primarily responsible for property management of such project. From May 2018 to March 2020, Mr. Han successively served as a deputy director of the quality management department of the property management center and an assistant to the general manager of the property management center of Evergrande Real Estate, where he was primarily responsible for the quality management of property management services.

Mr. Han obtained a bachelor's degree in museology from Fudan University (復旦大學) in the PRC in July 2011.

COMPANY SECRETARY

Mr. Fong Kar Chun, Jimmy (方家俊), aged 45, was appointed as our company secretary on September 23, 2020 and is responsible for company secretarial matters of our Group.

Mr. Fong has extensive experience in mergers, acquisitions and capital markets. Mr. Fong worked at DLA Piper, an international law firm in Hong Kong, from September 1999 to September 2001, and Sidley Austin, a global law firm in Hong Kong, from September 2001 to July 2006. From July 2006 to March 2009, Mr. Fong served as a director in the investment banking division of Royal Bank of Scotland (previously known as ABN AMRO Bank N.V.) where he was primarily responsible for mergers and acquisitions and equity capital market fund raising. He has joined China Evergrande Group since June 2009 and is now serving as the company secretary and vice president. He has also served as the company secretary of Evergrande Auto since March 2015 and the company secretary of HengTen Networks since October 2015.

Mr. Fong obtained his bachelor's degree in laws and a postgraduate certificate in laws from The University of Hong Kong in December 1997 and September 1998, respectively. He also obtained his master's degree in banking and finance laws from the London School of Economics and Political Science, University of London in November 2000. Mr. Fong was admitted as a solicitor in Hong Kong in December 2001.

BOARD COMMITTEES

Our Board has established the audit committee, the remuneration committee and the nomination committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

Audit Committee

Our Group has established an audit committee on November 13, 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraphs C.3 of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Listing Rules. The audit committee consists of Mr. Victor Huang, Mr. Chan Chun Hung, Vincent and Mr. Guo Zhaohui. Mr. Victor Huang is the chairperson of the audit committee.

The primary duties of the audit committee are to (i) review and supervise our financial reporting process and internal control system of our Group, risk management and internal audit; (ii) provide advice and comments to our Board in respect of financial, risk management and internal control matters; and (iii) perform other duties and responsibilities as may be assigned by the Board.

Remuneration Committee

Our Group has established a remuneration committee on November 13, 2020 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. The remuneration committee consists of Mr. Guo Zhaohui, Mr. Victor Huang and Mr. Hu Liang. Mr. Guo Zhaohui is the chairperson of the remuneration committee.

The primary duties of the remuneration committee include, but not limited to (i) establishing, reviewing and providing advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each Director and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

Nomination Committee

Our Group has also established a nomination committee on November 13, 2020 with written terms of reference in compliance with paragraph A.5 of the CG Code as set out in Appendix 14 to the Listing Rules. The nomination committee consists of Mr. Zhao Changlong, Mr. Chan Chun Hung, Vincent and Mr. Guo Zhaohui. Mr. Zhao Changlong is the chairperson of the nomination committee.

The primary duties of the nomination committee are to (i) review the structure, size and composition of our Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of our Board; (ii) identify, select or make recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (iii) perform review on the contributions made by our Directors (including our independent non-executive Directors) and the sufficiency of time devoted to perform their duties; (iv) assess the independence of our independent non-executive Directors; and (v) make recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors.

Given that our independent non-executive Directors have other roles outside our Group, our Company will adopt the following measures to ensure all of our Directors can carry out their duties and mitigate the risks arising from our Directors assuming multiple directorships in other listed companies upon Listing: (i) the Board and the nomination committee will review whether each of our Directors (including our independent non-executive Directors) is devoting sufficient time and attention to the affairs of our Group including but not limited to the review of the attendance record of the Board meetings or Board committee meetings; (ii) if there are concerns on the time commitments by the relevant Director(s) to our Company, the Board and the nomination committee may request the relevant Director(s) to provide an update to the Board in relation to any changes to his/her significant commitments; (iii) in evaluating and selecting any candidate for appointment or re-appointment as a Director, the Board will consider the candidate's willingness and ability to devote adequate time to discharge his/her duties as a Director and/or members of the Board committees; (iv) at the time when our Company proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, we will set out the reasons in the circular to our Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why the Board believes such individual should be elected, the reasons why such individual is considered to be independent by the Board and, if necessary, explain why such individual would still be able to devote sufficient time to the Board; (v) our independent non-executive Directors will provide us an annual confirmation of his/her commitment to devote sufficient time to attend to our Company's affairs.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of knowledge, skills and experience, including but without limitation to property development, property management, financial management, human resources and administrative management. They obtained degrees in various majors including but without limitation to industrial engineering, sociology, accounting, language, economics and business, project management and business administration. We have three independent non-executive Directors who have different industry backgrounds, including private equity management, finance, accounting and transaction services and academia. Furthermore, our

Directors are of a wide range of age, from 33 years old to 56 years old. Taking into account our business model and specific needs as well as the presence of one female Director out of a total of seven Board members, we consider that the composition of our Board satisfies our board diversity policy.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. Our Board currently comprises seven Directors, including one female Director. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our board diversity policy provides that our Board shall take opportunities when selecting and making recommendations on suitable candidates for Board appointments with the aim to increase the proportion of female members over time after Listing. We will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board going forward. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices.

Our nomination committee is responsible for ensuring the diversity of our Board members. After Listing, our nomination committee will review our board diversity policy and its implementation from time to time to monitor its continued effectiveness and we will disclose the implementation of our board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

COMPLIANCE ADVISOR

We have appointed Huatai Financial Holdings (Hong Kong) Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular and financial report;

- where a transaction, which might be notifiable or connected transaction, is contemplated including shares issues and share repurchases;

- where our Company proposes to use the proceeds from the Global Offering in a manner different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this Prospectus; and

- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation from our Group in the form of fees, salaries and other benefits and contribution to pension scheme.

The aggregate remuneration (including salaries, bonuses and other benefits and contribution to pension scheme) paid to our Directors for each of the three years ended December 31, 2019 and the six months ended June 30, 2020 was approximately RMB5.1 million, RMB6.7 million, RMB6.8 million and RMB2.8 million, respectively. Save as disclosed above, no other amounts have been paid or are payable by any member of our Group to our Directors for each of the three years ended December 31, 2019 and the six months ended June 30, 2020.

The aggregate amount of salaries, bonuses and other benefits and contribution to pension paid to our five highest paid individuals in respect of each of the three years ended December 31, 2019 and the six months ended June 30, 2020 was approximately RMB7.0 million, RMB10.1 million, RMB10.6 million and RMB4.4 million, respectively.

No remuneration was paid by us to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of each of the three years ended December 31, 2019 and the six months ended June 30, 2020. Further, none of our Directors had waived or agreed to waive any remuneration during the same periods.

Under the arrangement currently in force, the aggregate remuneration (including salaries, bonuses and other benefits and contribution to pension scheme) of our Directors for the year ending December 31, 2020 is estimated to be no more than approximately RMB30.0 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.

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the CG Code and the associated Listing Rules after the Listing.

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Capitalization Issue and the Global Offering:

		Nominal value
		(US$)
Authorized share capital:		
100,000,000,000	Shares of US$0.0001 each	10,000,000
Issued and to be issued, fully paid or credited as fully paid:		
10,000,000	Shares in issue immediately prior to the Capitalization Issue	1,000
9,990,000,000	Shares to be issued pursuant to the Capitalization Issue	999,000
810,811,000	Shares to be issued under the Global Offering	81,081.10
10,810,811,000	**Total**	**1,081,081.10**

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the Shares are issued pursuant to the Global Offering. It takes no account of any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKINGS

The Offer Shares will be ordinary shares in the share capital of our Company and will carry the same rights in all respects with all Shares in issue or to be issued as mentioned in this Prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this Prospectus save for the entitlement under the Capitalization Issue.

GENERAL MANDATES TO ALLOT AND ISSUE AND TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, general mandates have been granted to our Directors to allot and issue Shares and to repurchase Shares. For details of such general mandates, please see "Appendix IV—Statutory and General Information—A. Further Information about our Company—3. Written resolutions of our Shareholders passed on November 13, 2020" to this Prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company has only one class of shares, namely ordinary shares, each of which carries the same right as with the other shares.

As a matter of the Companies Law, an exempted company is not required by law to hold any general meeting or class meeting. The holding of general meeting or class meeting is prescribed for under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed for under the Articles, a summary of which is set out in "Summary of the constitution of the Company and Cayman Islands Company Law" in Appendix III to this Prospectus.

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the Capitalization Issue and the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying China Evergrande Shareholders and without taking into account any Shares which may be sold pursuant to the exercise of the Over-allotment Option), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

LONG POSITIONS IN SHARES OF OUR COMPANY

Name of Shareholder	Nature of Interest	Shares held immediately prior to the completion of the Capitalization Issue and the Spin-off		Shares held immediately following the completion of the Capitalization Issue and the Spin-off(7)	
		Number	*Approximate Percentage*	*Number*	*Approximate Percentage*
CEG Holdings	Beneficial owner	7,193,885	71.94%	6,383,074,000	59.04%
Shengjian (BVI)(1)	Interest of controlled corporation	7,193,885	71.94%	6,383,074,000	59.04%
Anji (BVI)(1)	Interest of controlled corporation	7,193,885	71.94%	6,383,074,000	59.04%
China Evergrande Group(1)	Interest of controlled corporation	7,193,885	71.94%	6,383,074,000	59.04%
Xin Xin (BVI)(2)	Interest of controlled corporation and beneficial owner(3)	7,193,885	71.94%	6,474,945,289	59.89%
Dr. Hui(4)	Interest of controlled corporation and interest of spouse(5)	7,193,885	71.94%	6,482,702,624	59.96%
Mrs. Hui	Interest of controlled corporation and interest of spouse(5)(6)	7,193,885	71.94%	6,482,702,624	59.96%

Notes:

1. CEG Holdings is directly owned as to 50% by China Evergrande Group and 50% by Shengjian (BVI). Shengjian (BVI) is wholly owned by Anji (BVI), which is wholly owned by China Evergrande Group. By virtue of the SFO, Shengjiang (BVI), Anji (BVI) and China Evergrande Group are deemed to be interested in the Shares in which CEG Holdings is interested.

2. As of the Latest Practicable Date, Xin Xin (BVI) was interested in 70.32% of the total number of issued shares of China Evergrande Group. By virtue of the SFO, Xin Xin (BVI) is deemed to be interested in the Shares in which China Evergrande Group is interested.

3. Including the Reserved Shares which may be fully taken up by Xin Xin (BVI) as Qualifying China Evergrande Shareholder based on the disclosure of interests filings made under Part XV of the SFO in relation to the shares of China Evergrande Group as of the Latest Practicable Date and assuming Xin Xin (BVI) remained to be interested in the same number of shares of China Evergrande Group on the Record Date.

4. Xin Xin (BVI) is wholly owned by Dr. Hui. By virtue of the SFO, Dr. Hui is deemed to be interested in the Shares in which Xin Xin (BVI) is interested.

5. Mrs. Hui is the spouse of Dr. Hui. By virtue of the SFO, Dr. Hui and Mrs. Hui are deemed to be interested in the Shares in which each other is interested.

6. Including the Reserved Shares which may be fully taken up by Even Honour, a company indirectly wholly owned by Mrs. Hui, as Qualifying China Evergrande Shareholder based on the disclosure of interests filings made under Part XV of the SFO in relation to the shares of China Evergrande Group as of the Latest Practicable Date and assuming Even Honour remained to be interested in the same number of shares of China Evergrande Group on the Record Date.

7. Based on the disclosure of interests filings made under Part XV of the SFO in relation to the shares of China Evergrande Group, as of the Latest Practicable Date, Ms. Chan Hoi Wan, through her controlled corporations and as trustee for her children under 18 (the "**Chan Hoi Wan Group**"), was interested in 1,173,383,000 shares of China Evergrande Group, representing approximately 8.84% of the existing issued share capital of China Evergrande Group. Assuming the Chan Hoi Wan Group remained to be interested in the same number of shares of China Evergrande Group on the Record Date and the Chan Hoi Wan Group will fully take up its Assured Entitlement to the Reserved Shares under the Preference Offering, by virtue of the SFO, Ms. Chan Hoi Wan (as beneficial owner and through the interests of her controlled corporations and her children under 18) and Mr. Lau Luen Hung (as spouse of Ms. Chan Hoi Wan and through the interest of his children under 18) will be interested in 548,845,751 Shares, representing approximately 5.08% of the total number of issued Shares, immediately following the completion of the Capitalization Issue and the Spin-off.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Capitalization Issue and the Spin-off (assuming the Reserved Shares under the Preferential Offering are not taken up by our Controlling Shareholders who are Qualifying China Evergrande Shareholders and without taking into account any Shares which may be sold pursuant to exercise of the Over-allotment Option), have beneficial interests or short positions in any Shares or underlying Shares, which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (the "**Cornerstone Investment Agreements**") with various cornerstone investors (the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe for or purchase, or cause their designated entities to subscribe for or purchase, at the Offer Price for a such number of our Offer Shares (rounded down to the nearest whole board lot of 500 Shares) that may be subscribed for or purchased with an aggregate amount of HK$7,207,930,002 (exclusive of the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee) (the "**Cornerstone Placing**").

Assuming an Offer Price of HK$8.50 per Share, being the low-end of the indicative Offer Price range set out in this Prospectus, the total number of Offer Shares to be subscribed for or purchased by the Cornerstone Investors would be 847,985,500 Offer Shares, representing approximately 58.10% of the International Offer Shares, approximately 52.29% of the Offer Shares and approximately 7.84% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Assuming an Offer Price of HK$9.13 per Share, being the mid-point of the indicative Offer Price range set out in this Prospectus, the total number of Offer Shares to be subscribed for or purchased by the Cornerstone Investors would be 789,471,000 Offer Shares, representing approximately 54.09% of the International Offer Shares, approximately 48.68% of the Offer Shares and approximately 7.3% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Assuming an Offer Price of HK$9.75 per Share, being the high-end of the indicative Offer Price range set out in this Prospectus, the total number of Offer Shares to be subscribed for or purchased by the Cornerstone Investors would be 739,270,000 Offer Shares, representing approximately 50.65% of the International Offer Shares, approximately 45.59% of the Offer Shares and approximately 6.84% of our total issued share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Our Company believes that the Cornerstone Placing could be perceived as the Cornerstone Investors' recognition of our Group's reputation and value as one of the largest and fastest-growing comprehensive property management service providers in China as well as their confidence in our Group's business and future prospects.

To the best knowledge of our Company and save as disclosed in this section, each of the Cornerstone Investors and its ultimate beneficial owners is independent of other Cornerstone Investors, independent of our Company, its connected persons and their respective close associates, and not an existing Shareholder of our Company and its close associates. We became acquainted with the Cornerstone Investors through either (i) in the case of certain Cornerstone Investors which are themselves, or related to, suppliers or business partners of the Evergrande Group as disclosed below, through the business network of the Evergrande Group or (ii) in the case of the other Cornerstone Investors, through introduction by the Underwriters and the Company did not have any relationship with any of the Cornerstone Investors prior to the introduction made by the Underwriters. Each of the Cornerstone Investors (save for Shenzhen Kaier, Honour Goal and Nantong Sanjian) expects to fund its cornerstone investment with internal resources, and the subscription or purchase of the Offer Shares by each of the Cornerstone Investors under the Cornerstone Placing is not financed directly or indirectly by our Company, any of our Directors, chief executive of our Company, any of our existing Shareholders or any of its subsidiaries or their respective close associates. Each of the Cornerstone Investors is making an independent investment decision and is not accustomed to taking instructions from a core connected person of our Company, our Company, any of our Directors, chief executive of our Company, any of our existing Shareholders, or any of its subsidiaries or their respective close associates.

The Cornerstone Investors will acquire the Offer Shares pursuant to, and as part of, the International Offering. The Offer Shares to be subscribed for or purchased by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Offer Shares in issue and will be counted towards the public float of our Company under Rule 8.24 of the Listing Rules. The Offer Shares to be delivered to the Cornerstone Investors will not be affected by any reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, as further described in "Structure and Conditions of the Global Offering." The Cornerstone Investors will not subscribe for or purchase any Offer Shares under the Global Offering (other than pursuant to the respective Cornerstone Investment Agreements).

Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any board representation in our Company, and none of the Cornerstone Investors will become a substantial Shareholder of our Company. 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. There will be no delayed delivery or deferred settlement of Offer Shares to be subscribed for or purchased by the Cornerstone Investors pursuant to the Cornerstone Investment Agreements. Each of the Cornerstone Investors undertakes to settle the payment pursuant to the Cornerstone Investment Agreement to which it is a party before the Listing becomes unconditional.

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 Cornerstone Investors will procure the QDII to comply with the terms of the QDII agreement entered into with the Cornerstone Investors in order to ensure the Cornerstone Investors' compliance with their undertakings under the relevant Cornerstone Investment Agreements.

We have applied to the Stock Exchange, and the Stock Exchange has granted its consent under paragraph 5(1) of Appendix 6 to the Listing Rules in relation to the cornerstone investments made by China Merchant Buyout Fund and CCB Asset, details of which are set out in this section below.

THE CORNERSTONE INVESTORS

The information about the Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Shenzhen Kaier

Shenzhen Kaier Hanxiang Shiye Co., Ltd (深圳凱爾漢湘實業有限公司) ("**Shenzhen Kaier**") is a company established in the PRC on September 28, 2016 with a registered capital of RMB250 million. Shenzhen Kaier is principally engaged in investment activities as an investment holding platform. For the purpose of this cornerstone investment, Shenzhen Kaier will, through Keltic Investment (HK) Ltd. ("**Keltic**") (its wholly-owned subsidiary) which it will subscribe for or purchase and hold the Offer Shares on the own account of Keltic, and/or through a QDII approved by the relevant PRC authorities, to subscribe or purchase and hold such Offer Shares on its behalf of Shenzhen Kaier. Keltic is an investment management company headquartered in Hong Kong, and has been involved in the investments in funds and secondary market securities and the fund raising for its Canadian subsidiary. Keltic employs a main investment strategy of purchasing and investing in equity in primary and secondary markets in Hong Kong or the United States, with a focus on real estate projects, financing services, and project development and management. The controlling shareholder of Shenzhen Kaier, Mr. Li Weiguo, an Independent Third Party, is also the chairman and 25.93% shareholder 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**") according to Oriental Yuhong's 2020 third quarterly report, a company listed on the Shenzhen Stock Exchange (stock code: SZ002271). Oriental Yuhong is a waterproofing system provider which develops, produces and markets new waterproof materials for buildings and waterproof engineering, and has been supplying its waterproof building materials to the Evergrande Group since 2017.

Shenzhen Kaier expects to fund its cornerstone investment with its internal resources and potentially by obtaining external financing from authorized financial institutions including an affiliate ("**ABCI Affiliate**") of one of our Joint Sponsors, ABCI Capital through Keltic. 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.

SensePower Management Limited

SensePower Management Limited 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, Dr. 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.

SenseTime and Evergrande Group are currently in discussion to explore a strategic cooperation relationship that would enable Evergrande Group's various lines of businesses to utilize SenseTime's innovative AI technologies to improve and optimize efficiencies of Evergrande Group's business operations and service offerings.

Jiangxi Xingmei

Jiangxi Xingmei Industry and Trade Co., Ltd. (江西興美工貿有限公司) ("**Jiangxi Xingmei**") is a company incorporated in the PRC and is principally engaged in the sales of ceramic tiles and transport logistics. Its business scope covers areas such as wholesale and retail trade, logistics agency services, supply chain services and warehousing services. Jiangxi Xingmei's sales network covers areas such as Jiangxi, Guandong, Fujian, Liaoning. Each of Chen Hongyuan (陳洪源) and Ai Jun (艾軍), the two ultimate beneficial owners of Jiangxi Xingmei is an Independent Third Party, who are also part of the management team of Weimei Group. Weimei Group is one of the largest manufacturers and sellers of architectural ceramics in the PRC and has been supplying ceramic tiles to the Evergrande Group since 2008. Weimei Group is the 50% shareholder of a joint venture, Guangdong Weimei Mingzhu Investment Co., Ltd. (廣東唯美明珠投資有限公司) ("**Guangdong Weimei**"), which has held an investment interest of approximately 1.32% in Evergrande Real Estate since 2017. Guangdong Weimei was established in the PRC and is principally engaged in industrial investment, equity investment and enterprise management consulting business. For the purpose of this cornerstone investment, Jiangxi Xingmei has engaged an asset manager that is a QDII approved by the relevant PRC authorities, to subscribe for or purchase and hold such Offer Shares on its behalf.

Hai Xia Finance and Win Extra

Hai Xia Finance Limited (海峽財務有限公司) ("**Hai Xia Finance**") is a company incorporated in Hong Kong on August 12, 1993 which is principally engaged in investment of securities. Hai Xia Finance is a subsidiary of China Gas Holdings Limited ("**China Gas**") (中國燃氣控股有限公司), a Bermuda company listed on the Stock Exchange (stock code: 0384). China Gas is an investment holding company and its group is a gas operator and service provider principally engaged in investment, construction and operation of city and town gas pipeline infrastructure facilities, gas terminals, storage and transportation facilities, value-added service, gas logistics systems and sales of gas to customers. Approval from Hai Xia Finance's shareholders and the Stock Exchange are not required for its subscription or purchase of the Offer Shares pursuant to the relevant Cornerstone Investment Agreement.

Win Extra Limited (卓協有限公司) ("**Win Extra**") is a company incorporated in Hong Kong on April 21, 2006 which is a property holding company. It is a wholly owned subsidiary of Winner City Investments Limited, a company incorporated in the BVI, which is in turn owned as to 100% by Mr. Huang Yong (黃勇). Mr. Huang Yong is one of the founders of the China Gas group. He has been the executive president of China Gas since 2002 and an executive director of the China Gas group since June 2013. Mr. Huang Yong is responsible for the formulation and implementation of the China Gas group's overall strategies and plans and the Group's development and operation and has extensive experience in legal affairs and corporate management.

Honour Goal

Honour Goal Investments Limited (達安投資有限公司) ("**Honour Goal**") is a private limited company incorporated in Hong Kong on May 3, 2019 and is principally engaged in investment and consulting management. Honour Goal is wholly owned by Zhongchengxin (HK) Investment Services Limited ("**Zhongchengxin HK**"), a company incorporated in Hong Kong with limited liability. Zhongchengxin HK is wholly owned by Zhongchengxin Investment Group Company Limited (中誠信投資集團有限公司) ("**Zhongchengxin Investment**"). Zhongchengxin Investment is a non-bank financial institution which is principally engaged in financial securities consultation and information services. Zhongchengxin Investment also participated in more than 20 equity investment projects domestically and abroad, including financing, real estate and ski resort projects. Honour Goal expects to fund its cornerstone investment with its internal resources and by obtaining external financing. Honour Goal may obtain external financing by entering into a loan facility with CCB International Securities Limited ("**CCBI Securities**"), an affiliate of one of our Joint Sponsors, CCB International Capital Limited, to finance its respective subscription or purchase of the Offer Shares. The ultimate beneficial owner of the CCBI Securities is China Construction Bank Corporation, a company listed on the Main Board of the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939). The loan, if obtained, will be on normal commercial terms after arm's length negotiations with no other direct or indirect benefits given by CCBI Securities. The financings are provided in the usual and ordinary course of business of CCBI Securities. All or some of the Offer Shares to be subscribed for or purchased by Honour Goal may be charged to CCBI Securities as security for the loan facilities. Under the financing arrangements, upon the occurrence of certain customary events of default, Honour Goal may be required to repay the loan before the maturity. CCBI Securities may therefore have the right to enforce the security interest in the Offer Shares subject to such charge at any time upon the occurrence of certain customary events of default. Honour Goal has agreed and undertaken to our Company to procure CCBI Securities, and CCBI Securities has also agreed and undertaken to our Company, not to dispose of the collateral Shares under the financing arrangements at any time during the period of six months following the Listing Date.

Panyu Haiyi Real Estate

Guangzhou Panyu Haiyi Real Estate Development Company Ltd. (廣州番禺海怡房地產開發有限公司) ("**Panyu Haiyi Real Estate**") is a company incorporated in the PRC in May 1992 and is principally engaged in real estate development with a focus on high-end residential housing. Panyu Haiyi Real Estate is part of the Star River Group, a PRC conglomerate which is engaged in property development, hotel operations, property management, manufacturing of wood products, education and other investments. Panyu Haiyi Real Estate is ultimately owned by Mr. Huang Wenzai (黃文仔) as to 93.12%, Ms. Huang Jianhui (黃建慧) as to 3.13% and Ms. Wu Huizhen (吳慧珍) as to 3.75%. For the purpose of this cornerstone investment, Panyu Haiyi Real Estate has engaged CCB Asset in its capacity as a non-discretionary fund manager managing assets 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, one of the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers 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.

China Merchant Buyout Fund

CSR China Merchant Buyout Fund (深圳國調招商併購股權投資基金合夥企業(有限合夥)) ("**China Merchant Buyout Fund**") was established on January 25, 2017 in the PRC. As of the Latest Practicable Date, its partners were Shenzhen China Merchant Huihe Capital Investment and Fund Management Co., Ltd. (深圳市招商慧合股權投資基金管理有限公司) ("**China Merchant Huihe**"), China State-owned Enterprise Structural Reform Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司), China Merchant Capital Investment Co., Ltd. (招商局資本控股有限責任公司), Shenzhen Guidance Fund Investment Ltd. (深圳市引導基金投資有限公司), Shenzhen Yantian District State-owned Asset Investment and Management Ltd. (深圳市鹽田區國有資本投資管理有限公司) and Shenzhen Xinhe Investment Partnership (Limited Partnership) (深圳新合投資合夥企業(有限合夥)). China Merchant Buyout Fund is principally engaged in equity investment and asset management. In-depth cooperation with listed companies and leading industry players, mergers and acquisitions, reorganizations are key to the approach of China Merchant Buyout Fund. China Merchant Buyout Fund maintains a strategy in opportunistic investments through means such as overseas acquisitions and Pre-IPO investments. It mainly invests in the health and medical care, big culture, transportation, modern services and strategic emerging industries. For the purpose of this cornerstone investment, China Merchant Buyout Fund has engaged China Merchants Securities Asset Management Co. Limited (招商證券資產管理有限公司), 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.

The general partner of China Merchant Buyout Fund, Shenzhen China Merchants Huihe Equity Investment Fund Management Co., Ltd. (深圳市招商慧合股權投資基金管理有限公司), is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of China Merchants Group Limited (招商局集團有限公司) ("**CMG**"). CMG also holds approximately 29.97% of the total issued share capital of China Merchants Bank Co., Ltd., which is the holding company of CMBI, one of the Joint Bookrunners of the Global Offering. Accordingly, China Merchant Buyout Fund is a connected client of CMBI. 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 China Merchant Buyout Fund to participate in the Global Offering as a cornerstone investor subject to certain conditions.

Qianhui Moli Fund and Ms. Li Yao

Qianhui Moli No. 1 Private Equity Securities Investment Fund (千惠茉莉1號私募證券投資基金) ("**Qianhui Moli Fund**") is an investment fund established in the PRC on August 20, 2019. It is a private equity fund manager registered with the Asset Management Association of China (中國證券投資基金業協會). Qianhui Moli Fund is principally engaged in investment activities, with a focus on securities investment in the primary and secondary markets, including the investment of stocks, bonds and derivatives. Mr. Ye Delin (葉德林) ("**Mr. Ye**") is the limited partner and the sole and ultimate beneficial owner of Qianhui Moli Fund. Mr. Ye is the chairman and chief executive officer of Guangdong New Pearl Ceramics Group (廣東新明珠陶瓷集團有限公司) ("**New Pearl Ceramics**"). Mr. Ye is also an executive committee member of National Federation of Industry and Commerce (中華全國工商業聯合會), a member of the Standing Committee member of the Guangdong Provincial Political Consultative Conference (廣東省政協常委), the vice chairman of the Guangdong Federation of Industry and Commerce (廣東省工商業聯合會), and was the vice chairman of multiple major associations in the ceramics industry in the PRC. New Pearl Ceramics is one of the world's largest modern ceramics group and has been supplying ceramics related products to the Evergrande Group since 2006. Qianhui Moli Fund has engaged 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.

Ms. Li Yao (李要), the spouse of Mr. Ye, is a director and a 8.41% shareholder of New Pearl Ceramics, will also be subscribing for or purchasing and holding such Offer Shares pursuant to the relevant Cornerstone Investment Agreement for her own account.

Gongqingcheng Kechuan

Gongqingcheng Kechuan Investment LLP (共青城可傳投資合夥企業(有限合夥)) ("**Gongqingcheng Kechuan**") is a limited liability partnership established in the PRC with Mr. Xu Buyun (徐步雲), as its general partner and Ms. Chen Jiangyue (陳江月), the spouse of Mr. Xu Buyun, as its limited partner. Both Mr. Xu Buyun and Ms. Chen Jiangyue are Independent Third Parties. Gongqingcheng Kechuan's major investments include equity investments and enterprise investments, and had an assets under management exceeding RMB100 million as of June 30, 2020. Mr. Xu Buyun is the founder and controlling shareholders of Buyang Group Co., Ltd. (步陽集團有限公司) ("**Buyang Group**"), a company based in Yongkang, Zhejiang which is principally engaged in the production of doors (including safety doors and fire doors), security gates, automobile parts and property development. Buyang Group is a supplier of doors to the Evergrande Group since 2009. For the purpose of this cornerstone investment, Gongqingcheng Kechuan has engaged an asset manager that is a QDII as approved by the relevant PRC authorities to subscribe for or purchase and hold such Offer Shares on its behalf.

Guangdong Sanfi

Guangdong Sanfi Ceramics Group Co., LTD (廣東興輝陶瓷集團有限公司) ("**Guangdong Sanfi**") is a limited liability company established in the PRC with a registered capital of USD39 million. Guangdong Sanfi is a wholly owned subsidiary of Golden Pond Industrial Limited, a private limited company incorporated under the laws of Hong Kong on July 9, 2003. The beneficial owner of Guangdong Sanfi is Mr. He Chengjian, who has extensive experience in the ceramics, real estate and education industries and investment management. Guangdong Sanfi is an architectural ceramics enterprise which integrates design, research, production and marketing. For the purpose of this cornerstone investment, Guangdong Sanfi has engaged CCB Asset in its capacity as a non-discretionary fund manager managing assets which is a QDII approved by the relevant PRC authorities, to subscribe for or purchase and hold such Offer Shares on its behalf. Guangdong Sanfi has formed long-term strategic cooperation with multiple Top 30 Property Developers in the PRC and has been supplying ceramic products to the Evergrande Group since 2012.

CCB Asset is a member of the same group of companies as CCBI, one of the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers 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.

Kingkey Group

Kingkey Group Company Limited (京基集團有限公司) ("**Kingkey Group**"), a PRC corporation headquartered Shenzhen which is owned by Mr. Chen Hua (陳華), an Independent Third Party, as to 90%. Kingkey Group has focused in real estate development as one of its core areas and has participated in various development projects such as residences, office buildings and hotels. Mr. Chen Hua is the chairman of Kingkey Group. He holds various positions, including being member of the Standing Committee of the Guangdong Provincial Political Consultative Conference (廣東省政協常委), a member of the Shenzhen Municipal Committee of the People's Political Consultative Conference (深圳市政協委員). He has been awarded titles such as Southern Guangdong Philanthropist (南粵慈善家) and Top Ten Charity Figures in Guangdong Province in 2008 (廣東省2008年度十大慈善人物). For the purpose of this cornerstone investment, Kingkey Group has engaged Hua An Fund Management Co., Ltd., an asset manager that is qualified domestic institutional investor as approved by the relevant PRC authority, in the name of HUAAN-JINGJI-(QDII)SINGLE ASSET MANAGEMENT PLAN Asset Management Scheme to subscribe for and hold such Offer Shares on a non-discretionary basis on behalf of the Kingkey Group.

China Lesso

China Lesso Group Holdings Limited (中國聯塑集團控股有限公司) ("**China Lesso**", together with its subsidiaries, "**China Lesso Group**") is a leading large-scale industrial group that manufactures building materials and interior decoration products in the PRC. It is listed on the Main Board of the Stock Exchange (stock code: 2128). China Lesso is one of the constituent stocks of the Hang Seng Composite MidCap Index and is a stock eligible for trading through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. In addition, China Lesso was officially made a constituent stock of MSCI China index in November 2019. China Lesso Group provides products and services such as plastic piping, building materials and interior decoration, environmental protection, and operates a supply chain service platform. China Lesso Group provides over 10,000 types of products, which are applied to such fields as interior decoration, civil architecture, municipal water supply, drainage, electric power transmission, telecommunication, gas supply, fire services, environmental protection, agriculture and marine aquaculture. Approval from China Lesso's shareholders and the Stock Exchange are not required for its subscription or purchase of the Offer Shares pursuant to the relevant Cornerstone Investment Agreement. China Lesso Group has been supplying building materials to the Evergrande Group since May 2007.

Wuthelam Holdings

Wuthelam Holdings Pte Ltd ("**Wuthelam Holdings**") is a private company in Singapore with major business in investment. Wuthelam Holdings is wholly owned by Wuthelam Holdings Ltd (HK), which is the ultimate controlling shareholder of Nippon Paint Holdings Co., Ltd, a listed company on the Tokyo Stock Exchange (stock code: 4612). Nippon Paint Holdings Co., Ltd, through its subsidiary companies in China, has been providing paints and coating products and related services to the Evergrande Group since 2011.

Shenzhen Centralcon

Shenzhen Centralcon Land Co., Ltd. (深圳市中洲置地有限公司) ("**Shenzhen Centralcon**") is a company established in the PRC and is principally engaged in property development and leasing, investments in enterprises, commodity trading. It is the controlling shareholder of Shenzhen Centralcon Investment Holding Co., Ltd (深圳市中洲投資控股股份有限公司), a Shenzhen-based property developer and operator the shares of which is listed on the Shenzhen Stock Exchange (stock code: 000042.SZ). Shenzhen Centralcon is controlled by Mr. Wong Kwong Miu (黃光苗), an Independent Third Party, and its assets under management reached RMB61.3 billion as of June 30, 2020. It had participated in various investments including equity investments in new energy company listed in the Shenzhen Stock Exchange and insurance companies. For the purpose of this cornerstone investment, Shenzhen Centralcon has engaged 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.

Honghui Investment

Honghui Investment Management Co., Limited (鴻暉投資管理有限公司) ("**Honghui Investment**") is a company incorporated in the BVI on July 11, 2017 which is principally engaged in the investment of stocks. Honghui Investment is owned as to 60% by Mr. Lai Hoi Man (賴海民) and as to 40% by Ms. Chan See Ting (陳思廷). Mr. Lai Hoi Man is the chairman of Horoy Group (鴻榮源集團), a company with a focus on real estate development and commercial operations.

Nantong Sanjian

Nantong Sanjian International Co., Limited (南通三建國際有限公司) ("**Nantong Sanjian**") is a company incorporated in Hong Kong and is primarily engaged in infrastructure development, construction, trading and investments. Nantong Sanjian is wholly owned by Jiangsu Nantong Sanjian Construction Group Co., Ltd. (江蘇南通三建集團股份有限公司), which is in turned owned as to 73.05% by Nantong Sanjian Holdings Co., Ltd. (南通三建控股有限公司) ("**Nantong Sanjian Holdings**"). Nantong Sanjian Holdings is a PRC conglomerate with its principal business covering construction, real estate development, overseas operations, investments, finance and technology incubation. Nantong Sanjian has been supplying construction and building related materials related to the Evergrande Group since 2010.

Nantong Sanjian expects to fund its cornerstone investment with its internal resources and may obtain external financing from China Merchants Securities (HK) Co., Ltd (招商證券(香港)有限公司) ("**CMS(HK)**"). The loan, if obtained, will be on normal commercial terms after arm's length negotiations with no other direct or indirect benefits given by CMS(HK). The financings are provided in the usual and ordinary course of business of CMS(HK). All or some of the Offer Shares to be subscribed for or purchased by Nantong Sanjian may be charged to CMS(HK) as security for the loan facilities.

Hopson E-Commerce

Hopson E-Commerce Limited (合生電子商貿有限公司) ("**Hopson E-Commerce**") is a company established under the laws of the British Virgin Islands on January 4, 2000 and is principally engaged in equity investments, mainly targeting investments in the stocks of companies listed in Hong Kong and the United States. Hopson E-Commerce's ultimate parent company is Hopson Development Holdings Limited ("**Hopson Development**"), a company listed on the Main Board of the Stock Exchange (stock code: 0754) which is mainly engaged in the development of residential properties in the PRC. Hopson Development is also involved in commercial properties investment, property management, infrastructure and equity investment businesses. Approval form Hopson Development's shareholders and the Stock Exchange are not required for its subscription or purchase of the Offer Shares pursuant to the relevant Cornerstone Investment Agreement.

Guangdong Keshun

Guangdong Keshun Investment Holding Co., Ltd (廣東科順投資控股有限公司) ("**Guangdong Keshun**") is a private company established in the PRC which targets investments in the manufacturing and commercial sectors, including upstream and downstream investments in buildings and property-related sectors. For the purpose of this cornerstone investment, Guangdong Keshun has engaged an asset manager which is a QDII approved by the relevant PRC authorities, to subscribe for or purchase and hold such Offer Shares on its behalf. Guangdong Keshun is beneficially owned as to 99% by Mr. Chen Weizhong (陳偉忠) and 1% by Mr. Chen Zhizhong (陳智忠). Each of the ultimate beneficial owners of Guangdong Keshun is an Independent Third Party. Mr Chen Weizhong is also a controlling shareholder and actual controller of Keshun Waterproof Technologies Co., Ltd. (科順防水科技 股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: SZ300737) ("**Keshun**"). Keshun is a manufacturer in the construction waterproofing industry in the PRC which focuses on providing comprehensive waterproofing solutions and integrating the use of engineering building materials and civic building materials. Keshun has been a supplier of waterproof materials of the Evergrande Group since 2010.

Yuanheng Investment

Foshan Yuanheng Investment Holding Company (佛山市元亨投資控股有限公司) ("**Yuanheng Investment**") was established in the PRC in 2010 and is principally engaged in equity investments and provision of capital and strategic support to enterprises with great potential in the PRC. The controlling shareholder of Yuanheng Investment, Mr. He Xinming (何新明), is also the chairman of Guangdong Dongpeng Holdings Co., Ltd. (廣東東鵬控股股份有限公司) ("**Dongpeng Holdings**"), a company listed on the Shenzhen Stock Exchange (stock code: SZ003012). Dongpeng Holdings was established in the PRC and specializes in the production of floor tiles, wall tiles, industrial tiles and sanitary and bath products. Yuanheng Investment has been a business partner of the Evergrande Group, having invested RMB300 million in the equity interest in Evergrande Real Estate in May 2017 and was a joint venture partner of Evergrande Group for a tourist resort development project of the Evergrande Group in May 2020. For the purpose of this cornerstone investment, Yuanheng Investment has engaged CCB Principal Asset Management Co., Ltd. (建信基金管理有限責任公司) ("**CCB Asset**") in its capacity as a non-discretionary fund manager managing assets 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.

Guangzhou Anying

Guangzhou Anying Investment Co., Ltd. (廣州安盈投資有限公司) ("**Guangzhou Anying**") is a company incorporated in the PRC on June 8, 2018. It is principally engaged in investment activities, and its business scope comprises investment advisory services, corporate financial consulting services and market research services. Each of the two ultimate beneficial owners of Guangzhou Anying, namely Ms. Guan Yonghong (管永虹) and Ms. Jiang Shuyun (江舒雲), is an Independent Third Party. Ms. Guan Yonghong and Ms. Jiang Shuyun are respectively the spouse and daughter of Mr. Jiang Ganjun (江淦鈞), the chairman and 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: SZ002572), 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. Approval from Suofeiya's shareholders and the Shenzhen Stock Exchange are not required for the subscription or purchase of the Offer Shares pursuant to the Cornerstone Investment Agreement. Suofeiya Architectural Decorations Co., Ltd* (索菲亞建築裝飾有限公司), a subsidiary of Suofeiya, has been supplying furniture such as interior doors, kitchen cabinets and mirror cabinets, and wardrobes to the Evergrande Group since 2015. For the purpose of this cornerstone investment, Guangzhou Anying has engaged CCB Asset in its capacity as a non-discretionary fund manager managing assets 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.

Talent Global

Talent Global Ventures Limited (天賦環球創投有限公司) ("**Talent Global**") is a an exempted company incorporated in the BVI on August 7, 2020. It is principally engaged in equity investments. Talent Global is wholly owned by Ms. Li Yiping. Ms. Li Yiping is a controlling shareholder of Times China Holdings Limited (時代中國控股有限公司) ("**Times China**"), a company incorporated in the Cayman Islands with limited liability on November 14, 2007 and the shares of which listed on the main board of the Stock Exchange (stock code: 1233). Ms. Li Yiping is deemed to be interested in approximately 61.54% shares of Times China as the spouse of Mr. Shum Chiu Hung (岑釗雄), an executive director, the chairman and the chief executive officer of Times China.

The following table sets forth the number of Offer Shares to be subscribed for or purchased by each of the Cornerstone Investors based on the total subscription or purchase price payable by each Cornerstone Investor (rounded down to the nearest whole board lot of 500 Shares) and the relevant assumptions of the Offer Price:

		Assuming an Offer Price of HK$8.5 per Share (being the low end of the indicative range of the Offer Price range)					
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		
Name of the Cornerstone Investors	**Hong Kong Dollars**	**Number of Offer Shares to be subscribed**	**Approximate percentage of the Offer Shares**	**Approximate percentage of the International Offer Shares**	**Approximate percentage of the Offer Shares**	**Approximate percentage of the International Offer Shares**	**Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering[(3)]**
Shenzhen Kaier	1,000,000,000	117,647,000	7.25%	8.06%	6.31%	6.91%	1.09%
SensePower Management Limited	775,000,000	91,176,000	5.62%	6.25%	4.89%	5.35%	0.84%
Jiangxi Xingmei	590,000,000	69,411,500	4.28%	4.76%	3.72%	4.08%	0.64%
Qianhui Moli Fund and Li Yao	590,000,000	69,411,500	4.28%	4.76%	3.72%	4.08%	0.64%
Honour Goal	500,000,000	58,823,500	3.63%	4.03%	3.15%	3.45%	0.54%
Hai Xia Finance and Win Extra	495,011,766	58,236,500	3.59%	3.99%	3.12%	3.42%	0.54%
Panyu Haiyi Real Estate	472,000,000	55,529,000	3.42%	3.80%	2.98%	3.26%	0.51%
Gongqingcheng Kechuan	354,000,000	41,647,000	2.57%	2.85%	2.23%	2.45%	0.39%
China Merchant Buyout Fund[(1)]	350,918,236	41,284,000	2.55%	2.83%	2.21%	2.42%	0.38%
Guangdong Sanfi	236,000,000	27,764,500	1.71%	1.90%	1.49%	1.63%	0.26%
Kingkey Group	236,000,000	27,764,500	1.71%	1.90%	1.49%	1.63%	0.26%
China Lesso	200,000,000	23,529,000	1.45%	1.61%	1.26%	1.38%	0.22%
Wuthelam Holdings	200,000,000	23,529,000	1.45%	1.61%	1.26%	1.38%	0.22%
Shenzhen Centralcon	200,000,000	23,529,000	1.45%	1.61%	1.26%	1.38%	0.22%
Honghui Investment	200,000,000	23,529,000	1.45%	1.61%	1.26%	1.38%	0.22%
Nantong Sanjian	200,000,000	23,529,000	1.45%	1.61%	1.26%	1.38%	0.22%
Hopson E-Commerce	155,000,000	18,235,000	1.12%	1.25%	0.98%	1.07%	0.17%
Guangdong Keshun	118,000,000	13,882,000	0.86%	0.95%	0.74%	0.82%	0.13%
Yuanheng Investment	118,000,000	13,882,000	0.86%	0.95%	0.74%	0.82%	0.13%
Guangzhou Anying	118,000,000	13,882,000	0.86%	0.95%	0.74%	0.82%	0.13%
Talent Global	100,000,000	11,764,500	0.73%	0.81%	0.63%	0.69%	0.11%
Total	**7,207,930,002**	**847,985,500**	**52.3%**	**58.1%**	**45.5%**	**49.8%**	**7.8%**

Name of the Cornerstone Investors	Hong Kong Dollars	Number of Offer Shares to be subscribed	Assuming an Offer Price of HK$9.13 per Share (being the mid-point of the indicative range of the Offer Price range) — Assuming the Over-allotment Option is not exercised: Approximate percentage of the Offer Shares	Approximate percentage of the International Offer Shares	Assuming the Over-allotment Option is fully exercised: Approximate percentage of the Offer Shares	Approximate percentage of the International Offer Shares	Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering[3]
Shenzhen Kaier	1,000,000,000	109,529,000	6.75%	7.50%	5.87%	6.43%	1.01%
SensePower Management Limited	775,000,000	84,884,500	5.23%	5.82%	4.55%	4.99%	0.79%
Jiangxi Xingmei	590,000,000	64,622,000	3.99%	4.43%	3.47%	3.80%	0.60%
Qianhui Moli Fund and Li Yao	590,000,000	64,621,500	3.98%	4.43%	3.47%	3.80%	0.60%
Honour Goal	500,000,000	54,764,500	3.38%	3.75%	2.94%	3.22%	0.51%
Hai Xia Finance and Win Extra	495,011,766	54,218,000	3.34%	3.71%	2.91%	3.18%	0.50%
Panyu Haiyi Real Estate	472,000,000	51,697,500	3.19%	3.54%	2.77%	3.04%	0.48%
Gongqingcheng Kechuan	354,000,000	38,773,000	2.39%	2.66%	2.08%	2.28%	0.36%
China Merchant Buyout Fund[1]	350,918,236	38,435,500	2.37%	2.63%	2.06%	2.26%	0.36%
Guangdong Sanfi	236,000,000	25,848,500	1.59%	1.77%	1.39%	1.52%	0.24%
Kingkey Group	236,000,000	25,848,500	1.59%	1.77%	1.39%	1.52%	0.24%
China Lesso	200,000,000	21,905,500	1.35%	1.50%	1.17%	1.29%	0.20%
Wuthelam Holdings	200,000,000	21,905,500	1.35%	1.50%	1.17%	1.29%	0.20%
Shenzhen Centralcon	200,000,000	21,905,500	1.35%	1.50%	1.17%	1.29%	0.20%
Honghui Investment	200,000,000	21,905,500	1.35%	1.50%	1.17%	1.29%	0.20%
Nantong Sanjian	200,000,000	21,905,500	1.35%	1.50%	1.17%	1.29%	0.20%
Hopson E-Commerce	155,000,000	16,976,500	1.05%	1.16%	0.91%	1.00%	0.16%
Guangdong Keshun	118,000,000	12,924,000	0.80%	0.89%	0.69%	0.76%	0.12%
Yuanheng Investment	118,000,000	12,924,000	0.80%	0.89%	0.69%	0.76%	0.12%
Guangzhou Anying	118,000,000	12,924,000	0.80%	0.89%	0.69%	0.76%	0.12%
Talent Global	100,000,000	10,952,500	0.68%	0.75%	0.59%	0.64%	0.10%
Total	**7,207,930,002**	**789,471,000**	**48.7%**	**54.1%**	**42.3%**	**46.4%**	**7.3%**

			Assuming an Offer Price of HK$9.75 per Share (being the high end of the indicative range of the Offer Price range)				
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		
Name of the Cornerstone Investors	**Hong Kong Dollars**	**Number of Offer Shares to be subscribed**	**Approximate percentage of the Offer Shares**	**Approximate percentage of the International Offer Shares**	**Approximate percentage of the Offer Shares**	**Approximate percentage of the International Offer Shares**	**Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering[3]**
Shenzhen Kaier	1,000,000,000	102,564,000	6.32%	7.03%	5.50%	6.02%	0.95%
SensePower Management Limited	775,000,000	79,487,000	4.90%	5.45%	4.26%	4.67%	0.74%
Jiangxi Xingmei	590,000,000	60,512,500	3.73%	4.15%	3.24%	3.55%	0.56%
Qianhui Moli Fund and Li Yao	590,000,000	60,512,500	4.28%	4.76%	3.72%	4.08%	0.64%
Honour Goal	500,000,000	51,282,000	3.16%	3.51%	2.75%	3.01%	0.47%
Hai Xia Finance and Win Extra	495,011,766	50,770,000	3.13%	3.48%	2.72%	2.98%	0.47%
Panyu Haiyi Real Estate	472,000,000	48,410,000	2.99%	3.32%	2.60%	2.84%	0.45%
Gongqingcheng Kechuan	354,000,000	36,307,500	2.24%	2.49%	1.95%	2.13%	0.34%
China Merchant Buyout Fund[1]	350,918,236	35,991,500	2.22%	2.47%	1.93%	2.11%	0.33%
Guangdong Sanfi	236,000,000	24,205,000	1.49%	1.66%	1.30%	1.42%	0.22%
Kingkey Group	236,000,000	24,205,000	1.49%	1.66%	1.30%	1.42%	0.22%
China Lesso	200,000,000	20,512,500	1.26%	1.41%	1.10%	1.20%	0.19%
Wuthelam Holdings	200,000,000	20,512,500	1.26%	1.41%	1.10%	1.20%	0.19%
Shenzhen Centralcon	200,000,000	20,512,500	1.26%	1.41%	1.10%	1.20%	0.19%
Honghui Investment	200,000,000	20,512,500	1.26%	1.41%	1.10%	1.20%	0.19%
Nantong Sanjian	200,000,000	20,512,500	1.26%	1.41%	1.10%	1.20%	0.19%
Hopson E-Commerce	155,000,000	15,897,000	0.98%	1.09%	0.85%	0.93%	0.15%
Guangdong Keshun	118,000,000	12,102,500	0.75%	0.83%	0.65%	0.71%	0.11%
Yuanheng Investment	118,000,000	12,102,500	0.75%	0.83%	0.65%	0.71%	0.11%
Guangzhou Anying	118,000,000	12,102,500	0.75%	0.83%	0.65%	0.71%	0.11%
Talent Global	100,000,000	10,256,000	0.63%	0.70%	0.55%	0.60%	0.09%
Total	**7,207,930,002**	**739,270,000**	**45.6%**	**50.7%**	**39.6%**	**43.4%**	**6.8%**

Notes:

1. Calculated for illustrative purpose based on the investment amount of RMB300,000,000 and an exchange rate of RMB0.8549:HK$1.00 as described in "Information about this Prospectus and the Global Offering – Exchange Rate Conversion." The actual Hong Kong dollar equivalent of the investment amount may change due to the exchange rate to be used as prescribed in the relevant Cornerstone Investment Agreement.

2. Subject to rounding down to the nearest whole board lot of 500 Shares.

3. There will be no change in the Cornerstone Investors' shareholding percentage in our Company immediately upon the completion of the Global Offering whether the Over-allotment Option is exercised or not.

CLOSING CONDITIONS

The obligations of each of the Cornerstone Investors to subscribe for or purchase the Offer Shares under the respective Cornerstone Investment Agreements are subject to, among other things, the following closing conditions:

(i) the Underwriting Agreements being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the Underwriting Agreements having been terminated;

(ii) the Offer Price having been agreed upon between our Company (for itself and on behalf of the Selling Shareholder) and the Joint Representatives (for themselves and on behalf of the Underwriters);

(iii) the Listing Committee having granted the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing as well as other applicable waivers and approvals) and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(iv) no Laws (as defined in the respective Cornerstone Investment Agreements) shall have been enacted or promulgated by any Governmental Authority (as defined in the respective Cornerstone Investment Agreements) which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(v) the respective representations, warranties, undertakings, confirmations and acknowledgements of the Cornerstone Investor under the respective Cornerstone Investment Agreements are accurate and true in all respects and not misleading in any respect and that there is no material breach of the respective Cornerstone Investment Agreements on the part of the Cornerstone Investor and the Guarantor (as defined in the respective Cornerstone Investment Agreements).

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of each of our Company, the Joint Sponsors and the Joint Global Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**") (i) dispose of (as defined in the respective Cornerstone Investment Agreements), in any way, any of the Offer Shares it has purchased or any interest in any company or entity holding any of such Offer Shares pursuant to the relevant Cornerstone

Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries which will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction; (ii) allow itself to undergo a change of control (as defined in the Takeovers Code promulgated by the SFC) at the level of its ultimate beneficial owner; or (iii) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction.

After expiration of the Lock-up Period, the Cornerstone Investors shall, subject to requirements under applicable laws and regulations and as specified in the relevant Cornerstone Investment Agreements, be free to dispose of any relevant Offer Shares. The Cornerstone Investors shall use their best endeavors to ensure that any such disposal will not create a disorderly or false market in the Shares and is otherwise in compliance with the SFO and all applicable laws and regulations.

You should read the following discussion and analysis in conjunction with our combined financial information set forth in the Accountants' Report included as Appendix I to this Prospectus. Our combined financial information has been prepared in accordance with HKFRS.

The following discussion and analysis contain certain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experiences and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. See "Risk Factors" and "Forward-looking Statements".

OVERVIEW

We are one of the largest and fastest-growing comprehensive property management service providers in China. Among the Top 100 Property Management Companies in China, we ranked second in number of cities covered by our projects; third in each of total revenue, total gross profit and total net profit; third in contracted GFA and fourth in GFA under management, as of or for the year ended December 31, 2019, according to CIA. Our net profit increased at a CAGR of 195.5% from 2017 to 2019, which was the highest growth rate among the Top 20 Property Management Companies in China, according to CIA.

We are an all-round property manager. We manage a diverse portfolio of properties, including mid- to high-end residential properties, office buildings, commercial properties, and have been contracted to manage other types of properties such as theme parks, industrial parks, healthcare complexes, themed towns and schools, among others. As of June 30, 2020, we were contracted to provide property management services, value-added services to non-property owners and/or community value-added services to 1,354 projects in over 280 cities in 22 provinces, five autonomous regions, four municipalities and Hong Kong, with a total GFA under management of approximately 254.0 million sq.m. and contracted GFA of 513.3 million sq.m., serving nearly two million households. Our quality services generated robust results of operations during the Track Record Period. In 2017, 2018, 2019 and the six months ended June 30, 2020, our revenue was RMB4,399.4 million, RMB5,903.2 million, RMB7,332.7 million and RMB4,563.9 million, respectively; our net profit amounted to RMB106.6 million, RMB239.0 million, RMB930.5 million and RMB1,147.7 million, respectively.

BASIS OF PRESENTATION

Our Company was incorporated in Cayman Islands with limited liability on March 13, 2020. In preparation for the Global Offering, we underwent the Reorganization, as detailed in the section headed "History, Reorganization and Corporate Structure" in this Prospectus. Following the Reorganization, our Company became the holding company of all the subsidiaries currently constituting our Group. See the Accountants' Report in Appendix I to this Prospectus for more information on the basis of preparation of our financial information included herein.

ADOPTION OF HKFRS 9, HKFRS 15 AND HKFRS 16

To make our combined financial statements comparable on a period-to-period basis and allow the investors to better understand our financial performance and position, HKFRS 9 "Financial instruments," or HKFRS 9, HKFRS 15 "Revenue from Contracts with Customers," or HKFRS 15, and HKFRS 16 "Leases," or HKFRS 16, have been adopted and applied consistently in preparation of our consolidated financial statements since the beginning of, and throughout, the Track Record Period, in lieu of HKAS 39 "Financial instruments: Recognition and measurement," or HKAS 39, HKAS 18 "Revenue," or HKAS 18, and HKAS 17 "Leases," or HKAS 17, respectively. Accordingly, we have prepared and maintained only one set of combined financial statements adopting HKFRS 9, HKFRS 15 and HKFRS 16 during the Track Record Period. Neither had we prepared, nor the reporting accountant had audited or reviewed, our combined financial statements for the Track Record Period based on HKAS 39, HKAS 18 and HKAS 17.

In order to provide additional information to the investors, we have used our best efforts to assess the respective impact on our financial results of the application of the principles set out in HKAS 39, HKAS 18 and HKAS 17, as compared to our adoption of HKFRS 9, HKFRS 15 and HKFRS 16, respectively.

Adoption of HKFRS 9 and HKFRS 15

Based on our internal assessments, the adoption of HKFRS 9 and HKFRS 15, as compared to the requirements of HKAS 39 and HKAS 18, has no significant impact on our financial positions and performance, except that contract liabilities of approximately RMB1,397.1 million, RMB2,491.1 million, RMB2,285.3 million and RMB2,023.4 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively, would have been reclassified as advance from customers if HKAS 18 had been applied throughout the Track Record Period.

Adoption of HKFRS 16

Under HKAS 17, operating lease payments are charged to profit or loss on a straight-line basis over the period of the lease, and operating lease commitments are disclosed separately in a note to the combined financial statements and are recognized outside of the combined balance sheets. Under HKFRS 16, all leases (except for those with lease term of less than 12 months or of low value) must be recognized in the form of assets (being the right-of-use assets) on our combined balance sheets at the commencement of respective leases.

Our consolidated financial statements for the Track Record Period were prepared in accordance with HKFRS 16. If HKAS 17 had been adopted, the impact on net profit for the year or period, net assets and key ratios (such as gearing ratio, current ratio and quick ratio) would not have been significant.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial position have been and will continue to be affected by a number of factors, including those set out in the section headed "Risk Factors" in this Prospectus and those discussed below:

Ability to Respond to Regulatory and Market Conditions of the Property Development and Property Management Industries

Our business and results of operations are affected by our ability to obtain new service engagements from property developers for their new property development projects. The number of new property development projects is dependent on the performance of the real estate market in China, which is subject to the general economic conditions in China, the rate of urbanization and, consequently, the demand for properties in the PRC. Any economic downturn in the PRC could adversely affect our business, results of operations and financial position. The regulatory environment in the PRC and policies and measures taken by the PRC Government have also affected the development of the real estate market and property management market, which in turn affects our business and results of operations. See "Risk Factors—Risks Relating to Our Business and Industry—Our business is significantly influenced by various factors affecting our industry and general economic conditions and may be adversely affected by fluctuations in the global economy and financial markets." and "Risk Factors—Risks Relating to Doing Business in China" in this Prospectus.

The PRC Government has issued a series of favorable laws and policies to incentivize the development of the property management industry. These policies, such as the Guide issued by the Ministry of Housing and Urban Development in 2014, have encouraged property management companies like us to expand and modernize their business and have fostered the growth and development of the industry. See "Industry Overview—Growth Drivers of PRC Property Management Industry—Favorable Policies for the Property Management Industry" in this Prospectus. However, we cannot guarantee that the PRC Government will continue to issue favorable laws, regulations and policies. Moreover, we cannot guarantee that the PRC Government will not suspend or terminate the current favorable laws, regulations and policies, or that the PRC Government will not introduce laws or policies that directly or indirectly discourage the development of the property management industry. Any such changes in the PRC governmental policies may adversely affect our business.

GFA under Management

During the Track Record Period, we generated a majority of our revenue from our property management services, which contributed 57.7%, 58.7%, 62.9%, 62.2% and 61.9%, respectively, of our total revenue in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020. Accordingly, our business, financial position and results of operations depend on our ability to maintain and increase our GFA under management, which in turn is affected by our ability to secure new and renew existing service contracts. In addition, our community value-added service business is also affected by our GFA under management. During the Track Record Period, we experienced a steady growth in our total GFA under management, which was 138.3 million sq.m., 185.4 million sq.m., 237.9 million sq.m. and 254.0 million sq.m., respectively, as of December 31, 2017, 2018 and 2019 and June 30, 2020.

During the Track Record Period, substantially all of properties we managed were developed by the Evergrande Group. As of December 31, 2017, 2018 and 2019 and June 30, 2020, GFA under management of the properties developed by the Evergrande Group accounted for 99.6%, 98.8%, 98.4% and 98.9%, respectively, of our total GFA under management. As of the same dates, GFA under management of the properties developed by joint ventures of the Evergrande Group and independent third-party property developers accounted for 0.4%, 1.2%, 1.6% and 1.1%, respectively, of our total GFA under management. We have also taken efforts to expand our property management services to properties developed by third-party property developers, with a view to gaining additional revenue sources and diversifying our property management portfolio.

Business Mix

Our results of operations are affected by our business mix. During the Track Record Period, our profit margins varied across our three business lines: (i) property management services, (ii) value-added services to non-property owners and (iii) community value-added services. Our profit margins of different business lines generally depend on types of services provided, fees received and costs borne by us under different contractual arrangements. Any change in the structure of revenue contribution from our three business lines or change in profit margin of any business line may have a corresponding impact on our overall profit margin.

The table below sets forth our revenue by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	2,538,392	57.7	3,464,390	58.7	4,612,212	62.9	2,154,683	62.2	2,824,261	61.9
Value-added services to non-property owners	1,609,865	36.6	2,103,431	35.6	2,147,527	29.3	1,056,069	30.5	1,231,480	27.0
Community value-added services	251,099	5.7	335,405	5.7	572,983	7.8	255,008	7.3	508,114	11.1
Total	**4,399,356**	**100.0**	**5,903,226**	**100.0**	**7,332,722**	**100.0**	**3,465,760**	**100.0**	**4,563,855**	**100.0**

The table below sets forth our gross profit margin by business line for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2017	2018	2019	2019	2020
			(%)		
Property management services	8.7	9.1	17.7	16.8	33.6
Value-added services to non-property owners	5.0	11.1	28.4	27.8	37.3
Community value-added services	52.2	52.2	57.4	55.8	65.0
Overall	**9.8**	**12.2**	**23.9**	**23.0**	**38.1**

In general, the gross profit margin of our community value-added services is higher than those of our property management services and value-added services to non-property owners as the provision of community value-added services is less labor-intensive than the other two business lines. See "—Description of Selected Combined Statements of Comprehensive Income Line Items—Gross Profit and Gross Profit Margin" in this section for further discussions.

Brand Positioning and Pricing Ability

As we operate in a highly competitive and fragmented industry, our results of operations and financial position are affected by our ability to maintain or increase the fee rates we charge for our services. We generally price our services by taking into account a number of factors, including (i) the types and locations of the communities, (ii) our estimated costs and target profit margins, (iii) the profiles of property owners and residents, (iv) the required scope and quality of our services, and (v) the prices charged by our competitors for comparable properties. We may be subject to pricing control under the PRC laws and regulations with respect to our residential property management services. We strive to balance between competitive pricing and quality service. Failure to balance various factors in determining our pricing could materially and adversely affect our financial condition and results of operations. To strengthen our pricing power, we make efforts to diversify our services by offering more value-added services and further improving our service quality.

Ability to Mitigate the Impact of Rising Employee Benefit Expenses and Subcontracting Costs

Since property management is labor-intensive, employee benefit expenses constitute a substantial portion of our cost of sales and administrative expenses. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our total employee benefit expenses recorded in cost of sales and administrative expenses amounted to RMB3,024.6 million, RMB3,981.3 million, RMB4,133.1 million, RMB2,003.1 million and RMB1,948.1 million, respectively, accounting for 68.8%, 67.4%, 56.4%, 57.8% and 42.7% of our total revenue. The increases in employee benefit expenses were mainly due to the expansion of our business and the general increase in labor cost in China. To cope with rising employee benefit expenses, we have implemented a number of cost control measures. See "—Description of Selected Combined Statements of Comprehensive Income Line Items—Gross Profit and Gross Profit Margin." As a result, our employee benefit expenses as a percentage of our total revenue decreased during the Track Record Period. The decrease in the first half of 2020 was also attributable to the deduction in, or exemption of, payment of social insurance contributions as a result of the regulatory supportive policies issued by the local government in response to the COVID-19 outbreak.

We have also outsourced certain services, such as cleaning, greening, repair and maintenance services, to Independent Third Parties while maintaining close supervision over their services to ensure service quality. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, we incurred subcontracting cost, recorded mainly as greening and cleaning expenses, of RMB486.0 million, RMB720.0 million, RMB909.6 million, RMB417.7 million and RMB514.2 million, respectively, representing 12.3%, 13.9%, 16.3%, 15.6% and 18.2%, respectively, of our cost of sales. Our subcontracting cost as a percentage of our total cost of sale increased during the Track Record Period, primarily attributable to our business expansion and an increase in the proportion of labor-intensive services outsourced to subcontractors, which is in line with the industry trend.

For illustration purposes only, we set out below a sensitivity analysis of our cost of sales and profit for the periods indicated with reference to the fluctuation of employee benefit expenses during the Track Record Period. The following table demonstrates the impact of the hypothetical increase in employee benefit expenses on our cost of sales and profit for the year or period, while all other factors remain unchanged.

	For the year ended December 31,			For the six months ended June 30,	
	2017	2018	2019	2019	2020
			(RMB'000)		
				(unaudited)	
Total profit for the year/period	106,564	239,008	930,524	407,326	1,147,693
Assuming 5% increase in our employee benefit expenses					
Impact on cost of sales	142,439	184,382	188,002	92,073	89,241
Impact on profit for the year/period[1]	(106,829)	(138,287)	(141,002)	(69,055)	(66,931)
Assuming 10% increase in our employee benefit expenses					
Impact on cost of sales	284,877	368,764	376,005	184,147	178,481
Impact on profit for the year/period[1]	(213,658)	(276,573)	(282,004)	(138,110)	(133,861)

Note:

(1) Impact on profit for the year or period was calculated assuming an EIT of 25%.

Competition

According to CIA, we are a leading property management company with a large and rapidly growing business operations, ranking third among Top 100 Property Management Companies in terms of contracted GFA, revenue and net profit, and fourth in terms of GFA under management as of December 31, 2019. As a property management company with national presence, we compete with both national and regional property management companies in terms of property management companies, and with other providers of similar services in terms of our value-added services. See "Business—Competition" and "Industry Overview—Competition" in this Prospectus. Our ability to compete effectively with our competitors and maintain or improve our market position is therefore crucial and depends on our ability to solidify our competitive strengths. If we fail to effectively compete with market players and expand our GFA under management, we may lose market position in our principal business lines and our revenue and profitability may be adversely impacted.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

We have identified certain accounting policies and critical accounting judgments and estimates that are significant to the preparation of our financial statements. Our significant accounting policies and critical accounting judgments and estimates, which are important for an understanding of our financial position and results of operations, are set forth in details in note 2 and note 4 of the Accountants' Report in Appendix I to this Prospectus. All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning January 1, 2020 were consistently applied to our Group throughout the Track Record Period.

Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgements relating to accounting items. In each case, the determination of these items requires management to make subjective and complex judgements based on information and financial data that may change in future periods. When reviewing our financial statements, you should consider (i) our significant accounting policies, (ii) the judgements and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions, where applicable. We set out below those accounting policies that we believe are of critical importance to us or involve the most significant estimates and judgements used in the preparation of our financial statements.

Revenue Recognition

We provide property management services, value-added services to non-property owners and community value-added services. Revenue is recognized when the control of services or goods is transferred to the customer. Depending on the terms of the contracts and the laws that apply to the contract, control of services and goods may be transferred over time or at a point in time. We distinguish whether we are a principal or an agent in the transactions with our customer. When we are acting as a principal, the associated revenue is recognized in gross amount and when we are acting as a agent, the associated revenue is recognized in net amount.

For property management services, we bill a fixed amount for services provided on a monthly basis and recognize as revenue in the amount to which we have a right to bill and that corresponds directly with the value of performance completed. For property management services income from properties managed under a lump sum basis, we are entitled to revenue at the value of property management services fee received or receivable.

Value-added services to non-property owners mainly include (i) preliminary property management services and repair and maintenance services, which are billed on monthly basis and are recognized as revenue over time when such services are rendered; (ii) pre-delivery inspection and cleaning services to property developers which are recognized as revenue when such services are rendered and accepted by the customer; and (iii) property transaction assistance services for sales of the use rights of carpark spaces and rental of properties owned by property developers, which are recognized on a net basis when the underlying sales and rental contract is signed, respectively.

Community value-added services revenue mainly include (i) group purchase facilitation service income arising from promotion and facilitation for third parties, which is recognized over time according to the services rendered; (ii) service fee income from group purchase facilitation in sales of products from third parties, which is recognized on a net basis when the products are transferred; (iii) rental income from parking space rental services for leasing of the use right of carpark spaces; (iv) income from community space management services for management of advertising and other miscellaneous activities in the public areas in the properties managed by us, which is recognized over the time when the services are rendered; (v) revenue from second-hand property transaction assistance services for leasing of properties for property owners; and (vi) revenue from community living services charged for each service provided and recognized when the relevant services are rendered.

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 balance sheet 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.

Incremental costs incurred to obtain a contact, if recoverable, are capitalized and presented as assets and subsequently amortized when the related revenue is recognized.

When the difference between the transfer of the promised goods or services to customer and the payment by the customer is considered significant and implied financing components contained in certain contracts, we adjust the transaction price for the time value of money.

Impairment of Non-Financial Assets

Assets that are subject to depreciation or amortization such as property and equipment and intangible assets are reviewed 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 to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating unit"). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Investments and Other Financial Assets

Classification

We classify our financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, 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 other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether we have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

We reclassify debt investments when and only when its business model for managing those assets changes.

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which we commit 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 we have transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, we measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on our business model for managing the asset and the cash flow characteristics of the asset. We only held debt instruments classified as financial assets at amortized costs.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the combined statement of comprehensive income when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Impairment

We assess on a forward looking basis the expected credit losses associated with its debt instruments 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, we apply 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 analyzed.

Impairment of other receivables 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.

Current and Deferred Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized as "income tax expense" in the combined statements of comprehensive income, 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.

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where our subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax

Inside Basis Differences

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. The 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 substantively enacted by the balance sheet date 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 to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Outside Basis Differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by us and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and Deferred Income Tax

We are subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognized when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. The outcome of their actual utilization may be different.

Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when we have 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.

Leases

A lease is recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by us.

Contracts may contain both lease and non-lease components. We allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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 payments that are based on an index or a rate,
- amounts expected to be payable by the lessee 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 lessee 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 can be determined, or our incremental borrowing rate.

Lease payments are allocated between principal 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.

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 and 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. Low-value assets comprise small items of office equipments.

Rental income from operating leases where we are a lessor is recognized on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as rental income. The respective leased assets are included in the balance sheet based on their nature.

Allowance on Doubtful Receivables

We make allowances on receivables based on assumptions about risk of default and expected loss rates. We make assumptions and select inputs to the impairment calculation based on judgments taking into considerations of 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. See note 3.1.2 of the Accountants' Report in Appendix I to this Prospectus for the key assumptions and inputs used.

DESCRIPTION OF SELECTED COMBINED STATEMENTS OF COMPREHENSIVE INCOME LINE ITEMS

The following table sets forth a summary of our combined statements of comprehensive income for the periods indicated. Our historical results presented below may not be indicative of the results that may be expected for any future period.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Revenue	4,399,356	100.0	5,903,226	100.0	7,332,722	100.0	3,465,760	100.0	4,563,855	100.0
Cost of sales	(3,966,496)	(90.2)	(5,180,226)	(87.8)	(5,577,739)	(76.1)	(2,669,140)	(77.0)	(2,826,168)	(61.9)
Gross profit	**432,860**	**9.8**	**723,000**	**12.2**	**1,754,983**	**23.9**	**796,620**	**23.0**	**1,737,687**	**38.1**
Administrative expenses	(257,310)	(5.8)	(401,245)	(6.8)	(515,061)	(7.0)	(232,087)	(6.7)	(224,360)	(4.9)
Net impairment losses on financial assets	(43,800)	(1.0)	(18,206)	(0.3)	(48,210)	(0.7)	(25,669)	(0.7)	(46,919)	(1.0)
Other income	17,901	0.4	19,984	0.3	66,550	0.9	16,508	0.5	46,379	1.0
Other losses-net	(47)	(0.0)	(119)	(0.0)	(194)	(0.0)	(31)	(0.0)	(97)	(0.0)
Operating profit	**149,604**	**3.4**	**323,414**	**5.5**	**1,258,068**	**17.2**	**555,341**	**16.0**	**1,512,690**	**33.1**
Finance costs	(12,662)	(0.3)	(13,122)	(0.2)	(28,883)	(0.4)	(16,728)	(0.5)	(12,449)	(0.3)
Profit before income tax	**136,942**	**3.1**	**310,292**	**5.3**	**1,229,185**	**16.8**	**538,613**	**15.5**	**1,500,241**	**32.9**
Income tax expenses	(30,378)	(0.7)	(71,284)	(1.2)	(298,661)	(4.1)	(131,287)	(3.8)	(352,548)	(7.7)
Profit for the year/period	**106,564**	**2.4**	**239,008**	**4.0**	**930,524**	**12.7**	**407,326**	**11.8**	**1,147,693**	**25.1**
Profit attributable to:										
– Owners of our Company	106,564	2.4	239,075	4.0	930,232	12.7	407,480	11.8	1,148,735	25.2
– Non-controlling interests	–	–	(67)	(0.0)	292	0.0	(154)	(0.0)	(1,042)	(0.0)

Revenue

During the Track Record Period, we derived our revenue from the following three business lines:

(i) property management services, including butler services, security services, cleaning and greening services, as well as common area facility repair and maintenance services;

(ii) value-added services to non-property owners, including preliminary property management services, pre-delivery services, repair and maintenance services, as well as property transaction assistance services; and

(iii) community value-added services, including community operation services, community asset management services, as well as community living services.

The following table sets forth a breakdown of our revenue by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	2,538,392	57.7	3,464,390	58.7	4,612,212	62.9	2,154,683	62.2	2,824,261	61.9
Value-added services to non-property owners	1,609,865	36.6	2,103,431	35.6	2,147,527	29.3	1,056,069	30.5	1,231,480	27.0
Community value-added services	251,099	5.7	335,405	5.7	572,983	7.8	255,008	7.3	508,114	11.1
Total	**4,399,356**	**100.0**	**5,903,226**	**100.0**	**7,332,722**	**100.0**	**3,465,760**	**100.0**	**4,563,855**	**100.0**

Property Management Services

Revenue from property management services increased during the Track Record Period, primarily driven by (i) the increase in the total GFA under management as a result of our business expansion, (ii) the increase in our average property management fee and (iii) our enhanced effort to charge property management fees for parking spaces since 2019. During the Track Record Period, we experienced fast growth in our GFA under management, which was approximately 138.3 million sq.m., 185.4 million sq.m., 237.9 million sq.m. and 254.0 million sq.m., respectively, as of December 31, 2017, 2018 and 2019 and June 30, 2020. In 2017, 2018, 2019 and the six months ended June 30, 2020, our average property management fee was RMB2.05 per sq.m. per month, RMB2.14 per sq.m. per month, RMB2.18 per sq.m. per month and RMB2.22 per sq.m. per month, respectively.

Under PRC laws, property management fees may be charged either on a lump-sum basis or on a commission basis. During the Track Record Period, we charged substantially all of our managed properties on a lump-sum basis, which is the dominant fee model for property management services in China, according to CIA. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our revenue from property management services generated on a lump-sum basis accounted for 99.3%, 99.4%, 99.5%, 99.5% and 99.6% of our revenue from property management services, respectively.

During the Track Record Period, we derived substantially all of our revenue from property management services for properties developed by the Evergrande Group, which accounted for 99.8%, 98.9%, 98.4%, 98.4% and 98.8%, respectively, of our total revenue from property management services in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020.

The following table sets forth our GFA under management as of the dates indicated, and revenue generated from property management services for the periods indicated, each by type of property developer.

	As of or for the year ended December 31,												As of or for the six months ended June 30,			
	2017				2018				2019				2020			
	GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue		GFA under management	Number of properties under management	Revenue	
	(sq.m.'000)		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*	*(sq.m.'000)*		*(RMB'000)*	*(%)*
Properties developed by:																
The Evergrande Group[1]	137,836	418	2,532,597	99.8	183,121	524	3,425,456	98.9	233,969	664	4,538,996	98.4	251,339	697	2,790,733	98.8
Joint ventures of the Evergrande Group[2]	312	1	1,699	0.1	1,886	5	33,099	1.0	3,064	10	58,589	1.3	1,656	6	20,067	0.7
Independent third-party property developers[3]	200	2	4,096	0.1	401	5	5,835	0.1	822	12	14,627	0.3	1,024	13	13,461	0.5
Total	**138,348**	**421**	**2,538,392**	**100.0**	**185,408**	**534**	**3,464,390**	**100.0**	**237,855**	**686**	**4,612,212**	**100.0**	**254,019**	**716**	**2,824,261**	**100.0**

Notes:

(1) Refers to properties developed solely by the Evergrande Group or jointly by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the total equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations. The GFA and number of properties under management developed by joint ventures decreased from December 31, 2019 to June 30, 2020, primarily because the number of joint ventures involved decreased from ten to six as of the same dates, as four joint ventures became subsidiaries of the Evergrande Group in the six months ended June 30, 2020.

(3) Refers to properties developed solely by independent third-party property developers.

During the Track Record Period, substantially all of our revenue from property management services was derived from residential properties, which accounted for 96.6%, 98.1%, 98.1%, 97.9% and 97.9%, respectively, of our total revenue from property management services in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020. As of December 31, 2017, 2018 and 2019 and June 30, 2020, the GFA of residential properties under our management was 137.0 million sq.m., 183.8 million sq.m., 235.8 million sq.m. and 251.4 million sq.m., respectively. The increases in GFA of residential properties under our management during the Track Record Period were generally in line with our overall business expansion.

The following table sets forth a breakdown of our GFA under management as of the dates indicated, and our revenue generated from property management services for the periods indicated, each by property type.

	As of or for the year ended December 31,									As of or for the six months ended June 30,		
	2017			2018			2019			2020		
	GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Residential properties	136,966	2,452,466	96.6	183,753	3,398,385	98.1	235,788	4,524,308	98.1	251,355	2,763,869	97.9
Non-residential properties	1,382	85,926	3.4	1,655[1]	66,005[1]	1.9	2,067	87,904	1.9	2,664	60,392	2.1
Total	**138,348**	**2,538,392**	**100.0**	**185,408**	**3,464,390**	**100.0**	**237,855**	**4,612,212**	**100.0**	**254,019**	**2,824,261**	**100.0**

Note:

(1) Guilin Evergrande Square (桂林恒大廣場) project, a commercial complex which we managed in 2017, was temporarily managed by a related party engaging mainly in commercial property operations, between February 2018 and late December 2018. As such, it contributed only a limited amount of revenue to us in 2018 and resulted in a decrease in revenue derived from non-residential properties in 2018. As of December 31, 2017, 2018 and 2019 and June 30, 2020, approximately 0.3 million sq.m. of our GFA under management was related to this project.

During the Track Record Period, non-residential properties to which we provided property management services and from which we generated revenue from property management services included China Evergrande Centre (中國恒大中心), Guangzhou Evergrande Center (廣州恒大中心), Guilin Evergrande Plaza (桂林恒大廣場), Ningbo Evergrande City Light (寧波恒大城市之光), Yichang Evergrande Pedestrian Street (宜昌恒大步行街), Shenzhen Jianshe Building (深圳建設大廈), Hefei Evergrande Center (合肥恒大中心), Hefei Evergrande Plaza (合肥恒大廣場), Fushun Evergrande International Financial Center (撫順恒大國際金融中心), Harbin Evergrande International Center (哈爾濱恒大國際中心), Ji'nan Evergrande Times Fortune Center (濟南恒大時代財富中心), Shijiazhuang Evergrande Center (石家莊恒大中心), Guiyang Evergrande Center (貴陽恒大中心) and Nanchang Evergrande Famous City (南昌恒大名都). Save for these properties, all other properties from which we generated revenue from property management services during the Track Record Period were classified as residential properties.

The following table sets forth a breakdown of our total GFA under management as of the dates indicated, and our revenue from property management services for periods indicated, in absolute amount and as a percentage of our revenue from property management services, by geographic region.

	As of or for the year ended December 31,									As of or for the six months ended June 30,		
	2017			2018			2019			2020		
	GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue		GFA under management	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Eastern China(1)	34,577	533,688	21.0	48,595	739,114	21.3	62,271	1,033,728	22.4	67,248	635,907	22.5
Northern China(2)	14,206	254,276	10.0	19,328	429,776	12.4	23,071	537,303	11.7	25,074	301,495	10.7
Northwestern China(3)	7,077	123,671	4.9	8,553	159,898	4.6	10,930	205,003	4.4	11,329	118,933	4.2
Southern China(4)	19,042	423,294	16.7	28,909	586,882	16.9	39,934	834,704	18.1	42,948	558,827	19.8
Southwestern China(5)	23,476	449,687	17.7	29,177	562,931	16.3	36,971	706,765	15.3	39,914	449,995	15.9
Central China(6)	23,408	374,232	14.7	31,178	521,149	15.1	39,968	721,754	15.7	42,548	428,243	15.2
Northeastern China(7)	16,562	379,544	15.0	19,668	464,640	13.4	24,710	572,955	12.4	24,958	330,861	11.7
Total	**138,348**	**2,538,392**	**100.0**	**185,408**	**3,464,390**	**100.0**	**237,855**	**4,612,212**	**100.0**	**254,019**	**2,824,261**	**100.0**

Notes:

(1) Includes Anhui, Fujian, Jiangsu, Jiangxi, Shandong, Shanghai and Zhejiang.

(2) Includes Beijing, Hebei, Shanxi and Tianjin.

(3) Includes Gansu, Ningxia, Qinghai, Shaanxi and Xinjiang.

(4) Includes Guangdong, Guangxi, Hainan and Hong Kong.

(5) Includes Guizhou, Sichuan, Tibet, Yunnan and Chongqing.

(6) Includes Henan, Hubei and Hunan.

(7) Includes Heilongjiang, Jilin, Liaoning and Inner Mongolia.

Value-added Services to Non-property Owners

We provide value-added services to non-property owners, which mainly consisted of property developers during the Track Record Period. Such services primarily include (i) preliminary property management services, which comprise (a) construction site management services, (b) sales office management services and (c) consulting services; (ii) pre-delivery services; (iii) repair and maintenance services; and (iv) property transaction assistance services. The following table sets forth the components of our revenue from value-added services to non-property owners for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
							(unaudited)			
Preliminary property management services . .	1,597,021	99.2	1,906,198	90.6	1,605,862	74.8	790,724	74.9	710,944	57.7
Pre-delivery services . . .	–	–	176,789	8.4	463,586	21.6	233,385	22.1	312,753	25.4
Repair and maintenance services	9,158	0.6	13,633	0.7	6,570	0.3	4,677	0.4	159,435	13.0
Property transaction assistance services . . .	3,686	0.2	6,811	0.3	71,509	3.3	27,283	2.6	48,348	3.9
Total	**1,609,865**	**100.0**	**2,103,431**	**100.0**	**2,147,527**	**100.0**	**1,056,069**	**100.0**	**1,231,480**	**100.0**

Community Value-added Services

We generate revenue from providing community value-added services primarily to property owners and residents, comprising (i) community operation services, such as community space management services and group purchase facilitation; (ii) community asset management services, including parking space rental services, second-hand property transaction assistance services and recreation center operations; and (iii) community living services, such as household services and repair and maintenance.

The following table sets forth the components of our revenue from community value-added services for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Community asset management	174,317	69.4	234,034	69.8	302,846	52.9	135,967	53.3	165,975	32.7
Community operations services	25,675	10.2	36,657	10.9	202,239	35.3	96,177	37.7	305,757	60.2
Community living services	51,107	20.4	64,714	19.3	67,898	11.8	22,864	9.0	36,382	7.1
Total	**251,099**	**100.0**	**335,405**	**100.0**	**572,983**	**100.0**	**255,008**	**100.0**	**508,114**	**100.0**

Cost of Sales

Our cost of sales represents costs and expenses directly attributable to the provision of our services, which mainly consisted of (i) employee benefit expenses; (ii) greening and cleaning expenses; (iii) maintenance costs; (iv) utilities and (v) short-term and low-value lease expenses. The increase in cost of sales during the Track Record Period generally corresponded to our business growth, which was primarily attributable to the increase in our GFA under management resulting from the expansion of our property management services business.

The following table sets forth the components of our cost of sales for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Employee benefit expenses	2,848,770	71.8	3,687,640	71.2	3,760,047	67.4	1,841,467	69.0	1,784,813	63.2
Greening and cleaning expenses	418,145	10.5	632,066	12.2	790,194	14.2	354,601	13.3	430,203	15.2
Maintenance costs	254,729	6.4	270,754	5.2	304,640	5.5	155,029	5.8	258,032	9.1
Utilities	213,090	5.4	300,630	5.8	393,522	7.1	162,481	6.1	190,871	6.8
Short-term and low-value lease expenses	68,176	1.7	90,504	1.7	112,850	2.0	49,762	1.9	53,836	1.9
Others[(1)]	163,586	4.2	198,632	3.9	216,486	3.8	105,800	3.9	108,413	3.8
Total	**3,966,496**	**100.0**	**5,180,226**	**100.0**	**5,577,739**	**100.0**	**2,669,140**	**100.0**	**2,826,168**	**100.0**

Note:

(1) Others primarily include office and related expenses, depreciation and amortization, taxes and surcharges and community activities expenses.

During the Track Record Period, employee benefit expenses contributed a majority of our cost of sales. The increase in employee benefit expenses from 2017 to 2019 was mainly due to the increases in the average employee compensation, partially offset by slight decreases in the number of our employees. However, the percentage of employee benefit expenses in our cost of sales decreased slightly from 71.8% in 2017 to 71.2% in 2018 and further to 67.4% in 2019, and decreased from 69.0% in the six months ended June 30, 2019 to 63.2% in the six months ended June 30, 2020, while the absolute amount of employee benefit expenses decreased from RMB1,841.5 million in the six months ended June 30, 2019 to RMB1,784.8 million in the same period in 2020. Such decreases were primarily due to economies of scale achieved during our business expansion and our improved employee productivity and efficiency through the implementation of a series of cost control measures, such as centralizing headcount and salary management at headquarters level, implementing standardized employee responsibilities and work process, as well as adoption of smart information platform. The decrease in the first half of 2020 was also attributable to the deduction in or exemption of payment of social insurance contributions as a result of the regulatory supportive policies issued by the local government in response to the COVID-19 outbreak.

Greening and cleaning expenses mainly include the subcontracting costs for greening and cleaning services provided to the property projects under our management. Maintenance costs were mainly related to repair and maintenance of elevators, fire safety equipment and central air-conditioning systems. Our maintenance costs and the percentage of maintenance costs in our cost of sales increased significantly from RMB155.0 million and 5.8% in the six months ended June 30, 2019 to RMB258.0 million and 9.1% in the six months ended June 30, 2020 mainly because more elevators, fire safety equipment and central air-conditioning systems for the property projects delivered in 2017 and 2018 became due for major maintenance in the first half of 2020. Short-term and low-value lease expenses mainly include expenses incurred for leases with terms of less than one year.

The following table sets forth a breakdown of our cost of sales by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services.	2,317,601	58.4	3,150,583	60.8	3,795,752	68.0	1,793,870	67.2	1,875,682	66.4
Value-added services to non-property owners . .	1,528,744	38.5	1,869,315	36.1	1,537,825	27.6	762,430	28.6	772,496	27.3
Community value-added services.	120,151	3.1	160,328	3.1	244,162	4.4	112,840	4.2	177,990	6.3
Total	**3,966,496**	**100.0**	**5,180,226**	**100.0**	**5,577,739**	**100.0**	**2,669,140**	**100.0**	**2,826,168**	**100.0**

As the property management industry is labor-intensive, a substantial portion of our cost of services during Track Record Period were staff costs, which were variable in nature and would vary depending on the fluctuations in, among others, our GFA under management. The following table sets forth the breakdown of our cost of services by fixed and variable costs for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Fixed costs[(1)]	16,151	0.4	27,951	0.5	33,715	0.6	16,021	0.6	14,931	0.5
Variable costs[(2)]	3,950,345	99.6	5,152,275	99.5	5,544,024	99.4	2,653,119	99.4	2,811,237	99.5
Total	3,966,496	100.0	5,180,226	100.0	5,577,739	100.0	2,669,140	100.0	2,826,168	100.0

Notes:

(1) Our fixed costs mainly consists of depreciation and amortization charges.

(2) Our variable costs mainly consist of (i) employee benefit expenses; (ii) maintenance expenses; (iii) greening and cleaning expenses; (iv) tax and surcharges; and (v) other expenses, mainly comprised of utilities, short-term and low-value lease expenses and other miscellaneous expenses.

The following table sets forth sensitivity analysis of our gross profit margin for the year or period indicated with reference to the fluctuation of fixed costs or variable costs for illustrative purposes. The sensitivity analysis below demonstrates the impact of the hypothetical increase or decrease in fixed or variable costs of services on our gross profit margin, while all other factors remain unchanged.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
			(%)		
Gross profit margin for the year/period	9.8	12.2	23.9	23.0	38.1
Assuming 10% increase in fixed costs	17,766	30,746	37,087	17,623	16,424
(Decrease) in gross profit margin for the year/period	(0.04)	(0.05)	(0.05)	(0.05)	(0.03)
Assuming 10% (decrease) in fixed costs	(14,536)	(25,156)	(30,344)	(14,419)	(13,438)
Increase in gross profit margin for the year/period	0.04	0.05	0.05	0.05	0.03
Assuming 10% increase in variable costs	4,345,380	5,667,503	6,098,426	2,918,431	3,092,361
(Decrease) in gross profit margin for the year/period	(9.0)	(8.7)	(7.6)	(7.7)	(6.2)
Assuming 10% (decrease) in variable costs	(3,555,311)	(4,637,048)	(4,989,622)	(2,387,807)	(2,530,113)
Increase in gross profit margin for the year/period	9.0	8.7	7.6	7.7	6.2

Gross Profit and Gross Profit Margin

Our gross profit margin in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020 was 9.8%, 12.2%, 23.9%, 23.0% and 38.1%, respectively. Our overall gross profit margin increased during the Track Record Period, primarily attributable to:

- the significant growth in our property management services, attributable to, among others, (i) increased percentage of newly delivered property management projects with relatively high property management fees and (ii) our enhanced effort to charge property management fees for parking spaces since 2019, prior to which we did not charge fees for provision of parking spaces management services in general. As a result, our revenue from parking spaces management services increased by 101.2% from RMB181.6 million in the six months ended June 30, 2019 to RMB365.3 million in the six months ended June 30, 2020;

- the increased revenue contribution from our community value-added services which had higher gross profit margin than our property management services and value-added services to non-property owners, as the provision of community value-added services is less labor-intensive than the other two business lines. Our revenue from community value-added services as a percentage of our total revenue increased from 5.7% in 2017 and 2018 to 7.8% in 2019 and from 7.3% in the six months ended June 30, 2019 to 11.1% in the six months ended June 30, 2020;

- the continuous implementation of cost control measures. These measures included, among other things, (i) measures aiming at improving employee productivity and efficiency, such as centralizing headcount and salary management at headquarters level, implementing standardized employee responsibilities and work process and consolidating resources and eliminating redundant positions; (ii) adoption of smart information platform and broader application of more advanced devices and technologies to reduce needs for manpower such as in the areas of night-time patrol, facilities access control and customer services; (iii) centralizing procurement management, such as with respect to certain repair and maintenance services, to lower costs through standardizing processes, reducing inefficient manpower and securing greater discounts and better terms; (iv) measures to reduce waste and energy costs; and (v) streamlining decision-making process and improving management efficiency. For example, as the GFA under management in a certain city increases, we were able to share certain human resources and other overhead costs among different properties within the same or adjacent cities, thereby improving operating efficiency. For instance, in Guangzhou where we were incorporated, the average number of projects under our management per project manager increased from 1.27 in 2017 to 1.60 in 2018 and further to 1.78 in 2019. Our overall average number of projects under our management per project manager increased from 1.13 in 2017 to 1.29 in 2018 and further to 1.79 in 2019; and

- economies of scale as demonstrated by our improved operating efficiency, reduced per-person costs and broader service offerings provided to existing customers, as a result of our continuous business growth. During the Track Record Period, we experienced a steady growth in our total GFA under management, with a CAGR of approximately 31.1% from 2017 to 2019, which was higher than the CAGR of 18.6% and 14.9%, respectively from 2017 to 2019 for our cost of sales and our employee benefit expenses which contributed a majority of our cost of sales during the Track Record Period. In addition, the average GFA under our management per onsite staff increased from 2,553 sq.m. in 2017 to 3,635 sq.m. in 2018, to 4,684 sq.m. in 2019 and further to 5,676 sq.m. in the six months ended June 30, 2020, while the average monthly employee benefit expenses per sq.m. decreased from RMB1.72 in 2017 to RMB1.66 in 2018, to RMB1.32 in 2019 and further to RMB1.17 in the six months ended June 30, 2020.

In addition, the increase in our gross profit margin for the first half of 2020 was also attributable to the deduction in, or exemption of, payment of social insurance contributions as a result of the regulatory supportive policies issued by the local governments in response to the COVID-19 pandemic.

The following table sets forth our gross profit and gross profit margin by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	220,791	8.7	313,807	9.1	816,460	17.7	360,813	16.8	948,579	33.6
Value-added services to non-property owners	81,121	5.0	234,116	11.1	609,702	28.4	293,639	27.8	458,984	37.3
Community value-added services	130,948	52.2	175,077	52.2	328,821	57.4	142,168	55.8	330,124	65.0
Total	**432,860**	**9.8**	**723,000**	**12.2**	**1,754,983**	**23.9**	**796,620**	**23.0**	**1,737,687**	**38.1**

Property Management Services

The gross profit margin for this business line increased from 8.7% in 2017 to 9.1% in 2018, and further to 17.7% in 2019, and further increased from 16.8% in the six months ended June 30, 2019 to 33.6% in the six months ended June 30, 2020, mainly reflecting the increase in the gross profit margin attributable to properties developed by the Evergrande Group, primarily due to (i) greater economies of scale achieved during our business expansion, as demonstrated by the increase in our average GFA under management per onsite staff and the reduction in the average monthly employee benefit expenses per sq.m.; (ii) increased percentage of newly delivered property management projects with relatively high property management fees; (iii) our enhanced effort to charge property management fees for parking spaces since 2019, as a result of which our revenue from parking spaces management services increased by 101.2% from RMB181.6 million in the six months ended June 30, 2019 to RMB365.3 million in the six months ended June 30, 2020; and (iv) our cost control measures as described in "—Description of Selected Combined Statements of Comprehensive Income Line Items—Gross Profit and Gross Profit Margin." For example, we streamlined work processes and adopted more advanced devices and technologies to enhance productivity of our employees. While employee benefit expenses accounted for the majority of our cost of sales during the Track Record Period, such cost control measures enabled us to expand our scale of operations without incurring additional variable costs to the same extent, leading to the improvement in our gross margin. The increase in the first half of 2020 was also attributable to the deduction in or exemption of payment of social insurance contributions as a result of the regulatory supportive policies issued by the local government in response to the COVID-19 pandemic.

The following table sets forth our gross profit or loss and gross profit margin from property management services by type of property developer for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	Gross profit/loss	Gross profit margin	Gross profit/loss	Gross profit margin	Gross profit/loss	Gross profit margin	Gross profit/loss	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
The Evergrande Group[(1)]	222,429	8.8	313,970	9.2	803,662	17.7	353,152	16.6	939,194	33.7
Joint ventures of the Evergrande Group[(2)]	(651)	(38.3)	3,272	9.9	13,971	23.9	8,474	31.0	5,889	29.3
Independent third-party property developers[(3)]	(987)	(24.1)	(3,436)	(58.9)	(1,173)	(8.0)	(813)	(13.4)	3,496	26.0
Total/Overall	**220,791**	**8.7**	**313,807**	**9.1**	**816,460**	**17.7**	**360,813**	**16.8**	**948,579**	**33.6**

Notes:

(1) Refers to properties solely developed by the Evergrande Group or jointly developed by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the total equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations.

(3) Refers to properties developed solely by independent third-party property developers.

During the Track Record Period, the gross profit margin of property management services for projects developed by independent third-party property developers were considerably lower than those of our managed projects developed by the Evergrande Group and by its joint ventures, and we had a gross loss in 2017 with respect to property management services for projects developed by the joint ventures of the Evergrande Group mainly because we only managed one relevant project which commenced operations in the second half of 2017, and incurred relatively more costs at its early stage of operations in 2017. We had gross losses in 2017, 2018, 2019 and the six months ended June 30, 2019 with respect to property management services for projects developed by independent third-party property developers, mainly because (i) we managed only a limited number of projects developed by independent third-party property developers, and incurred relatively more costs at their early stage of operations and (ii) we only started to consistently charge property management fees for parking spaces since 2019. Because of the increased percentage of newly-delivered property management projects with relatively high property management fees, enhanced efforts to charge property management fees for parking spaces since 2019 and our cost control measures, our managed properties developed by independent third-party property developers had subsequently turned profitable in the first half of 2020, while those developed by the joint ventures of the Evergrande Group had turned profitable in 2018.

Gross profit margin for our property management services is also affected by the average property management fees per sq.m. per month we charge for our property management services and our cost of sales per sq.m. per month for providing such services. The overall average property management fees we charged per sq.m. per month was approximately RMB2.05, RMB2.14, RMB2.18, RMB2.17 and RMB2.22 in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively. The following table sets forth a breakdown of average property management fees for the periods indicated by property developer.

	For the year ended December 31,			For the six months ended June 30,	
	2017	2018	2019	2019	2020
	(RMB per sq.m. per month)				
The Evergrande Group[1]	2.02	2.11	2.13	2.13	2.18
Joint ventures of the Evergrande Group[2]	2.66	2.83	2.97	2.93	2.57
Independent third-party property developers[3]	2.16	2.31	2.32	2.28	2.52
Overall	**2.05**	**2.14**	**2.18**	**2.17**	**2.22**

Notes:

(1) Refer to properties developed solely by the Evergrande Group or jointly by the Evergrande Group and independent third-party property developers in which project the Evergrande Group held a controlling interest.

(2) Refers to properties jointly developed by the Evergrande Group and independent third-party property developers. Such joint ventures were not consolidated entities of the Evergrande Group. The Evergrande Group's interests in the joint ventures ranged from 9.5% to 60.0% as of June 30, 2020. For joint ventures in which the Evergrande Group held over 50% equity interests, the Evergrande Group does not have control because decision-making of such joint ventures typically requires the affirmative votes of at least two thirds of the total equity interests, and the Evergrande Group does not hold sufficient equity interests to control such joint ventures according to their articles of associations.

(3) Refer to properties developed solely by independent third-party property developers.

We only had a limited number of properties under management that were developed by joint ventures of the Evergrande Group and independent third-party property developers during the Track Record Period. The average property management fees of properties developed by joint ventures of the Evergrande Group were higher than those of properties developed by the Evergrande Group and independent third-party property developers during the Track Record Period, mainly because properties developed by joint ventures of the Evergrande Group were relatively new and high-end properties primarily located in provincial capitals and major regional cities such as Shenyang, Hohhot, Chengdu and Dalian. The monthly property management service fees for properties developed by independent third-party property developers were higher than those for properties developed by the Evergrande Group during the Track Record Period, primarily because properties developed by independent third-party property developers were mainly located in tier-one and tier-two cities while properties developed by the Evergrande Group cover a wide range of cities across different tiers of cities in China. The increase in the average property management fees for properties developed by independent third-party property developers in the 2018 was mainly attributable to two newly delivered property projects for our management during the period, namely, Hohhot Feicui Huating (呼和浩特翡翠華庭) and Wenchang Jintang Habor (文昌晉唐海灣), with relatively high property management fees. The increase in the average property management fees for properties developed by independent third-party property developers in the six months ended June 30, 2020 was mainly because we had three new property projects delivered to us for management during the period, namely, Qingdao Shuijing Plaza (青島水晶廣場), Kunming Kunhai Lake (昆明昆海湖) and Chengdu Yinhai Lake (成都銀海湖), which had relatively high property management fees. The decrease in the average property management fees for residential properties developed by joint ventures of the Evergrande Group in the six months ended June 30, 2020 were mainly (i) due to a newly delivered project for our management in Hunan province, Chenzhou Evergrande Linxijun (郴州恒大林溪郡), with relatively low property management fee; and (ii) because the property developer of a project under our management in Hainan province, Haikou Evergrande Meilisha (海口恒大美麗沙), which had relatively high property management fee in 2019, was recognized as our subsidiary in the first half of 2020.

The following table sets forth a breakdown of our average property management fee per sq.m. per month for the periods indicated by property type.

	For the year ended December 31,			For the six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	(RMB per sq.m. per month)				
Residential properties	2.02	2.11	2.14	2.14	2.19
Non-residential properties	5.05	5.18	6.11	5.84	5.94
Overall	**2.05**	**2.14**	**2.18**	**2.17**	**2.22**

The relatively high average property management fees of non-residential properties in 2019, which then decreased in the six months ended June 30, 2020, was primarily due to the increased proportion of high-end commercial properties under our management with relatively high property management fees in the second half of 2019, such as Shijiazhuang Evergrande Center (石家莊恒大中心), a high-end office building, and Ningbo Evergrande City Light (寧波恒大城市之光), a high-end commercial complex.

Value-added Services to Non-property Owners

Gross profit margin for our value-added services to non-property owners was 5.0%, 11.1%, 28.4%, 27.8% and 37.3%, respectively, in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020. The gross profit margin for our value-added services to non-property owners experienced an upward trend during the Track Record Period, primarily due to (i) economies of scale as a result of our continuous business growth; (ii) introduction of pre-delivery services and property transaction assistance services, which had higher gross profit margins. Our revenue from pre-delivery services as a percentage of our revenue from value-added services to non-property owners increased from nil in 2017 to 8.4% in 2018 and to 21.6% in 2019, and from 22.1% in the six months ended June 30, 2019 to 25.4% in the six months ended June 30, 2020; and (iii) our cost control measures.

Our gross profit margin for value-added services to non-property owners increased to 37.3% in the six months ended June 30, 2020 from 27.8% in the six months ended June 30, 2019, primarily as a result of (i) economies of scale as a result of our continuous business growth; (ii) the expanded scale of our repair and maintenance services within their quality warranty periods; (iii) our expanded pre-delivery services and property transaction assistance services with relatively high gross profit margins; and (iv) the continuous implementation of our cost control measures as described in "—Description of Selected Combined Statements of Comprehensive Income Line Items—Gross Profit and Gross Profit Margin." The increase to 28.4% in 2019 from 11.1% in 2018 was primarily due to (i) greater economies of scale achieved during our business expansion; (ii) introduction of pre-delivery cleaning service and expansion of our property transaction assistance services for facilitating sales of parking spaces which had higher gross profit margin; (iii) our continuous implementation of cost control measures and introduction of new measures such as the adoption in 2019 of standardized performance review procedures based on gross profit margin and net profit to closely monitor performance of each project and effectively control costs; and (iv) the increased profit margin of our preliminary property management services, which accounted for a major portion of our revenue from value-added services to non-property owners, as we increased our average service fee per person for some of the services we offer, such as various sales office management services and consulting services. The increase to 11.1% in 2018 from 5.0% in 2017 was primarily due to (i) greater economies of scale achieved during our business expansion; (ii) our introduction of pre-delivery inspection service and, to a lesser extent, expansion of our property transaction assistance services for facilitating lease of parking spaces, which had higher gross profit margin; and (iii) our cost control measures, such as centralizing headcount and salary management at headquarters level and utilizing smart information platform to improve customer experience, reduce reliance on manual labor, and lower operating costs starting from 2018.

The following table sets forth our gross profit margin from value-added services to non-property owners by type of property developer for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2017	2018	2019	2019	2020
			(%)		
The Evergrande Group	5.1	11.4	29.2	28.5	38.0
Joint ventures of the Evergrande Group	3.2	11.1	16.5	18.6	16.1
Independent Third Parties	2.8	(6.0)	9.8	13.8	28.5
Total	**5.0**	**11.1**	**28.4**	**27.8**	**37.3**

During the Track Record Period, our value-added services to non-property owners were only provided to a limited number of projects developed by independent third-party property developers. Our gross profit margin attributable to properties developed by Independent Third Parties was negative in 2018, mainly because we incurred relatively more costs, primarily employee benefit expenses, for certain new projects at their early stage of operations in 2018.

Community Value-added Services

Gross profit margin for our community value-added services was 52.2%, 52.2%, 57.4%, 55.8% and 65.0%, respectively, in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020. The gross profit margin for community value-added services increased during the Track Record Period, primarily reflecting (i) economies of scale as a result of our continuous business growth as demonstrated by our broader service offerings provided to existing customers; (ii) additional revenue from our parking space rental services as a result of our enhanced efforts to charge temporary parking fees or monthly rental fees for our parking space rental services. Our revenue from parking spaces rental services for our community value-added services increased from RMB172.0 million in 2017 to RMB227.4 million in 2018 and further to RMB291.8 million in 2019 and increased from RMB131.5 million in the six months ended June 30, 2019 to RMB164.0 million in the six months ended June 30, 2020; (iii) introduction of diversified value-added services to property owners and residents, mainly community space management services and group purchase facilitation that had higher gross profit margins; and (iv) our cost control measures.

Our gross profit margin for community value-added services increased to 65.0% in the six months ended June 30, 2020 from 55.8% in the six months ended June 30, 2019, primarily as a result of (i) economies of scale as a result of our continuous business growth; (ii) the growing demand for our group purchase facilitation; (iii) the continuous implementation of our cost control measures as described in "—Description of Selected Combined Statements of Comprehensive Income Line Items—Gross Profit and Gross Profit Margin;" and (iv) increased revenue from community operations services as we provided more advertising services. The increase to 57.4% in 2019 from 52.2% in 2018 was primarily attributable to (i) economies of scale achieved during our business expansion; (ii) introduction of community space management services and group purchase facilitation that had higher gross profit margins; and (iii) our continuous implementation of cost control measures, such as utilizing online and offline platforms to expand our service channels.

The following table sets forth our gross profit margin from community value-added services by type of property developer for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
			(%)		
The Evergrande Group	52.2	52.3	57.6	55.9	65.1
Joint ventures of the Evergrande Group	21.1	34.8	33.3	10.2	20.6
Independent Third Parties	23.4	6.5	33.6	50.8	18.9
Total	**52.2**	**52.2**	**57.4**	**55.8**	**65.0**

During the Track Record Period, we provided community value-added services to only a limited number of projects developed by independent third-party property developers. Our gross profit margin attributable to properties developed by Independent Third Parties was relatively low in 2018, mainly because we incurred relatively more costs for three newly delivered projects, Hohhot Feicui Huating (呼和浩特翡翠華庭), Wenchang Jintang Habor (文昌晉唐海灣) and Deyang Evergrande Shoufu (德陽恒大首府), at their early stage of operations in 2018. Our gross profit margin attributable to properties developed by Independent Third Parties decreased from the six months ended June 30, 2019 to the same period in 2020, mainly due to the relatively high costs and low revenue from three projects, Qingdao Shuijing Plaza (青島水晶廣場), Kunming Kunhai Lake (昆明昆海湖) and Chengdu Yinhai Lake (成都銀海湖), which were only delivered to us for management in the second half of 2019.

Administrative Expenses

Our administrative expenses mainly consist of (i) employee benefit expenses for our administrative staff, (ii) tax and other levies, (iii) travelling and entertainment expenses, (iv) office expenses, (v) bank charges, (vi) short-term and low-value lease expenses related to dormitory for our administrative staff and offices, (vii) depreciation and amortization, and (viii) other miscellaneous administrative expenses, such as professional fees, telecommunication and training expenses.

During the Track Record Period, employee benefit expenses contributed the majority of our administrative expenses. Our employee benefit expenses increased mainly due to the increase in the number of our administrative staff and the average employee compensation.

The following table sets forth the components of our administrative expenses for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Employee benefit expenses	175,831	68.3	293,667	73.2	373,048	72.4	161,649	69.8	163,277	72.8
Tax and other levies	18,310	7.1	23,220	5.8	30,005	5.8	14,243	6.1	14,954	6.7
Travelling and entertainment expenses	22,647	8.8	27,151	6.8	37,322	7.2	15,894	6.8	12,674	5.6
Office expenses	7,166	2.8	9,055	2.3	8,015	1.6	7,319	3.2	7,345	3.3
Bank charges	19,409	7.5	23,163	5.8	16,025	3.1	7,091	3.1	6,842	3.0
Short-term and low-value lease expenses	2,091	0.8	7,780	1.9	11,160	2.2	5,506	2.4	6,454	2.9
Depreciation and amortization charges	2,638	1.0	3,072	0.8	4,256	0.8	2,298	1.0	3,229	1.4
Others	9,218	3.7	14,137	3.4	35,230	6.9	18,087	7.6	9,585	4.3
Total	**257,310**	**100.0**	**401,245**	**100.0**	**515,061**	**100.0**	**232,087**	**100.0**	**224,360**	**100.0**

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets are provisions for losses arising from potential bad debts in respect of our trade receivables and other receivables in the ordinary course of business. We assess impairment losses on financial assets based on a number of factors, including historical payment records and forward-looking information. See note 3.1.2 to the Accountants' Report in Appendix I to this Prospectus. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our impairment losses on financial assets was RMB43.8 million, RMB18.2 million, RMB48.2 million, RMB25.7 million and RMB46.9 million, respectively. We recorded relatively low net impairment losses on financial assets in 2018, primarily due to the increased settlement of overdue property management fees by property owners in connection with a promotional activity we held in late 2018 to encourage settlement and advance payments of property management fees by offering certain discounts to the property owners and residents for their property management fees payable to us.

Other Income

Our other income mainly consisted of (i) government grants which mainly included (a) government subsidies to support local corporate and economic development and to encourage our effort of stabilizing employment, as well as (b) value-added tax refund as a result of implementation of Announcement on Policies for Deepening the VAT Reform, the newly issued tax regulations on value-added tax deductions in April 2019 which allows the taxpayers engaged in production or livelihood services to enjoy additional 10% input value-added tax deduction in the current period from the tax amount payable; (ii) other income from overdue fine mainly as a result of compensation from property owners and residents for overdue property management fees; and (iii) interest income on bank deposit.

The following table sets forth the components of our other income for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Government grants	5,436	30.4	7,730	38.7	50,887	76.5	10,573	64.0	37,920	81.8
Income from overdue fine	4,250	23.7	4,608	23.1	8,110	12.2	2,244	13.6	5,974	12.9
Interest income	6,514	36.4	5,130	25.7	3,590	5.4	1,973	12.0	1,463	3.2
Others[(1)]	1,701	9.5	2,516	12.5	3,963	5.9	1,718	10.4	1,022	2.1
Total	**17,901**	**100.0**	**19,984**	**100.0**	**66,550**	**100.0**	**16,508**	**100.0**	**46,379**	**100.0**

Note:

(1) Others mainly include revenue derived from disposal of waste materials.

Other Losses—net

Our net other losses mainly consisted of (i) losses on disposal of property and equipment and (ii) net foreign exchange gains or losses. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our net other losses amounted to RMB47,000, RMB0.1 million, RMB0.2 million, RMB31,000 and RMB0.1 million, respectively.

Finance Costs

Our finance costs consisted of (i) interest expenses on borrowings, (ii) interests paid or payable for lease liabilities which mainly represents interests charged to profit or loss over the lease period under certain lease arrangements for properties under HKFRS 16; and (iii) other finance costs deemed to be incurred as a result of the discount offered by us to the individual property owners for their prepayments of property management fees.

The following table sets forth the components of our net finance cost for the years indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2017		2018		2019		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Interest expenses on borrowings	11,745	92.8	11,610	88.5	4,856	16.8	4,849	29.0	110	0.9
Interests on lease liabilities	917	7.2	1,512	11.5	1,574	5.4	813	4.9	756	6.1
Other finance costs	–	–	–	–	22,453	77.8	11,066	66.1	11,583	93.0
Total	**12,662**	**100.0**	**13,122**	**100.0**	**28,883**	**100.0**	**16,728**	**100.0**	**12,449**	**100.0**

Income Tax Expenses

Income tax expense consisted of current and deferred income taxes payable by us in the PRC.

	For the year ended December 31,			For the six months ended June 30,	
	2017	2018	2019	2019	2020
			(RMB'000)		
				(unaudited)	
Current income tax	7,332	88,447	309,367	137,940	365,311
Deferred income tax	23,046	(17,163)	(10,706)	(6,653)	(12,763)
Total tax charged for the year/period	**30,378**	**71,284**	**298,661**	**131,287**	**352,548**

Income tax provision in respect of our operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year or period, based on existing legislation and interpretations and practices in respect thereof. The statutory tax rate was 25% for the Track Record Period. Certain of our subsidiaries and branches are located in western China, which enjoyed a preferential income tax rate of 15% during the Track Record Period. Our subsidiary and branches located in Hainan Province enjoy a preferential income tax rate of 15% from January 1, 2020 to December 31, 2024.

Our Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. Our subsidiaries in the BVI was incorporated under the International Business Companies Act of the BVI and accordingly, is exempted from British Virgin Island income tax. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the current period in respect of operations in Hong Kong. Except for Fortune Ascent, our other subsidiaries incorporated in Hong Kong did not have assessable profit in Hong Kong during the Track Record Period.

In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our effective income tax rates, calculated as income tax expenses divided by profit before income tax, remained relatively stable at 22.2%, 23.0%, 24.3%, 24.4% and 23.5%, respectively, which are lower than the PRC statutory corporate income tax rate of 25% primarily because of the preferential income tax rate of 15% enjoyed by certain of our subsidiaries located in western China and Hainan Province. During the Track Record Period and up to the Latest Practicable Date, we had paid all applicable taxes when due and there were no matters in dispute or unresolved with any tax authorities.

See note 23 to the Accountants' Report in Appendix I to this Prospectus for more information on the deferred tax assets.

We recorded current income tax expenses of RMB7.3 million, RMB88.4 million, RMB309.4 million and RMB365.3 million, respectively, for the year ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020 in accordance with HKFRSs, which were determined based on when the revenue from the delivery of goods or rendering of services to customer is earned (the "Accrual Basis"). We paid PRC enterprise income tax of RMB2.3 million, RMB2.5 million, RMB7.5 million and RMB15.5 million, respectively, in 2017, 2018, 2019 and the six months ended June 30, 2020. See "Appendix I—Accountants' Report—I. Historical Financial Information of the Group." The differences between the current income tax expenses and the PRC enterprise income tax paid were mainly due to the timing difference of revenue and cost recognition. As a result of the differences between the current income tax expenses and the PRC enterprise income tax paid, we recorded current tax liabilities of RMB10.5 million, RMB96.5 million, RMB398.4 million and RMB748.2 million, respectively, as of December 31, 2017, 2018 and 2019 and June 30, 2020. The current tax liabilities of RMB748.2 million as of June 30, 2020 consisted of (i) current income tax expenses incurred for the year of 2019 of RMB309.4 million, which would have been paid by May 31, 2020 but for the tax filing extension granted by the relevant tax authorities in light of the COVID-19 pandemic; (ii) the remaining current income tax payables for the six months ended June 30, 2020 of RMB349.8 million, which will be due by May 31, 2021; and (iii) the adjustment of approximately RMB89.0 million for the previous years as described below. We typically make annual tax filings in accordance with the EIT Law requirement, which provides that annual tax filings for a given year shall be made, and any final tax payment shall be made, within five months after the relevant year end. Due to the COVID-19 pandemic, we applied for an extension of the deadline for the 2019 EIT annual tax filing in 2020 to August 31, 2020, which was approved by relevant tax authorities.

Pursuant to the relevant PRC requirements, accounts to be filed for income tax computation purpose should, in principle, be determined based on the Accrual Basis, regardless of the timing of payment or collections. We reported our annual tax with certain revenue and expenses recorded for the years before 2019 on cash or invoice basis, mainly due to our experience in the industry that tax filings based on amounts received or paid, or invoices issued or obtained, is common and that tax computation on such basis would be practically convenient given that documentary evidence can be easily provided to the relevant tax authorities. Starting from our EIT annual tax filing for 2019 in 2020, we adopted more stringent financial reporting and tax filing practice and also applied the Accrual Basis retrospectively. Based on our EIT annual tax filing for 2019, we made a combined tax payment of approximately RMB398.4 million, including the final annual tax payment for 2019 of RMB309.4 million and a total adjustment of approximately RMB89.0 million in respect of the timing difference for the previous years, which was fully settled in August 2020. Moreover, we have reported and made quarterly tax prepayment for the six months ended June 30, 2020 on the Accrual Basis, in the amount of approximately RMB365.3 million, among which RMB15.5 million and RMB349.8 million was paid in April and July 2020, respectively. As of August 31, 2020, we had fully settled our current tax liabilities of RMB748.2 million as of June 30, 2020.

Our Directors confirmed that we had no EIT tax payment outstanding for the Track Record Period and as of the Latest Practicable Date. Considering that (i) during the Track Record Period and up to the Latest Practicable Date, we had not been charged any penalty with respect to tax filings we had made; (ii) we have adopted the Accrual Basis for tax computation in EIT annual tax filings starting from our EIT annual tax filing for 2019 and will use the Accrual Basis for EIT annual tax filings going forward; (iii) we have made the relevant adjustments for the above-mentioned tax filing matters and that no EIT tax payment was outstanding; and (iv) we consulted with the relevant tax authority, which, as advised by our PRC Legal Advisor, is the competent tax authority to review the EIT allocation form filed by Jinbi Property, the holding company of our PRC subsidiaries, and confirmed that Jinbi Property had no tax payment outstanding and no material tax violations in the past three years, and that the tax credit rating of Jinbi Property in the past three years was A-level, we were of the view that the tax filing matters discussed above were not material issues and would not have a material impact on our business, financial performance and results of operations.

We have also implemented the following enhanced internal control measures in September 2020: (i) we have adopted a tax management policy which clearly requires the adoption of the Accrual Basis for tax filings; (ii) we require subsidiaries and branches to collect and study local tax regulations and new policies which may be issued and amended from time to time; (iii) we have formulated future training plans and will arrange our relevant employees to attend trainings on applicable laws and regulations on a regular basis; and (iv) we have further established internal procedures to conduct internal inspections on tax compliance annually and if needed, will formulate correction measures and plans in a timely manner, designate responsible personnel and monitor and review correction progress to ensure compliance with the applicable laws and regulations.

RESULTS OF OPERATIONS

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2019

Revenue

Our revenue increased by 31.7% to RMB4,563.9 million in the six months ended June 30, 2020 from RMB3,465.8 million in the six months ended June 30, 2019. The increase in our revenue was primarily attributable to the increases in revenue from our property management services, value-added services to non-property owners and community value-added services, as we continuously expanded our business scale.

- **Property management services**. Revenue from property management services increased by 31.1% to RMB2,824.3 million in the six months ended June 30, 2020 from RMB2,154.7 million in the six months ended June 30, 2019, primarily attributable to (i) an increase in our total GFA under management from 202.0 million sq.m. as of June 30, 2019 to 254.0 million sq.m. as of June 30, 2020, mainly as a result of our business expansion in Eastern China, Southern China and Southwestern China; (ii) an increase of average property management service fee from RMB2.17 per sq.m per month for the six months ended June 30, 2019 to RMB2.22 per sq.m. per month for the six months ended June 30, 2020; and (iii) our enhanced efforts to charge property management fees for parking spaces since 2019.

- **Value-added services to non-property owners**. Revenue from value-added services to non-property owners increased by 16.6% to RMB1,231.5 million in the six months ended June 30, 2020 from RMB1,056.1 million in the six months ended June 30, 2019, primarily attributable to the increased revenue from (i) repair and maintenance services driven by the higher GFA within the quality warranty periods. Prior to 2020, non-property owners, including both the Evergrande Group and Independent Third Parties, mainly engaged other service providers for repair and maintenance. Leveraging our experience in offering value-added services to non-property owners, we expanded repair and maintenance services to more projects in the first half of 2020 to further improve customer satisfaction as we are able to provide more timely response and high-quality services to property owners and residents; and (ii) pre-delivery services mainly due to the expanded pre-delivery cleaning services arising from the higher volume of properties being developed and delivered during the period.

- **Community value-added services**. Revenue from community value-added services to property owners increased by 99.3% to RMB508.1 million in the six months ended June 30, 2020 from RMB255.0 million in the six months ended June 30, 2019, primarily driven by (i) an increase in the number of communities under our management and the residents whom we served, as a result of our business expansion; (ii) increased demand for our group purchase facilitation services which enhance convenience and safety for property owners and residents and improve customer experience, especially during lock-down due to the COVID-19 pandemic, while we also enhanced our efforts to expand such services to more properties under our management through various measures, including setting revenue from such services as performance indicator to incentivize employees to promote such services at our managed communities; and (iii) increased revenue from community operations services as we provided more advertising services.

Cost of Sales

Our cost of sales increased by 5.9% to RMB2,826.2 million in the six months ended June 30, 2020 from RMB2,669.1 million in the six months ended June 30, 2019, primarily due to our increased GFA under management mainly resulting from the expansion of our property management services business, partially offset by a decrease in employee benefit expenses as a result of (i) our improved employee productivity and efficiency attributable to our cost control measures and (ii) the deduction in, or exemption of, payment of social insurance contributions as a result of the regulatory supportive policies issued by the local government in response to the COVID-19 pandemic.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly to RMB1,737.7 million in the six months ended June 30, 2020 from RMB796.6 million in the six months ended June 30, 2019. Our gross profit margin increased to 38.1% in the six months ended June 30, 2020 from 23.0% in the six months ended June 30, 2019.

- **Property management services**. Our gross profit margin for property management services increased to 33.6% in the six months ended June 30, 2020 from 16.8% in the six months ended June 30, 2019, primarily as a result of (i) greater economies of scale achieved during our business expansion; (ii) increased percentage of newly delivered property management projects with relatively high property management fees; (iii) our enhanced effort to charge property management fees for parking spaces; (iv) the continuous implementation of our cost control measures as described in "—Description of Selected Combined Statements of Comprehensive Income Line

Items—Gross Profit and Gross Profit Margin;" and (v) the deduction in, or exemption of, payment of social insurance contributions as a result of the regulatory supportive policies issued by the local governments in response to the COVID-19 pandemic.

- **Value-added services to non-property owners**. Our gross profit margin for value-added services to non-property owners increased to 37.3% in the six months ended June 30, 2020 from 27.8% in the six months ended June 30, 2019, primarily as a result of (i) economies of scale as a result of our continuous business growth; (ii) the expanded scale of our repair and maintenance services within their quality warranty periods; (iii) our expanded pre-delivery services and property transaction assistance services with relatively high gross profit margins; and (iv) the continuous implementation of our cost control measures as described in "—Description of Selected Combined Statements of Comprehensive Income Line Items—Gross Profit and Gross Profit Margin."

- **Community value-added services**. Our gross profit margin for community value-added services increased to 65.0% in the six months ended June 30, 2020 from 55.8% in the six months ended June 30, 2019, primarily as a result of (i) economies of scale as a result of our continuous business growth; (ii) the growing demand for our group purchase facilitation; (iii) the continuous implementation of our cost control measures as described in "—Description of Selected Combined Statements of Comprehensive Income Line Items—Gross Profit and Gross Profit Margin;" and (iv) increased revenue from community operations services as we provided more advertising services.

Administrative Expenses

Our administrative expenses decreased slightly to RMB224.4 million in the six months ended June 30, 2020 from RMB232.1 million in the six months ended June 30, 2019. Administrative expenses in the six months ended June 30, 2019 was relatively high as we recorded a one-off compensation in relation to the early termination of a contract with a heating supplier.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased by 82.8% to RMB46.9 million in the six months ended June 30, 2020 from RMB25.7 million in the six months ended June 30, 2019, primarily due to the increase in allowance for impairment of trade and notes receivables due from third parties for our property management services.

Other Income

Our other income increased significantly to RMB46.4 million in the six months ended June 30, 2020 from RMB16.5 million in the six months ended June 30, 2019, primarily attributable to (i) increased government subsidies for our active participation in epidemic prevention, employment of retired soldier and additional deduction of input tax and (ii) an increase in other income from overdue fine mainly related to overdue payment of property management fees.

Other Losses—net

Our net other losses amounted to RMB0.03 million and RMB0.1 million, respectively, in the six months ended June 30, 2019 and 2020.

Finance Costs

Our finance costs decreased by 25.6% to RMB12.4 million in the six months ended June 30, 2020 from RMB16.7 million in the six months ended June 30, 2019, primarily due to our decreased interest expenses on bank and other borrowings.

Profit before Income Tax

As a result of the foregoing, our profit before income tax increased significantly to RMB1,500.2 million in the six months ended June 30, 2020 from RMB538.6 million in the six months ended June 30, 2019.

Income Tax Expenses

Our income tax expenses increased significantly to RMB352.5 million in the six months ended June 30, 2020 from RMB131.3 million in the six months ended June 30, 2019, primarily due to the increase in taxable income.

Profit for the Period

As a result of the foregoing, our profit for the period increased significantly to RMB1,147.7 million in the six months ended June 30, 2020 from RMB407.3 million in the six months ended June 30, 2019. Our net profit margin was 11.8% and 25.1% in the six months ended June 30, 2019 and 2020, respectively.

2019 Compared to 2018

Revenue

Our revenue increased by 24.2% to RMB7,332.7 million in 2019 from RMB5,903.2 million in 2018. The increase in our revenue was primarily attributable to the increases in revenue from property management services and, to a lesser extent, revenue from community value-added services, as a result of an increase in our total GFA under management.

- **Property management services**. Revenue from property management services increased by 33.1% to RMB4,612.2 million in 2019 from RMB3,464.4 million in 2018, primarily attributable to (i) an increase in our total GFA under management from 185.4 million sq.m. as of December 31, 2018 to 237.9 million sq.m. as of December 31, 2019, mainly as a result of our business expansion in Eastern China, Southern China and Central China; (ii) an increase of average property management service fee from RMB2.14 per sq.m per month for 2018 to RMB2.18 per sq.m. per month for 2019; and (iii) our enhanced efforts to charge property management fees for parking spaces since 2019.

- **Value-added services to non-property owners**. Revenue from value-added services to non-property owners increased slightly to RMB2,147.5 million in 2019 from RMB2,103.4 million in 2018, primarily attributable to (i) our continued efforts to diversify our service offerings such as by introducing pre-delivery cleaning services to further solidify our relationship with property developers and (ii) the increased revenue from property transaction assistance services for parking spaces, as such business became more mature in 2019. The increase was partially offset by a decrease in revenue from preliminary property management services, as our customer requested for a smaller, yet efficient, team to perform the services for each project. Our service fees for preliminary property management services are linked to the size of the team deployed for the relevant project. We increased our average service fee per person accordingly, which partially offset the effect of the reduced team size.

- **Community value-added services**. Revenue from community value-added services increased by 70.8% to RMB573.0 million in 2019 from RMB335.4 million in 2018, primarily due to (i) increased revenue from community operations services, as we started to facilitate group purchase and sale of agricultural products in 2019, which bring convenience to property owners and residents and improve customer experience. We also enhanced our efforts to expand such services to more properties under our management through various measures, including setting revenue from such services as performance indicator to incentivize employees to promote such services at our managed communities; (ii) increased revenue from community asset management services as a result of our enhanced efforts to charge temporary parking fees or monthly rental fees for our parking space rental services; and (iii) an increase in the number of communities under our management and the residents whom we served.

Cost of Sales

Our cost of sales increased by 7.7% to RMB5,577.7 million in 2019 from RMB5,180.2 million in 2018, primarily due to increases in (i) employee benefit expenses because of our improved employee benefits and (ii) utilities and greening and cleaning expenses as a result of our increased GFA under management.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly to RMB1,755.0 million in 2019 from RMB723.0 million in 2018. Our overall gross profit margin increased to 23.9% in 2019 from 12.2% in 2018, primarily attributable to increases in the gross profit margin for each of our three business lines.

- **Property management services**. Our gross profit margin for property management services increased to 17.7% in 2019 from 9.1% in 2018, primarily attributable to (i) greater economies of scale achieved during our business expansion; (ii) increased percentage of newly delivered property management projects with relatively high gross profit margins due to higher property management fees; (iii) our enhanced efforts to charge property management fees for parking spaces since 2019; and (iv) our continuous implementation of cost control measures and introduction of new measures such as the adoption in 2019 of standardized performance review procedures based on gross profit margin and net profit to closely monitor performance of each project and effectively control costs.

- **Value-added services to non-property owners**. Our gross profit margin for value-added services to non-property owners increased to 28.4% in 2019 from 11.1% in 2018, primarily due to (i) greater economies of scale achieved during our business expansion; (ii) introduction of pre-delivery cleaning service and expansion of our property transaction assistance services for facilitating sales of parking spaces which had higher gross profit margin; (iii) our continuous implementation of cost control measures and introduction of new measures such as the adoption in 2019 of standardized performance review procedures based on gross profit margin and net profit to closely monitor performance of each project and effectively control costs; and (iv) the increased profit margin of our preliminary property management services, which accounted for a major portion of our revenue from value-added services to non-property owners, as we increased our average service fee per person for some of the services we offer, such as various sales office management services and consulting services.

- **Community value-added services**. Our gross profit margin for community value-added services increased to 57.4% in 2019 from 52.2% in 2018, primarily attributable to (i) economies of scale achieved during our business expansion; (ii) introduction of community space management services and group purchase facilitation that had higher gross profit margins; and (iii) our continuous implementation of cost control measures, such as utilizing online and offline platforms to expand our service channels.

Administrative Expenses

Our administrative expenses increased by 28.4% to RMB515.1 million in 2019 from RMB401.2 million in 2018, primarily due to an increase in employee benefit expenses as a result of increased headcount of our administrative staff, which was in line with our business expansion, and the increase in the average employee compensation.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased significantly to RMB48.2 million in 2019 from RMB18.2 million in 2018, primarily due to the increase in allowance for impairment of trade receivables due from third parties for our property management services, generally in line with our business expansion.

Other Income

Our other income increased significantly to RMB66.6 million in 2019 from RMB20.0 million in 2018, primarily due to the increases in (i) government grants as a result of (a) financial subsidies from local government to support local corporate and economic development and to encourage our effort of stabilizing employment, as well as (b) value-added tax refund as a result of implementation of Announcement on Policies for Deepening the VAT Reform, the newly issued tax regulations on value-added tax deductions in April 2019 which allows the taxpayers engaged in production or livelihood services to enjoy additional 10% input value-added tax deduction in the current period from the tax amount payable; and (ii) other income from overdue fine for late payment of property management fees in 2019, which was generally in line with our business growth.

Other Losses—net

Our net other losses remained relatively stable at RMB0.1 million and RMB0.2 million in 2018 and 2019, respectively.

Finance Costs

Our finance costs increased significantly to RMB28.9 million in 2019 from RMB13.1 million in 2018, primarily attributable to other finance costs deemed to be incurred as a result of the discount offered by us to the individual property owners for their advanced payments of property management fees.

Profit before Income Tax

As a result of the foregoing, our profit before income tax increased significantly to RMB1,229.2 million in 2019 from RMB310.3 million in 2018.

Income Tax Expenses

Our income tax expenses increased significantly to RMB298.7 million in 2019 from RMB71.3 million in 2018, primarily due to the increase in taxable income.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly to RMB930.5 million in 2019 from RMB239.0 million in 2018, and our net profit margin for the year increased to 12.7% in 2019 from 4.0% in 2018.

2018 Compared to 2017

Revenue

Our revenue increased by 34.2% to RMB5,903.2 million in 2018 from RMB4,399.4 million in 2017. The increase in our revenue was primarily attributable to the increases in the revenue from our property management services, value-added services to non-property owners and community value-added services as a result of our overall business growth.

- **Property management services**. Revenue from property management services increased by 36.5% to RMB3,464.4 million in 2018 from RMB2,538.4 million in 2017, primarily attributable to (i) an increase in our total GFA under management from 138.3 million sq.m. as of December 31, 2017 to 185.4 million sq.m. as of December 31, 2018, as a result of our business expansion in Eastern China, Northern China and Central China; and (ii) an increase of average property management service fee from RMB2.05 per sq.m per month for 2017 to RMB2.14 per sq.m. per month for 2018.

- **Value-added services to non-property owners**. Revenue from value-added services to non-property owners increased by 30.7% to RMB2,103.4 million in 2018 from RMB1,609.9 million in 2017, primarily attributable to (i) the increased revenue from our expanded preliminary property management services mainly due to the increased number of sales offices delivered to us for management; and (ii) our continued efforts to diversify our service offerings such as by introducing pre-delivery inspection services in 2018.

- **Community value-added services**. Revenue from value-added services to community increased by 33.6% to RMB335.4 million in 2018 from RMB251.1 million in 2017, primarily due to (i) an increase in the number of communities under our management and the residents whom we served, as a result of our expansion of business scale across the PRC; and (ii) the increased revenue from community asset management services, as a result of our enhanced efforts to charge temporary parking fees or monthly rental fees for our parking space rental services, and our expanded community space management services.

Cost of Sales

Our cost of sales increased by 30.6% to RMB5,180.2 million in 2018 from RMB3,966.5 million in 2017, primarily due to (i) the increase in employee benefit expenses as a result of the increase in the average employee compensation, and (ii) the increase in greening and cleaning expenses, utility expenses, as well as repair and maintenance expenses as a result of the increase in our GFA under management resulting from the expansion of our property management services business.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 67.0% to RMB723.0 million in 2018 from RMB432.9 million in 2017. Our overall gross profit margin increased to 12.2% in 2018 from 9.8% in 2017, primarily attributable to greater economies of scale and our continued efforts to reduce costs and improve operating efficiency.

- **Property management services**. Our gross profit margin for property management services increased to 9.1% in 2018 from 8.7% in 2017, primarily attributable to greater economies of scale achieved during our business expansion.

- **Value-added services to non-property owners**. Our gross profit margin for value-added services to non-property owners increased to 11.1% in 2018 from 5.0% in 2017, primarily due to (i) greater economies of scale achieved during our business expansion; (ii) our introduction of pre-delivery inspection service and, to a lesser extent, expansion of our property transaction assistance services for facilitating lease of parking spaces, which had higher gross profit margin; and (iii) our cost control measures, such as centralizing headcount and salary management at headquarters level and utilizing smart information platform to improve customer experience, reduce reliance on manual labor, and lower operating costs starting from 2018.

- **Community value-added services**. Our gross profit margin for value-added services to community was 52.2% and 52.2% in 2017 and 2018, respectively.

Administrative Expenses

Our administrative expenses increased by 55.9% to RMB401.2 million in 2018 from RMB257.3 million in 2017, primarily due to the increase in employee benefit expenses as a result of increased headcount of our administrative staff, which was in line with our business expansion, and the increase in the average employee compensation.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased by 58.4% to RMB18.2 million in 2018 from RMB43.8 million in 2017, primarily due to the increased settlement of overdue property management fees by property owners because of a promotional activity we held in late 2018 to encourage settlement and advance payments of property management fees.

Other Income

Our other income increased by 11.6% to RMB20.0 million in 2018 from RMB17.9 million in 2017, primarily due to the increase in government grants and other income from overdue fine for late payment of property management fees, which was in line with our business expansion.

Other Losses—net

We recorded net other losses of RMB47,000 and RMB0.1 million in 2017 and 2018, respectively.

Finance Costs

Our finance costs remained relatively stable at RMB12.7 million and RMB13.1 million, respectively, in 2017 and 2018.

Profit before Income Tax

As a result of the foregoing, our profit before income tax increased significantly to RMB310.3 million in 2018 from RMB136.9 million in 2017.

Income Tax Expenses

Our income tax expenses increased significantly to RMB71.3 million in 2018 from RMB30.4 million in 2017, primarily due to the increase in taxable income.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly to RMB239.0 million in 2018 from RMB106.6 million in 2017, and our net profit margin for the year increased to 4.0% in 2018 from 2.4% in 2017.

DESCRIPTION OF CERTAIN COMBINED BALANCE SHEET ITEMS

Property and Equipment

Our property and equipment during the Track Record Period mainly consisted of furniture, fitting and equipment, transportation equipment, machinery and properties. Our property and equipment increased by 56.7% from RMB39.0 million as of December 31, 2017 to RMB61.1 million as of December 31, 2018 mainly in relation to our purchase of furniture, fitting and equipment, transportation equipment and machinery for business operations and further business expansion. Our property and equipment decreased by 6.4% from RMB61.1 million as of December 31, 2018 to RMB57.2 million as of December 31, 2019 and further by 8.1% to RMB52.5 million as of June 30, 2020, mainly due to depreciation recognized during the periods, partially offset by the purchase of furniture, fitting and equipment, transportation equipment, machinery and properties in 2019 for our business operations.

Deferred Income Tax Assets

Our deferred income tax assets increased by 44.7% from RMB38.4 million as of December 31, 2017 to RMB55.6 million as of December 31, 2018, by 19.3% to RMB66.3 million as of December 31, 2019, and further by 19.3% from RMB66.3 million as of December 31, 2019 to RMB79.0 million as of June 30, 2020. Such increases were primarily due to the deferred tax credited to the combined statements of comprehensive income during the respective year or period, which mainly comprised recoverable tax losses and allowance on doubtful debts.

Trade and Notes Receivables

Trade and notes receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. Trade receivables mainly arise from property management and value-added services provided to the Evergrande Group, third-party property developers and property owners and residents. We charge service fees in accordance with the relevant service agreements, which is due for payment by the property owners upon our rendering of services. We also recorded notes receivables during the Track Record Period, which represents commercial acceptance bill used to settle our service fees.

The following table sets out the breakdown of trade and notes receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Trade receivables				
– Related parties	988,434	1,971,430	3,515,642	3,912,621
– Third parties	894,303	905,028	1,398,424	2,098,332
Subtotal	1,882,737	2,876,458	4,914,066	6,010,953
Notes receivables				
– Related parties	1,128	31,809	32,116	106,929
Less: allowance for impairment of trade and notes receivables	(98,105)	(111,554)	(153,764)	(197,566)
Total trade and notes receivables	**1,785,760**	**2,796,713**	**4,792,418**	**5,920,316**

Our trade and notes receivables increased significantly during the Track Record Period which was in line with our business expansion. Our trade and notes receivables due from third parties were primarily related to property management fees for our property management services and services fees for value-added services to non-property owners. The increase in our trade and notes receivables due from third parties was mainly attributable to an increase in our revenue. Our trade and notes receivables due from related parties were primarily related to value-added services to non-property owners. The balances of trade and notes receivables due from related parties increased during the Track Record Period along with the increase in revenue from our value-added services to non-property owners.

The following table sets forth our trade receivable turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2017	**2018**	**2019**	**2020**
	(days)			
Average trade receivables turnover days[1]	**116**	**147**	**194**	**218**
– Related parties	130	214	365	413
– Third parties	104	97	92	109

Note:

(1) Trade receivable turnover days for a period equals the average of the opening and closing trade receivables before allowance for impairment of trade receivables divided by revenue for the same period and multiplied by 365 days for a full-year period or 182 for a six-month period.

The increases in our trade receivable turnover days during the Track Record Period were primarily due to (i) the increased percentage of trade receivables from preliminary property management services, pre-delivery inspection services and property transaction assistance services which require longer time for settlement as we typically get paid after we finish performing the relevant services; and (ii) in the case of the six months ended June 30, 2020, seasonal factor as settlement of trade receivables is typically slower in the first half of a year, and the impact from the COVID-19 pandemic.

During the Track Record Period, our trade receivable turnover days of related parties were longer than those of third parties, primarily because we were a subsidiary of the Evergrande Group before the Spin-off and in light of the Evergrande Group's good credit history, we consider credit risk related to trade receivables due from companies in the Evergrande Group is low. We have increased our efforts to settle related party receivables. We have also formulated and implemented various measures to expedite the recovery of our trade receivables. See "Business—Property Management Services—Payment and Credit Terms."

Our collection rate of property management fees, calculated by dividing payments of property management fees received during a period (including any such fees received for previous period(s) and any prepaid fees for future period(s), except for adjustments for the prepayment received in connection with a one-off large-scale promotional activity we held in late 2018 to encourage advance payments of property management fees for 2019 and 2020) by the corresponding total property management fees receivable for the same period during the same period, was 94.4%, 91.7%, 95.0% and 81.3%, respectively, in 2017, 2018, 2019 and the six months ended June 30, 2020. The relatively low collection rate in the first half of 2020 was mainly attributable to seasonal factor as settlement of trade receivables is typically slower in the first half of a year, and the impact of the COVID-19 pandemic. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant difficulty in collecting trade receivables from both related parties and third parties.

We seek to maintain strict control over our outstanding receivables. Overdue balances are reviewed regularly by management. Our trade and notes receivables are interest-free. The following is an aging analysis of the trade and notes receivables, before allowance for impairment of trade and notes receivables, as of the dates indicated, based on the date of revenue recognition.

	As of December 31,			As of June 30,
	2017	**2018**	**2019**	**2020**
	(RMB'000)			
Related parties				
– Within six months	632,361	1,050,960	1,633,930	1,990,558
– Six to twelve months	200,576	259,728	427,866	892,865
– One to two years	89,626	575,905	852,836	646,694
– Two to three years	52,173	82,944	544,006	249,017
– Over three years	14,826	33,702	89,120	240,416
Subtotal	989,562	2,003,239	3,547,758	4,019,550
Third parties				
– Within six months	349,975	333,892	575,611	1,109,831
– Six to twelve months	197,086	187,368	353,957	384,471
– One to two years	173,975	199,676	228,417	300,812
– Two to three years	93,488	87,518	113,919	142,527
– Over three years	79,779	96,574	126,520	160,691
Subtotal	894,303	905,028	1,398,424	2,098,332
Total	**1,883,865**	**2,908,267**	**4,946,182**	**6,117,882**

We assessed the loss allowance of trade and notes receivables (excluding prepayments) based on an assessment of the expected credit losses to be incurred, including an assessment of the historical collection rate and forward looking adjustments when applicable.

To expedite the recovery of our trade and notes receivables, we have formulated and implemented various measures, including by offering our customers the convenience to pay their bills, such as property management fees, through online payment platform. We adopt different collection approaches, such as making phone calls, sending text messages, paying in-person visits, issuing legal collection letters and filing lawsuits. Such measures are applicable to both related parties and third parties. For customers whose property management fees are overdue for over three months, we may visit property owners or residents in person and issue notices to remind them of their outstanding property management fees, and will issue demand letters for property management fees overdue for over six months. If such outstanding payment has not been settled after several rounds of communications and has been overdue for over one year, we may issue a demand letter through attorneys via email or registered mail. In the event of significant payment delays after repeatedly failed collection attempts, we may initiate legal proceedings to collect the property management fees. We also set collection rate as monthly performance indicator and closely monitor the collection status, conduct regular assessment and analysis, and follow up on collection of outstanding amounts of trade receivables. We will also designate responsible personnel to track the progress of collecting trade and notes receivables due from related parties, and regularly evaluate employee performance based on collection rate. See "Business—Property Management Services—Payment and Credit Terms" in this Prospectus.

We apply the simplified approach to provide for expected credit losses prescribed by HKFRS 9 which uses a lifetime expected loss allowance for all trade and notes receivables and requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. As of December 31, 2017, 2018 and 2019 and June 30, 2020, we made provision of RMB98.1 million, RMB111.6 million, RMB153.8 million and RMB197.6 million, respectively, against the gross amounts of trade and notes receivables. See note 3.1.2 and note 15 to the Accountants' Report in Appendix I to this Prospectus.

As of November 15, 2020, approximately RMB5,341.9 million, or 87.3%, of our total trade and notes receivables as of June 30, 2020 had been settled, among which approximately RMB4,019.6 million, or 65.7%, was collected from related parties and approximately RMB1,322.3 million, or 21.6%, was collected from third parties. As of November 15, 2020, all of the trade and notes receivables from related parties of RMB4,019.6 million as of June 30, 2020 were fully settled. Among the subsequently settled trade and notes receivables of approximately RMB1,322.3 million from third parties as of November 15, 2020, approximately RMB1,053.3 million aged within one year, approximately RMB136.0 million aged from one to two years, approximately RMB60.5 million aged from two to three years and approximately RMB72.5 million aged over three years, respectively, as of June 30, 2020. As of the Latest Practicable Date, we were not aware of, and did not expect to have, any material recoverability issue for trade and notes receivables aged over one year, because (i) we have implemented various collection measures, such as making phone calls, sending text messages, paying in-person visits, issuing legal collection letters and filing lawsuits. See "Business—Property Management Services—Payment and Credit Terms" in this Prospectus; (ii) as of November 15, 2020, RMB269.0 million, or 44.5%, of our total trade and notes receivables due from third parties of RMB604.0 million which aged over one year as of June 30, 2020 had been settled; (iii) during the Track Record Period and as of the Latest Practicable Date, we did not experience any material recoverability issue for our trade and notes receivables, including those aged over one year; and (iv) we have made provision for trade and notes receivables in accordance with HKFRS 9 by applying the expected credit loss model to determine the provision for expected credit loss. See note 2.10 and note 3.1.2 to the Accountants' Report in Appendix I to this Prospectus.

Other Receivables

Other receivables mainly arise from (i) payments made on behalf of property owners and residents of the property projects under our management mainly in relation to utility fees; (ii) deposits which represent performance guarantees placed by us with third-parties for business contracts and deposits for participating in tender and bidding process; and (iii) other miscellaneous receivables such as advance payments of compensation and other fees to employees for business purposes. The following table sets forth a breakdown of our other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Other receivables				
– Payments on behalf of property owners	231,611	306,580	423,802	392,547
– Deposits	22,054	24,390	24,012	24,386
– Others	16,525	20,783	29,012	45,417
Sub-total	270,190	351,753	476,826	462,350
Less: allowance for impairment of other receivables	(6,760)	(11,517)	(17,517)	(20,634)
Total	**263,430**	**340,236**	**459,309**	**441,716**

Our other receivables increased by 29.2% from RMB263.4 million as of December 31, 2017 to RMB340.2 million as of December 31, 2018 and further increased by 35.0% to RMB459.3 million as of December 31, 2019, primarily attributable to the increase in the number of projects we manage. Our other receivables decreased slightly from RMB459.3 million as of December 31, 2019 to RMB441.7 million as of June 30, 2020 primarily due to a decrease of receivables relating to utility fees due from property owners and residents in relation to our prepayments made on their behalf.

Amounts due from Related Parties

Amounts due from related parties were non-trade advances due from related parties, which are unsecured and interest-free. See "—Related Party Transactions and Balances" in this section and note 27 to the Accountants' Report in Appendix I to this Prospectus for further details.

Prepayments

Our prepayments primarily comprise prepayments in relation to prepayments to suppliers for materials for repair and maintenance services and prepayments for rental fees. Our prepayments decreased during the Track Record Period, from RMB21.2 million as of December 31, 2017 to RMB18.7 million as of December 31, 2018, to RMB16.0 million as of December 31, 2019 and further to RMB12.0 million as of June 30, 2020. The decreases were primarily due to the decreased prepayments to suppliers as we negotiated better prepayment terms with some of them.

Trade and Notes Payables

Our trade and notes payables primarily represent our obligations to pay for goods and services such as materials, carparks, utilities, cleaning, repair and maintenance services used in the ordinary course of business, including subcontracting expenses and cost of materials.

As of December 31, 2017, 2018 and 2019 and June 30, 2020, our trade and notes payables amounted to RMB431.9 million, RMB820.4 million, RMB1,096.3 million and RMB1,240.9 million, respectively. The increases in trade and other payables during the Track Record Period were mainly due to increases in purchases of goods and services, which were in line with our business expansion.

The following table sets forth our trade payable turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2017	2018	2019	2020
	(days)			
Average trade payables turnover days[1]	30	36	45	50

Note:

(1) Trade payable turnover days for a period equals the average of the opening and closing trade payable balances divided by cost of sales for the same period and multiplied by 365 days for a full-year period or 182 for a six-month period.

The increase in our trade payable turnover days during the Track Record Period was mainly due to the increase in purchases of goods and services and the longer credit terms granted by some of our suppliers considering our good credit history and long-term relationship with them.

The following table sets forth an aging analysis of our trade and notes payables based on the invoice date as of the dates indicated.

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Up to one year	428,424	810,762	1,066,737	1,220,275
One to two years	3,464	9,309	20,429	9,892
Two to three years	58	253	8,990	10,445
More than three years	1	29	166	252
Total	**431,947**	**820,353**	**1,096,322**	**1,240,864**

As of the Latest Practicable Date, approximately RMB613.4 million, or 49.4%, of our total trade and notes payables as of June 30, 2020 had been settled, among which approximately RMB60.5 million was related to related parties and approximately RMB552.9 million was related to third parties.

Other Payables

Our other payables mainly represent (i) temporary receipts of payments for utilities expenses temporarily collected from the property owners to be paid to related service providers and rental income collected from leases to be returned to the property owners during provision of property management services; (ii) deposits received from property owners such as performance bond, retention deposits, decoration deposits and tender bond; (iii) other tax payables mainly relating to value-added tax and tax surcharges; (iv) accrued payroll; (v) dividend payable which was fully settled as of the date of this Prospectus; and (vi) others such as reimbursement to be paid to employees, employment guarantee for the disabled and accrued interest payable.

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Other payables				
– Temporary receipts on-behalf during provision of property management services	482,700	571,489	780,833	732,039
– Deposits	231,226	279,183	307,011	313,396
– Other tax payables	43,271	82,900	161,242	230,077
Accrued payroll	355,896	438,066	531,201	259,394
Dividend payable	–	–	–	7,329
Others	69,505	93,522	92,506	97,818
Total	**1,182,598**	**1,465,160**	**1,872,793**	**1,640,053**

Our other payables increased by 23.9% from RMB1,182.6 million as of December 31, 2017 to RMB1,465.2 million of December 31, 2018, and further by 27.8% to RMB1,872.8 million as of December 31, 2019 generally in line with our business expansion. Our other payables decreased slightly from RMB1,872.8 million as of December 31, 2019 to RMB1,640.1 million of June 30, 2020, primarily because the accrued payroll as of December 31, 2019 included year-end bonuses.

Contract Liabilities

Our contract liabilities primarily arise from the advance payments received from customers of our property management services while the underlying services are yet to be provided by us. As of December 31, 2017, 2018 and 2019, our contract liabilities amounted to RMB1,397.1 million, RMB2,491.1 million and RMB2,285.3 million, respectively. The overall increase was mainly due to our business expansion. Our contract liabilities were relatively high as of December 31, 2018 and 2019, mainly due to a promotional activity we held in late 2018 to encourage advance payments of property management fees for 2019 and 2020. Our contract liabilities decreased by 11.5% from RMB2,285.3 million as of December 31, 2019 to RMB2,023.4 million as of June 30, 2020, primarily as a result of a decrease in prepayments during the six months ended June 30, 2020 due to the COVID-19 pandemic.

NET CURRENT ASSETS AND NET CURRENT LIABILITIES

	As of December 31,			As of June 30,	As of September 30,
	2017	**2018**	**2019**	**2020**	**2020**
			(RMB'000)		
					(unaudited)
CURRENT ASSETS					
Trade and other receivables	2,054,486	3,141,022	5,256,799	6,366,137	5,823,589
Amounts due from related parties	569,639	1,489,103	1,349,686	1,287,300	4,481
Prepayment	21,172	18,713	15,968	11,962	21,616
Cash and cash equivalents	964,060	1,054,138	684,348	736,124	3,266,215
Restricted cash	1,884	102	102	5,016	1,833
Total current assets	**3,611,241**	**5,703,078**	**7,306,903**	**8,406,539**	**9,117,734**
CURRENT LIABILITIES					
Trade and other payables	1,614,545	2,285,513	2,969,115	2,880,917	3,496,148
Contract liabilities	1,397,116	2,491,067	2,285,276	2,023,363	2,532,258
Current tax liabilities	10,540	96,471	398,383	748,183	141,847
Lease liabilities	8,826	13,690	13,724	12,436	14,272
Amount due to a related party	–	–	–	–	8,669
Borrowings	110,000	150,000	2,950	2,950	–
Total current liabilities	**3,141,027**	**5,036,741**	**5,669,448**	**5,667,849**	**6,193,194**
Net current assets	**470,214**	**666,337**	**1,637,455**	**2,738,690**	**2,924,540**

Our net current assets increased by 41.7% from RMB470.2 million as of December 31, 2017 to RMB666.3 million as of December 31, 2018, mainly due to an increase in trade and other receivables and amounts due from related parties, partially offset by an increase in trade and other payables and contract liabilities. The increases in trade and other receivables, trade and other payables and contract liabilities were in line with our business expansion.

Our net current assets increased significantly from RMB666.3 million as of December 31, 2018 to RMB1,637.5 million as of December 31, 2019, mainly due to an increase in trade and other receivables, partially offset by a decrease in cash and cash equivalents and an increase in trade and other payables. The increases in trade and other receivables and trade and other payables were in line with our business expansion.

Our net current assets increased from RMB1,637.5 million as of December 31, 2019 to RMB2,738.7 million as of June 30, 2020, mainly due to an increase in trade and other receivables. The increase in trade and other receivables was in line with our business expansion.

Our net current assets increased by 6.8% from RMB2,738.7 million as of June 30, 2020 to RMB2,924.5 million as of September 30, 2020, mainly due to an increase in cash and cash equivalents, partially offset by decreases in trade and other receivables and amounts due from related parties and an increase in trade ad other payables and contract liabilities. The increase in cash and cash equivalents and the decrease in trade and other receivables and amounts due from related parties were due to our continuing effort to settle trade and other receivables and amounts due from related parties. The increase in trade and other payables was in line with our business expansion. The increase in contract liabilities was mainly related to the advance payments of property management fees from property owners driven by our business growth. As of September 30, 2020, we had non-trade amount due to a related party of RMB8.7 million arising from the Reorganization, which was fully settled as of the date of this Prospectus.

LIQUIDITY AND CAPITAL RESOURCES

Our principal use of cash has been for working capital purposes. Our main source of liquidity has been generated from cash flow from operations. In the foreseeable future, we expect such source to continue to be our principal sources of liquidity and we may use a portion of the proceeds from the Global Offering to finance some of our capital requirements.

Cash Flow

The following table sets forth a summary of our cash flows for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2017	2018	2019	2020
	(RMB'000)			
Operating cash flow before change in working capital	212,230	372,762	1,321,990	1,566,283
Changes in working capital	(16,756)	665,545	(1,682,772)	(1,514,398)
PRC enterprise income tax paid	(2,349)	(2,515)	(7,455)	(15,511)
Net cash generated from/(used in) operating activities	193,125	1,035,792	(368,237)	36,374
Net cash generated from/(used in) investing activities	787,984	(957,511)	122,276	51,311
Net cash (used in)/generated from financing activities	(869,412)	11,797	(123,829)	(35,909)
Net increase/(decrease) in cash and cash equivalents	**111,697**	**90,078**	**(369,790)**	**51,776**
Cash and cash equivalents at beginning of year/period	852,363	964,060	1,054,138	684,348
Cash and cash equivalents at end of year/period	**964,060**	**1,054,138**	**684,348**	**736,124**

Net Cash Flows Generated from/(Used in) Operating Activities

Our cash generated from operating activities primarily consisted of fees received from provision of property management services, value-added services to non-property owners and value-added services to property owners. Cash flow from operating activities reflects: (i) profit before income tax adjusted for non-cash and non-operating items and finance costs, such as depreciation and amortization and impairment losses; (ii) the effects of movements in working capital; and (iii) income tax paid.

In the six months ended June 30, 2020, we had net cash flows generated from operating activities of RMB36.4 million, which was the result of cash generated from operations of RMB51.9 million and income tax paid of RMB15.5 million. We had operating cash flows, before movements in working capital, of RMB1,566.3 million. The change of RMB1,514.4 million in working capital was primarily due to an increase in trade and other receivables in the amount of RMB1,152.0 million, a decrease in contract liabilities in the amount of

RMB261.9 million, and a decrease in trade and other payables in the amount of RMB95.5 million. The increase in trade and other receivables was in line with our business expansion. Our contract liabilities decreased because the customers were less willing to make advance payments during the six months ended June 30, 2020 due to the COVID-19 pandemic.

In 2019, we had net cash flows used in operating activities of RMB368.2 million, which was the result of cash used in operations of RMB360.8 million and income tax paid of RMB7.5 million. We had operating cash flows before movements in working capital of RMB1,322.0 million. The change of RMB1,682.8 million in working capital was primarily due to an increase in trade and other receivables in the amount of RMB2,160.6 million and a decrease in contract liabilities in the amount of RMB205.8 million mainly because in late 2018, we collected a significant amount of prepayments of property management fees that would otherwise be collected in 2019 and 2020 in connection with a promotional activity we held in late 2018, which resulted in a lower level of cash inflow from operating activities in 2019, partially offset by an increase in trade and other payables in the amount of RMB683.6 million.

In 2018, we had net cash flows generated from operating activities of RMB1,035.8 million, which was the result of cash generated from operations of RMB1,038.3 million and income tax paid of RMB2.5 million. We had operating cash flows, before movements in working capital, of RMB372.8 million. The change of RMB665.5 million in working capital was primarily due to an increase in trade and other receivables in the amount of RMB1,101.2 million and partially offset by an increase in contract liabilities in the amount of RMB1,094.0 million and an increase in trade and other payables in the amount of RMB671.0 million. The increase in trade and other receivables and trade and other payables was in line with our business expansion. Our contract liabilities increased primarily due to prepayments received in connection with the promotional activity we held in late 2018.

In 2017, we had net cash flows generated from operating activities of RMB193.1 million, which was the result of cash generated from operations of RMB195.5 million and income tax paid of RMB2.3 million. We had operating cash flows, before movements in working capital, of RMB212.2 million. The change of RMB16.8 million in working capital was primarily due to an increase in trade and other receivables in the amount of RMB924.6 million, partially offset by an increase in contract liabilities in the amount of RMB366.2 million and an increase in trade and other payables in the amount of RMB543.5 million. The increases in trade and other receivables, contract liabilities and trade and other payables were in line with our business expansion.

Net Cash Flows Generated from/(Used in) Investing Activities

In the six months ended June 30, 2020, net cash flows generated from investing activities was RMB51.3 million, primarily reflecting a decrease in amounts due from related parties in the amount of RMB57.7 million, partially offset by payments for purchases of property and equipment in the amount of RMB6.4 million.

In 2019, net cash flows generated from investing activities was RMB122.3 million, primarily reflecting a decrease in amounts due from related parties in the amount of RMB139.4 million, partially offset by payments for purchases of property and equipment in the amount of RMB17.1 million.

In 2018, net cash flows used in investing activities was RMB957.5 million, primarily reflecting an increase in amounts due from related parties in the amount of RMB919.5 million and payments for purchases of property and equipment in the amount of RMB37.7 million.

In 2017, net cash flows generated from investing activities was RMB788.0 million, primarily reflecting a decrease in amounts due from related parties in the amount of RMB814.1 million, partially offset by payments for purchases of property and equipment in the amount of RMB25.7 million.

Net Cash Flows Generated from/(Used in) Financing Activities

In the six months ended June 30, 2020, net cash flows used in financing activities was RMB35.9 million, primarily reflecting transaction with the then shareholder of a subsidiary in the amount of RMB28.1 million and lease payments in the amount of RMB7.7 million.

In 2019, net cash flows used in financing activities was RMB123.8 million primarily reflecting repayments from related parties in the amount of RMB150.0 million and lease payments in the amount of RMB18.4 million, partially offset by contribution from the then shareholder of a subsidiary in the amount of RMB50.0 million.

In 2018, net cash flows generated from financing activities was RMB11.8 million, primarily reflecting proceeds from bank and other borrowings in the amount of RMB150.0 million, partially offset by repayments of bank and other borrowings in the amount of RMB110.0 million.

In 2017, net cash flows used in financing activities was RMB869.4 million primarily reflecting repayments of bank and other borrowings of RMB123.0 million and dividends paid in the amount of RMB836.3 million, partially offset by proceeds from bank and other borrowings in the amount of RMB110.0 million.

Working Capital

Our Directors are of the opinion that, after taking into account the financial resources available to us including the estimated net proceeds received by our Company of the Global Offering and our internally generated funds, we have sufficient working capital to satisfy our requirements for at least the next 12 months following the date of this Prospectus.

INDEBTEDNESS

As of December 31, 2017, 2018 and 2019, June 30, 2020 and September 30, 2020, our total borrowings were all secured and guaranteed, and amounted to RMB110.0 million, RMB150.0 million, RMB3.0 million, RMB3.0 million and nil, respectively. As of September 30, 2020, we did not have any unutilized banking facilities. The following table sets forth the components of our total debt as of the dates indicated.

	As of December 31,			As of June 30,	As of September 30,
	2017	2018	2019	2020	2020
			(RMB'000)		
					(unaudited)
Non-current liabilities					
Lease liabilities	4,704	8,304	12,750	9,714	12,050
Current liabilities:					
Bank borrowings	50,000	150,000	2,950	2,950	–
Other borrowings	60,000	–	–	–	–
Amount due to a related party	–	–	–	–	8,669
Lease liabilities	8,826	13,690	13,724	12,436	14,272
Total	**123,530**	**171,994**	**29,424**	**25,100**	**34,991**

Contingent Liabilities

As of December 31, 2017, 2018 and 2019, June 30, 2020 and September 30, 2020, we did not have any outstanding guarantees or other material contingent liabilities.

During the Track Record Period and up to the date of this Prospectus, our Directors confirm that they are not aware of any material defaults in payment of our trade and other payables and interest-bearing borrowings. Except as disclosed herein and apart from intra-group liabilities, we did not have any outstanding loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant in connection therewith as of September 30, 2020, being the latest practicable date for the purpose of the indebtedness statement. Our Directors have confirmed that there had not been any material change in the indebtedness and contingent liabilities of our Group since the latest date for liquidity disclosure and up to the Latest Practicable Date.

COMMITMENTS

Capital Commitments

Capital commitments represent our payment for acquisition of vehicles as stipulated in contract. Our capital commitments of up to one year amounted to RMB5.6 million as of December 31, 2017 and were nil as of December 31, 2018 and 2019 and June 30, 2020.

Capital Expenditures

During the Track Record Period, we incurred capital expenditures mainly for purchase of property and equipment, as well as intangible assets such as software. The table below sets forth the amount of capital expenditures incurred during the Track Record Period.

	As of December 31,			As of June 30,
	2017	**2018**	**2019**	**2020**
	(RMB'000)			
Addition to:				
Property and equipment	25,716	37,673	17,135	6,422
Intangible assets	476	428	92	–
Total	**26,192**	**38,101**	**17,227**	**6,422**

The total estimated capital expenditure to be incurred for 2020 is approximately RMB14.5 million, which will mainly be used for purchases of property and equipment and upgrade of information technology infrastructure and smart management systems for properties under our management. We expect to fund these capital expenditures with our available cash resources, mainly including cash from our business operations.

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the PRC, the availability of financing on terms acceptable to us, technical or other problems in obtaining or installing equipment, changes in the regulatory environment in the PRC and other factors.

OFF-BALANCE SHEET ARRANGEMENTS

We had no material off-balance sheet arrangements as of June 30, 2020, being the date of our most recent financial statement, and as of the Latest Practicable Date.

SUMMARY OF KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated.

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,
	2017	2018	2019	2020
Current ratio[1] (times)	1.1	1.1	1.3	1.5
Gearing ratio[2] (%)	22.2	21.6	1.7	0.9
Net profit margin (%)	2.4	4.0	12.7	25.1
Return on total assets[3] (%)	2.9	4.1	12.5	26.8
Return on equity[4] (%)	19.1	30.0	52.4	79.6

Notes:

(1) Current ratio is calculated based on our total current assets divided by our total current liabilities as of the respective dates.

(2) Gearing ratio is calculated as dividing total borrowings and lease liabilities by our total equity as of the respective dates.

(3) Return on total assets is calculated based on our profit for the period divided by total assets at the end of the period and multiplied by 100.0%. Return on assets in the six months ended June 30, 2020 was annualized by multiplying by two. Accordingly, the annualized return on assets may not be indicative of that for the full year ending December 31, 2020. Investors are cautioned not to place any undue reliance on such information.

(4) Return on equity is calculated based on our profit for the period divided by total equity as of the end of the period and multiplied by 100.0%. Return on equity in the six months ended June 30, 2020 was annualized by multiplying by two. Accordingly, the annualized return on equity may not be indicative of that for the full year ending December 31, 2020. Investors are cautioned not to place any undue reliance on such information.

Current Ratio

Our current ratio was 1.1 times, 1.1 times, 1.3 times and 1.5 times as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. Our current ratio increased from 1.1 times as of December 31, 2018 to 1.3 times as of December 31, 2019 to 1.5 times as of June 30, 2020, which was mainly due to an increase in current assets primarily due to an increase in trade and other receivables resulting from our business growth.

Gearing Ratio

Our gearing ratio was 22.2%, 21.6%, 1.7% and 0.9% as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. The decrease was mainly due to our repayment of bank and other borrowings and the increase in total equity as a result of the improvement in our profitability.

Net Profit Margin

Our net profit margin increased during the Track Record Period. See "—Results of Operations" for further discussions.

Return on Total Assets

Our return on total assets increased from 2.9% in 2017 to 4.1% in 2018, to 12.5% in 2019 and further to 26.8% in the first half of 2020, mainly as a result of increases in our profit for the year or period.

Return on Equity

Our return on total equity increased from 19.1% in 2017 to 30.0% in 2018, to 52.4% in 2019 and further to 79.6% in the first half of 2020, mainly as a result of increases in our profit for the year or period.

QUANTITATIVE AND QUALITATIVE ANALYSIS ABOUT MARKET RISK

Our activities expose us to a variety of financial risks: market risk, credit risk and liquidity risk. Our exposure to these risks and the financial risk management policies and practices used by us to manage these risks are described below.

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. Our 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 us as the balance of foreign currency denominated monetary assets or liabilities were immaterial as of each period end of the Track Record Period. See note 3.1.1(i) set out in the Accountants' Report in Appendix I to this Prospectus for more details on our exposure to foreign currency risks.

Cash Flow and Fair Value Interest Risk

We are exposed to interest rate risk for certain interest-bearing cash at bank borrowings. Cash at banks at variable rates expose us to cash flow interest rate risk. Borrowings obtained at fixed rates expose us to fair value interest rate risk. See note 3.3.3(ii) set out in the Accountants' Report in Appendix I to this Prospectus.

As of December 31, 2017, 2018 and 2019 and June 30, 2020, if the interest rate on cash at banks and restricted cash increased/decreased by 0.5% with all other variables held constant, our post-tax profits for the year/period would have been RMB3,571,000, RMB3,902,000, RMB2,552,000 and RMB1,373,000, as a result of the increase/decrease in interests derived from cash at banks and restricted cash at variable rates.

Credit Risk

We are exposed to credit risk in relation to our trade and notes receivable, other receivables, amounts due from related parties and cash deposits at banks. The carrying amounts of trade and notes receivable, other receivables and cash and cash equivalents represent our maximum exposure to credit risk in relation to financial assets.

For trade and notes receivable, other receivables, our management has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, we review the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for doubtful debts. In this regard, our Directors consider that our credit risk is significantly reduced.

We consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk we compare the risk of default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. We consider 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 debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of individual property owner or the debtor; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of the debtor and individual property owner in our Group and changes in the operating results of the debtor and individual property owner.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company.

A summary of the assumptions underpinning our 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 principal repayments are 180 days past due	Lifetime expected losses
Non-performing	Interest and principal repayments are 365 days past due	Lifetime expected losses

We account for our credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, we consider historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

Cash Deposits at Banks

We expect that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at banks with high credit rating. Our management does not expect that there will be any significant losses from non-performance by these counterparties.

Trade and Notes Receivable

We apply the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade and notes receivable. To measure the expected credit losses, trade and notes receivable have been grouped based on shared credit risk characteristics and aging. The expected credit losses also incorporate forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We have identified the GDP and the unemployment rate of the PRC to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

We assessed that the expected loss rate of trade and notes receivables from related parties, which are property developers, was low considering their financial capacity and payment history with us. The directors believe that there is no significant credit risk inherent in trade receivables from them.

Other Receivables and Amounts Due from the Related Parties

We use the expected credit loss model above to determine the expected loss provision for other receivables and amounts due from related parties. As of December 31, 2017, 2018 and 2019 and June 30, 2020, we have assessed the expected credit loss for other receivables and amounts due from related parties for each category.

For amounts due from related parties, we expected that the credit risk associated to be low since the related parties has a strong capacity to repay the amounts in the near term. We have assessed that the ECL rate for the amounts due from the related parties and considered it is low and thus the loss allowance is immaterial. Deposits represented performance guarantees held by relevant government authorities and will be refunded according to regulations. The directors considered that there was no significant impairment risk.

See note 3.1.2 set out in the Accountants' Report in Appendix I to this Prospectus for more details.

Liquidity Risk

To manage the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows.

The table below analyzes our financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year	**Between one and two years**	**Between two and five years**	**Over five years**	**Total**
			(RMB'000)		
As of December 31, 2017					
Borrowings	111,775	–	–	–	111,775
Lease Liabilities	9,150	4,532	640	–	14,322
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	1,215,378	–	–	–	1,215,378
Total	**1,336,303**	**4,532**	**640**	**–**	**1,341,475**

	Less than one year	Between one and two years	Between two and five years	Over five years	Total
			(RMB'000)		
As of December 31, 2018					
Borrowings	154,756	–	–	–	154,756
Lease Liabilities	14,163	6,377	2,709	331	23,580
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	1,764,547	–	–	–	1,764,547
Total	**1,933,466**	**6,377**	**2,709**	**331**	**1,942,883**
As of December 31, 2019					
Borrowings	3,161	–	–	–	3,161
Lease Liabilities	14,209	8,061	6,756	262	29,288
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	2,276,672	–	–	–	2,276,672
Total	**2,294,042**	**8,061**	**6,756**	**262**	**2,309,121**
As of June 30, 2020					
Borrowings	3,052	–	–	–	3,052
Lease Liabilities	12,885	6,093	5,158	228	24,364
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	2,391,446	–	–	–	2,391,446
Total	**2,407,383**	**6,093**	**5,158**	**228**	**2,418,862**

RELATED PARTY TRANSACTIONS AND BALANCES

Our ultimate holding company is China Evergrande Group. Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of us are also considered as related parties. See note 27 to the Accountants' Report in Appendix I to this Prospectus for a detailed discussion of related party transactions.

Significant Related Party Transactions

During the Track Record Period, we entered into a number of related party transactions, pursuant to which: (i) we provided services such as property management services, value-added services to non-property owners and community value-added services to certain related parties; (ii) we purchased goods and services from certain related parties; (iii) we leased parking spaces from certain related parties; and (iv) we had unsecured, interest-free and payable-on-demand cash advances to or from our related parties from time to time, including payments on behalf of related parties, among other things.

The related party transactions were conducted in accordance with terms as agreed between us and the respective related parties. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on normal commercial terms and on an arm's length basis and would not distort our results of operations or make our historical results not reflective of our future performance. During the Track Record Period, we had the following significant transactions with related parties.

	For the year ended December 31,			For the six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
			(RMB'000)		
				(unaudited)	
Revenue from rendering of services					
– Controlled by our ultimate holding company	1,935,397	2,439,682	2,658,346	1,316,549	1,597,434
– Joint ventures of us	7,908	86,099	87,514	32,963	40,176
Total	**1,943,305**	**2,525,781**	**2,745,860**	**1,349,512**	**1,637,610**
Purchase of goods and services					
– Controlled by our ultimate holding company	**103,475**	**139,783**	**111,614**	**45,056**	**63,516**
Lease of parking spaces					
– Controlled by our ultimate holding company	**33,219**	**48,576**	**59,659**	**30,153**	**40,498**

Provision of Services

In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, we had provided services, mainly including property management services and value-added services to non-property owners, to related parties, in an aggregate amount of RMB1,943.3 million, RMB2,525.8 million, RMB2,745.9 million, RMB1,349.5 million and RMB1,637.6 million, respectively. See "Connected Transactions—(B) Continuing Connected Transactions Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from Independent Shareholders' Approval Requirement."

Purchase of Goods and Services

In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, we had purchased certain goods and services from the Evergrande Group of RMB103.5 million, RMB139.8 million, RMB111.6 million, RMB45.1 million and RMB63.5 million, respectively, including but not limited to (i) maintenance materials and parts; (ii) office and communication equipment; (iii) staff uniforms and other consumables; and (iv) gardening services. See "Connected Transactions—(B) Continuing Connected Transactions Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from Independent Shareholders' Approval Requirement" for more details.

Lease of Parking Spaces

During the Track Record Period, we leased from the Evergrande Group certain parking spaces situated in the residential and commercial properties developed by the Evergrande Group and managed the parking spaces for subleasing to residents and tenants in such residential and commercial properties. Our cost from leasing parking spaces from related parties amounted to approximately RMB33.2 million, RMB48.6 million, RMB59.7 million, RMB30.2 million and RMB40.5 million, respectively, in 2017, 2018, 2019 and the six months ended June 30, 2020. See "Connected Transactions—(B) Continuing Connected Transactions Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from Independent Shareholders' Approval Requirement" for more details.

Guarantees from the Related Parties

As of December 31, 2017, our bank borrowing of RMB50.0 million was guaranteed by a subsidiary of the Evergrande Group and our other borrowing of RMB60.0 million was guaranteed by accounts receivable of RMB333.4 million provided by a subsidiary of the Evergrande Group. As of December 31, 2018, our bank borrowings of RMB150.0 million were guaranteed by a subsidiary of the Evergrande Group. As of December 31, 2019, our bank borrowing of RMB3.0 million was guaranteed by accounts receivable of RMB10.0 million provided by a subsidiary of the Evergrande Group. As of June 30, 2020, our bank borrowing of RMB3.0 million was guaranteed by accounts receivable of RMB10.0 million provided by a subsidiary of the Evergrande Group. As of September 30, 2020, our bank and other borrowings were nil and all guarantees from the related parties were released. See note 27 set out in the Accountants' Report as Appendix I to this prospectus.

Related Party Balances

The table below sets forth the balances with related parties as of the dates indicated.

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Trade receivables				
– Controlled by our ultimate holding company	984,248	1,910,364	3,418,277	3,812,858
– Joint ventures of us	4,186	61,066	97,365	99,763
Total	**988,434**	**1,971,430**	**3,515,642**	**3,912,621**
Notes receivable				
– Controlled by our ultimate holding company	1,128	31,283	24,900	103,953
– Joint ventures of us	–	526	7,216	2,976
Total	**1,128**	**31,809**	**32,116**	**106,929**
Prepayments				
– Controlled by our ultimate holding company	**8,748**	**5,113**	**5,756**	**6,030**
Trade payables				
– Controlled by our ultimate holding company	53,695	112,527	176,523	56,925
– Joint ventures of us	–	258	7,093	881
Total	**53,695**	**112,785**	**183,616**	**57,806**
Notes payable				
– Controlled by the Group's ultimate holding company	707	–	530	4,095
Amounts due from related parties				
– Controlled by our ultimate holding company	**569,639**	**1,489,103**	**1,349,686**	**1,287,300**

Trade and note receivables, prepayments and trade and notes payables from or to related parties during the Track Record Period were trade in nature, interest-free and repayable according to terms in contracts. Amounts due from related parties during the Track Record Period were non-trade in nature and were unsecured, interest-free and payable on demand.

Our amounts due from related parties as of June 30, 2020 were mainly related to (i) receivables for the disposal of a subsidiary of RMB677.0 million and (ii) prepayments and receipts on behalf of related parties such as for employee compensation. Our amounts due from related parties arose when the Evergrande Group was the parent company of our business prior to the Reorganization. At that time, the Evergrande Group centralized all the funding needs of its subsidiaries and affiliates, and allocated funds among them based on a centralized fund management mechanism. The foregoing balances were subsequently classified as related party balances of a non-trade nature following the Reorganization. In order to meet the requirement for financial independence, we will not continue such centralized fund management mechanism going forward, and all of the outstanding non-trade related party balances as of June 30, 2020 that were not arising from ordinary business had been fully settled by September 8, 2020.

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

No dividend was declared or paid by our Company or the companies constituting our Group for the Track Record Period and up to the Latest Practicable Date save for (i) dividends of approximately RMB3.5 million and RMB7.3 million that were declared and settled by the subsidiaries now constituting our Group to their then shareholders in 2019 and the six months ended June 30, 2020, respectively; and (ii) dividends of RMB355.0 million declared and settled by Success Will to the Evergrande Group by offsetting our amounts due from related parties in August 2020, details of which are set out in note 13 and note 29, respectively, to Appendix I to this Prospectus. Our dividend distribution record, if any, in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

Any declaration of dividends is subject to our results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant from time to time. In addition, any declaration and payment as well as the amount of the dividends will be subject to the provisions of (i) our Articles of Association, which require any final dividends to be approved by our Shareholders at a general meeting, and (ii) the Companies Law, which provides that dividends may be paid out of sums standing to the credit of its share premium account provided that immediately following the payment of dividend, our Company shall be able to pay its debts as they fall due in the ordinary course of business. Any future declarations and payments of dividends will be at the discretion of our Directors and may require the approval of our Shareholders. Under applicable PRC laws, each of our subsidiaries in the PRC may only distribute after-tax profits after it has made allocations or allowances for recovery of accumulated losses and allocations to the statutory reserves. We intend to adopt an annual dividend payout ratio of no less than 25% of our annual net profit available for distribution generated in each financial year beginning from the year ending December 31, 2020. However, there can be no assurance that dividends of any amount will be declared or distributed in any year.

As of June 30, 2020, the retained earnings of our Group amounted to RMB2,526.0 million.

DISCLOSURE PURSUANT TO RULES 13.13 TO 13.19 OF THE LISTING RULES

Except as otherwise disclosed in this Prospectus, we confirm that, as of the Latest Practicable Date, we were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

LISTING EXPENSES

The total listing expenses (including but not limited to underwriting commissions) for the Listing are estimated to be HK$173.0 million, representing approximately 2.3% of the gross proceeds received by our Company from the Global Offering (based on the mid-point of the indicative Offer Price Range), among which approximately HK$102.7 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$70.3 million will be charged to our combined statements of comprehensive income for the year ending December 31, 2020. The listing expenses above are the latest practicable estimates and are provided for reference only and actual amounts may differ. Our Directors do not expect such expenses to have a material adverse impact on our financial results for the year ending December 31, 2020.

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

See Appendix II to this Prospectus for the unaudited pro forma statement of adjusted net tangible assets of our Group, and is set out therein to illustrate the effect of the Global Offering on the net tangible assets of our Group attributable to the equity holders of our Company as of June 30, 2020 as if the Global Offering had taken place on June 30, 2020.

DIRECTORS’ CONFIRMATION ON 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 or trading position since June 30, 2020, and there has been no events since June 30, 2020 and up to the date of this Prospectus which would materially affect the information shown in the Accountants’ Report, the text of which is set out in Appendix I to this Prospectus.

FUTURE PLANS AND PROSPECTS

See "Business—Our Business Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$7,230 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming that the Over-allotment Option is not exercised and assuming an Offer Price of HK$9.13 per Share (being the mid-point of the indicative Offer Price range set forth on the cover page of this Prospectus). We intend to use such net proceeds from the Global Offering for the purposes and in the amounts set forth below:

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
Strategic acquisition and investment	65.0%	4,699	Acquire and invest in other property management companies	We expect to further expand our business and diversify the property portfolio and further solidify our leading position by acquiring or investing in other property management companies that focus on residential properties and/or non-residential properties such as office buildings, commercial complexes, hospitals, schools, industrial parks, government buildings and public facilities	40.0%	1,157	1,157	578

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
			Acquire and invest in companies providing property management related services	We expect to acquire or invest in companies offering cleaning services, gardening services, security services, repair and maintenance services and technology companies in order to achieve synergy effects and further expand our business scale	25.0%	723	723	361
Develop our value-added services	15.0%	1,084	Acquire and invest in companies with business that are complementary to our community value-added services	We expect to integrate upstream and downstream services into our existing community value-added services to further diversify our value-added service offerings and improve customer satisfaction. We expect to acquire or invest in companies offering insurance brokerage, real estate agency, educational services, health-related and home decoration services	10.0%	289	253	181

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
			Further develop our existing value-added services	Building on our existing customer base and service network, we expect to further develop (i) our existing community value-added services, including housekeeping and home furnishing services, community space management services, and (ii) our existing value-added services to non-property owners, including repair and maintenance services	5.0%	108	118	135
				For the purpose of further developing our existing value-added services, we plan to engage in negotiation with third-party product or service vendors to explore cooperative opportunities to increase the coverage of our value-added services, to further study our customer needs in order to improve our service offerings and service quality, and to expand online and offline service channels to make our service more accessible				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
				Specifically, leveraging our rich community space resources and extensive customer base, we plan to cooperate with professional health and elderly care providers, catering service providers, tourism agencies, education and training service providers, insurance agencies and other institutions, to actively explore opportunities for services such as community group meals, education and training and insurance brokerage. In addition, we plan to cooperate with regional quality businesses, to achieve complete coverage of our housekeeping services and home furnishing services in all of the property projects under our management. Taking advantage of our geographical coverage of 280 cities across the PRC, we plan to cooperate with internet companies, retailers and other businesses to hold group purchase events, through the format of live streaming sales, online shopping and offline community markets. We may also use these events to attract residents from neighboring communities and create a living circle centered on our property projects. We also expect to hold at least two nationwide community shopping festivals through live streaming sales and offline community markets				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
				In this regard, we will carry out the above-mentioned measures for each of our projects and plan to invest in approximately HK$108,000 per project for estimated 1,000 projects in 2021, HK$108,000 per project for estimated 1,160 projects in 2022 and HK$108,000 per project for estimated 1,250 projects in 2023				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
Upgrade information system and equipment	8.0%	578	Procure and upgrade software and intelligent hardware to improve our smart community solutions	We expect to invest in developing or enhancing our smart entrance management using facial recognition, smart equipment management system using IoT and AI technologies, smart parking system, safety alert system to improve customer satisfaction and operating efficiency We plan to use approximately HK$72.5 million to purchase or upgrade smart entrance management equipment, smart parking management system, smart elevators, safety alert system equipment and AI smart robots. We believe these equipment, using facial recognition, IoT, AI and other new technologies, can achieve smart control of pedestrian entrance, allow the property owners and residents to summon elevators efficiently, ensure better security control of the communities and allow us to use AI to respond to, screen and assign customer requests, so that we may further improve automation in our daily operation, reduce our reliance on labor. We estimate that it will cost on average approximately HK$150,000 to HK$200,000 to purchase and upgrade such equipment for each property management project	2.0%	36	51	58

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
				Our smart parking management system is expected to have better online payment and automatic entrance control functions that process payment and entrance control faster and also allow our customers to obtain and manage their long-term parking permit online. We plan to cover all of the property projects under our management with our upgraded smart parking management system				
				We also plan to use approximately HK$72.5 million to develop a big data analysis platform, which will help us build customer portraits and conduct behavior analysis through information and data gathered from our in-person customer visits and online interactions with our customers and from our smart equipment, thereby allowing us to conduct precision marketing and to help the management quickly and effectively identify and respond to major market trends				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	Timeframe 2022	Timeframe 2023
		(HK$ in millions)				*(HK$ in millions)*		
			Upgrade and maintain our existing mobile applications, smart community management system and other internal information systems	We expect to maintain and upgrade our Evergrande Smart Community mobile application, Evergrande Butler mobile application and ERP system. We plan to add AI service quality checking function onto our Evergrande Smart Community mobile application, which will use AI technologies to analyze our customer service personnel's efficiency, customer satisfaction and customer's complaints and feedback. We also plan to further optimize the work activity approval processing, service request status checking, customer information searching, online payment processing and visitor identity checking functions on our Evergrande Butler mobile application. For our ERP system, we plan to integrate the asset management and repair and maintenance management functions to make sure that tools and other assets allocated for repair and maintenance assignment will be identified and timely and orderly retrieved to avoid losses or waste, and we also plan to add idle asset searching function to enable us to efficiently allocate assets among different property projects under our management	2.0%	36	51	58

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)					*(HK$ in millions)*	
				In this regard, we plan to optimize our internal information systems, such as contract management system, income and expenses management, budget control system, procurement and supply chain management system, occupational training system, engineering management system, and operation management system to improve operating efficiencies				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
				For our income and expense management system, we plan to add more detailed cost and expense classification and integrate it with our current accounting system, so that we can timely and accurately grasp the incurrence and settlement of our costs and expenses to achieve better cost control. For our contract management system, we expect to add more detailed contract classification and integrate it with our current accounting system to allow convenient processing and review by accounting personnel, and we also plan to establish an information database of our contract counterparties for easy reference and a contract archive cloud platform to prevent the loss of important documents. We also plan to establish an information database of, among others, the status of community asset available for operation and asset management, the type, volume, pricing and business model for existing community operation services and community asset management services and the information on the business partners				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
				We also plan to increase the service offerings on our Evergrande Smart Community mobile application by adding real estate agency, housekeeping, home furnishing, group purchase facilitation and other services, and continue to develop community value-added services and increase project profitability through the integration of online and offline service channels				
			Upgrade and improve equipment and facilities in the communities under our management	We expect to improve the equipment and facilities in the communities under our management, which may include deploying LED energy-saving lighting, upgrading community lighting and greening facilities, upgrading and maintenance of water, electricity and heating facilities, and upgrading parking spaces, to optimize energy conservation, to improve the community environment, and to achieve better and efficient management for our services and save costs. We estimate that it will cost on average approximately HK$600,000 to HK$800,000 to upgrade and improve such equipment and facilities for each property management project	4.0%	58	116	116

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
Recruit and cultivate talent	2.0%	145	Recruit and cultivate talent	We expect to cooperate with higher education institutions to prepare a pipeline of talent for our recruitment, to improve training programs and to incentivize employees to obtain relevant professional certificates and higher education degrees	2.0%	36	51	58

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
				For cooperation with higher education institutions to cultivate talent, we estimate to spend HK$6.0 million, HK$10.0 million and HK$13.0 million in 2021, 2022 and 2023, respectively. We plan to recruit 8,000, 10,000 and 10,000 employees in 2021, 2022 and 2023, respectively, with estimated recruitment-related expenses of HK$8.0 million, HK$10.0 million and HK$10.0 million. We also plan to use HK$9.0 million, HK$15.0 million and HK$15.0 million in 2021, 2022 and 2023, respectively, to provide occupational training programs for 1,500, 2,500 and 2,500 employees, with estimated costs of HK$6,000 per employee, in order for them to obtain necessary qualifications and licenses for, among others, fire safety, security services, real estate agency and lifeguard services, which we believe are valuable to our business operation. In addition, we plan to use HK$13.0 million, HK$16.0 million and HK$20.0 million in 2021, 2022 and 2023, respectively, to organize internal training and competitions, with estimated costs of HK$20,000 per property management project.				
Working capital	10.0%	723	Working capital and other general corporate purposes	We expect to have increasing needs for working capital as a result of our expected rapid and organic expansion as well as diversifying service offerings and property portfolio under management	10.0%	217	253	253

Plans for Strategic Acquisitions and Investments

We had entered into relevant acquisition agreements for five third-party target property management service companies as of the Latest Practicable Date. See "Business—Relationship with the Evergrande Group—Our Efforts to Explore Market Opportunities with Independent Third Parties." As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of net proceeds received by our Company from the Global Offering. When determining the amount of approximately HK$4,699 million, or 65.0% of the net proceeds, allocated to potential acquisitions of and investment in other property management companies and companies providing property management related services, and approximately HK$723 million, or 10.0% of the net proceeds, allocated to potential acquisitions of and investment in companies with business that are complementary to our community value-added services, assuming an Offer Price of HK$9.13 per Share (being the mid-point of the indicative Offer Price range set forth on the cover page of this Prospectus), we have considered (i) our goal to acquire no less than 51.0% equity interests in no more than 34, 34 and 23 potential targets, respectively, in 2021, 2022 and 2023, at an average price-earnings ratio of 15.0 times; (ii) a targeted average annual net profit of approximately HK$4.0 million for the three financial years after acquisition and business integration for each potential target; and (iii) our criteria for strategic acquisitions and investments as disclosed below. The allocation of proceeds among the different types of targets above is subject to adjustments based on market conditions.

Criteria for Strategic Acquisitions and Investments

We plan to strategically acquire or invest in property management companies that focus on both residential properties and nonresidential properties such as office buildings, commercial complexes, hospitals, schools, industrial parks, government buildings and public facilities. We plan to prioritize property management companies located in cities or areas where we already have a presence in order to optimize management efficiency and facilitate the sharing of resources. We plan to focus on suitable targets which: (i) have a total GFA under management of over 1.0 million sq.m.; (ii) have an annual revenue of not less than RMB10.0 million; (iii) have an estimated average net profit margin of 10% to 15% for the three financial years after acquisition and business integration; (iv) together can offer a good mix of property management portfolios of residential properties and non-residential properties; and (v) have reputable brand and good corporate creditworthiness. We will also consider other risk factors, including indebtedness, administrative penalties, outstanding legal proceedings and disputes. Based on our understanding of the current market conditions and our strategic needs, we preliminarily estimate that non-residential properties would account for 35.0% to 40.0% of the aggregate GFA under management of all target property management companies to be acquired or invested in by us. The criteria are subject to adjustment based on changes in the market conditions and our strategic needs.

We also plan to strategically acquire or invest in companies offering cleaning services, gardening services, security services, repair and maintenance services and technology companies and other companies with businesses that are complementary to our community value-added services, in order to improve our customer satisfaction. We will also prioritize property management companies located in cities or areas where we already have a presence. We plan to focus on suitable targets that: (i) have an annual revenue of not less than RMB10.0 million; (ii) have an estimated average net profit margin of 10% to 15% for the three financial years after acquisition and business integration; (iii) are not involved in major non-compliance issues or pending legal proceedings; and (iv) can provide us with the opportunities to expand into new markets, enhance our brand value and diversify our service offerings.

Based on the above-mentioned criteria, we plan to acquire no more than 91 potential targets, with an estimated average investment payback period of approximately seven years. We plan to acquire or invest in no more than 26, 26 and 13 property management companies in 2021, 2022 and 2023, respectively. We plan to acquire or invest in no more than four, four and two companies providing property management related services, including companies offering cleaning services, gardening services, security services, repair and maintenance services and technology companies, in 2021, 2022 and 2023, respectively. We plan to acquire or invest in no more than four, four and three companies with business that are complementary to our community value-added services in 2021, 2022 and 2023, respectively. Our operations covered 280 cities across 22 provinces, five autonomous regions, four municipalities and Hong Kong as of June 30, 2020, which gives us the flexibility to consider quality targets in all major geographic regions in China and focus more on the conditions and quality of the targets and their projects. We will prioritize property management companies located in cities or areas where we already have a presence.

Implementation of Acquisition Plan

We plan to acquire or invest in quality property management companies with the property portfolio that meets our plans for strategic acquisitions and investments. We intend to primarily target residential property management companies that have solid market share, growth potential and profitability, and non-residential property companies whose businesses are complementary to our current property portfolio under management. For more criteria for potential targets, see "—Criteria for Strategic Acquisitions and Investments" above. CIA has identified increasing market concentration and selectivity in merger and acquisition activities as a key trend in the highly competitive and fragmented PRC property management industry. See "Industry Overview—Trends in the PRC Property Management Industry" in this prospectus. According to CIA, though approximately 80% of the 2019 Top 100 Property Management Companies were owned by or associated with property development companies, there were approximately 130,000 property management companies with a total market size of approximately RMB23.9 billion 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. According to CIA, given the fragmented nature of the PRC property management industry, there is a sufficiently large number of potential targets available for our consideration that meet our criteria for acquisitions or investment. We face competition from other market players for quality target companies. However, we believe we can identify and acquire suitable target companies to implement our business strategies considering (i) the large number of target companies to be considered for acquisitions and investments, and (ii) our leading market position in China. According to CIA, as the property management market continues to consolidate, the leading property management companies such as ourselves, with their strong market position and advantages in various resources, will be better positioned in pursuing expansions through acquisitions and investments.

In June 2020, we set up an external business development team and in September 2020, we began to expand our external business development scope by strategic acquisitions and investment. We direct our regional subsidiaries to conduct preliminary researches on the sizes, business operations, indebtedness, financial condition, and legal compliance statuses of potential acquisition and cooperation targets, and submit research reports for review and approval by our headquarters. If approved, our headquarters will instruct and supervise our regional companies to complete the bidding, contract negotiation and signing, and subsequent ramp-up processes.

Valuation Basis

We determine the amount of consideration for a potential target primarily with reference to factors such as the price to earning ratio of comparable companies and its net profit in the preceding year. According to CIA, equity interests in property management companies with the scale of revenue and net profit set out above were usually changed hands at price-earnings ratios ranging from 10 to 15 times. The valuation of a potential target company based on the above-mentioned criteria typically ranges from RMB10.0 million to RMB200.0 million. Our final price range may be determined on the basis of, or adjusted depending on, the target's size and our evaluation of its potential. In the event that the net proceeds received by our Company from the Global Offering are less than the capital expenditure needed, we intend to use our internal funds.

Basis and Assumptions

Our future plans and business strategies are based on the following general assumptions:

- there will be no material change in the funding requirement for each of our future plans described in this Prospectus from the amount as estimated by our Directors;
- we will have sufficient financial resources to meet the planned capital expenditures and business development requirements during the period to which our future plans relate;
- the Global Offering will be completed in accordance with and as described in the section entitled "Structure and Conditions of the Global Offering" in this prospectus;

- there will be no material changes in existing accounting policies from those stated in the audited combined financial statements of our Group for the Track Record Period;

- our operations including our future plans will not be interrupted by any *force majeure*, unforeseeable factors, extraordinary items or economic changes in respect of inflation, interest rate and tax rate in the PRC and elsewhere;

- there will be no material changes in the bases or rates of taxation applicable to our activities;

- we will not be materially affected by the risk factors as set out in the section headed "Risk Factors" in this Prospectus;

- we will continue our operation including but not limited to retaining our key staff and maintaining our customers, suppliers and subcontractors in the same manner as we did during the Track Record Period;

- there will be no material change in existing laws and regulations, or other governmental policies relating to our Group and our business, or in the political or market conditions in which we operate; and

- there will be no epidemic or disasters, natural, political or otherwise, which would materially disrupt our businesses or operations.

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.

If the Over-allotment Option is exercised in full, we estimate that our Company will not receive any additional net proceeds.

If the Offer Price is determined at HK$9.75 per Offer Share, being the high end of the indicative Offer Price range stated in this Prospectus, we will receive additional net proceeds of approximately HK$496 million. If the Offer Price is fixed at HK$8.50 per Offer Share, being the low end of the indicative Offer Price range stated in this Prospectus, the net proceeds we receive will be reduced by approximately HK$496 million. If the Offer Price is set above the mid-point of the indicative Offer Price range, we intend to apply the additional amounts to the purposes stated above in the same proportions. If the Offer Price is set below the mid-point of the indicative Offer Price range, we intend to reduce the allocation of the net proceeds to the purposes stated above on a pro rata basis.

To the extent that the net proceeds received by our Company from the Global Offering are not immediately applied to the purposes stated above, to the extent permitted by applicable laws and regulations and so long as it is deemed to be in the best interests of our Company, we may place the proceeds into short-term interest-bearing deposits with licensed financial institutions. We will make a formal announcement in the event that there is any change in our use of net proceeds from the purposes stated above or in our allocation of the net proceeds in the proportions stated above.

Selling Shareholder Proceeds

We estimate the net proceeds to the Selling Shareholder from the sale of Sale Shares pursuant to the Global Offering, assuming the Over-allotment Option is not exercised, to be approximately HK$7,306 million (assuming an Offer Price of HK$9.13 per Offer Share, being the mid-point of the indicative Offer Price range), after deducting the underwriting commission and estimated related expenses payable by the Selling Shareholder. We will not receive net proceeds from the sale of Sale Shares pursuant to the Global Offering, whether or not the Over-allotment Option is exercised.

HONG KONG UNDERWRITERS

Huatai Financial Holdings (Hong Kong) Limited
UBS AG Hong Kong Branch
ABCI Securities Company Limited ("ABCI")
CCB International Capital Limited ("CCBI")
CLSA Limited ("CLSA")
Haitong International Securities Company Limited ("HTI")
CMB International Capital Limited
ICBC International Securities Limited
Fortune (HK) Securities Limited

UNDERWRITING

This Prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Joint Representatives (for themselves and on behalf of the Underwriters) and us (for ourselves and on behalf of the Selling Shareholder), the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 162,163,000 Hong Kong Offer Shares and the International Offering of initially 1,459,459,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure and Conditions 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

The Hong Kong Underwriting Agreement was entered into on November 20, 2020. Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription by the public in Hong Kong on the terms and conditions set out in this Prospectus, the Application Forms and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this Prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, 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) shall be entitled by notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect if, at any time prior to 8:00 a.m. on the Listing Date:

(a) there develops, occurs, exists or comes into effect:

(i) any event, series of events or circumstance, in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of disease (excluding such epidemic, pandemic and large-scale outbreaks of diseases subsisting as of the date of the Hong Kong Underwriting Agreement which have not materially escalated thereafter), economic sanctions, strikes, lock-outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting Hong Kong, the PRC, the United States, the United Kingdom, any member of the European Union or any other jurisdiction relevant to any member of the Group or the Global Offering (collectively, the "**Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in any change in local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions or exchange control or any monetary or trading settlement system (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any of the Relevant Jurisdictions; or

(iii) 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 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

(iv) any general moratorium on commercial banking activities in any of the Relevant Jurisdictions (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign), or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of the Relevant Jurisdictions; or

(v) any new Law, or any change or development involving a prospective change or any event or circumstance likely to result in a change or development involving a prospective change in existing Laws or in the interpretation or application thereof by any court or other competent Authority, in each case, in or affecting any of the Relevant Jurisdictions; or

(vi) the imposition of economic sanctions, or the withdrawal of the trade privileges in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions; or

(vii) a change or development involving a prospective change in Taxation, or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, 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 material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or

(viii) any materialization of, any of the risks set out in the section headed “Risk Factors” of this Prospectus; or

(ix) any litigation or claim of any third party being threatened or instigated against any member of the Group or any Director; or

(x) save as disclosed in this Prospectus, a contravention by any member of the Group of the Listing Rules or applicable laws; or

(xi) a valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

(xii) an 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

(xiii) a Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

(xiv) an authority or a political body or organization in any of the Relevant Jurisdictions announcing or commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group or Director,

which, individually or in the aggregate, in the sole and absolute opinion of Joint Representatives (for themselves or on behalf of the Hong Kong Underwriters): (1) has or will result or is likely to result in a material adverse change; or (2) has or will have or is likely to have a material adverse effect on the success of the Global Offering; or (3) makes or will make or is likely to make it impracticable or incapable for the Global Offering to proceed as envisaged or to market the Global Offering or to deliver the Offer Shares on the terms and in the manner contemplated by this Prospectus; or

(b) there has come to the notice of the Joint Representatives:

(i) that any statement contained in any of the Hong Kong Public Offering Documents and/or in any notices, announcements, or other documents issued by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incomplete, incorrect or misleading in any material respect, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of the Hong Kong Public Offering Documents and/or any notices, announcements, or other documents issued by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not, in all material respects, fair and honest and based on reasonable assumptions, when taken as a whole; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this Prospectus, result in a material misstatement in, or constitute a material omission from any of the Hong Kong Public Offering Documents, and/or in any notices, announcements, or other documents issued by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or

(iii) any material breach of any of the obligations imposed upon the Company or any of Dr. Hui, Xin Xin (BVI), China Evergrande Group, Anji (BVI), Shengjian (BVI) and CEG Holdings (the "**Warranting Shareholders**") under the Hong Kong Underwriting Agreement (other than upon any of the Hong Kong Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any material liability of any of the Indemnifying Parties pursuant to the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(v) any material adverse change, or any development involving a prospective material adverse change, in or affecting the assets, liabilities, business, management, general affairs, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company or any member of the Group; or

(vi) any breach of, or any event or circumstances rendering untrue or incorrect or misleading in any respect, any of the Warranties; or

(vii) approval by the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares that may be sold pursuant to the exercise of the Over-allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn or qualified (other than by customary conditions); or

(viii) the Company withdraws this Prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or

(ix) any person (other than the Joint Sponsors) named in "Appendix IV—Statutory and General Information—D. Other Information—7. Qualification of Experts" of this Prospectus has withdrawn or is subject to withdraw its consent to being named in any of the Hong Kong Public Offering Documents or to the issue of any of the Hong Kong Public Offering Documents; or

(x) a prohibition (either governmental, regulatory, judicial or otherwise) on the Company for whatever reason from offering, allotting, issuing or selling any of the Shares (including the Over-allotment Option Shares) pursuant to the terms of the Global Offering; or

(xi) a significant portion of the orders in the bookbuilding process at the time of the International Underwriting Agreement is entered into, have been withdrawn, terminated or cancelled.

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by the Company

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 Shares (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertakings by the Controlling Shareholders

In accordance with Rule 10.07 of the Listing Rules, each of the Controlling Shareholders has undertaken to the Company and the Stock Exchange that, except pursuant to the Capitalization Issue, the Global Offering, the Stock Borrowing Agreement and the exercise of the Over-allotment Option, it shall not, and shall procure that the relevant registered holder(s) shall not:

(i) in the period commencing on the date by reference to which disclosure of its holding of Shares is made in this Prospectus and ending on the date which is six months from the Listing Date, 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 Shares in respect of which it is shown in this Prospectus to be the beneficial owner; and

(ii) in 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 Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they would cease to be a group of Controlling Shareholders.

In accordance with Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Company and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its holding of Shares is made in this Prospectus and ending on the date which is 12 months from the Listing Date, it will:

(1) when it pledges or charges any Shares or securities of the Company beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and

(2) when it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares or securities of the Company will be disposed of, immediately inform the Company in writing of such indications.

The Company will inform the Stock Exchange as soon as it has been informed of the matters referred to in paragraphs (1) and (2) above by any of the Controlling Shareholders and disclose such matters by way of an announcement in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertaking by the Company

The Company undertakes to each of the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option) at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months from 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:

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any 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 equity securities of the Company), or deposit any equity securities of the Company with a depositary in connection with the issue of depositary receipts; 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 any 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 equity securities of the Company); or

(iii) enter into any transaction with the same economic effect as any transaction described in Clauses (i) or (ii) above; or

(iv) 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 such equity securities, in cash or otherwise (whether or not the issue of such equity securities will be completed within the First Six Month Period).

The Company further agrees that, in the event that, at any time during the period of six months immediately following the expiry of the First Six-month Period (the "**Second Six-Month Period**"), the Company enters into any of the transactions specified in Clause (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or any other securities of the Company.

(B) Undertakings by the Warranting Shareholders

Each of the Warranting Shareholders jointly and severally undertakes to each of the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, 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, (other than any pledge or charge of the issued share capital of the Company after consummation of the Global Offering in favor of an authorized institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan in compliance with Note (2) to Rule 10.07(2) of the Listing Rules):

(i) it will not, at any time during the First Six-Month Period, (a) offer, pledge, charge, sell, contract to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any 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 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 (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 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 (c) enter into any transaction with the same economic effect as any transaction specified in Clause (i)(a) or (b) above, or (d) offer to or agree to or announce any intention to effect any transaction specified in Clause (i)(a), (b) or (c) above, in each case, whether any of the transactions specified in Clause (i)(a), (b) or (c) 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);

(ii) it will not, during the Second Six-Month Period, enter into any of the transactions specified in Clause (i)(a), (b) or (c) 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 the term is defined in the Listing Rules) of the Company; and

(iii) until the expiry of the Second Six-Month period, in the event that it enters into any of the transactions specified in Clause (i) (a), (b) or (c) above or offer 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

Both Huatai International Greater Bay Area Investment Limited and ABCI Global Opportunities SPC – ABCI China Rising Private Equity 3 Segregated Portfolio are Pre-IPO investors of the Company, which held as to 4.776% and 1.194% of equity interests in the Company immediately upon completion of the Pre-IPO Investments. Huatai International Greater Bay Area Investment Limited is wholly owned by Huatai International Greater Bay Area Investment Fund, L.P., the fund manager of which is Huatai Financial Holdings (Hong Kong) Limited. ABCI Global Opportunities SPC – ABCI China Rising Private Equity 3 Segregated Portfolio is an independent investment portfolio company, whose investment manager is ABCI Asset Management Limited, an indirect subsidiary of the Agricultural Bank of China Limited. The Agricultural Bank of China is the holding company of both ABCI Capital Limited and ABCI Securities Company Limited. See "History, Reorganization and Corporate Structure – 4. Information on the Pre-IPO Investors" for details.

Save for the disclosure in the above paragraph and 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 our 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 our 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, the Controlling Shareholders and the Selling Shareholder expect to enter into the International Underwriting Agreement with 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 out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure and Conditions of the Global Offering – The International Offering."

Over-allotment Option

The Selling Shareholder 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 from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Selling Shareholder may be required to sell up to an aggregate of 243,243,000 additional Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering in total, at the Offer Price, to cover, among other things, over-allocations in the International Offering, if any. See "Structure and Conditions of the Global Offering – Over-allotment Option."

Underwriting Arrangement with Relevant Underwriters

In July 2020, each of ABCI, CCBI, CLSA and HTI (the "Relevant Underwriters"), by itself or through its holding company, signed a hard underwriting agreement with the Company, pursuant to which each of the Relevant Underwriters agreed, on a hard underwriting basis, to subscribe for, or procure investors to subscribe for, such number of the Offer Shares which are to be subscribed with a principal amount of RMB2 billion at the Offer Price.

Commissions and Expenses

The Underwriters will receive an underwriting commission of 1.3% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be sold pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions and other fees.

The Underwriters may receive an incentive fee under the Global Offering at the sole discretion of the Company.

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 by the Company and the Selling Shareholder to the Underwriters in relation to the Global Offering (assuming an Offer Price of HK$9.13 per Offer Share (which is the mid-point of the Offer Price Range), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) will be approximately HK$340.5 million.

The aggregate underwriting commissions 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 HK$173.0 million (assuming an Offer Price of HK$9.13 per Offer Share (which is the mid-point of the Offer Price Range), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) and will be paid by the Company, save for such base and incentive fees and expenses relating to the sale of the Sale Shares by the Selling Shareholder which will be borne by the Selling Shareholder.

Indemnity

The Company has agreed to indemnify 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 trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of 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 our 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 and Conditions 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.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

Huatai Financial Holdings (Hong Kong) Limited, UBS AG Hong Kong Branch, ABCI Capital Limited, CCB International Capital Limited, CLSA Limited and Haitong International Securities Company Limited are the Joint Global Coordinators of the Global Offering and the Joint Representatives of the Underwriters.

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.

1,621,622,000 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 162,163,000 New Shares (subject to reallocation) in Hong Kong as described in "– The Hong Kong Public Offering" below; and

(b) the International Offering of initially 1,459,459,000 Shares including 648,648,000 New Shares and 810,811,000 Sale Shares (subject to reallocation and the Over-allotment Option) (i) in the United States solely to Qualified Institutional Buyers in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirement of the U.S. Securities Act and (ii) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in "The International Offering" below.

Of the 1,459,459,000 Offer Shares initially being offered under the International Offering, 129,730,000 Sale Shares will be offered under the Preferential Offering to the Qualifying China Evergrande 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.

The Offer Shares will represent approximately 15.00% 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 17.25% 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

The Company is initially offering 162,163,000 New Shares for subscription by the public in Hong Kong at the Offer Price, representing 10% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 1.50% of the total Shares in issue immediately following the completion of the Global Offering (assuming 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, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "—Conditions of the Global Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A 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 under the Hong Kong Public Offering and any application for more than 81,081,500 Hong Kong Offer Shares is liable to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached.

We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with Paragraph 4.2 of Practice Note 18 of the Hong Kong Listing Rules to the effect as further described below.

162,163,000 Offer Shares are initially available in the Hong Kong Public Offering, representing 10.0% of the Offer Shares initially available under the Global Offering.

If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (a) 14 times or more but less than 49 times, (b) 49 times or more but less than 99 times and (c) 99 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 227,028,000 Offer Shares (in the case of (a)), 275,656,000 Offer Shares (in the case of (b)) and 324,325,000 Offer Shares (in the case of (c)), representing 14.0%, 17.0% and 20.0% 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 in their sole and absolute discretion 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 that the International Offer Shares are undersubscribed or 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 324,325,000 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$8.50 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 China Evergrande 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 (except in respect of Reserved Shares applied for pursuant to the Preferential 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$9.75 per Offer Share in addition to the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$4,924.12 for one board lot of 500 Shares. If the Offer Price, as finally determined in the manner described in "– Pricing and Allocation" below, is less than the Maximum Offer Price of HK$9.75 per Offer Share, 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 out in "How to Apply for Hong Kong Offer Shares and Reserved Shares."

THE PREFERENTIAL OFFERING

Basis of the Assured Entitlement

In order to enable China Evergrande 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 China Evergrande Shareholders are being invited to apply for an aggregate of 129,730,000 Reserved Shares in the Preferential Offering, representing approximately 8.9% and 8.0% 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 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 integral multiple of 102 China Evergrande Shares held by Qualifying China Evergrande Shareholders as at 4:30 p.m. on the Record Date.

Qualifying China Evergrande 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 China Evergrande Shareholders to Reserved Shares are not transferrable. There will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying China Evergrande Shareholders who hold less than 102 China Evergrande 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 China Evergrande 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 China Evergrande Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions set out in the **BLUE** Application Forms, or the **Blue Form eIPO** service via **www.eipo.com.hk**, and assuming the conditions of the Preferential Offering are satisfied.

Where a Qualifying China Evergrande Shareholder applies for a number of Reserved Shares which is greater than the Qualifying China Evergrande 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 resulting from other Qualifying China Evergrande Shareholders declining to take up some or all of their Assured Entitlement by way of allocation by the Joint Representatives on a fair and reasonable basis. Such allocation basis is 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 of excess Reserved Shares, and thereafter at the discretion of the Joint Representatives, to other investors in the International Offering.

Qualifying China Evergrande 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 out 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 out in the table, you MUST apply by using **Blue Form eIPO** only (other than HKSCC Nominees).

To the extent that excess applications for the Reserved Shares are:

(a) less than the Assured Entitlement not taken up by the Qualifying China Evergrande 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. 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 China Evergrande Shareholders (not being Non-Qualifying China Evergrande Shareholders) whose China Evergrande Shares are held by a nominee company should note that the Company will regard the nominee company as a single China Evergrande Shareholder according to the register of members of China Evergrande Group. Accordingly, such Beneficial China Evergrande Shareholders whose China Evergrande Shares are held by a nominee company should note that the arrangement under paragraph (c) above will not apply to them individually. Any Beneficial China Evergrande Shareholders (not being Non-Qualifying China Evergrande Shareholders) whose China Evergrande 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 China Evergrande Shares in the name of the beneficial owner prior to the Record Date.

Applications by Qualifying China Evergrande Shareholders for Hong Kong Offer Shares

In addition to any application for Reserved Shares made either through the **Blue Form eIPO** service via **www.eipo.com.hk**, or on the **BLUE** Application Form, Qualifying China Evergrande 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 **White Form eIPO** and **Blue Form eIPO** service. Qualifying China Evergrande 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 **White Form eIPO** and **Blue Form eIPO** service under the Hong Kong Public Offering.

Qualifying China Evergrande Shareholders and Non-Qualifying China Evergrande Shareholders

Only China Evergrande Shareholders whose names appeared on the register of members of China Evergrande Group on the Record Date and who are not Non-Qualifying China Evergrande Shareholders are entitled to subscribe for the Reserved Shares under the Preferential Offering.

Non-Qualifying China Evergrande Shareholders are those China Evergrande Shareholders with registered addresses in, or who are otherwise known by China Evergrande Group to be residents of, jurisdictions outside Hong Kong on the Record Date, in respect of whom the directors of China Evergrande Group 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 China Evergrande Shareholder is resident or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

The directors of China Evergrande Group 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 China Evergrande Shareholders in the Specified Territories. Having considered the circumstances, the directors of China Evergrande Group and the Company have formed the view that it is necessary or expedient to restrict the ability of China Evergrande 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 China Evergrande 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 China Evergrande Shareholders are:

(a) China Evergrande Shareholders whose names appeared in the register of members of China Evergrande Group on the Record Date and whose addresses as shown in such register are in any of the Specified Territories; and

(b) China Evergrande Shareholders or Beneficial China Evergrande Shareholders on the Record Date who are otherwise known by China Evergrande Group 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 China Evergrande 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 China Evergrande Shareholders who hold China Evergrande 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 China Evergrande Shareholders who hold China Evergrande 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 despatched to all Qualifying China Evergrande Shareholders save for certain core connected persons of the Company who will not participate in the Preferential Offering. In addition, Qualifying China Evergrande 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 China Evergrande's corporate communications policy.

If a Qualifying China Evergrande Shareholder has elected to receive corporate communications from China Evergrande Group in printed form, or has not been asked to elect the means of receiving China Evergrande Group's corporate communications, a printed copy of this prospectus in the elected language version(s) will be despatched to such Qualifying China Evergrande Shareholder. For further details, see section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares" in this Prospectus.

If a Qualifying China Evergrande Shareholder has (a) 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 China Evergrande.

If a Qualifying China Evergrande Shareholder has (a) 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 China Evergrande. An electronic version of this prospectus (which is identical to the printed prospectus) can be accessed and downloaded from the websites of our Company and the Stock Exchange at **www.evergrandeservice.com** and **www.hkexnews.hk**, respectively.

Qualifying China Evergrande Shareholders may also obtain a printed copy of this prospectus during normal business hours from any of the designated branches of the receiving bank and the designated offices of each of those Hong Kong Underwriters as set out in "How to Apply for Hong Kong Offer Shares and Reserved Shares."

Distribution of this prospectus and/or the **BLUE** Application Form(s) into any jurisdiction other than Hong Kong may be restricted by law. Persons into whose possession this prospectus and/or the **BLUE** Application Form(s) come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this prospectus 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 prospectus and/or the **BLUE** Application Form(s) must be treated as sent for information only and should not be copied or redistributed.

Application Procedures

The procedures for application under and the terms and conditions of the Preferential Offering are set out in the section headed "How to Apply for Hong Kong Offer Shares and Reserved Shares" in this Prospectus and on the **BLUE** Application Forms.

The documents to be issued in connection with the Hong Kong Public Offering and the Preferential Offering will not be registered or filed under applicable securities or equivalent legislation of any jurisdiction other than Hong Kong. No action has been taken to permit an offering of the Hong Kong Offer Shares and the Reserved Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus 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 INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an initial offering of 648,648,000 New Shares offered by the Company and 810,811,000 Sale Shares offered by the Selling Shareholder, 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 selective marketing of Offer Shares to Qualified Institutional Buyers in the United States as well as 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 Group and the Shareholders as a whole.

The Joint Representatives (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Representatives so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in "– The Hong Kong Public Offering – Reallocation" above, the exercise of the 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 Selling Shareholder 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 Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Selling Shareholder to sell up to an aggregate of 243,243,000 additional shares, representing in total not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to cover, among other things, over-allocations in the International Offering.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be sold pursuant thereto will represent approximately 2.25%% of the total Shares in issue immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of 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 of the last day for lodging applications under the Hong Kong Public Offering.

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.

Specifically, 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 Saturday, December 26, 2020, 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;

(e) the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by, 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 243,243,000 Shares (being the maximum number of Shares which may be sold pursuant to the exercise of the Over-allotment Option) from CEG Holdings, pursuant to the Stock Borrowing Agreement, which is expected to be entered into between the Stabilizing Manager (or any person acting for it) and the Controlling Shareholders on or about the Price Determination Date.

If the Stock Borrowing Agreement with the Controlling Shareholders is entered into, the borrowing of Shares will only be effected by the Stabilizing Manager (or any person acting for it) for the settlement of over-allocations in the International Offering and such borrowing arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules, being that the Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering, are complied with.

The same number of Shares so borrowed must be returned to the Controlling Shareholders 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 the Controlling Shareholders by the Stabilizing Manager (or any person acting for it) in relation to such Shares borrowing arrangement.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Thursday, November 26, 2020 and, in any event, no later than Tuesday, December 1, 2020, by agreement between the Joint Representatives (on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder), 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$9.75 per Offer Share and is expected to be not less than HK$8.50 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, the Maximum Offer Price of HK$9.75 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, amounting to a total of HK$4,924.12 for one board lot of 500 Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the Minimum Offer Price stated in this Prospectus.**

If the number of Offer Shares and/or the indicative Offer Price range is reduced, applicants who have submitted an application under the Hong Kong Public Offering will be entitled to withdraw their applications unless positive confirmations from the applicants to proceed are received.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Joint Representatives (on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company and the Controlling Shareholders, 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 on 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 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Company and the Stock Exchange at **www.evergrandeservice.com** and **www.hkexnews.hk**, respectively, notices of the reduction. In the absence of the publication of any such notice, the Offer Price shall under no circumstances be set outside the Offer Price range indicated in this prospectus. Upon the issue of such a notice, the revised number of Offer Shares offered in the Global Offering and/or the revised 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 the Company (for itself and on behalf of the Selling Shareholder), 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 out in this Prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Representatives (on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder), 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 – 12. 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 (for itself and on behalf of the Selling Shareholder) 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 prior to the Listing Date;

(b) the Offer Price having been agreed between the Joint Representatives (on behalf of the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder);

(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 (for itself and on behalf of the Selling Shareholder) on or before Tuesday, December 1, 2020, 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 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Company and the Stock Exchange at **www.evergrandeservice.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares and Reserved Shares – 14. 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 Wednesday, December 2, 2020, provided that 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 Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, December 2, 2020, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, December 2, 2020.

The Shares will be traded in board lots of 500 Shares each and the stock code of the Shares will be 6666.

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 **White Form eIPO** service at **www.eipo.com.hk**; 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.

The Company, the Joint Representatives, the **White Form eIPO** 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;
- 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 legal or natural person of the PRC (except qualified domestic institutional investors).

If you apply for Hong Kong Offer Shares online through the **White Form eIPO** 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 **White Form eIPO** 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 and/or a substantial shareholder of any of the Company's 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 core connected person of the Company or a person who will become a core 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 **White Form eIPO** service at **www.eipo.com.hk**.

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 Monday, November 23, 2020 until 12:00 noon on Thursday, November 26, 2020 from:

(a) any of the following offices of the Joint Representatives:

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

UBS AG Hong Kong Branch
52/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

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

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

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

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

(b) any of the following branches of the receiving bank for the Hong Kong Public Offering:

(i) **Bank of China (Hong Kong) Limited**

	Branch Name	Address
Hong Kong	Des Voeux Road West Branch	111-119 Des Voeux Road West, Hong Kong
	Quarry Bay Branch	Parkvale, 1060 King's Road, Quarry Bay, Hong Kong
	Taikoo Shing Branch	Shop G1006, Hoi Shing Mansion, Taikoo Shing, Hong Kong
	Central District (Wing On House) Branch	B/F-2/F, Wing On House, 71 Des Voeux Road Central, Hong Kong
Kowloon	Lam Tin Branch	Shop 12, 49 Kai Tin Road, Lam Tin, Kowloon
	Whampoa Garden Branch	Shop G8B, Site 1, Whampoa Garden, Hung Hom, Kowloon
	Mong Kok Branch	589 Nathan Road, Mong Kok, Kowloon
	Yu Chau Street Branch	42-46 Yu Chau Street, Sham Shui Po, Kowloon
New Territories	Tai Wai Branch	74-76 Tai Wai Road, Sha Tin, New Territories
	Metro City Branch	Shop 209, Level 2, Metro City Phase 1, Tseung Kwan O, New Territories
	Texaco Road Branch	Shop A112, East Asia Gardens, 36 Texaco Road, Tsuen Wan, New Territories
	Tuen Mun Town Plaza Branch	Shop 2, Tuen Mun Town Plaza phase II, Tuen Mun, New Territories

You can collect a **YELLOW** Application Form and a Prospectus during normal business hours from 9:00 a.m. on Monday, November 23, 2020 until 12:00 noon on Thursday, November 26, 2020 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—EVERGRANDE PROPERTY SERVICES PUBLIC OFFER" for the payment, should be deposited in the special collection boxes provided at any of the designated branches of the receiving bank listed above at the following times:

Monday, November 23, 2020	**–**	**9:00 a.m. to 5:00 p.m.**
Tuesday, November 24, 2020	**–**	**9:00 a.m. to 5:00 p.m.**
Wednesday, November 25, 2020	**–**	**9:00 a.m. to 5:00 p.m.**
Thursday, November 26, 2020	**–**	**9:00 a.m. to 12:00 noon**

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, November 26, 2020, the last day for applications, or such later time as described in "– 11. 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 **White Form eIPO** service, among other things, you:

(a) undertake to execute all relevant documents and instruct and authorize the Company and/or the Joint Representatives (or its 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 Memorandum and Articles of Association of the Company, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Companies Law;

(c) confirm that you have read the terms and conditions and application procedures set out 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 relied only on the information and representations in this Prospectus in making your application and will not rely on any other information or representations, except those in any supplement to this Prospectus;

(e) confirm that you are aware of the restrictions on the Global Offering set out in this Prospectus;

(f) agree that none of the Company, the Relevant Persons and the **White Form eIPO** Service Provider is or will be liable for any information and representations not in this Prospectus (and any supplement to this Prospectus);

(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 bank 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 U.S. Securities Act and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of 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 Memorandum and Articles of Association of the Company and (ii) the Company and/or its agents to send any Share certificate(s) and/or any e-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 mentioned in "– 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 by a Qualifying China Evergrande Shareholder 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 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 **White Form eIPO** service 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 White Form eIPO Service

General

Individuals who meet the criteria in "– 2. Who Can Apply" above may apply through the **White Form eIPO** service for the Offer Shares to be allocated and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **White Form eIPO** service are set out on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorize the **White Form eIPO** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** Provider.

Time for Submitting Applications under the White Form eIPO Service

You may submit your application through the **White Form eIPO** service through the designated website at **www.eipo.com.hk** (24 hours daily, except on the last day for applications) from 9:00 a.m. on Monday, November 23, 2020 until 11:30 a.m. on Thursday, November 26, 2020 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, November 26, 2020, the last day for applications, or such later time as described in "– 11. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

No Multiple Applications

If you apply by means of the **White Form eIPO** service, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application will be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

Only one application may be made for the benefit of any person. If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

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 (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Commitment to Sustainability

The obvious advantage of **White Form eIPO** service is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK$2 for each "Evergrande Property Services Group Limited" **White Form eIPO** application submitted via **www.eipo.com.hk** to support sustainability.

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, 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;

- 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 despatch 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 out 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 and will not rely on any other information or representations, except those 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 bank 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 (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section on or before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong) which excludes or limits that person's responsibility for this Prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the announcement of the results of the Hong Kong Public Offering by 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 Memorandum and Articles of Association of the Company, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Companies Law; 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 out 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:

Monday, November 23, 2020	**–**	**9:00 a.m. to 8:30 p.m.**
Tuesday, November 24, 2020	**–**	**8:00 a.m. to 8:30 p.m.**
Wednesday, November 25, 2020	**–**	**8:00 a.m. to 8:30 p.m.**
Thursday, November 26, 2020	**–**	**8:00 a.m. to 12:00 noon**

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, November 23, 2020 until 12:00 noon on Thursday, November 26, 2020 (24 hours daily, except on Thursday, November 26, 2020, the last day for applications).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, November 26, 2020, the last day for applications, or such later time as described in "– 11. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

(1) These times 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 (as applied by Section 342E 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 bank 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 **White Form eIPO** service is only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day for applications to make your electronic application. The Company, the Relevant Persons and the **White Form eIPO** Service Provider take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allocated any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems 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 Thursday, November 26, 2020, the last day for applications, or such later time as described in "– 11. 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 China Evergrande Shareholder applying for Reserved Shares under the Preferential Offering on the **BLUE** Application Form or through the **Blue Form eIPO** service via **www.eipo.com.hk**, 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 **White Form eIPO** service through the designated website at **www.eipo.com.hk**. 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 "Structure and Conditions of the Global Offering – The Preferential Offering." If you submit applications both through the **Blue Form eIPO** service and by using a **BLUE** Application Form, only the application submitted via **Blue Form eIPO** service will be accepted and the other will be rejected.

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 **White Form eIPO** 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).

9. Applications for Reserved Shares

Who Can Apply

Only China Evergrande Shareholders whose names appeared on the register of members of China Evergrande Group on the Record Date and who are not Non-Qualifying China Evergrande Shareholders are entitled to subscribe for the Reserved Shares under the Preferential Offering.

Non-Qualifying China Evergrande Shareholders are those China Evergrande Shareholders with registered addresses in, or who are otherwise known by China Evergrande Group to be residents of, jurisdictions outside Hong Kong on the Record Date, in respect of whom the directors of China Evergrande Group 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 China Evergrande Shareholder is resident or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

The directors of China Evergrande Group 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 China Evergrande Shareholders in the Specified Territories. Having considered the circumstances, the directors of China Evergrande Group and the Company have formed the view that it is necessary or expedient to restrict the ability of China Evergrande 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 China Evergrande 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 China Evergrande Shareholders are:

(a) China Evergrande Shareholders whose names appeared in the register of members of China Evergrande Group on the Record Date and whose addresses as shown in such register are in any of the Specified Territories; and

(b) China Evergrande Shareholders or Beneficial China Evergrande Shareholders on the Record Date who are otherwise known by China Evergrande Group 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 **Blue Form eIPO** service, the Company reserves the right to permit any China Evergrande 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.

Qualifying China Evergrande Shareholders are entitled to apply on the basis of an Assured Entitlement of one Reserved Share for every integral multiple of 102 China Evergrande Shares held by them on the Record Date.

Qualifying China Evergrande Shareholders who hold less than 102 China Evergrande 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:

- an existing beneficial owner of shares in 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 China Evergrande Shareholder.

How to Apply

An application for Reserved Shares under the Preferential Offering may only be made by Qualifying China Evergrande Shareholders either through the **Blue Form eIPO** service via **www.eipo.com.hk** or using **BLUE** Application Forms which have been despatched to Qualifying China Evergrande Shareholders by the Company.

Qualifying China Evergrande 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 China Evergrande Shareholders who hold less than 102 China Evergrande 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 China Evergrande Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions set out in the **BLUE** Application Forms or the **Blue Form eIPO** service assuming the conditions of the Preferential Offering are satisfied.

Where a Qualifying China Evergrande Shareholder applies for a number of Reserved Shares which is greater than the Qualifying China Evergrande Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied 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 China Evergrande 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 China Evergrande 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 out 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 out in the table, you MUST apply by using **Blue Form eIPO** only (other than HKSCC Nominees). If you are a Qualifying China Evergrande Shareholder and wish to apply for excess Reserved Shares in addition to your Assured Entitlement, you should complete and sign the **BLUE** Application Form for excess Reserved Shares and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Reserved Shares applied for or apply for through the **Blue Form eIPO** service via **www.eipo.com.hk**.

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. 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 China Evergrande Shareholders who have applied for Reserved Shares under the Preferential Offering either through the **Blue Form eIPO** service via **www.eipo.com.hk** or on the **BLUE** Application Form, 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 **White Form eIPO** service for the Hong Kong Offer Shares in the Hong Kong Public Offering. However, Qualifying China Evergrande 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 **White Form eIPO** service under the Hong Kong Public Offering.

Persons who held their China Evergrande 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 China Evergrande 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.

Distribution of this Prospectus and the Blue Application Forms

BLUE Application Forms have been despatched to all Qualifying China Evergrande Shareholders, save for certain core connected persons of the Company who will not participate in the Preferential Offering, to their address recorded on the register of members of China Evergrande Group on the Record Date.

In addition, Qualifying China Evergrande 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 China Evergrande Group's corporate communications policy.

If a Qualifying China Evergrande Shareholder has elected to receive corporate communications from China Evergrande Group in printed form under China Evergrande Group's corporate communications policy or has not been asked to elect the means of receiving China Evergrande Group's corporate communications, a printed copy of this Prospectus in the elected language version(s) (if applicable) will be despatched to such Qualifying China Evergrande Shareholder.

If a Qualifying China Evergrande 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 China Evergrande Group, 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.evergrandeservice.com** and the Stock Exchange at **www.hkexnews.hk** under the section headed "*HKEXnews > Listed Company Information > Latest Listed Company Information.*"

A Qualifying China Evergrande 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 Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Computershare Hong Kong Investor Services Limited will promptly, upon request, send by ordinary post a printed copy of this Prospectus to such Qualifying China Evergrande Shareholder, free of charge, although such Qualifying China Evergrande Shareholder may not receive that printed copy of this Prospectus before the close of the Hong Kong Public Offering and the Preferential Offering.

Qualifying China Evergrande Shareholders may also obtain a printed copy of this Prospectus during normal business hours from any of the designated branches of the receiving bank and the designated offices of each of the Joint Representatives as set out in "– A. Applications for Hong Kong Offer Shares – 3. Applying for Hong Kong Offer Shares – Where to Collect the Application Forms."

Qualifying China Evergrande Shareholders who require a replacement **BLUE** Application Form should contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or on its hotline 2862 8555.

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 China Evergrande 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 China Evergrande Group 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.

Applying Through The Blue Form eIPO Service

If you apply for Reserved Shares online through the **Blue Form eIPO** service:

(a) detailed instructions for application through the **Blue Form eIPO** service are set out on the designated website at **www.eipo.com.hk**. You should read those instructions carefully. If you do not follow the instructions, your application may be rejected by the **Blue Form eIPO** Service Provider and may not be submitted to the Company;

(b) you must 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 **Blue Form eIPO** service and by using the **BLUE** Application Form, only the application submitted via the **Blue Form eIPO** service will be accepted and the other application will be rejected.

The application for Reserved Shares through the **Blue Form eIPO** service is only a facility provided by the **Blue Form eIPO** Service Provider to Qualifying China Evergrande 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 **Blue Form eIPO** Service Provider take no responsibility for such applications.

Applying by Using Blue Application Forms

(a) 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 authorised 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 authorised 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— EVERGRANDE PROPERTY SERVICES 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 authorised 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.

(b) If you are applying by using the **BLUE** Application Form for Assured Entitlement, you may apply for a number of Reserved Shares pursuant to your Assured Entitlement that is equal to or less than the number stated in Box B. If you intend to apply for a number of Reserved Shares that is less than your Assured Entitlement, you MUST apply for a number which is one of the numbers set out in the table in the **BLUE** Application Form and make a payment of the corresponding amount (other than HKSCC Nominees). If you intend to apply for a number of Assured Entitlement which is not one of the numbers set out in the table in the **BLUE** Application Form for Assured Entitlement, you MUST apply by using **Blue Form eIPO** only (other than HKSCC Nominees). You need to complete and sign the **BLUE** Application Form for Assured Entitlement and submit one cheque (or banker's cashier order) for the exact amount of remittance printed in Box B or the corresponding amount payable as set out in the table in the **BLUE** Application Form.

(c) If you are applying by using the **BLUE** Application Form for excess Reserved Shares, you MUST apply for a number which is one of the numbers set out in the table in the **BLUE** Application Form and make a payment of the corresponding amount (other than HKSCC Nominees). If you intend to apply for a number of excess Reserved Shares which is not one of the numbers set out in the table in the **BLUE** Application Form for excess Reserved Shares, you MUST apply by using **Blue Form eIPO** only (other than HKSCC Nominees). You need to complete and sign the **BLUE** Application Form for excess Reserved Shares and submit one separate cheque (or banker's cashier order) for the exact amount of remittance.

(d) If you intend to apply for both Reserved Shares pursuant to your Assured Entitlement and excess Reserved Shares, you must submit both the **BLUE** Application Form for Assured Entitlement and the **BLUE** Application Form for excess Reserved Shares. Each **BLUE** Application Form must be accompanied by a separate cheque (or banker's cashier order) for the exact amount of remittance.

Instead of using the **BLUE** Application Form, you may apply for Reserved Shares through the **Blue Form eIPO** service at **www.eipo.com.hk**.

When May Applications Be Made

*(a) Application through the **Blue** Form eIPO service*

You may submit your application via the **Blue Form eIPO** service through the designated website at **www.eipo.com.hk** from 9:00 a.m. on Monday, November 23, 2020 until 11:30 a.m. on Thursday, November 26, 2020 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, November 26, 2020, the last day for applications, or such later time as described in the paragraph headed "—11. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

If you do not complete payment of the application monies (including any related fees) in time, the **Blue Form eIPO** Service Provider will reject your application and your application monies will be returned to you in the manner described in the designated website at **www.eipo.com.hk**.

*(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—EVERGRANDE PROPERTY SERVICES PREFERENTIAL OFFER" for the payment, should be deposited in the special collection boxes provided at any of the designated branches of the receiving bank listed above at the following times:

Monday, November 23, 2020	**–**	**9:00 a.m. to 5:00 p.m.**
Tuesday, November 24, 2020	**–**	**9:00 a.m. to 5:00 p.m.**
Wednesday, November 25, 2020	**–**	**9:00 a.m. to 5:00 p.m.**
Thursday, November 26, 2020	**–**	**9:00 a.m. to 12:00 noon**

Completed **BLUE** Application Forms, together with payment attached, must be lodged by 12:00 noon on Thursday, November 26, 2020, the last day for applications, or such later time as described in "– 11. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

If you submit applications both through the **Blue Form eIPO** service and by **BLUE** Application Form, only the application submitted via the **Blue Form eIPO** service will be accepted and the other will be rejected.

(c) Application Lists

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, November 26, 2020, the last day for applications, or such later time as described in "– 11. Effect of Bad Weather on the Opening and Closing of the Application Lists" below.

No proceedings will be taken on applications for Reserved Shares and no allotment of any such Reserved Shares will be made until after the closing of the application lists.

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.

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.

10. How Much Are the Hong Kong Offer Shares and the Reserved Shares

The Maximum Offer Price is HK$9.75 per Offer Share. You must also pay the Maximum Offer Price, brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% in full upon application for the Hong Kong Offer Shares or Reserved Shares under the terms set out in the Application Forms. This means that for one board lot of 500 Hong Kong Offer Shares or one board lot of 500 Reserved Shares, you will pay HK$4,924.12.

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 **White Form eIPO** 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 out in the table in the Application Form, or as otherwise specified on the designated website at **www.eipo.com.hk**.

For applicants on the **BLUE** Application Form, if the number of Reserved Shares applied for is not one of the numbers set out in the table, you MUST apply by using **Blue Form eIPO** only (other than HKSCC Nominees). If you are a Qualifying China Evergrande Shareholder and wish to apply for excess Reserved Shares in addition to your Assured Entitlement, you should complete and sign the **BLUE** Application Form for excess Reserved Shares and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Reserved Shares applied for or apply for through the **Blue Form eIPO** service via **www.eipo.com.hk**.

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 "Structure and Conditions of the Global Offering – Pricing and Allocation."

11. Effect of Bad Weather on the Opening and Closing of the Application Lists

The application lists will not open or close if there is:

- a tropical cyclone warning signal number 8 or above;
- a "black" rainstorm warning; or
- Extreme Conditions

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, November 26, 2020. Instead, they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have any of those warnings or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, November 26, 2020 or if there is/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning signal and/or Extreme Conditions in force in Hong Kong that may affect the dates mentioned in "Expected Timetable," an announcement will be made.

12. 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 Tuesday, December 1, 2020 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Company at **www.evergrandeservice.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 out below:

- in the announcement to be posted on the websites of the Company and the Stock Exchange at **www.evergrandeservice.com** and **www.hkexnews.hk**, respectively, by no later than Tuesday, December 1, 2020;
- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID function" on a 24 hour basis from 8:00 a.m. on Tuesday, December 1, 2020 to 12:00 midnight on Monday, December 7, 2020;

- from the allocation results telephone enquiry line by calling 2862 8555 between 9:00 a.m. and 6:00 p.m. on Tuesday, December 1, 2020, Wednesday, December 2, 2020, Thursday, December 3, 2020 and Friday, December 4, 2020; and

- in the special allocation results booklets which will be available for inspection during the opening hours of the receiving bank's designated branches referred to above from Tuesday, December 1, 2020 to Thursday, December 3, 2020.

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 out in "Structure and Conditions 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.

13. 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 **White Form eIPO** and **Blue Form eIPO** service, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of 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 (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section on or before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong) which excludes or limits that person's responsibility for this Prospectus; or

(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.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot, respectively.

(b) If the Company or its agents exercise their discretion to reject your application:

The Company, the Joint Representatives, the **White Form eIPO** Service Provider and/or **Blue Form eIPO** 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 either through the **Blue Form eIPO** service via **www.eipo.com.hk** or on the **BLUE** Application Form in your capacity as a Qualifying China Evergrande 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 for 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 **White Form eIPO** service and/or **Blue Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website at **www.eipo.com.hk**;

- you apply for more than 81,081,500 Hong Kong Offer Shares, being 50% of the 162,163,000 Hong Kong Offer Shares initially offered under the Hong Kong Public Offering;

- the Company or the Joint Representatives believe that by accepting your application, it would violate applicable securities or other laws, rules or regulations; or

- the Underwriting Agreements do not become unconditional or are terminated.

14. 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 out in "Structure and Conditions 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 Tuesday, December 1, 2020.

15. Despatch/Collection of Share Certificates/e-Refund Payment Instructions/Refund Cheques

You will receive one Share certificate for all Hong Kong Offer Shares allocated to you under the Hong Kong Public Offering (except pursuant to applications made 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 allocated to you (for applicants on **YELLOW** Application Forms, Share certificate(s) for the Hong Kong Offer Shares allocated to you 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, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque.

Subject to arrangement on despatch/collection of Share certificates and refund cheques as mentioned below, any refund cheques and Share certificate(s) are expected to be posted on or before Tuesday, December 1, 2020. 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 Wednesday, December 2, 2020, provided that the Global Offering has become unconditional in all respects at or before that time. 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, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, December 1, 2020, 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, they will be despatched promptly to you 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 Tuesday, December 1, 2020 by ordinary post and at your own risk.

(b) *If you apply using a **YELLOW** Application Form:*

- If you apply for 1,000,000 Hong Kong Offer Shares or more and have provided all information required by your Application Form, please follow the same instructions as described above for collecting 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 Tuesday, December 1, 2020 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 Tuesday, December 1, 2020 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 allocated 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 Tuesday, December 1, 2020 in the manner as described in "– 12. 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 Tuesday, December 1, 2020 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 **White Form eIPO** and **Blue Form eIPO** service:*

- If you apply for (i) 1,000,000 Hong Kong Offer Shares or more through the **White Form eIPO** service or (ii) 1,000,000 or more Reserved Shares through the **Blue Form eIPO** service, and your application is wholly or partially successful, you may collect your Share certificate(s) (where applicable) in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, December 1, 2020, or any other place or date notified by the Company in the newspapers as the date of despatch or collection of Share certificates.

- If you do not personally collect your Share certificate(s) within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post and at your own risk.

- If you apply for (i) less than 1,000,000 Hong Kong Offer Shares through the **White Form eIPO** service or (ii) less than 1,000,000 Reserved Shares through the **Blue Form eIPO** service, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, December 1, 2020 by ordinary post and at your own risk.

- If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address specified in your application instructions in the form of refund 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 Tuesday, December 1, 2020 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/passport/Hong Kong business registration number or other identification code (Hong Kong business registration number for corporations) and the basis of allocations of the Hong Kong Offer Shares in the manner as described in "– 12. Publication of Results" above on Tuesday, December 1, 2020. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, December 1, 2020 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 Tuesday, December 1, 2020. 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 Tuesday, December 1, 2020.

16. Admission of the Shares into CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares 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 adviser 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 Joint 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 EVERGRANDE PROPERTY SERVICES GROUP LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, UBS SECURITIES HONG KONG LIMITED, ABCI CAPITAL LIMITED, CCB INTERNATIONAL CAPITAL LIMITED, CLSA CAPITAL MARKETS LIMITED AND HAITONG INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Evergrande Property Services Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-54, which comprises the combined balance sheets as at December 31, 2017, 2018 and 2019 and June 30, 2020, the Company's balance sheet as at June 30, 2020 and the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 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-54 forms an integral part of this report, which has been prepared for inclusion in the Prospectus of the Company dated November 23, 2020 (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.

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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 June 30, 2020 and the combined financial position of the Group as at December 31, 2017, 2018 and 2019 and June 30, 2020 and of its combined financial performance and its combined 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.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the six months ended June 30, 2019 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative

Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, 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 (THE "LISTING RULES") 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 13 to the Historical Financial Information which contains information about the dividends paid by the companies now comprising the Group in respect of the Track Record Period and states that no dividend has been paid by the Company in respect of the Track Record Period.

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
November 23, 2020

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 (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

Combined statements of comprehensive income

	Note	Year ended December 31, 2017	2018	2019	Six months ended June 30, 2019	2020
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue	*6*	4,399,356	5,903,226	7,332,722	3,465,760	4,563,855
Cost of sales	*8*	(3,966,496)	(5,180,226)	(5,577,739)	(2,669,140)	(2,826,168)
Gross profit		432,860	723,000	1,754,983	796,620	1,737,687
Administrative expenses	*8*	(257,310)	(401,245)	(515,061)	(232,087)	(224,360)
Net impairment losses on financial assets	*8*	(43,800)	(18,206)	(48,210)	(25,669)	(46,919)
Other income	*7*	17,901	19,984	66,550	16,508	46,379
Other losses-net		(47)	(119)	(194)	(31)	(97)
Operating profit		149,604	323,414	1,258,068	555,341	1,512,690
Finance costs	*10*	(12,662)	(13,122)	(28,883)	(16,728)	(12,449)
Profit before income tax		136,942	310,292	1,229,185	538,613	1,500,241
Income tax expense	*11*	(30,378)	(71,284)	(298,661)	(131,287)	(352,548)
Profit for the year/period		106,564	239,008	930,524	407,326	1,147,693
Profit attributable to:						
– Owners of the Company		106,564	239,075	930,232	407,480	1,148,735
– Non-controlling interests		–	(67)	292	(154)	(1,042)
		106,564	239,008	930,524	407,326	1,147,693
Other comprehensive income						
Items that may be reclassified to profit or loss						
Currency translation differences		(19)	93	160	22	207
Total comprehensive income for the year/period		106,545	239,101	930,684	407,348	1,147,900
Total comprehensive income attributable to:						
– Owners of the Company		106,545	239,168	930,392	407,502	1,148,942
– Non-controlling interests		–	(67)	292	(154)	(1,042)
		106,545	239,101	930,684	407,348	1,147,900
Earnings per share						
– Basic and diluted	*12*	N/A	N/A	N/A	N/A	N/A

Combined balance sheets

	Note	As at December 31, 2017	As at December 31, 2018	As at December 31, 2019	As at June 30, 2020
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets					
Property and equipment	*14*	38,998	61,098	57,195	52,548
Right-of-use assets	*22*	13,211	21,411	25,844	21,403
Intangible assets		508	657	433	267
Deferred income tax assets	*23*	38,411	55,574	66,280	79,043
		91,128	138,740	149,752	153,261
Current assets					
Trade and other receivables	*15*	2,054,486	3,141,022	5,256,799	6,366,137
Prepayments	*16*	21,172	18,713	15,968	11,962
Amounts due from related parties	*27*	569,639	1,489,103	1,349,686	1,287,300
Cash and cash equivalents	*17*	964,060	1,054,138	684,348	736,124
Restricted cash	*18*	1,884	102	102	5,016
		3,611,241	5,703,078	7,306,903	8,406,539
Total assets		3,702,369	5,841,818	7,456,655	8,559,800
Equity					
Equity attributable to owners of the Company					
Combined capital	*19*	62,376	67,876	105,751	42,375
Reserves	*20*	182,259	204,881	267,885	302,066
Retained earnings		312,003	524,083	1,387,971	2,525,988
		556,638	796,840	1,761,607	2,870,429
Non-controlling interests		–	(67)	12,850	11,808
Total equity		556,638	796,773	1,774,457	2,882,237
Liabilities					
Non-current liabilities					
Lease liabilities	*22*	4,704	8,304	12,750	9,714
Current liabilities					
Contract liabilities	*6*	1,397,116	2,491,067	2,285,276	2,023,363
Trade and other payables	*21*	1,614,545	2,285,513	2,969,115	2,880,917
Current income tax liabilities		10,540	96,471	398,383	748,183
Lease liabilities	*22*	8,826	13,690	13,724	12,436
Borrowings	*24*	110,000	150,000	2,950	2,950
		3,141,027	5,036,741	5,669,448	5,667,849
Total liabilities		3,145,731	5,045,045	5,682,198	5,677,563
Total equity and liabilities		3,702,369	5,841,818	7,456,655	8,559,800

The Company's balance sheet

	Note	**As at June 30, 2020**
		RMB'000
Current assets		
Amounts due from related parties	*19(b)*	–*
Total assets		–*
Equity		
Equity attributable to owners of the Company		
Share capital	*19(b)*	–*
Total equity		–*
Total equity and liabilities		–*

* Less than RMB1,000

Combined statements of changes in equity

		Attributable to owners of the Company					
	Note	Combined capital	Reserves	Retained earnings	Subtotal	Non-controlling interests	Total
		RMB'000 *(Note 19)*	*RMB'000* *(Note 20)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2017		60,376	172,545	206,268	439,189	–	439,189
Comprehensive income							
Profit for the year		–	–	106,564	106,564	–	106,564
Currency translation differences		–	(19)	–	(19)	–	(19)
Transactions with owners of the Company							
Acquisition of subsidiaries by the Remaining Group and deemed as contribution to the Group	*20(b-1)*	2,000	8,904	–	10,904	–	10,904
Transfer to statutory reserve		–	829	(829)	–	–	–
Balance at December 31, 2017		62,376	182,259	312,003	556,638	–	556,638
Balance at January 1, 2018		62,376	182,259	312,003	556,638	–	556,638
Comprehensive income							
Profit/(loss) for the year		–	–	239,075	239,075	(67)	239,008
Currency translation differences		–	93	–	93	–	93
Transactions with owners of the Company							
Acquisition of subsidiaries by the Remaining Group and deemed as contribution to the Group	*20(b-1)*	5,500	(4,466)	–	1,034	–	1,034
Transfer to statutory reserve		–	26,995	(26,995)	–	–	–
Balance at December 31, 2018		67,876	204,881	524,083	796,840	(67)	796,773
Balance at January 1, 2019		67,876	204,881	524,083	796,840	(67)	796,773
Comprehensive income							
Profit for the year		–	–	930,232	930,232	292	930,524
Currency translation differences		–	160	–	160	–	160
Transactions with owners of the Company							
Contribution from the then shareholders of the Group		37,500	–	–	37,500	12,500	50,000
Acquisition of subsidiaries by the Remaining Group and deemed as contribution to the Group	*20(b-1)*	375	–	–	375	125	500
Transfer to statutory reserve		–	62,844	(62,844)	–	–	–
Dividends to the then shareholder of a subsidiary	*13*	–	–	(3,500)	(3,500)	–	(3,500)
Balance at December 31, 2019		105,751	267,885	1,387,971	1,761,607	12,850	1,774,457

	Note	Combined capital	Reserves	Retained earnings	Subtotal	Non-controlling interests	Total
		Attributable to owners of the Company					
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Note 19)	*(Note 20)*				
Balance at January 1, 2020		105,751	267,885	1,387,971	1,761,607	12,850	1,774,457
Comprehensive income							
Profit/(loss) for the period		–	–	1,148,735	1,148,735	(1,042)	1,147,693
Currency translation differences		–	207	–	207	–	207
Transactions with owners of the Company							
Acquisition of subsidiaries from the Remaining Group during the Reorganisation	*20(b-2)*	(63,376)	30,585	–	(32,791)	–	(32,791)
Transfer to statutory reserve		–	3,389	(3,389)	–	–	–
Dividends to the then shareholders of subsidiaries	*13*	–	–	(7,329)	(7,329)	–	(7,329)
Balance at June 30, 2020		42,375	302,066	2,525,988	2,870,429	11,808	2,882,237
(Unaudited)							
Balance at January 1, 2019		67,876	204,881	524,083	796,840	(67)	796,773
Comprehensive income							
Profit/(loss) for the period		–	–	407,480	407,480	(154)	407,326
Currency translation differences		–	22	–	22	–	22
Transactions with owners of the Company							
Transfer to statutory reserve		–	40,281	(40,281)	–	–	–
Balance at June 30, 2019		67,876	245,184	891,282	1,204,342	(221)	1,204,121

Combined statements of cash flows

	Note	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2019	Six months ended June 30, 2019	Six months ended June 30, 2020
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cash flows of operating activities						
Cash generated from/(used in) operations	*25*	195,474	1,038,307	(360,782)	(499,511)	51,885
PRC enterprise income tax paid		(2,349)	(2,515)	(7,455)	(6,502)	(15,511)
Net cash generated from/(used in) operating activities		193,125	1,035,792	(368,237)	(506,013)	36,374
Cash flows of investing activities						
Purchases of property and equipment	*14*	(25,716)	(37,673)	(17,135)	(6,520)	(6,422)
Disposal of equipment		40	54	86	10	38
Purchase of intangible assets		(476)	(428)	(92)	(17)	–
Decrease/(increase) in amounts due from related parties, net		814,136	(919,464)	139,417	337,618	57,695
Net cash generated from/(used in) investing activities		787,984	(957,511)	122,276	331,091	51,311
Cash flows of financing activities						
Proceeds from borrowings		110,000	150,000	2,950	–	–
Repayments of borrowings		(123,000)	(110,000)	(150,000)	(150,000)	–
Interest paid		(11,745)	(11,610)	(4,856)	(4,849)	(110)
Lease payments		(8,379)	(16,593)	(18,423)	(8,893)	(7,699)
Contribution from the then shareholder of a subsidiary		–	–	50,000	–	–
Dividends paid		(836,288)	–	(3,500)	–	–
Payments in relation to group reorganisation in acquiring subsidiaries from the then shareholders of the subsidiaries	*20(b-2)*	–	–	–	–	(28,100)
Net cash (used in)/generated from financing activities		(869,412)	11,797	(123,829)	(163,742)	(35,909)
Net increase/(decrease) in cash and cash equivalents		111,697	90,078	(369,790)	(338,664)	51,776
Cash and cash equivalents at beginning of year/period		852,363	964,060	1,054,138	1,054,138	684,348
Cash and cash equivalents at end of year/period		964,060	1,054,138	684,348	715,474	736,124

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

Evergrande Property Services Group Limited (the "Company") was incorporated in the Cayman Islands on March 13, 2020 as an exempted company with limited liability under the Companies Law (Cap. 22. Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company, and its subsidiaries (collectively referred to as the "Group") are primarily engaged in the provision of property management services and related value-added services (the "Spin-off Business") in the People's Republic of China (the "PRC").

The Company's ultimate holding company is China Evergrande Group, an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's intermediate holding company is CEG Holdings Limited ("CEG Holdings"), whose equity interests are wholly held by China Evergrande Group.

The initial listing of the Company's shares on the Main Board of the Stock Exchange (the "Listing") will constitute a spin-off from China Evergrande Group (the "Spin-Off"). China Evergrande Group and its subsidiaries excluding the Group, are collectively referred to as the "Remaining Group" in this accountant's report.

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation as described below (the "Reorganisation"), the Spin-off Business was operated through Jinbi Property Management Company Limited ("Jinbi Property Management"), a wholly-owned subsidiary of Success Will Group Limited ("Success Will"), the subsidiaries of Jinbi Property Management, and certain other entities formerly under the Remaining Group (collectively, the "Operating Entities") in the PRC during the Track Record Period.

In preparation for the initial public offering ("IPO") of the Company's shares on the Main Board of the Stock Exchange, the Reorganisation was undertaken and the Operating Entities engaged in the Spin-off Business were transferred to the Company. The Reorganisation included mainly the following steps:

(a) During May to September 2020, Jinbi Property Management acquired the entire equity interests of the entities which are engaged in the Spin-off Business from the Remaining Group for cash consideration.

(b) On May 22, 2020, Jinbi Property Management disposed of its entire interests in Zuolin Youshe Membership Service (Shenzhen) Co., Ltd. ("Zuolin Youshe"), which has not commenced formal commercial operation to Evergrande Insurance Brokers Co., Ltd. at a nominal consideration of RMB1. Accordingly, the financial information of Zuolin Youshe was excluded from the Historical Financial Information for the Track Record Period.

(c) On July 30, 2020, Jinbi Property Management disposed of its entire equity interests in Foshan Nanhai Xinzhongjian Real Estate Development Co., Ltd. ("Xinzhongjian"), which is engaged in property development business to Hengda (Guangdong) Real Estate Company Limited at a cash consideration of RMB684,000,000. The financial information of Xinzhongjian was excluded from the Historical Financial Information for the Track Record Period.

(d) On March 13, 2020, the Company was incorporated in the Cayman Islands with an authorised share capital of USD50,000 divided into 5,000,000 ordinary shares of USD0.01 each. Upon the incorporation of the Company, one share was issued at par to an independent initial subscriber. On July 20, 2020, the share was transferred to CEG Holdings, a subsidiary of China Evergrande Group, at a consideration of USD0.01 and only since then, the Company became part of the Reorganisation forming the Group engaged in the Spin-off Business.

    On July 27, 2020, each of the issued and unissued shares of the Company of USD0.01 each was subdivided into 100 shares of USD0.0001 each. Accordingly, the one issued share of the Company held by CEG Holdings was subdivided into 100 shares. On the same date, an additional 9,999,900 shares of USD0.0001 each were issued to CEG Holdings at par for cash as part of the Reorganisation.

(e) On July 20, 2020, Eagle Investment (BVI) Limited ("Eagle Investment") was incorporated in the British Virgin Islands ("BVI") with limited liability. As the date of incorporation, one share was issued to the Company.

(f) In August 2020, through a series of transactions with the Remaining Group, Eagle Investment acquired the entire equity interests of Success Will through its wholly owned subsidiary. The Spin-off Business was therefore transferred to and held by the Company. The consideration was satisfied by one subscribed share of CEG Holdings.

(g) On August 6, 2020, Oriental Joy Group Limited ("Oriental Joy"), a wholly-owned subsidiary of Eagle Investment acquired the entire issued share capital of Fortune Ascent Management Limited ("Fortune Ascent") from the Remaining Group, at a cash consideration of HKD9,939,000.

Upon the completion of the Reorganisation, the Company became the holding company of the companies now comprising the Group. Particulars of the principal subsidiaries of the Group are set out in Note 28.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Spin-off Business is conducted through the Operating Entities, which are controlled by China Evergrande Group. Pursuant to the Reorganisation, the Spin-off Business are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a recapitalisation of the Spin-off Business with no change in management of such business and the ultimate owner of the Spin-off Business remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Spin-off Business and, for the purpose of this report, the Historical Financial Information has been prepared and presented as a continuation of the combined financial statements of the Operating Entities, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the Spin-off Business under the combined financial statements of the Operating Entities for all periods presented.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the 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. HKFRS 9 "Financial Instruments" and HKFRS 15 "Revenue from Contracts with Customers" which are effective for the accounting period beginning on January 1, 2018 and HKFRS 16 "Leases" which is effective for the accounting period beginning on January 1, 2019, have been consistently applied by the Group throughout the Track Record Period.

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 under the historical cost convention.

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 standards and amendments to standards that have been issued but are not effective

Standards and amendments that have been issued but not yet effective for the Track Record Period and not been early adopted by the Group are as follows:

		Effective for annual periods beginning on or after
HKFRS 17	Insurance contract	January 1, 2023
Amendments to HKAS 1	Classification of liabilities as current or non-current	January 1, 2023
Amendments to HKFRS 3	Update reference to the conceptual framework	January 1, 2022
Amendments to HKAS 16	Proceeds before intended use	January 1, 2022
Amendments to HKAS 37	Onerous contracts – costs of fulfilling a contract	January 1, 2022
Annual Improvements	Annual improvements to HKFRS standards 2018-2020 cycle	January 1, 2022
Amendments to HKFRS 16	COVID-19 related rent concession	June 1, 2020
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint ventures	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the financial performance and position of the Group is expected when they become effective.

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

Subsidiaries are entities (including a structured entity) over which the Group has control. The Group controls an entity when 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 over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised 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 combined statements of comprehensive income, combined statements of changes in equity and combined balance sheet respectively.

2.2.2 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 recognised in a separate reserve within equity attributable to owners of the Group.

2.3 Business combination

Except for the Reorganisation, 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 a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group, if any
- 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 recognises 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, the amount of any non-controlling interest in the acquired entity, and the 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 recognised 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 recognised in profit or loss.

2.4 Separate financial statements

In the Company's statement of financial position, the 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 combined 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

(a) 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 and the Group's presentation currency.

(b) 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 recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented as finance income/(costs). All other foreign exchange gains and losses are presented on a net basis with in other gains/(losses).

(c) Group entities

The results and financial positions of the group entities (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 of each balance sheet of the group entities are translated at the closing rate at the date of that balance sheet;
- income and expenses of each statement of comprehensive income of the group entities 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 recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken into equity holders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

2.7 Property and equipment

Property and equipment is stated at historical cost less depreciation and any impairment loss. 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 recognised 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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or, in case of leasehold improvements, and certain leased properties, the shorter lease term, as follows:

– Property	20 years
– Machinery	3-10 years
– Vehicles	3-10 years
– Furniture, fitting and equipment	3-10 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains—net" in the statement of comprehensive income.

2.8 Intangible assets

Computer software

Acquired computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 2 to 3 years on a straight-line basis.

2.9 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating unit"). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Investments and other financial assets

2.10.1 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, or through profit or loss), and

- those to be measured at amortised 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 other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, 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 fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.10.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised 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.

2.10.3 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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group only held debt instruments classified as financial assets at amortised costs.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the combined statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

2.10.4 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised 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 recognised 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 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 combined balance sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities 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 Trade receivables

Trade receivables are amounts due from customers for merchandise 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 business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and at banks.

2.14 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.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods or services that have been acquired in the ordinary course of business from suppliers and amounts to be repaid from the Group to its counterparties. These amounts are classified as current liabilities if payment is due within 12 months or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid to the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that part 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 capitalised as a pre-payment for liquidity services and amortised 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 recognised 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.

2.17 Borrowing costs

All borrowing costs are recognised in the combined statements of comprehensive income in the period in which they incurred.

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised as "income tax expense" in the combined statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The 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 substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(a) Pension obligations

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(b) 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.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) 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 recognised 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 statement of financial position.

2.20 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised 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 recognised 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 recognised 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 recognised as interest expense.

2.21 Revenue recognition

The Group provides property management services, value-added services to non-property owners and community value-added services. Revenue is recognised when the control of services or goods is transferred to the customer. Depending on the terms of the contracts and the laws that apply to the contract, control of services and goods may be transferred over time or at a point in 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 recognised in gross amount and when the Group is acting as an agent, the associated revenue is recognised in net amount.

For property management services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to bill and that corresponds directly with the value of performance completed. The Group primarily generate revenue from property management services income from properties managed under lump sum basis, the Group entitles to revenue at the value of property managements services fee received or receivable.

Value-added services to non-property owners mainly include (i) preliminary property management services, which include cleaning, greening and repair and maintenance services and are billed on monthly basis and are recognised as revenue over time when such services are rendered; (ii) property inspection and pre-delivery cleaning services to property developers which are recognised as revenue when such services are rendered and accepted by the customer; and (iii) sales of the use rights of carpark spaces and rental of properties owned by property developers, which are recognised on a net basis when the underlying sales and rental contracts are signed, respectively.

Community value-added services revenue mainly include (i) promotion and facilitation for third parties, which is recognised over time according to the services rendered; (ii) income from the provision of assistance in sales of products to third parties, which is recognised on a net basis when the products are transferred; (iii) rental income from carpark spaces leased from the Remaining Group; (iv) income from management of advertising and other miscellaneous activities in the public areas in the properties managed by the Group, which is recognised over the time when the services are rendered; (v) revenue from services provided to the property owners during leasing of their properties; and (vi) revenue from other community convenience services charged for each service provided and recognised when the relevant services are rendered.

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 balance sheet 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.

Incremental costs incurred to obtain a contact, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

When the difference between the transfer of the promised goods or services to customer and the payment by the customer is considered significant and implied financing components contained in certain contracts, the Group adjust the transaction price for the time value of money.

2.22 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.23 Leases

A lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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 payments that are based on an index or a rate,
- amounts expected to be payable by the lessee 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 lessee 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 can be determined, or the Group's incremental borrowing rate.

Lease payments are allocated between principal 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.

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 and leases of low-value assets are recognised 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. Low-value assets comprise small items of office equipment.

Rental income from operating leases where the Group is a lessor is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as rental income. The respective leased assets are included in the balance sheet based on their nature.

2.24 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.

2.25 Government grants

Grants from the government are recognised 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 recognised in the combined statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Financial risk factors

3.1.1 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 balance of foreign currency denominated monetary assets and liabilities was immaterial as at each period end of the Track Record Period.

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk for certain interest-bearing cash at banks and borrowings. Cash at banks at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at December 31, 2017 and 2018 and 2019 and June 30, 2020, if the interest rate on cash at banks and restricted cash increased/decreased by 0.5% with all other variables held constant, the Group's post-tax profits for the year/period would have been RMB3,571,000, RMB3,902,000, RMB2,552,000 and RMB1,373,000 higher/lower, as a result of the increase/decrease in interests derived from cash at banks and restricted cash at variable rates.

3.1.2 Credit risk

The Group is exposed to credit risk in relation to its trade and notes receivable, other receivables, amounts due from related parties and cash deposits at banks. The carrying amounts of trade and notes receivable, other receivables, amounts due from related parties and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

For trade and notes receivable, 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 doubtful debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

(ii) Impairment

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of 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 debtor's ability to meet its obligations
- actual or expected significant changes in the financial situation of individual property owner or the debtor
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of the debtor and individual property owner

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company.

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 principal repayments are 180 days past due	Lifetime expected losses
Non-performing	Interest and principal repayments are 365 days past due	Lifetime expected losses

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.

Cash deposits at banks

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at banks with high credit rating. Management does not expect that there will be any significant losses from non-performance by these counterparties.

Trade and notes receivable

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade and notes receivable. To measure the expected credit losses, trade and notes receivable have been grouped based on shared credit risk characteristics and aging. The expected credit losses also incorporate forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group assessed that the expected loss rate of trade and notes receivable from related parties, which are property developers, was low considering their financial capacity and payment history with the Group. The directors believe that there is no significant credit risk inherent in trade and notes receivables from them.

As of December 31, 2017, 2018 and 2019 and June 30, 2020, the loss allowance provision for the trade and notes receivables was determined as follows. The expected credit losses below also incorporated forward looking information. As there is no significant change in the business operation of property management service, actual loss rates for trade and notes receivables, customer profile and the adjustments for forward looking macroeconomic data during the Track Record Period, the change in the expected credit loss rates for the provision matrix is insignificant throughout the Track Record Period.

	Up to 180 days	180 to 365 days	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Trade and notes receivables (excluding trade and notes receivables from related parties)								
At December 31, 2017								
Expected loss rate	1%	5%	10%	20%	50%	50%	100%	
Gross carrying amount (RMB'000)	349,975	197,086	173,975	93,488	42,258	21,969	15,552	894,303
Loss allowance provision (RMB'000)	3,500	9,854	17,397	18,698	21,129	10,985	15,552	97,115
At December 31, 2018								
Expected loss rate	1%	5%	10%	20%	50%	50%	100%	
Gross carrying amount (RMB'000)	333,892	187,368	199,676	87,518	48,223	26,180	22,171	905,028
Loss allowance provision (RMB'000)	3,339	9,368	19,968	17,504	24,111	13,090	22,171	109,551
At December 31, 2019								
Expected loss rate	1%	5%	10%	20%	50%	50%	100%	
Gross carrying amount (RMB'000)	575,611	353,957	228,417	113,919	56,785	33,980	35,755	1,398,424
Loss allowance provision (RMB'000)	5,756	17,697	22,842	22,784	28,392	16,990	35,755	150,216
At June 30, 2020								
Expected loss rate	1%	5%	10%	20%	50%	50%	100%	
Gross carrying amount (RMB'000)	1,109,831	384,471	300,812	142,527	75,117	36,988	48,586	2,098,332
Loss allowance provision (RMB'000)	11,098	19,224	30,081	28,505	37,558	18,494	48,586	193,546
At June 30, 2019								
Expected loss rate	1%	5%	10%	20%	50%	50%	100%	
Gross carrying amount (RMB'000)	451,062	252,856	222,030	105,071	52,253	30,425	29,914	1,143,611
Loss allowance provision (RMB'000)	4,511	12,643	22,203	21,014	26,126	15,212	29,914	131,623

As of December 31, 2017, 2018 and 2019 and June 30, 2020, the ECL rate was 0.1% for the trade and notes receivables from related parties. The loss allowance provision as at December 31, 2017, 2018, 2019 and June 30, 2020 was RMB990,000, RMB2,003,000, RMB3,548,000 and RMB4,020,000.

Other receivables and amounts due from the related parties

The Group uses the expected credit loss model above to determine the expected loss provision for other receivables and amounts due from related parties. As at December 31, 2017, 2018 and 2019 and June 30, 2020, the Group has assessed the expected credit loss for other receivables and amounts due from related parties for each category.

For amounts due from related parties, the Group expected that the credit risk associated to be low since the related parties have a strong capacity to repay the amounts in the near term. The Group has assessed the ECL rate for the amounts due from the related parties and considered it is low and thus the loss allowance is immaterial. Other receivables mainly comprise deposits which represent performance guarantees held by relevant government authorities and will be refunded according to regulations. The directors considered that there was no significant impairment risk.

To measure the expected credit losses of other receivables other than deposits, other receivables excluding deposits have been grouped based on shared credit risk characteristics and the days past due.

As at December 31, 2017, 2018 and 2019 and June 30, 2020, the loss allowance provision for trade and other receivables reconciles to the opening loss allowance for that provision as follows:

	Trade and notes receivables	**Other receivables (excluding deposits)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2017	56,758	4,307	61,065
Net impairment losses on financial assets	41,347	2,453	43,800
At December 31, 2017	98,105	6,760	104,865
At January 1, 2018	98,105	6,760	104,865
Net impairment losses on financial assets	13,449	4,757	18,206
At December 31, 2018	111,554	11,517	123,071
At January 1, 2019	111,554	11,517	123,071
Net impairment losses on financial assets	42,210	6,000	48,210
At December 31, 2019	153,764	17,517	171,281
At January 1, 2020	153,764	17,517	171,281
Net impairment losses on financial assets	43,802	3,117	46,919
At June 30, 2020	197,566	20,634	218,200
(Unaudited)			
At January 1, 2019	111,554	11,517	123,071
Net impairment losses on financial assets	22,836	2,833	25,669
At June 30, 2019	134,390	14,350	148,740

3.1.3 Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity 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*
At December 31, 2017					
Borrowings	111,775	–	–	–	111,775
Lease liabilities	9,150	4,532	640	–	14,322
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	1,215,378	–	–	–	1,215,378
	1,336,303	4,532	640	–	1,341,475
At December 31, 2018					
Borrowings	154,756	–	–	–	154,756
Lease liabilities	14,163	6,377	2,709	331	23,580
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	1,764,547	–	–	–	1,764,547
	1,933,466	6,377	2,709	331	1,942,883
At December 31, 2019					
Borrowings	3,161	–	–	–	3,161
Lease liabilities	14,209	8,061	6,756	262	29,288
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	2,276,672	–	–	–	2,276,672
	2,294,042	8,061	6,756	262	2,309,121
At June 30, 2020					
Borrowings	3,052	–	–	–	3,052
Lease liabilities	12,885	6,093	5,158	228	24,364
Trade and other payables (excluding accrued payroll liabilities and other tax payable)	2,391,446	–	–	–	2,391,446
	2,407,383	6,093	5,158	228	2,418,862

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to 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, issue new shares or sell assets to reduce debt.

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 3.1.2 above.

(b) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

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.

During the Track Record Period, the Group is principally engaged in the provision of property management services and related value-added services in the PRC. Management reviews the operating results of the business as a single operating segment as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment is same in different regions.

The principal operating entities of the Group are domiciled in the PRC and majority of revenue is derived in the PRC during the Track Record Period.

As at December 31, 2017, 2018 and 2019 and June 30, 2020, majority of the non-current assets of the Group were located in the PRC.

6 REVENUE

Revenue mainly comprises of proceeds from property management services and related value-added services. An analysis of the Group's revenue by category for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 is as follows:

	Year ended December 31,			Six months ended 30 June,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Property management services	2,538,392	3,464,390	4,612,212	2,154,683	2,824,261
Value-added services to non-property owners	1,609,865	2,103,431	2,147,527	1,056,069	1,231,480
Community value-added services	251,099	335,405	572,983	255,008	508,114
	4,399,356	5,903,226	7,332,722	3,465,760	4,563,855
Timing of revenue recognition					
– Over time	4,397,674	5,725,387	6,784,732	3,198,339	4,175,344
– At a point in time	1,682	177,839	547,990	267,421	388,511
	4,399,356	5,903,226	7,332,722	3,465,760	4,563,855

For the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, revenue provided by the Group to the Remaining Group and its joint ventures contributed 44%, 43%, 37%, 39% and 36% of the Group's revenue, respectively. Other than the Remaining Group and its joint ventures, the Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the Track Record Period.

For the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, community value-added services include rental income from leasing the car parking spaces of RMB172,031,000, RMB227,419,000, RMB291,808,000, RMB131,490,000 and RMB163,964,000, respectively.

(a) Contract liabilities

(i) The Group has recognised the following revenue-related contract liabilities:

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities				
– Property management services	1,391,601	2,466,160	2,239,527	1,955,013
– Community value-added services	5,515	24,907	45,749	68,350
	1,397,116	2,491,067	2,285,276	2,023,363

(ii) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided.

(iii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended December 31,			**Six months ended June 30,**	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period					
– Property management services	1,038,332	1,301,529	2,257,496	1,287,225	1,327,704
– Community value-added services	4,115	5,515	24,907	24,907	45,749
	1,042,447	1,307,044	2,282,403	1,312,132	1,373,453

(b) Unsatisfied performance obligations

For property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis or settlement cycle. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these type 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, they 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 type of contracts.

(c) Assets recognised from incremental costs to obtain a contract

During the Track Record Period, there was no significant incremental costs to obtain a contract.

7 OTHER INCOME

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Government grants *(a)*	5,436	7,730	50,887	10,573	37,920
Income from overdue fine	4,250	4,608	8,110	2,244	5,974
Interest income	6,514	5,130	3,590	1,973	1,463
Others	1,701	2,516	3,963	1,718	1,022
	17,901	19,984	66,550	16,508	46,379

(a) Government grants mainly consisted of additional input value-added tax deduction and refund of paid unemployment insurance.

8 EXPENSES BY NATURE

Expenses included in cost of sales, administrative expenses and net impairment losses on financial assets are analysed as follows:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Employee benefit expenses *(Note 9)*	3,024,601	3,981,307	4,133,095	2,003,116	1,948,090
Greening and cleaning expenses	418,145	632,066	790,194	354,601	430,203
Maintenance costs	254,729	270,754	304,640	155,029	258,032
Utilities	213,090	300,630	393,522	162,481	190,871
Short-term and low value lease expenses	70,267	98,284	124,010	55,268	60,290
Impairment losses on financial assets	43,800	18,206	48,210	25,669	46,919
Tax and other levies	53,352	57,259	67,828	32,052	46,162
Office expenses	51,443	58,009	66,236	31,329	36,675
Depreciation and amortisation charges	18,789	31,023	37,971	18,319	18,160
Travelling and entertainment expenses	37,497	48,417	62,972	26,659	17,583
Community activities expenses	10,650	17,241	24,671	14,160	10,598
Bank charges	19,409	23,163	16,025	7,091	6,842
Cost of security	10,461	8,693	8,459	4,115	6,601
Uniform	17,168	23,925	11,853	5,986	5,490
Consultancy fee	1,724	1,264	4,758	1,957	1,672
Auditors' remuneration	283	290	274	46	219
Others	22,198	29,146	46,292	29,018	13,040
	4,267,606	5,599,677	6,141,010	2,926,896	3,097,447

9 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, bonuses and other benefits	2,678,150	3,531,436	3,726,829	1,806,194	1,899,172
Contribution to pension scheme expenses *(a)*	346,451	449,871	406,266	196,922	48,918
	3,024,601	3,981,307	4,133,095	2,003,116	1,948,090

(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 prior year employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

(b) Directors' and chief executive's emoluments

The remuneration of each director for the year ended December 31, 2017 is set out below:

Name	Salaries, bonuses and other benefits	Contribution to pension scheme	Total
	RMB'000	*RMB'000*	*RMB'000*
Executive directors			
Mr. Zhao Changlong *(i)*	–	–	–
Mr. Hu Liang	2,157	31	2,188
Mr. Wang Zhen	1,891	29	1,920
Ms. An Lihong	940	29	969
Non-executive directors			
Mr. Chan Chun Hung *(ii)*	–	–	–
Mr. Victor Huang *(ii)*	–	–	–
Mr. Guo Zhaohui *(ii)*	–	–	–
	4,988	89	5,077

The remuneration of each director for the year ended December 31, 2018 is set out below:

Name	Salaries, bonuses and other benefits	Contribution to pension scheme	Total
	RMB'000	*RMB'000*	*RMB'000*
Executive directors			
Mr. Zhao Changlong *(i)*	–	–	–
Mr. Hu Liang	2,866	32	2,898
Mr. Wang Zhen	2,833	32	2,865
Ms. An Lihong	937	32	969
Non-executive directors			
Mr. Chan Chun Hung *(ii)*	–	–	–
Mr. Victor Huang *(ii)*	–	–	–
Mr. Guo Zhaohui *(ii)*	–	–	–
	6,636	96	6,732

The remuneration of each director for the year ended December 31, 2019 is set out below:

Name	Salaries, bonuses and other benefits	Contribution to pension scheme	Total
	RMB'000	*RMB'000*	*RMB'000*
Executive directors			
Mr. Zhao Changlong *(i)*	–	–	–
Mr. Hu Liang	2,996	32	3,028
Mr. Wang Zhen	2,639	32	2,671
Ms. An Lihong	1,083	32	1,115
Non-executive directors			
Mr. Chan Chun Hung *(ii)*	–	–	–
Mr. Victor Huang *(ii)*	–	–	–
Mr. Guo Zhaohui *(ii)*	–	–	–
	6,718	96	6,814

The remuneration of each director for the six months ended June 30, 2020 is set out below:

Name	Salaries, bonuses and other benefits	Contribution to pension scheme	Total
	RMB'000	*RMB'000*	*RMB'000*
Executive directors			
Mr. Zhao Changlong *(i)*	–	–	–
Mr. Hu Liang	1,165	3	1,168
Mr. Wang Zhen	1,147	3	1,150
Ms. An Lihong	489	3	492
Non-executive directors			
Mr. Chan Chun Hung *(ii)*	–	–	–
Mr. Victor Huang *(ii)*	–	–	–
Mr. Guo Zhaohui *(ii)*	–	–	–
	2,801	9	2,810

The remuneration of each director for the six months ended June 30, 2019 is set out below:

Name	Salaries, bonuses and other benefits	Contribution to pension scheme	Total
	RMB'000	*RMB'000*	*RMB'000*
Executive directors			
Mr. Zhao Changlong *(i)*	–	–	–
Mr. Hu Liang	1,389	16	1,405
Mr. Wang Zhen	1,212	16	1,228
Ms. An Lihong	542	16	558
Non-executive directors			
Mr. Chan Chun Hung *(ii)*	–	–	–
Mr. Victor Huang *(ii)*	–	–	–
Mr. Guo Zhaohui *(ii)*	–	–	–
	3,143	48	3,191

(i) Mr. Zhao Changlong is the chairman of the board of directors of the Group. The emoluments of Mr. Zhao Changlong in relation to his services rendered for the Group for the Track Record Period were borne by China Evergrande Group and not allocated to the Group as management of the Company considers there is no reasonable basis for such allocation.

(ii) Mr. Chan Chun Hung, Mr. Victor Huang and Mr. Guo Zhaohui were appointed as the non-executive directors of the Group on November 13, 2020.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended December 31, 2017, 2018 and 2019 and the six months June 30, 2019 and 2020 included 3, 3, 3, 3 and 3 directors, respectively, whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining individuals during the Relevant Periods are as follows:

	Year ended December 31,			**Six months ended June 30,**	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, bonuses and other benefits	1,884	3,318	3,699	1,847	1,556
Contribution to pension scheme	58	67	64	34	13
	1,942	3,385	3,763	1,881	1,569

The emoluments of these remaining individuals of the Group fell within the following bands:

	Year ended December 31,			**Six months ended June 30,**	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Emolument bands					
Nil – HK$1,000,000	–	–	–	1	2
HK$1,000,001 – HK$1,500,000	2	–	–	1	–
HK$1,500,001 – HK$2,000,000	–	1	1	–	–
HK$2,000,001 – HK$2,500,000	–	1	1	–	–
	2	2	2	2	2

(d) Directors' retirement and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries' undertaking during the Track Record Period.

No payment was made to the directors as compensation for early termination of appointment during the Track Record Period.

(e) Consideration provided to their parties for making available directors' services

No payment was made to any former employers of the directors for making available the services of them as a director of the Company during the Track Record Period.

(f) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no other loans, quasi-loans and other dealings in favour of the directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

(g) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

10 FINANCE COSTS

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest expenses on borrowings	11,745	11,610	4,856	4,849	110
Interests on lease liabilities	917	1,512	1,574	813	756
Other finance costs *(a)*	–	–	22,453	11,066	11,583
	12,662	13,122	28,883	16,728	12,449

(a) Other finance costs represented the finance expenses contained in the discount offered by the Group to the individual property owners for their advanced payments of property management fees.

11 INCOME TAX EXPENSES

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current income tax	7,332	88,447	309,367	137,940	365,311
Deferred income tax	23,046	(17,163)	(10,706)	(6,653)	(12,763)
	30,378	71,284	298,661	131,287	352,548

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries in the BVI were incorporated under the International Business Companies Act of the BVI and accordingly, are exempted from British Virgin Island income tax.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the current period in respect of operations in Hong Kong. Except for Fortune Ascent, the Group's other subsidiaries incorporated in Hong Kong did not have assessable profit in Hong Kong during the Track Record Period.

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years/periods, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate is 25% for the Track Record Period. Certain subsidiaries and branches of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% during the Track Record Period. The subsidiary and branches of the Group located in Hainan Province are qualified to enjoy the preferential income tax rate of 15% from January 1, 2020.

The tax on the Group's profit before 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,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit before income tax	136,942	310,292	1,229,185	538,613	1,500,241
Tax calculated at applicable corporate income tax rate of 25%	34,236	77,573	307,296	134,653	375,060
Tax effects of:					
– Expenses not deductible for tax purposes	1,338	2,384	3,314	1,070	1,027
– Effect of different tax rates applicable to certain subsidiaries and branches	(5,196)	(8,673)	(11,949)	(4,436)	(23,539)
	30,378	71,284	298,661	131,287	352,548

12 EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the preparation of the results for each years ended December 31, 2017, 2018, 2019 and six months ended June 30, 2019 and 2020 on a combined basis as disclosed in Note 1.3.

13 DIVIDENDS

No dividend has been paid or declared by the Company since its incorporation and up to the date of this report.

During the year ended December 31, 2019 and the six months ended June 30, 2020, dividends of RMB3,500,000 and RMB7,329,000, respectively, were declared by the subsidiaries now comprising the Group to their then shareholders.

14 PROPERTY AND EQUIPMENT

	Property	Machinery	Vehicles	Furniture, fitting and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2017					
Cost	–	16,794	5,956	54,793	77,543
Accumulated depreciation	–	(11,805)	(3,728)	(37,789)	(53,322)
Net book amount	–	4,989	2,228	17,004	24,221
Year ended December 31, 2017					
Opening net book amount	–	4,989	2,228	17,004	24,221
Additions	–	6,400	972	18,344	25,716
Disposals	–	–	(5)	(72)	(77)
Depreciation charge	–	(2,121)	(803)	(7,938)	(10,862)
Closing net book amount	–	9,268	2,392	27,338	38,998
As at December 31, 2017					
Cost	–	23,192	6,894	72,382	102,468
Accumulated depreciation	–	(13,924)	(4,502)	(45,044)	(63,470)
Net book amount	–	9,268	2,392	27,338	38,998
Year ended December 31, 2018					
Opening net book amount	–	9,268	2,392	27,338	38,998
Additions	–	8,668	11,799	17,206	37,673
Disposals	–	(4)	(15)	(154)	(173)
Depreciation charge	–	(3,913)	(1,344)	(10,143)	(15,400)
Closing net book amount	–	14,019	12,832	34,247	61,098
As at December 31, 2018					
Cost	–	31,790	18,456	88,605	138,851
Accumulated depreciation	–	(17,771)	(5,624)	(54,358)	(77,753)
Net book amount	–	14,019	12,832	34,247	61,098
Year ended December 31, 2019					
Opening net book amount	–	14,019	12,832	34,247	61,098
Additions	2,276	3,950	1,989	8,920	17,135
Disposals	–	(11)	(27)	(242)	(280)
Depreciation charge	–	(5,880)	(3,406)	(11,472)	(20,758)
Closing net book amount	2,276	12,078	11,388	31,453	57,195
As at December 31, 2019					
Cost	2,276	35,574	19,923	94,865	152,638
Accumulated depreciation	–	(23,496)	(8,535)	(63,412)	(95,443)
Net book amount	2,276	12,078	11,388	31,453	57,195

	Property	Machinery	Vehicles	Furniture, fitting and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended June 30, 2020					
Opening net book amount	2,276	12,078	11,388	31,453	57,195
Additions	–	1,158	838	4,426	6,422
Disposals	–	(6)	(25)	(104)	(135)
Depreciation charge	(54)	(3,031)	(1,754)	(6,095)	(10,934)
Closing net book amount	2,222	10,199	10,447	29,680	52,548
As at June 30, 2020					
Cost	2,276	36,607	20,274	97,987	157,144
Accumulated depreciation	(54)	(26,408)	(9,827)	(68,307)	(104,596)
Net book amount	2,222	10,199	10,447	29,680	52,548
(Unaudited)					
Six months ended June 30, 2019					
Opening net book amount	–	14,019	12,832	34,247	61,098
Additions	–	1,194	882	4,444	6,520
Disposals	–	(6)	(3)	(32)	(41)
Depreciation charge	–	(2,461)	(1,622)	(6,076)	(10,159)
Closing net book amount	–	12,746	12,089	32,583	57,418
As at June 30, 2019					
Cost	–	32,846	19,285	92,491	144,622
Accumulated depreciation	–	(20,100)	(7,196)	(59,908)	(87,204)
Net book amount	–	12,746	12,089	32,583	57,418

Depreciation expenses were charged to the following categories in the combined statements of comprehensive income:

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of sales	8,486	12,339	15,360	7,440	8,159
Administrative expenses	2,376	3,061	5,398	2,719	2,775
	10,862	15,400	20,758	10,159	10,934

(a) No property and equipment is restricted or pledged as security for liabilities as at December 31, 2017, 2018 and 2019 and June 30, 2020.

15 TRADE AND OTHER RECEIVABLES

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
– Related parties *(Note 27(c))*	988,434	1,971,430	3,515,642	3,912,621
– Third parties	894,303	905,028	1,398,424	2,098,332
Notes receivable				
– Related parties *(Note 27(c))*	1,128	31,809	32,116	106,929
Less: allowance for impairment of trade and notes receivables *(Note 3.1.2)*	(98,105)	(111,554)	(153,764)	(197,566)
	1,785,760	2,796,713	4,792,418	5,920,316
Other receivables				
– Payments on behalf of property owners *(c)*	231,611	306,580	423,802	392,547
– Deposits	22,054	24,390	24,012	24,386
– Others	16,525	20,783	29,012	45,417
	270,190	351,753	476,826	462,350
Less: allowance for impairment of other receivables *(Note 3.1.2)*	(6,760)	(11,517)	(17,517)	(20,634)
	263,430	340,236	459,309	441,716
Value added tax recoverable	5,296	4,073	5,072	4,105
	2,054,486	3,141,022	5,256,799	6,366,137

(a) Trade receivables mainly arise from property management services income under lump sum basis and value-added service. Property management service income is received in accordance with the terms of the relevant services agreements. Value-added service income is usually due for payment upon the issuance of document of settlement.

(b) As at December 31, 2017, 2018 and 2019 and June 30, 2020, the ageing analysis of the trade and notes receivables based on date of revenue recognition were as follows:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-180 days	982,336	1,384,852	2,209,541	3,100,389
181-365 days	397,662	447,096	781,823	1,277,336
1 to 2 years	263,601	775,581	1,081,253	947,506
2 to 3 years	145,661	170,462	657,925	391,544
Over 3 years	94,605	130,276	215,640	401,107
	1,883,865	2,908,267	4,946,182	6,117,882

(c) Payments on behalf of property owners mainly represented utilities costs of properties.

(d) As at December 31, 2017, 2018 and 2019 and June 30, 2020, trade and other receivables were denominated in RMB and the fair value of trade and other receivables approximate their carrying amounts.

(e) As at December 31, 2017, 2018 and 2019 and June 30, 2020, the net book value of trade and other receivables (excluding value-added tax recoverable) of RMB2,049,190,000, RMB3,136,949,000, RMB5,251,727,000 and RMB6,362,032,000 represented the Group's maximum exposure to credit losses.

16 PREPAYMENTS

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments to suppliers				
– Related parties *(Note 27(c))*	8,748	5,113	5,756	6,030
– Third parties	12,424	13,600	10,212	5,932
	21,172	18,713	15,968	11,962

17 CASH AND CASH EQUIVALENTS

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank	950,502	1,040,413	680,329	732,101
Cash on hand	13,558	13,725	4,019	4,023
	964,060	1,054,138	684,348	736,124

The carrying amounts of cash and cash equivalents were denominated in the following currencies:

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	963,550	1,049,425	676,377	725,615
HKD	481	4,692	7,950	10,488
USD	29	21	21	21
	964,060	1,054,138	684,348	736,124

Cash and cash equivalents held in the PRC are subject to local exchange control regulations. These regulations provide for restriction on exporting capital from the PRC, other than through normal dividend.

18 RESTRICTED CASH

Restricted cash mainly represented cash deposits in relation to certain law suits and deposits which were held as securities according to the requirements of local government authorities.

19 COMBINED CAPITAL AND SHARE CAPITAL

(a) Combined capital

The Reorganisation has not been completed as at June 30, 2020. As mentioned in Note 1.3, the Historical Financial Information has been prepared on a combined basis. Combined capital as at each balance sheet date represented the combined capital of the companies now comprising the Group after the elimination of the inter-company investments.

(b) Share capital of the Company

	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares
		USD	*RMB*
Authorised:			
At March 13, 2020 (date of incorporation) and 30 June 2020 (i)	5,000,000	50,000	350,165
Issued:			
At March 13, 2020 (date of incorporation) and 30 June 2020 (i)	1	–*	–*

(i) On March 13, 2020, the Company was incorporated in the Cayman Islands with an authorised share capital of USD50,000 divided into 5,000,000 ordinary shares of USD0.01 each. Upon the incorporation of the Company, one share was issued at par to its then shareholder. As at June 30, 2020, the issued share was yet to be paid up.

* Less than RMB1.

20 RESERVES

	Statutory reserves	Capital reserves (b)	Exchange reserves	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2017	1,302	171,243	–	172,545
Transfer to statutory reserve *(a)*	829	–	–	829
Acquisition of subsidiaries by the Remaining Group and deemed as contribution to the Group *(b-1)*	–	8,904	–	8,904
Currency translation differences	–	–	(19)	(19)
Balance at December 31, 2017	2,131	180,147	(19)	182,259
Balance at January 1, 2018	2,131	180,147	(19)	182,259
Transfer to statutory reserve *(a)*	26,995	–	–	26,995
Acquisition of subsidiaries by the Remaining Group and deemed as contribution to the Group *(b-1)*	–	(4,466)	–	(4,466)
Currency translation differences	–	–	93	93
Balance at December 31, 2018	29,126	175,681	74	204,881
Balance at January 1, 2019	29,126	175,681	74	204,881
Transfer to statutory reserve *(a)*	62,844	–	–	62,844
Currency translation differences	–	–	160	160
Balance at December 31, 2019	91,970	175,681	234	267,885
Balance at January 1, 2020	91,970	175,681	234	267,885
Transfer to statutory reserve *(a)*	3,389	–	–	3,389
Effect of group reorganisation in acquiring subsidiaries from the then shareholder of the Group *(b-2)*	–	30,585	–	30,585
Currency translation differences	–	–	207	207
Balance at June 30, 2020	95,359	206,266	441	302,066
(Unaudited)				
Balance at January 1, 2019	29,126	175,681	74	204,881
Transfer to statutory reserve *(a)*	40,281	–	–	40,281
Currency translation differences	–	–	22	22
Balance at June 30, 2019	69,407	175,681	96	245,184

(a) Statutory reserves

In accordance with relevant rules and regulations in the PRC and the Company's Articles of Association, companies incorporated in PRC are required to transfer no less than 10% of their profit after taxation calculated under PRC accounting standards and regulations to the statutory reserve fund, 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.

(b) Capital reserves

(b-1) During the years ended December 31, 2017, 2018 and 2019, the Remaining Group acquired the entire equity interests of five subsidiaries engaged in the Spin-off Business, from third parties. The net assets of these acquired subsidiaries amounted to RMB10,904,000, RMB1,034,000 and RMB500,000 for the years ended December 31, 2017, 2018 and 2019, respectively. These subsidiaries have been combined in the Historical Financial Information upon the acquisition by the Remaining Group and accounted for as deemed as contribution from the Remaining Group. The difference between the consideration paid by the Remaining Group and the share capital of the acquired subsidiaries were recognised as capital reserve.

(b-2) As disclosed in Note 1.2(a), the Group acquired the entire equity interests of certain subsidiaries engaged in Spin-off Business at a cash consideration of RMB32,791,000 from the Remaining Group during the Reorganisation. The cash consideration is deemed as distribution to the Remaining Group. The share capital and non-controlling interests of the acquired subsidiaries were eliminated against the capital reserves.

As at June 30, 2020, consideration of RMB28,100,000 was paid and RMB4,691,000 was subsequently paid in August.

21 TRADE AND OTHER PAYABLES

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables *(a)*				
– Related parties *(Note 27(c))*	53,695	112,785	183,616	57,806
– Third parties	343,410	507,461	578,841	726,413
	397,105	620,246	762,457	784,219
Notes payable				
– Related parties *(Note 27(c))*	707	–	530	4,095
– Third parties	34,135	200,107	333,335	452,550
	34,842	200,107	333,865	456,645
Other payables				
– Temporary received on-behalf during provision of property management services *(note (b))*	482,700	571,489	780,833	732,039
– Deposits	231,226	279,183	307,011	313,396
– Other tax payables	43,271	82,900	161,242	230,077
– Others	69,505	93,522	92,506	97,818
	826,702	1,027,094	1,341,592	1,373,330
Accrued payroll	355,896	438,066	531,201	259,394
Dividend payable *(note 13)*	–	–	–	7,329
	1,614,545	2,285,513	2,969,115	2,880,917

(a) As at December 31, 2017, 2018 and 2019 and June 30, 2020, the ageing analysis of the trade and notes payables based on goods and services received were are follows:

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 1 year	428,424	810,762	1,066,737	1,220,275
1 to 2 years	3,464	9,309	20,429	9,892
2 to 3 years	58	253	8,990	10,445
More than 3 years	1	29	166	252
	431,947	820,353	1,096,322	1,240,864

(b) The amounts mainly represented utilities expenses temporarily collected from the property owners to be paid to related service providers and rental income collected from leasees to be returned to the property owners.

(c) As at December 31, 2017, 2018 and 2019 and June 30, 2020, trade and other payables were denominated in RMB and the carrying amounts of trade and other payables approximate their fair values.

22 LEASES

(a) Right-of-use assets

	Properties
	RMB'000
As at January 1, 2017	
Cost	7,356
Accumulated depreciation	–
Net book amount	7,356
Year ended December 31, 2017	
Opening net book amount	7,356
Additions	13,636
Depreciation	(7,781)
Closing net book amount	13,211
As at December 31, 2017	
Cost	20,992
Accumulated depreciation	(7,781)
Net book amount	13,211
Year ended December 31, 2018	
Opening net book amount	13,211
Additions	23,544
Depreciation	(15,344)
Closing net book amount	21,411

	Properties
	RMB'000
As at December 31, 2018	
Cost	36,543
Accumulated depreciation	(15,132)
Net book amount	21,411
Year ended December 31, 2019	
Opening net book amount	21,411
Additions	21,330
Depreciation	(16,897)
Closing net book amount	25,844
As at December 31, 2019	
Cost	45,113
Accumulated depreciation	(19,269)
Net book amount	25,844
Six months ended June 30, 2020	
Opening net book amount	25,844
Additions	2,619
Depreciation	(7,060)
Closing net book amount	21,403
As at June 30, 2020	
Cost	41,506
Accumulated depreciation	(20,103)
Net book amount	21,403
(Unaudited)	
Six months ended June 30, 2019	
Opening net book amount	21,411
Additions	9,473
Depreciation	(8,008)
Closing net book amount	22,876
As at June 30, 2019	
Cost	40,690
Accumulated amortisation	(17,814)
Net book amount	22,876

(b) Lease liabilities

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities				
– Current	8,826	13,690	13,724	12,436
– Non-current	4,704	8,304	12,750	9,714
	13,530	21,994	26,474	22,150

(c) Amounts recognised in the combined statement of comprehensive income

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Depreciation of right-of-use assets:					
– Properties	7,781	15,344	16,897	8,008	7,060
Interest expense (included in finance costs)	917	1,512	1,574	813	756
Expense relating to short-term and low-value leases (included in cost of sales and administrative expenses)	70,267	98,284	124,010	55,268	60,290

The total cash outflow for leases during the year ended 31 December 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 amounted to RMB78,646,000, RMB114,876,000, RMB142,434,000, RMB64,161,000 and RMB67,989,000, respectively.

23 DEFERRED INCOME TAX

The analysis of deferred tax assets is as follows:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets:				
– To be recovered within 12 months	7,281	26,948	21,222	22,089
– To be recovered after more than 12 months	31,130	28,626	45,058	56,954
	38,411	55,574	66,280	79,043

The movement in deferred income tax assets during the Track Record Period is as follows:

	Impairment Provision	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2017	15,266	46,191	–	61,457
Credited/(charged) to the combined statements of comprehensive income	10,703	(33,830)	81	(23,046)
At December 31, 2017	25,969	12,361	81	38,411
As at January 1, 2018	25,969	12,361	81	38,411
Credited to the combined statements of comprehensive income	4,298	12,800	65	17,163
At December 31, 2018	30,267	25,161	146	55,574
As at January 1, 2019	30,267	25,161	146	55,574
Credited/(charged) to the combined statements of comprehensive income	11,666	(973)	13	10,706
At December 31, 2019	41,933	24,188	159	66,280
As at January 1, 2020	41,933	24,188	159	66,280
Credited to the combined statements of comprehensive income	11,612	1,124	27	12,763
As at June 30, 2020	53,545	25,312	186	79,043
(Unaudited)				
As at January 1, 2019	30,267	25,161	146	55,574
Credited/(charged) to the combined statements of comprehensive income	6,226	445	(18)	6,653
As at June 30, 2019	36,493	25,606	128	62,227

According to CIT Law, a withholding income tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividends out of profits earned after 1 January 2008. A lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty agreements between the relevant authorities of the PRC and Hong Kong.

As at December 31, 2017, 2018 and 2019 and 30 June 2020, the Group has unrecognised deferred income tax liabilities arising from undistributed profits from the Group's subsidiary in the PRC to its immediate holding company in Hong Kong. No provision has been made in respect of such withholding tax as the directors have confirmed that such profits will not be distributed in the foreseeable future. Unremitted earnings in this respect amounted to RMB15,475,000, RMB288,081,000, RMB1,216,309,000, and RMB2,351,279,000, respectively.

24 BORROWINGS

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank borrowings	50,000	150,000	2,950	2,950
Other borrowings *(b)*	60,000	–	–	–
Total borrowings	110,000	150,000	2,950	2,950

(a) As at December 31, 2017, the Group's bank borrowing was guaranteed by a fellow subsidiary and the Group's other borrowing was guaranteed by trade receivables of the Remaining Group of RMB333,388,000.

As at December 31, 2018, the Group's bank borrowings were guaranteed by a fellow subsidiary.

As at December 31, 2019 and June 30, 2020, the Group's bank borrowing was guaranteed by completed properties held for sale of the Remaining Group of RMB10,000,000.

Guarantees from related parties were subsequently released in August 2020 upon the repayment of the borrowings.

(b) Other borrowings represented loans from financial institutions.

(c) The weighted average effective interest rate for the years ended 31 December 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 were 8.86%, 8.57%, 8.01%, 8.95%, and 7.48%, respectively.

25 CASH FLOW INFORMATION

(a) Cash generated from/(used in) operations

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit before income tax	136,942	310,292	1,229,185	538,613	1,500,241
Adjustments for:					
– Finance costs	12,662	13,122	6,430	5,662	866
– Depreciation of property and equipment *(Note 14)*	10,862	15,400	20,758	10,159	10,934
– Depreciation of right-of-use assets *(Note 22)*	7,781	15,344	16,897	8,008	7,060
– Amortisation of other intangible assets	146	279	316	152	166
– Losses from disposal of property and equipment	37	119	194	31	97
– Net impairment losses on financial assets	43,800	18,206	48,210	25,669	46,919
	212,230	372,762	1,321,990	588,294	1,566,283

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Changes in working capital:					
– Trade and other receivables.	(924,611)	(1,101,156)	(2,160,583)	(1,046,548)	(1,152,044)
– Contract liabilities	366,227	1,093,951	(205,791)	(273,249)	(261,913)
– Trade and other payables . .	543,512	670,968	683,602	231,992	(95,527)
– Restricted cash	(1,884)	1,782	–	–	(4,914)
	195,474	1,038,307	(360,782)	(499,511)	51,885

(b) Net debt reconciliation

	Borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2017	123,000	7,356	130,356
Additions of leases	–	13,636	13,636
Accrued interest expenses	–	917	917
Cash flows	(13,000)	(8,379)	(21,379)
As at December 31, 2017	110,000	13,530	123,530
As at January 1, 2018	110,000	13,530	123,530
Additions of leases	–	23,544	23,544
Accrued interest expenses	–	1,512	1,512
Cash flows	40,000	(16,592)	23,408
As at December 31, 2018	150,000	21,994	171,994
As at January 1, 2019	150,000	21,994	171,994
Additions of leases	–	21,330	21,330
Accrued interest expenses	–	1,574	1,574
Cash flows	(147,050)	(18,424)	(165,474)
As at December 31, 2019	2,950	26,474	29,424
As at January 1, 2020	2,950	26,474	29,424
Additions of leases	–	2,619	2,619
Accrued interest expenses	–	756	756
Cash flows	–	(7,699)	(7,699)
As at June 30, 2020.	2,950	22,150	25,100
(Unaudited)			
As at January 1, 2019	150,000	21,994	171,994
Additions of leases	–	9,473	9,473
Accrued interest expenses	–	813	813
Cash flows	(150,000)	(8,893)	(158,893)
As at June 30, 2019.	–	23,387	23,387

26 COMMITMENTS

(a) Capital commitments

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 1 year	5,641	–	–	–

Capital commitment represent the Group's payment for acquisition of vehicles as stipulated in contract.

27 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue from rendering of services					
– Controlled by the Group's ultimate holding company	1,935,397	2,439,682	2,658,346	1,316,549	1,597,434
– Joint ventures of the Group's ultimate holding company	7,908	86,099	87,514	32,963	40,176
	1,943,305	2,525,781	2,745,860	1,349,512	1,637,610
Purchase of goods and services					
– Controlled by the Group's ultimate holding company	103,475	139,783	111,614	45,056	63,516
Lease of carpark spaces					
– Controlled by the Group's ultimate holding company	33,219	48,576	59,659	30,153	40,498

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.

(b) Guarantees from the related parties

Guarantees provided by the companies controlled by the Group's ultimate holding company are disclosed in Note 24.

(c) Balances with related parties

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
– Controlled by the Group's ultimate holding company	984,248	1,910,364	3,418,277	3,812,858
– Joint ventures of the Group's ultimate holding company	4,186	61,066	97,365	99,763
	988,434	1,971,430	3,515,642	3,912,621
Notes receivable				
– Controlled by the Group's ultimate holding company	1,128	31,283	24,900	103,953
– Joint ventures of the Group's ultimate holding company	–	526	7,216	2,976
	1,128	31,809	32,116	106,929
Prepayments				
– Controlled by the Group's ultimate holding company	8,748	5,113	5,756	6,030

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– Controlled by the Group's ultimate holding company	53,695	112,527	176,523	56,925
– Joint ventures of the Group's ultimate holding company	–	258	7,093	881
	53,695	112,785	183,616	57,806
Notes payable				
– Controlled by the Group's ultimate holding company	707	–	530	4,095

(i) The above trade and notes receivable, prepayments and trade and notes payable are trade in nature, interest-free and repayable according to terms in contracts.

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from related parties *(ii)*				
– Controlled by the Group's ultimate holding company	569,639	1,489,103	1,349,686	1,287,300

(ii) Amounts due from related parties are non-trade in nature, interest-free and payable on demand. The amounts have been fully settled as the date of this report.

(d) Key management compensation

Compensations for key management other than those for directors as disclosed in Note 9 is set out below:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, bonuses and other benefits	2,084	3,475	4,545	2,274	2,256
Contribution to pension scheme expenses	96	112	120	59	10
	2,180	3,587	4,665	2,333	2,266

28 SUBSIDIARIES

Particulars of the principal subsidiaries of the Group as at December 31, 2017,2018 and 2019 and June 30, 2020 and as at date of this report, are set out as follows;

Name of the Subsidiaries	Place and date of incorporation	Registered/ issued and paid-up capital	Principal activities and place of operation	Equity interest held as at December 31, 2017	2018	2019	June 30, 2020	Date of this report	*Note*
Directly held by the Company									
Eagle Investment	BVI, July 20, 2020	USD1	Investment holding in BVI	N/A	N/A	N/A	N/A	100%	*(i)*
Indirectly held by the Company									
Knight Honour	BVI November 5, 2019	USD1	Investment holding in BVI	N/A	N/A	N/A	N/A	100%	*(i)*
Oriental Joy	BVI November 5, 2019	USD1	Investment holding in BVI	N/A	N/A	N/A	N/A	100%	*(i)*
Success Will	Hong Kong July 5, 2007	HKD1,000	Investment holding in Hong Kong	100%	100%	100%	100%	100%	*(ii)*

Name of the Subsidiaries	Place and date of incorporation	Registered/ issued and paid-up capital	Principal activities and place of operation	Equity interest held as at December 31, 2017	2018	2019	June 30, 2020	Date of this report	Note
Fortune Ascent	Hong Kong October 6, 2017	HKD1	Property management services in Hong Kong	100%	100%	100%	100%	100%	*(ii)*
Jinbi Property Management	The PRC, September 10, 1997	RMB177,600,000/ RMB177,600,000	Property management services in the PRC	100%	100%	100%	100%	100%	*(iii)*
Wuhan Jinbi Jiayuan Property Management Co., Ltd.	The PRC, March 3, 2006	RMB3,000,000/ RMB3,000,000	Property management services in the PRC	100%	100%	100%	100%	100%	*(iii)*
Guiyang Zhongyu Property Management Co., Ltd.	The PRC, June 28, 2011	RMB3,000,000/ RMB600,000	Property management services in the PRC	100%	100%	100%	100%	100%	*(iv)*
Chongqing Tongjing Property Services Co., Ltd.	The PRC, April 29, 2007	RMB5,000,000/ RMB5,000,000	Property management services in the PRC	100%	100%	100%	100%	100%	*(iv)*

(i) No audited statutory financial statements have been prepared for these companies as they were newly incorporated and there are no statutory audit requirements under the applicable law in the place of incorporation of the entity.

(ii) The financial statements of Success Will for years ended December 31, 2017, 2018 and 2019 and of Fortune Ascent for the years ended December 31, 2018 and 2019 were prepared in accordance with Hong Kong Financial Reporting Standards and audited by PricewaterhouseCoopers.

(iii) The financial statements of these companies for the two years ended December 31, 2017 and 2018 were prepared in accordance with Chinese Accounting Standards and audited by various certified public accountants registered in the PRC.

(iv) The financial statements of these companies for the three years ended December 31, 2017, 2018 and 2019 were prepared in accordance with Chinese Accounting Standards and audited by various certified public accountants registered in the PRC.

29 EVENT AFTER THE BALANCE SHEET DATE

Saved as disclosed elsewhere in this report, subsequent to June 30, 2020, the following subsequent events took place:

(a) Pursuant to a resolution passed by the directors of the Group's subsidiary, Success Will, dividend to the Remaining Group of RMB355,008,000 was declared and settled in August 2020.

(b) In September 2020, the Group entered into agreements to acquire 100% equity interests of four property management companies and 51% equity interests of one property management company at consideration of RMB123,365,000 in total.

(c) On July 27, 2020, each of the issued and unissued shares of the Company of USD0.01 each was subdivided into 100 shares of USD0.0001 each. Accordingly, the one issued share of the Company held by CEG Holdings was subdivided into 100 shares. On the same date, an additional 9,999,900 shares of USD0.0001 each were issued to CEG Holdings at par for cash as part of the Reorganisation.

(d) Pursuant to the written resolutions of Shareholders passed on November 13, 2020, conditional on the share premium account of our Company being credited as a result of the global offering, the directors are authorised to capitalise an amount of US$999,000 standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par a total of 9,990,000,000 shares for issue and allotment to holders of shares whose names appear on the register of members of the Company on the date of passing such resolutions in proportion (as near as possible without involving fractions so that no fraction of a share shall be issued and allotted) to their then existing respective shareholdings in our Company.

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 June 30, 2020 and up to the date of this report. Save for the distribution of dividends disclosed in Note 29(a), 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 June 30, 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 and the Capitalization Issue on the combined net tangible assets of the Group attributable to owners of the Company as at June 30, 2020 as if the Global Offering and the Capitalization Issue 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 combined tangible assets of the Group had the Global Offering and the Capitalization Issue been completed as at June 30, 2020 or at any future date.

	Audited combined net tangible assets attributable to owners of the Company as at June 30, 2020(1)	Estimated net proceeds from the Global Offering(2)	Effect of the Reorganization(3)	Unaudited pro forma adjusted net tangible assets attributable to owners of the Company as at June 30, 2020	Unaudited pro forma adjusted net tangible assets per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB(3)*	*HK$(4)*
Based on an Offer Price of HK$8.50 per Share	2,870,162	5,749,690	(49,209)	8,570,643	0.79	0.93
Based on an Offer Price of HK$9.75 per Share	2,870,162	6,604,812	(49,209)	9,425,765	0.87	1.02

Notes:

(1) The audited combined net tangible assets attributable to owners of the Company as at June 30, 2020 is extracted from the Accountant's Report set out in Appendix I to this Prospectus, which is based on the audited combined net assets of the Group attributable to owners of the Company as at June 30, 2020 of RMB2,870,429,000 with adjustments for intangible assets as at June 30, 2020 of RMB267,000 respectively.

(2) The estimated net proceeds from the offering of 810,811,000 Offer Shares (excluding 810,811,000 Sale Shares) are based on the indicative Offer Price of HK$8.50 and HK$9.75 per Offer Share after deduction of the estimated underwriting fees and other related expenses payable by the Company, 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.

(3) As part of the Reorganization, the Group acquired certain subsidiaries from and disposed certain subsidiaries to the Remaining Group after June 30, 2020 for cash. The difference between the cash consideration paid to and received from the Remaining Group and the underlying subsidiaries acquired and disposed is accounted for as deemed distribution to and contribution from the Remaining Group, respectively, and has been reflected as an adjustment to this unaudited pro forma financial information.

(4) 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 10,810,811,000 Shares were in issue assuming that the Global Offering and the Capitalization Issue have been completed on June 30, 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.

(5) 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 RMB0.8549: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.

(6) The unaudited pro forma statement of adjusted net tangible assets has not taken into account the dividend of RMB355,008,000 which was declared by other companies comprising the Group in August 2020. Had the dividends been taken into account, the unaudited pro forma adjusted net tangible assets per share would have been RMB0.76 (HK$0.89) and RMB0.84 (HK$0.98) per Share based on the Offer Price of HK$8.50 and HK$9.75 per Share, respectively.

(7) The impact of the acquisitions of Nanchang Xinya, Chengdu Wellspo, Zunyi Zhongxin, Hubei Guanbo and Yongkang Jiahua at an aggregate consideration of RMB123.365 million subsequent to June 30, 2020 has not been taken into account in calculating the unaudited pro forma financial net tangible asset value per Share. Assuming the entire consideration is fully treated as an adjustment to net tangible asset and no consideration is allocated to tangible assets of the acquired companies, which is not indicative of the actual outcome of the purchase price allocation in respect of the acquisitions, the adjusted net tangible assets value per Share would be adjusted downward by less than 2%.

(8) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2020.

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 Evergrande Property Services Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Evergrande Property 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 June 30, 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 November 23, 2020, 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 June 30, 2020 as if the proposed initial public offering had taken place at June 30, 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 period ended June 30, 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 June 30, 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 judgement, 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.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors 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, November 23, 2020

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 13 March 2020 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "Companies Law"). The Company's constitutional documents consist of its Memorandum of Association (the "Memorandum") and its Articles of Association (the "Articles").

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on November 13, 2020 with effect upon Listing. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value 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 the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

(i) increase its share capital by the creation of new shares;

(ii) consolidate all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

(iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares. The register of members in respect of its listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Law in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

The board may accept the surrender for no consideration of any fully paid share.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(b) Directors

***(i)* Appointment, retirement and removal**

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

(aa) he resigns by notice in writing delivered to the Company;

(bb) he becomes of unsound mind or dies;

(cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;

(dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) he is prohibited from being a director by law; or

(ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or past Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement 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 or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such

Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving 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 the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer 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 the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. 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.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings and extraordinary general meetings

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

Extraordinary general meetings may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the board shall be reimbursed to the requisitionist(s) by the Company.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers; and

(ee) the fixing of the remuneration of the directors and of the auditors.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by special resolution remove the auditor at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets 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, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account." At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Law of the Cayman Islands, the Company has obtained an undertaking:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 31 July 2020.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

The notice of registered office is a matter of public record. A list of the names of the current directors and alternate directors (if applicable) is made available by the Registrar of Companies for inspection by any person on payment of a fee. The register of mortgages is open to inspection by creditors and members.

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by Section 40 of the Companies Law. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, 25% or more of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are listed on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Law, 2018 of the Cayman Islands ("ES Law") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Law. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Law.

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V to this Prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on March 13, 2020. Our Company has established its principal place of business in Hong Kong at 23rd Floor, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on August 18, 2020. Mr. Fong Kar Chun, Jimmy has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operations are subject to the Companies Law and to its constitution, which comprises of the Memorandum and Articles of Association. A summary of certain provisions of the Memorandum and Articles of Association and relevant aspects of the Companies Law is set out in "Appendix III – Summary of the Constitution of the Company and Cayman Islands Company Law" to this Prospectus.

2. Changes in the share capital of our Company

As of the date of incorporation of our Company, the authorized share capital of our Company was US$50,000 divided into 5,000,000 ordinary shares with a par value of US$0.01 each. Upon its incorporation, one share of par value US$0.01 was allotted and issued at par to an initial subscriber, being an Independent Third Party, on March 13, 2020, which was transferred to CEG Holdings at a consideration of US$0.01 on July 20, 2020.

Pursuant to the written resolutions of our Shareholder passed on July 27, 2020, each of our issued and unissued shares of US$0.01 each was subdivided into 100 Shares of US$0.0001 each. On the same date, an additional 9,999,900 Shares of US$0.0001 each were issued and allotted to CEG Holdings at par.

Pursuant to the written resolutions of our Shareholders passed on November 13, 2020, the authorized share capital of our Company was increased from US$50,000 divided into 500,000,000 Shares of a par value of US$0.0001 each to US$10,000,000 divided into 100,000,000,000 Shares of a par value of US$0.0001 each by the creation of additional 99,500,000,000 Shares.

Immediately following completion of the Capitalization Issue and the Spin-off, the issued share capital of our Company will be US$1,081,081.10 divided into 10,810,811,000 Shares, all fully paid or credited as fully paid, and 89,189,189,000 Shares will remain unissued.

Save for the aforesaid and as mentioned in the paragraph headed "– 3. Written resolutions of our Shareholders passed on November 13, 2020" below in this Appendix, there has been no alteration in the share capital of our Company since its incorporation.

3. Written resolutions of our Shareholders passed on November 13, 2020

Pursuant to written resolutions of our Shareholders passed on November 13, 2020, among other matters:

(i) our Company approved and adopted the Memorandum of Association with immediate effect;

(ii) our Company approved and conditionally adopted the Articles of Association which will become effective upon Listing;

(iii) the authorized share capital of our Company was increased from US$50,000 divided into 500,000,000 Shares to US$10,000,000 divided into 100,000,000,000 Shares by creation of an additional 99,500,000,000 Shares. Such Shares shall rank *pari passu* in all aspects;

(iv) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and Shares to be issued and allotted pursuant to the Capitalization Issue and the Spin-off and Shares to be issued as mentioned in this Prospectus; (ii) the entering into of the agreement on the Offer Price between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) on the Price Determination Date; (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

   (1) the Global Offering was approved and our Directors were authorized to issue and allot the New Shares and approve the transfer of the Sale Shares pursuant to the Global Offering;

   (2) the Over-allotment Option was approved and our Directors were authorized to approve the transfer of the Sale Shares pursuant to the exercise of the Over-allotment Option; and

   (3) conditional on the share premium account of our Company being credited as a result of the Shares by our Company pursuant to the Global Offering, our Directors were authorized to capitalize an amount of US$999,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 9,990,000,000 Shares.

(v) a general unconditional mandate was given to our Directors to issue, allot and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be issued and allotted), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or other similar arrangements or pursuant to a specific authority granted by the Shareholders in general meeting, unissued Shares not exceeding the aggregate of 20% of the number of issued Shares immediately following the completion of the Capitalization Issue and the Spin-off, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first;

(vi) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the number of issued Shares immediately following the completion of the Capitalization Issue and the Spin-off, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first; and

(vii) the general unconditional mandate mentioned in paragraph (v) above was extended by the addition to the number of issued Shares which may be issued and allotted or agreed conditionally or unconditionally to be issued and allotted by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (vi) above.

4. Corporate Reorganization

In preparation for the listing of our Shares on the Stock Exchange, the companies comprising our Group underwent the Reorganization and our Company became the holding company of our Group. For information with regard to the Reorganization, see the section headed "History, Reorganization and Corporate Structure" in this Prospectus.

5. Changes in Share Capital of Our Subsidiaries

Our Company's subsidiaries are referred to in the Accountant's Report in Appendix I to this Prospectus. Save as the subsidiaries mentioned in the Accountant's Report and "History, Reorganization and Corporate Structure", our Company has no other subsidiaries.

Save as disclosed in the section headed "History, Reorganization and Corporate Structure", there are no other changes in registered capital of our subsidiaries within the two years immediately preceding the date of this Prospectus.

6. Repurchases of our Shares

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed 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.

Note: Pursuant to the written resolutions passed by the Shareholders of our Company on November 13, 2020, a general unconditional mandate (the "**Buyback Mandate**") was granted to our Directors authorizing the repurchase of shares by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with the total number of Shares not exceeding 10% of the total number of Shares in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules, the laws of Cayman Islands and other applicable laws and regulations. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

(iii) Core connected persons

A listed company is prohibited from knowingly repurchasing its securities 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 securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from the Shareholders to enable our Directors to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and its assets and/or its earnings per Share.

(c) Funding of Repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company, the share premium amount of our Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase and, in the case of any premium payable on the purchase over the par value of the Shares to be repurchased, must be provided for out of either or both of the profits of our Company or from sums standing to the credit of the share premium account of our Company. Subject to the Companies Law, a repurchase of Shares may also be paid out of capital.

Our Directors do not propose to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company. However, there might be a material adverse impact on the working capital or gearing level as compared with the position disclosed in this Prospectus in the event that the Buyback Mandate is exercised in full.

(d) Share Capital

Exercise in full of the Buyback Mandate, on the basis of 10,810,811,000 Shares in issue immediately after the Listing, could accordingly result in up to 1,081,081,100 Shares being repurchased by our Company during the period until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles of Association to be held; or

(iii) the date on which the Buyback Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(e) General

None of our Directors nor, to the best of their knowledge, information and belief, having made all reasonable enquiries, any of their close associates, currently intends to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buyback Mandate in accordance with the Listing Rules, the Memorandum and Articles of Association, the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, 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 as a result of any such increase. 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 pursuant to the Buyback Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of our 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/she/it has any present intention to sell Shares to our Company, or has undertaken not to do so if the Buyback Mandate is exercised.

B. INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by our Company or any of its subsidiaries within the two years preceding the date of this Prospectus that are or may be material:

(a) an equity transfer agreement dated May 14, 2020 entered into between Hainan Lingshui Palm Springs Property Co., Ltd. (海南陵水棕櫚泉置業有限公司), Jinbi Property Co., Ltd. (金碧物業有限公司) and Hainan Lingshui Palm Springs Property Services Co., Ltd. (海南陵水棕櫚泉物業服務有限公司), pursuant to which Hainan Lingshui Palm Springs Property Co., Ltd. (海南陵水棕櫚泉置業有限公司) agreed to transfer the entire equity interest in Hainan Lingshui Palm Springs Property Services Co., Ltd. (海南陵水棕櫚泉物業服務有限公司) to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB952,900;

(b) an equity transfer agreement dated May 14, 2020 entered into between Evergrande Real Estate Group (Shenzhen) Co., Ltd. (恒大地產集團(深圳)有限公司), Jinbi Property Co., Ltd. (金碧物業有限公司) and Shenzhen Jianshe Jiayuan Property Services Co., Ltd. (深圳市建設家園物業服務有限公司), pursuant to which Evergrande Real Estate Group (Shenzhen) Co., Ltd. (恒大地產集團(深圳)有限公司) agreed to transfer the entire equity interest in Shenzhen Jianshe Jiayuan Property Services Co., Ltd. (深圳市建設家園物業服務有限公司) to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB1;

(c) an equity transfer agreement dated May 22, 2020 entered into between Evergrande Real Estate Group Chengdu Co., Ltd. (恒大地產集團成都有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司) and Chengdu Jinbi Hepan Property Services Co., Ltd. (成都金碧河畔物業服務有限公司), pursuant to which Evergrande Real Estate Group Chengdu Co., Ltd. (恒大地產集團成都有限公司) agreed to transfer the entire equity interest in Chengdu Jinbi Hepan Property Services Co., Ltd. (成都金碧河畔物業服務有限公司) to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB4,225,700;

(d) an equity transfer agreement dated May 15, 2020 entered into between Evergrande Real Estate Group Co., Ltd. (恒大地產集團有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Evergrande Real Estate Group Co., Ltd. (恒大地產集團有限公司) agreed to transfer its capital contribution of RMB10,000,000 in Guangzhou Jinbi Shijia Property Services Co., Ltd. (廣州市金碧世家物業服務有限公司), representing the entire registered capital of Guangzhou Jinbi Shijia Property Services Co., Ltd. (廣州市金碧世家物業服務有限公司), to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB8,779,100;

(e) an equity transfer agreement dated May 15, 2020 entered into between Evergrande Real Estate Group Co., Ltd. (恒大地產集團有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Evergrande Real Estate Group Co., Ltd. (恒大地產集團有限公司) agreed to transfer its capital contribution of RMB10,000,000 in Guangzhou Jinbi Hengying Property Services Co., Ltd. (廣州市金碧恒盈物業服務有限公司), representing the entire registered capital of Guangzhou Jinbi Hengying Property Services Co., Ltd. (廣州市金碧恒盈物業服務有限公司), to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB5,480,600;

(f) an equity transfer agreement dated May 15, 2020 entered into between Xi'an Zhongyu Land Co., Ltd. (西安中渝置地有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Xi'an Zhongyu Land Co., Ltd. (西安中渝置地有限公司) agreed to transfer the entire equity interest in Xi'an Hongze Property Management Co., Ltd. (西安鴻澤物業管理有限公司), to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB1;

(g) an equity transfer agreement dated June 17, 2020 entered into between Trend Rich Investment Limited (毅富投資有限公司), Jinbi Property Co., Ltd. (金碧物業有限公司) and Chengdu Leju Property Management Co., Ltd. (成都樂居物業管理有限公司), pursuant to which Trend Rich Investment Limited (毅富投資有限公司) agreed to transfer the entire equity interest in Chengdu Leju Property Management Co., Ltd. (成都樂居物業管理有限公司) to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB4,151,600;

(h) an equity transfer agreement dated May 20, 2020 entered into between Wuhan Badengcheng Investment Co., Ltd. (武漢巴登城投資有限公司), Jinbi Property Co., Ltd. (金碧物業有限公司) and Wuhan Jinbi Property Services Co., Ltd. (武漢金碧物業服務有限公司), pursuant to which Wuhan Badengcheng Investment Co., Ltd. (武漢巴登城投資有限公司) agreed to transfer the entire equity interest in Wuhan Jinbi Property Services Co., Ltd. (武漢金碧物業服務有限公司) to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB1;

(i) an equity transfer agreement dated May 22, 2020 entered into between Guiyang Xinshijie Real Estate Co., Ltd. (貴陽新世界房地產有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Guiyang Xinshijie Real Estate Co., Ltd. (貴陽新世界房地產有限公司) agreed to transfer the entire equity interest in Guiyang Xinshenghuo Property Services Co., Ltd. (貴陽新生活物業服務有限公司), of RMB5,010,000, to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB1;

(j) an equity transfer agreement dated May 24, 2020 entered into between Chongqing Tongjing Property Co., Ltd. (重慶同景置業有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Chongqing Tongjing Property Co., Ltd. (重慶同景置業有限公司) agreed to transfer its equity interest of RMB5,000,000 in Chongqing Tongjing Property Services Co., Ltd. (重慶同景物業服務有限公司) to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB5,099,500;

(k) an equity transfer agreement dated May 26, 2020 entered into between Wuhan Evergrande Jinbi Real Estate Development Co., Ltd. (武漢恒大金碧房地產開發有限公司), Jinbi Property Co., Ltd. (金碧物業有限公司) and Wuhan Jinbi Jiayuan Property Management Co., Ltd. (武漢金碧嘉園物業管理有限公司), pursuant to which Wuhan Evergrande Jinbi Real Estate Development Co., Ltd. (武漢恒大金碧房地產開發有限公司) agreed to transfer the entire equity interest in Wuhan Jinbi Jiayuan Property Management Co., Ltd. (武漢金碧嘉園物業管理有限公司) to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB3,562,500;

(l) an equity transfer agreement dated May 26, 2020 entered into between Zhejiang Dawei Real Estate Development Co., Ltd. (浙江大衛房地產開發有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Zhejiang Dawei Real Estate Development Co., Ltd. (浙江大衛房地產開發有限公司) agreed to transfer its capital contribution commitment of RMB3,000,000 in Xianju Dawei to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB1;

(m) an equity transfer agreement dated June 12, 2020 entered into between Sichuan Desheng Group Cultural Tourism Investment Development Co., Ltd. (四川德勝集團文化旅遊投資發展有限公司), Jinbi Property Co., Ltd. (金碧物業有限公司) and Sichuan Zhongjia Commercial Management Co., Ltd. (四川眾嘉商業管理有限公司), pursuant to which Sichuan Desheng Group Cultural Tourism Investment Development Co., Ltd. (四川德勝集團文化旅遊投資發展有限公司) agreed to transfer the entire equity interest in Sichuan Zhongjia Commercial Management Co., Ltd. (四川眾嘉商業管理有限公司), to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB1;

(n) an equity transfer agreement dated June 12, 2020 entered into between City Faith Limited (都信有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which City Faith Limited (都信有限公司) agreed to transfer its equity interest of US$830,000 in Sichuan Zhongxin Property Management Co., Ltd., representing the entire registered capital of Sichuan Zhongxin Property Management Co., Ltd. (四川忠信物業管理有限公司), to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB4,691,000;

(o) an equity transfer agreement dated July 15, 2020 entered into between Guangzhou Jinbi Huafu Property Co., Ltd. (廣州市金碧華府物業有限公司) and Evergrande Real Estate Group Guangdong Real Estate Development Co., Ltd. (恒大地產集團廣東房地產開發有限公司), pursuant to which Guangzhou Jinbi Huafu Property Co., Ltd. (廣州市金碧華府物業有限公司) agreed to transfer the entire equity interest in Foshan Nanhai Xinzhongjian Real Estate Development Co., Ltd. (佛山市南海新中建房地產發展有限公司) corresponding to a capital contribution commitment of RMB677,000,000 to Evergrande Real Estate Group Guangdong Real Estate Development Co., Ltd. (恒大地產集團廣東房地產開發有限公司) at a consideration of RMB683,643,000;

(p) a letter dated July 27, 2020 entered into between our Company and ABC International Holdings Limited (農銀國際控股有限公司), pursuant to which ABC International Holdings Limited (農銀國際控股有限公司) agreed, among others to, on a hard underwriting basis, subscribe for, or procure investors to subscribe for, such number of the Offer Shares which are to be subscribed with a principal amount of RMB2 billion at the Offer Price;

(q) a letter dated July 27, 2020 entered into between our Company and CCB International Capital Limited (建銀國際金融有限公司), pursuant to which CCB International Capital Limited (建銀國際金融有限公司) agreed, among others to, on a hard underwriting basis, subscribe for, or procure investors to subscribe for, such number of the Offer Shares which are to be subscribed with a principal amount of RMB2 billion at the Offer Price;

(r) a letter dated July 27, 2020 entered into between our Company and CLSA Limited (中信里昂證券有限公司), pursuant to which CLSA Limited (中信里昂證券有限公司) agreed, among others to, on a hard underwriting basis, subscribe for, or procure investors to subscribe for, such number of the Offer Shares which are to be subscribed with a principal amount of RMB2 billion at the Offer Price;

(s) a letter dated July 27, 2020 entered into between our Company and Haitong International Securities Company Limited (海通國際證券有限公司), pursuant to which Haitong International Securities Company Limited (海通國際證券有限公司) agreed, among others to, on a hard underwriting basis, subscribe for, or procure investors to subscribe for, such number of the Offer Shares which are to be subscribed with a principal amount of RMB2 billion at the Offer Price;

(t) a share transfer agreement dated August 6, 2020 entered into between Ever Grace Group Limited (恒善集團有限公司) and Knight Honour Global Limited, pursuant to which Ever Grace Group Limited (恒善集團有限公司) agreed to transfer 600 ordinary A shares and 400 ordinary B shares of Success Will Group Limited (雅立集團有限公司), representing all of its issued shares, to Knight Honour Global Limited and Knight Honour Global Limited agreed to issue two shares to Flying Bloom Investments Limited (飛旺投資有限公司) as consideration;

(u) a share transfer agreement dated August 6, 2020 entered into between Tianji Holding Limited (天基控股有限公司) and Oriental Joy Group Limited (東欣集團有限公司), pursuant to which Tianji Holding Limited (天基控股有限公司) agreed to transfer one ordinary share of Fortune Ascent Property Management Limited (升裕物業管理有限公司), representing its entire issued share capital, to Oriental Joy Group Limited (東欣集團有限公司) at a consideration of HK$9,939,000.00;

(v) a trademark transfer agreement dated August 12, 2020 entered into between Evergrande Real Estate Group Co., Ltd. (恒大地產集團有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Evergrande Real Estate Group Co., Ltd. (恒大地產集團有限公司) agreed to transfer 11 trademarks to Jinbi Property Co., Ltd. (金碧物業有限公司) at nil consideration;

(w) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among Chan Hoi Wan (陳凱韻), CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company pursuant to which CEG Holdings (BVI) Limited agreed to transfer 537,342 Shares to Chan Hoi Wan (陳凱韻) at a consideration of HK$4,500,000,000;

(x) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among Huatai International Greater Bay Area Investment Limited (華泰國際大灣區投資有限公司), CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 477,637 Shares to Huatai International Greater Bay Area Investment Limited (華泰國際大灣區投資有限公司) at a consideration of HK$4,000,000,000;

(y) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among SCC Growth VI 2020 B, L.P., CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 411,962 Shares to SCC Growth VI 2020 B, L.P. at a consideration of HK$3,450,000,000;

(z) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among CC Eagle Investments Limited, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 358,228 Shares to CC Eagle Investments Limited at a consideration of HK$3,000,000,000;

(aa) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among YF Evergreat Property Limited, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 179,114 Shares to YF Evergreat Property Limited at a consideration of HK$1,500,000,000;

(bb) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among Image Frame Investment (HK) Limited (意像架構投資(香港)有限公司), Golden Fortune Holding Limited, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 95,527 Shares to Image Frame Investment (HK) Limited (意像架構投資(香港)有限公司) and 47,764 Shares to Golden Fortune Holding Limited at a consideration of HK$800,000,000 and HK$400,000,000, respectively;

(cc) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among China Dragon Limited, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 119,409 Shares to China Dragon Limited at a consideration of HK$1,000,000,000;

(dd) an investment agreement dated August 13, 2020 entered into among Tisé Opportunity Fund I LP, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company together with a letter dated September 28, 2020 entered into among Tisé Capital Management Limited in its capacity as general partner of Tisé Opportunity Fund I LP, CEG Holdings (BVI) Limited, China Evergrande Group and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 119,409 Shares to Tisé Opportunity Fund I LP at a consideration of HK$1,000,000,000;

(ee) an investment agreement dated August 13, 2020 entered into among ABCI Global Opportunities SPC—ABCI China Rising Private Equity 3 Segregated Portfolio, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, together with a letter dated September 28, 2020 from ABCI Global Opportunities SPC for the account and on behalf of ABCI China Rising Private Equity 3 Segregated Portfolio to CEG Holdings (BVI) Limited; China Evergrande Group (中國恒大集團) and our Group, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 119,409 Shares to ABCI Global Opportunities SPC (for the account and on behalf of ABCI China Rising Private Equity 3 Segregated Portfolio) at a consideration of HK$1,000,000,000;

(ff) an investment agreement dated August 13, 2020 entered into among Elite Explorer Limited, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 95,527 Shares to Elite Explorer Limited at a consideration of HK$800,000,000, together with a deed of undertaking dated September 22, 2020 executed by Elite Explorer Limited and CEL Odyssey Project Fund, L.P. acting through CEL Odyssey Project GP LTD as its general partner to CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEL Odyssey Project Fund, L.P. agreed to assume all the rights and obligations under the aforesaid investment agreement in respect of the 93,616 Shares which were transferred by Elite Explorer Limited to CEL Odyssey Project Fund, L.P.;

(gg) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among Super Brilliant Investments Limited (超智投資有限公司), CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 59,704 Shares to Super Brilliant Investments Limited (超智投資有限公司) at a consideration of HK$500,000,000;

(hh) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among Well Smart Developments Limited, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 59,704 Shares to Well Smart Developments Limited at a consideration of HK$500,000,000;

(ii) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among Treasure Pitcher Limited, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 59,704 Shares to Treasure Pitcher Limited at a consideration of HK$500,000,000;

(jj) an investment agreement dated August 13, 2020 together with a letter dated September 28, 2020 entered into among Advance Power International Limited, CEG Holdings (BVI) Limited, China Evergrande Group (中國恒大集團) and our Company, pursuant to which CEG Holdings (BVI) Limited agreed to transfer 65,675 Shares to Advance Power International Limited at a consideration of HK$550,000,000;

(kk) an equity transfer agreement dated September 11, 2020 entered into between Kunming Jialize Tourism Culture Co., Ltd. (昆明嘉麗澤旅遊文化有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Kunming Jialize Tourism Culture Co., Ltd. (昆明嘉麗澤旅遊文化有限公司) agreed to transfer the entire equity interest of RMB500,000 in Kunming Jialize Property Management Co., Ltd. (昆明嘉麗澤物業管理有限公司) to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB684,400;

(ll) an equity transfer agreement dated September 11, 2020 entered into between Guangzhou Hengze Health Service Co., Ltd. (廣州恒澤養生服務有限公司) and Jinbi Property Co., Ltd. (金碧物業有限公司), pursuant to which Guangzhou Hengze Health Service Co., Ltd. (廣州恒澤養生服務有限公司) agreed to transfer its capital contribution commitment of RMB50,000,000 in Evergrande Hengkang Property Co., Ltd. (恒大恒康物業有限公司), representing the entire registered capital of Evergrande Hengkang Property Co., Ltd. (恒大恒康物業有限公司), to Jinbi Property Co., Ltd. (金碧物業有限公司) at a consideration of RMB46,856,700;

(mm) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Shenzhen Kaier Hanxiang Shiye Co., Ltd (深圳凱爾漢湘實業有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Shenzhen Kaier Hanxiang Shiye Co., Ltd (深圳凱爾漢湘實業有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$1,000,000,000 at the Offer Price;

(nn) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, SensePower Management Limited, the Joint Sponsors and the Joint Representatives, pursuant to which SensePower Management Limited agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$775,000,000 at the Offer Price;

(oo) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Jiangxi Xingmei Industry and Trade Co., Ltd. (江西興美工貿有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Jiangxi Xingmei Industry and Trade Co., Ltd. (江西興美工貿有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$590,000,000 at the Offer Price;

(pp) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Hai Xia Finance Limited (海峽財務有限公司), China Gas Holdings Limited, the Joint Sponsors, the Joint Representatives and CMB International Capital Limited (招銀國際融資有限公司), pursuant to which Hai Xia Finance Limited (海峽財務有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$396,009,413 at the Offer Price;

(qq) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Win Extra Limited (卓協有限公司), Huang Yong (黃勇), the Joint Sponsors, Joint Representatives and CMB International Capital Limited (招銀國際融資有限公司), pursuant to which Win Extra Limited (卓協有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$99,002,353 at the Offer Price;

(rr) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Honour Goal Investments Limited (達安投資有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Honour Goal Investments Limited (達安投資有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$500,000,000 at the Offer Price;

(ss) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Guangzhou Panyu Haiyi Real Estate Development Company Ltd. (廣州番禺海怡房地產開發有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Guangzhou Panyu Haiyi Real Estate Development Company Ltd. (廣州番禺海怡房地產開發有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$472,000,000 at the Offer Price;

(tt) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, CSR China Merchant Buyout Fund (深圳國調招商併購股權投資基金合夥企業(有限合夥)), the Joint Sponsors and the Joint Representatives, pursuant to which CSR China Merchant Buyout Fund (深圳國調招商併購股權投資基金合夥企業(有限合夥)) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of Hong Kong dollars equivalent of RMB300,000,000 at the Offer Price;

(uu) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Qianhui Moli No. 1 Private Equity Securities Investment Fund (千惠茉莉1號私募證券投資基金), Ye Delin (葉德林), the Joint Sponsors and the Joint Representatives, pursuant to which Qianhui Moli No. 1 Private Equity Securities Investment Fund (千惠茉莉1號私募證券投資基金) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$354,000,000 at the Offer Price;

(vv) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Li Yao (李要), the Joint Sponsors and the Joint Representatives, pursuant to which Li Yao (李要) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$236,000,000 at the Offer Price;

(ww) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Gongqingcheng Kechuan Investment LLP (共青城可傳投資合夥企業(有限合夥)), the Joint Sponsors and the Joint

Representatives, pursuant to which Gongqingcheng Kechuan Investment LLP (共青城可傳投資合夥企業(有限合夥)) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$354,000,000 at the Offer Price;

(xx) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Guangdong Sanfi Ceramics Group Co., LTD (廣東興輝陶瓷集團有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Guangdong Sanfi Ceramics Group Co., LTD (廣東興輝陶瓷集團有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$236,000,000 at the Offer Price;

(yy) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Kingkey Group Company Limited (京基集團有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Kingkey Group Company Limited (京基集團有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$236,000,000 at the Offer Price;

(zz) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, China Lesso Group Holdings Limited (中國聯塑集團控股有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which China Lesso Group Holdings Limited (中國聯塑集團控股有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$200,000,000 at the Offer Price;

(aaa) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Wuthelam Holdings Pte Ltd, the Joint Sponsors and the Joint Representatives, pursuant to which Wuthelam Holdings Pte Ltd agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$200,000,000 at the Offer Price;

(bbb) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Shenzhen Centralcon Land Co., Ltd. (深圳市中洲置地有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Shenzhen Centralcon Land Co., Ltd. (深圳市中洲置地有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$200,000,000 at the Offer Price;

(ccc) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Honghui Investment Management Co., Limited (鴻暉投資管理有限公司), Lai Chun Lam (賴俊霖), the Joint Sponsors and the Joint Representatives, pursuant to which Honghui Investment Management Co., Limited (鴻暉投資管理有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$200,000,000 at the Offer Price;

(ddd) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Nantong Sanjian International Co., Limited (南通三建國際有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Nantong Sanjian International Co., Limited (南通三建國際有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$200,000,000 at the Offer Price;

(eee) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Hopson E-Commerce Limited (合生電子商貿有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Hopson E-Commerce Limited (合生電子商貿有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$155,000,000 at the Offer Price;

(fff) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Guangdong Keshun Investment Holding Co., Ltd (廣東科順投資控股有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Guangdong Keshun Investment Holding Co., Ltd (廣東科順投資控股有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$118,000,000 at the Offer Price;

(ggg) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Foshan Yuanheng Investment Holding Company (佛山市元亨投資控股有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Foshan Yuanheng Investment Holding Company (佛山市元亨投資控股有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$118,000,000 at the Offer Price;

(hhh) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Guangzhou Anying Investment Co., Ltd. (廣州安盈投資有限公司), the Joint Sponsors and the Joint Representatives, pursuant to which Guangzhou Anying Investment Co., Ltd. (廣州安盈投資有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$118,000,000 at the Offer Price;

(iii) a cornerstone investment agreement dated November 19, 2020 entered into between our Company, CEG Holdings (BVI) Limited, Talent Global Ventures Limited (天賦環球創投有限公司), Li Yiping, the Joint Sponsors and the Joint Representatives, pursuant to which Talent Global Ventures Limited (天賦環球創投有限公司) agreed to subscribe for or purchase such number of Offer Shares (rounded down to the nearest whole board lot) which may be subscribed for or purchased in the aggregate amount of HK$100,000,000 at the Offer Price;

(jjj) the Deed of Non-competition;

(kkk) the Deed of Indemnity; and

(lll) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Group had been licensed to use the following trademarks which, in the opinion of our Directors, are material to our Group's business:

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
	303787480	3/5/9/14/16/19/29/30/31/32/33/35/36/37/39/41/43/44	China Evergrande Group	Hong Kong	May 25, 2016	May 24, 2026
恒大金碧物業	18994800	36	Evergrande Real Estate	PRC	June 7, 2017	June 6, 2027

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
恒大金碧物業	18995080	37	Evergrande Real Estate	PRC	February 28, 2017	February 27, 2027
恒大金碧物業	18995466	44	Evergrande Real Estate	PRC	February 28, 2017	February 27, 2027
恒大金碧物業	18995785	45	Evergrande Real Estate	PRC	February 28, 2017	February 27, 2027
恒大物業	29282893	37	Evergrande Real Estate	PRC	June 14, 2019	June 13, 2029
恒大物業	29288044	44	Evergrande Real Estate	PRC	June 21, 2019	June 20, 2029
金碧物業	18994614	36	Evergrande Real Estate	PRC	April 14, 2018	April 13, 2028
金碧物業	18995155	37	Evergrande Real Estate	PRC	May 21, 2017	May 20, 2027
金碧物業	18995407	44	Evergrande Real Estate	PRC	April 14, 2018	April 13, 2028
金碧物業	18995767	45	Evergrande Real Estate	PRC	February 28, 2017	February 27, 2027

As of the Latest Practicable Date, our Group was the applicant of the following applications for trademarks which, in the opinion of our Directors, are material to our business:

No.		Trademark	Application Number	Class	Name of Applicant	Place of Application	Date of Application
1.	A	恒大物业集团 EVERGRANDE PROPERTY SERVICES GROUP	305423085	35, 36, 37	Our Company	Hong Kong	October 20, 2020
	B	恒大物業集團 EVERGRANDE PROPERTY SERVICES GROUP					
2.	A	恒大物业 EVERGRANDE PROPERTY SERVICES	305423094	35, 36, 37	Our Company	Hong Kong	October 20, 2020
	B	恒大物業 EVERGRANDE PROPERTY SERVICES					

As of the Latest Practicable Date, our Group was the proprietor of the following copyright which, in the opinion of our Directors, is material to our Group's business:

Copyright Name	Registration Number	Name of Proprietor	Place of Registration	Date of Completion
Evergrande Smart Community Software (Android) V2.3.0 (恒大智慧社區軟件(android版) V2.3.0)	2020SR1501307	Jinbi Smart Life	PRC	August 2, 2019
Evergrande Smart Community Software (ios) V2.3.0 (恒大智慧社區軟件(ios版)) V2.3.0	2020SR1501305	Jinbi Smart Life	PRC	August 2, 2019
"Jinbi Property" Property Management Software System V1.0 ("金碧物業"物業管理軟件系統V1.0)	2020SR0954141	Jinbi Smart Life	PRC	June 24, 2020
"Jinbi Property" Property Management Software (Android) V1.0 ("金碧物業"物業管理軟件Android版V1.0)	2020SR0954264	Jinbi Smart Life	PRC	July 29, 2020
"Jinbi Property" Property Management Software (IOS) V1.0 ("金碧物業"物業管理軟件IOS版V1.0)	2020SR0968322	Jinbi Smart Life	PRC	July 10, 2020

(c) Domain name

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain name which, in the opinion of our Directors, is material to our Group's business:

Domain Name	Registrant	Date of Registration	Expiry Date
evergrandeservice.com	Jinbi Property	August 11, 2020	August 11, 2023

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of Interests – Interests and short positions of our Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company and our associated corporations

Immediately following completion of the Capitalization Issue and the Spin-off (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying China Evergrande Shareholders and without taking into account any Shares which may be sold pursuant to the exercise of the Over-allotment Option), the interests or short positions of our Directors or chief executives of our Company in the shares, underlying shares or debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once the Shares are listed will be as follows:

Interest in our Company

Name of Director	Nature of Interest	Number of Shares interested	Approximate percentage of shareholding
Mr. Zhao Changlong	Beneficial owner	11,764[(1)]	0.0001%

Interest in shares of our Company's associated corporation

Name of Director	Name of associated corporation	Nature of Interest	Number of shares interested	Approximate percentage of shareholding
Mr. Zhao Changlong	China Evergrande Group	Beneficial owner	7,800,000(2)	0.0585%
	HengTen Networks	Beneficial owner	1,000,000	0.0012%
Mr. Hu Liang	China Evergrande Group	Beneficial owner	3,300,000(3)	0.0248%
	Evergrande Auto	Beneficial owner	5,000	0.0001%
Mr. Wang Zhen	China Evergrande Group	Beneficial owner	1,300,000(3)	0.0098%
Ms. An Lihong	China Evergrande Group	Beneficial owner	250,000(3)	0.0019%
	Evergrande Auto	Beneficial owner	20,000	0.0002%

Notes:

(1) Representing the number of Reserved Shares which Mr. Zhao Changlong will be entitled to apply for under the Preferential Offering based on his shareholding in China Evergrande Group as of the Latest Practicable Date and assuming he remained to be interested in the same number of shares of China Evergrande Group on the Record Date.

(2) This includes interest in share options for 6,600,000 shares of China Evergrande Group which have not yet been exercised as of the Latest Practicable Date.

(3) Such interest is in the form of share options of China Evergrande Group which have not yet been exercised as of the Latest Practicable Date.

Interests in debentures of associated corporations

Name of Director	Name of associated corporation	Currency of debentures	Amount of debentures bought	Amount of debentures in same class in issue
Mr. Victor Huang	China Evergrande Group	US$	200,000	1,000,000,000

(b) Particulars of service contracts and letters of appointment

Each of our executive Directors has entered into a service agreement with our Company for a term of three years commencing from the Listing Date, which may be 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 our Company for a term of three years commencing from the date of appointment, which may be terminated by not less than three months' notice in writing served by either party on the other.

(c) Directors' remuneration

During each of the three years ended December 31, 2019 and the six months ended June 30, 2020, the aggregate remuneration (including salaries, bonuses and other benefits and contribution to pension scheme) paid to our Directors was approximately RMB5.1 million, RMB6.7 million, RMB6.8 million and RMB2.8 million, respectively. For details, see note 9 of the Accountant's Report set out in Appendix I to this Prospectus.

Each of our independent non-executive Directors has been appointed for a term of three years. Our Company will pay a director's fee of RMB300,000 per annum to each of them. Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Under the arrangement currently in force, the aggregate remuneration (including fees, salaries and other benefits and contribution to pension scheme) of our Directors for the year ending December 31, 2020 is estimated to be no more than approximately RMB30.0 million.

2. Substantial Shareholders

Save as disclosed in "Substantial Shareholders" in this Prospectus, so far as our Directors are aware, immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Reserved Shares under the Preferential Offering are fully taken up by Qualifying China Evergrande Shareholders and without taking into account any Shares which may be sold pursuant to the exercise of the Over-allotment Option), the following persons (other than our Directors and chief executives of our Company) will have an interest and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

Interest in our Company

Name of shareholder	Name of member of our Group	Nature of interest	Percentage of equity interest
Jiangxi Tianjie Environmental Protection Service Co., Ltd. (江西省天潔環保服務有限公司)	Nanchang Xinya	Beneficial owner	49%
Hubei Meicen Environmental Co., Ltd. (湖北美岑環保服務有限公司)	Hubei Guanbo	Beneficial owner	49%

3. Agency Fees or Commissions Received

Save for the underwriting commission provided in the Hong Kong Underwriting Agreement, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this Prospectus.

4. Disclaimers

Save as disclosed in this Prospectus:

(a) none of our Directors or chief executives of our Company has any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are listed;

(b) none of our Directors or experts referred to under the paragraph headed "—D. Other information—7. Qualification of Experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) taking no account of Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(f) none of the experts referred to under the paragraph headed "—D. Other information—7. Qualification of Experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(g) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Tax and other indemnities

The Undertaking Controlling Shareholders have entered into the Deed of Indemnity with and in favor of our Company (for ourselves and as trustees for each of our subsidiaries) (being the contract referred to in paragraph (ii) of "—B. Information about Our Business—1. Summary of Material Contracts" above) to provide indemnities on a joint and several basis in respect of, among other matters, (i) taxation or taxation claims resulting from income, profits or gains earned, accrued or received as well as any estate duty to which any member of our Group may be subject and payable on or before the Listing Date; and (ii) the overdue contributions and any late charges and penalties imposed by the relevant authorities resulting from any insufficient contribution to social insurance and housing provident fund during the Track Record Period as disclosed in "Business—Legal Proceedings and Compliance—Historical Non-Compliance Incidents—Social Insurance and Housing Provident Fund Contributions", save (a) to the extent that specific provision or reserve has been made for such taxation or non-compliance incidents in the audited combined financial statements of our Group as set out in Appendix I; (b) to the extent that the liability for such taxation would not have arisen but for any act or omission of, or delay by, any member of our Group after the

Listing Date; and (c) to the extent such loss arises or is incurred only as a result of a retrospective change in law or regulations or the interpretation or practice thereof by any relevant authority coming into force after the Listing Date.

2. Litigation

As of the Latest Practicable Date, our Company was not aware of any other litigation or arbitration proceedings of material importance pending or threatened against it or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this Prospectus.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors' fees are US$2.0 million and are payable by our Company.

4. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately US$6,000 and are payable by our Company.

5. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this Prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this Prospectus.

6. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability or estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

(b) the Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares given that our Company has no interest in land in the Cayman Islands.

(c) Consultation with professional advisors

Intending holders of the Shares are recommended to consult their professional advisors if they are in doubt as to the taxation implications of holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

7. Qualification of Experts

The following are the qualifications of the experts who have given their opinion or advice which are contained in, or referred to in this Prospectus:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	Licensed under the SFO 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 the SFO
UBS Securities Hong Kong Limited	Licensed under the SFO and permitted to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities (as defined under the SFO)
ABCI Capital Limited	Licensed under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

Name	Qualifications
CCB International Capital Limited	Licensed corporation 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
CLSA Capital Markets Limited	Licensed under the SFO to conduct type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Haitong International Capital Limited	Licensed under the SFO and permitted to carry out Type 6 (advising on corporate finance) regulated activities (as defined under the SFO)
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588)
Conyers Dill & Pearman	Cayman Islands attorneys-at law
King & Wood Mallesons	PRC legal advisors
China Index Academy	Industry consultant

8. Consents of Experts

Each of the experts named in "—D. Other information—7. Qualification of Experts" in this Appendix has given and has not withdrawn its respective written consent to the issue of this Prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

9. Interests of experts in our Company

None of the persons named in "—D. Other information—7. Qualification of Experts" in this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

10. 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.

11. Selling Shareholder

The name, address and description of CEG Holdings, being the Selling Shareholder offering the Sale Shares for sale under the International Offering are as follows:

Name:	CEG Holdings (BVI) Limited
Description:	A company incorporated in the BVI with limited liability
Address:	Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110
Sale Shares:	• 810,811,000 (assuming the Over-allotment Option is not exercised) • 1,054,054,000 (assuming the Over-allotment Option is exercised in full)

12. Miscellaneous

(a) Within the two years immediately preceding the date of this Prospectus:

(i) save as disclosed in the section headed "History, Reorganization and Corporate Structure," no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) 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;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since June 30, 2020 (being the date which the latest audited combined financial information of our Group were made up);

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Prospectus;

(e) the principal register of members of our Company will be maintained in the Cayman Islands by Conyers Trust Company (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Branch Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;

(f) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(g) our Directors have been advised that under Cayman Islands law the use of a Chinese name by our Company in conjunction with the English name does not contravene Cayman Islands law;

(h) our Company has no outstanding convertible debt securities or debentures;

(i) there is no arrangement under which future dividends are waived or agreed to be waived; and

(j) there is no restriction affecting the remittance of profits or repatriation of capital by our Company into Hong Kong from outside Hong Kong.

13. Bilingual Prospectus

The English and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption from Companies and Prospectuses from Compliance Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this Prospectus, the English language version shall prevail.

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:

(a) a copy of each of the **WHITE**, **YELLOW**, **GREEN** and **BLUE** Application Forms;

(b) the written consents referred to in "Appendix IV—D. Other Information—8. Consents of Experts";

(c) a copy of each of the material contracts referred to in "Appendix IV—B. Information about Our Business—1. Summary of Material Contracts"; and

(d) the statement of particulars of the Selling Shareholder.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Sidley Austin at Level 39, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. up to and including the date which is 14 days from the date of this Prospectus:

(a) the Memorandum of Association and the Articles of Association;

(b) the Accountant's Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this Prospectus;

(c) the report from PricewaterhouseCoopers in respect of the unaudited pro forma financial information, the text of which is set out in Appendix II to this Prospectus;

(d) the audited combined financial statements of our Group for the financial years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020;

(e) the legal opinion issued by King and Wood Mallesons, the PRC Legal Advisors in respect of our Group's business operations and property interests in the PRC;

(f) the letter of advice from Conyers Dill & Pearman, our Cayman legal advisors, summarizing certain aspects of the Cayman Islands company law referred to in "Appendix III—Summary of the Constitution of the Company and Cayman Islands Company Law";

(g) the industry report prepared by China Index Academy, the industry consultant;

(h) the Companies Law;

(i) the material contracts referred to in "Appendix IV—B. Information about Our Business—1. Summary of Material Contracts";

(j) the service contracts and letters of appointment with each of our Directors referred to in "Appendix IV—C. Further Information about Directors and Substantial Shareholders—1. Directors—(b) Particulars of service contracts and letters of appointment";

(k) the written consents referred to in "Appendix IV—D. Other Information—8. Consents of Experts"; and

(l) the statement of particulars of the Selling Shareholder.

恒大物業
EVERGRANDE PROPERTY SERVICES