佳源服務控股有限公司

JIAYUAN SERVICES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 1153

GLOBAL OFFERING

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

海通國際 HAITONG

國泰君安國際 GUOTAI JUNAN INTERNATIONAL

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

建银国际 CCB International

浦銀國際 SPDB INTERNATIONAL

華盛証券 Valuable Capital Limited

仁和資本 HARMONIA CAPITAL

Joint Bookrunners and Joint Lead Managers

交銀國際 BOCOM International

農銀國際 ABC INTERNATIONAL

中融平和證券有限公司 ZHONGRONG PT SECURITIES LIMITED

民銀資本 CMBC CAPITAL HOLDINGS LIMITED

山高金融 CSFG

東吳證券(國際) SOOCHOW SECURITIES (INTERNATIONAL)

寶新金融 GLORY SUN FINANCIAL

中泰國際 ZHONGTAI INTERNATIONAL

克而瑞證券 CRIC SECURITIES CO. LTD

富途證券

富強證券 FORTUNE (HK) SECURITIES

新城晉峰 SEAZEN RESOURCES

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

Jiayuan Services Holdings Limited
佳源服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	150,000,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	15,000,000 Shares (subject to reallocation)
Number of International Offer Shares	:	135,000,000 Shares (including 15,000,000 Reserved Shares under the Preferential Offering) (subject to reallocation and the Over-allotment Option)
Offer Price	:	Not more than HK$4.05 per Offer Share and expected to be not less than HK$3.15 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	:	HK$0.01 per Share
Stock code	:	1153

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

海通國際 HAITONG

國泰君安國際 GUOTAI JUNAN INTERNATIONAL

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

建银国际 CCB International

浦銀國際 SPDB INTERNATIONAL

華盛証券 Valuable Capital Limited

仁和資本 ARMONIA CAPITAL

Joint Bookrunners and Joint Lead Managers

交銀國際 BOCOM International

農銀國際 ABC INTERNATIONAL

zrpt 中融平和證券有限公司 ZHONGRONG PT SECURITIES LIMITED

民銀資本 CMBC CAPITAL HOLDINGS LIMITED

山高金融 CSFG

東吳證券(國際) SCS SOOCHOW SECURITIES (INTERNATIONAL)

寶新金融 GLORY SUN FINANCIAL

中泰國際 ZHONGTAI INTERNATIONAL

CRIC 克而瑞證券 CRIC SECURITIES CO., LTD

富途證券

富強證券 FORTUNE (HK) SECURITIES

新城晉峰

A copy of this prospectus, having attached thereto the documents specified in "Appendix V – Documents Delivered to the Registrar of Companies and Available for Inspection" to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date, which is expected to be on or around December 2, 2020 and in any event, not later than December 4, 2020. The Offer Price will be not more than HK$4.05 and is currently expected to be not less than HK$3.15 unless otherwise announced. If, for any reason, the Offer Price is not agreed by December 4, 2020 between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Joint Representatives may, with our Company's consent, reduce the indicative Offer Price range stated in this prospectus and/or the number of Offer Shares under the Global Offering 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 reduction in the indicative Offer Price range and/or the number of Offer Shares will be published at the website of the Stock Exchange at **www.hkexnews.hk** and website of our Company at **jy-fw.cn** not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Details of the arrangement will then be announced by our Company as soon as practicable. Further details are set out in the sections headed "Structure and Conditions of the Global Offering" and "How to Apply for Hong Kong Offer Shares and Reserved Shares" in this prospectus.

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

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, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws in the United States. The Offer Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

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

November 27, 2020

If there is any change in the following expected timetable, our Company will issue an announcement to be published on the website of the Stock Exchange at www.hkexnews.hk and the website of our Company at jy-fw.cn.

Despatch of **BLUE** Application Forms to Qualifying Jiayuan Shareholders on or before	Friday, November 27, 2020
Latest time to complete electronic applications under the **HK eIPO White Form** service through the designated website **www.hkeipo.hk** or **IPO App**, which can be downloaded by searching "**IPO App**" in App Store or Google Play or downloaded at **www.hkeipo.hk/IPOApp** or **www.tricorglobal.com/IPOApp**[2]	11:30 a.m. on Wednesday, December 2, 2020
Application lists open[3]	11:45 a.m. on Wednesday, December 2, 2020
Latest time for lodging **WHITE**, **YELLOW** and **BLUE** Application Forms and giving **electronic application instructions** to HKSCC[4]	12:00 noon on Wednesday, December 2, 2020
Latest time to complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s)	12:00 noon on Wednesday, December 2, 2020
Application lists close[3]	12:00 noon on Wednesday, December 2, 2020
Expected Price Determination Date[5]	Wednesday, December 2, 2020
Announcement of the Offer Price, the levels of indication of interest in the International Offering, the level of applications in respect of the Hong Kong Public Offering and the Preferential Offering and basis of allocation under the Hong Kong Public Offering and the Preferential Offering to be published on the website of the Stock Exchange at **www.hkexnews.hk**[6] and the Company's website at **jy-fw.cn**[7] on or before	Tuesday, December 8, 2020
Results of allocations in the Hong Kong Public Offering and the Preferential Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in "How to Apply for Hong Kong Offer Shares and Reserved Shares – E. Publication of Results" from	Tuesday, December 8, 2020

Results of allocations in the Hong Kong Public Offering and the Preferential Offering to be available at **www.tricor.com.hk/ipo/result** and **www.hkeipo.hk/IPOResult** or **IPO App** with a "search by ID" function on	Tuesday, December 8, 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 pursuant to the Hong Kong Public Offering and the Preferential Offering on or before[8]	Tuesday, December 8, 2020
Despatch/collection of **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques in respect of wholly successful (in the event that the final Offer Price is less than initial price per Hong Kong Offer Share or Reserved Share payable on application) and wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and the Preferential Offering on or before[9]	Tuesday, December 8, 2020
Dealings in the Shares on the Stock Exchange to commence at 9:00 a.m. on	Wednesday, December 9, 2020

Notes:

(1) All times and dates refer to Hong Kong local times and dates except as otherwise stated. Details of the structure of the Global Offering, including the conditions of the Hong Kong Public Offering, are set out in "Structure and Conditions of the Global Offering". If there is any change in this expected timetable, an announcement will be published.

(2) You will not be permitted to submit your application to the **HK eIPO White Form** Service Provider through the designated website at **www.hkeipo.hk** or **IPO App** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website or the **IPO App** prior to 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 a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, December 2, 2020, the application lists will not open and close on that day. See "How to Apply for Hong Kong Offer Shares and Reserved Shares – D. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists". If the application lists do not open and close on Wednesday, December 2, 2020, the dates mentioned in this section may be affected. We will make a press announcement in such an event.

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

(5) The Price Determination Date, being the date on which the final Offer Price is to be determined, is expected to be on or around Wednesday, December 2, 2020 and in any event, no later than Friday, December 4, 2020. If, for any reason, the Offer Price is not agreed by Friday, December 4, 2020 between the Joint Representatives (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

(6) The announcement will be available for viewing on the "Main Board – Allotment of Results" page on the website of the Stock Exchange at **www.hkexnews.hk**.

(7) None of the website or any of the information contained on the website form part of this prospectus.

(8) Applicants who apply for 1,000,000 Hong Kong Offer Shares or Reserved Shares or more and have indicated in their Application Forms that they wish to collect Share certificates (if applicable) and refund cheques (if applicable) in person may do so from our Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, December 8, 2020 or any other date as notified by us as the date of dispatch of Share certificates/e-Auto Refund payment instructions/refund cheques. Applicants being individuals who opt for personal collection must not authorize any other person to make their collection on their behalf. Applicants being corporations who opt for personal collection must attend by sending their authorized representatives each bearing a letter of authorization from his corporation stamped with the corporation's chop. Both individuals and authorized representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Branch Share Registrar, Tricor Investor Services Limited. Applicants who have applied on **YELLOW** Application Forms may not elect to collect their Share certificates, which will be deposited into CCASS for credit of their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. Uncollected Share certificates and refund cheques will be dispatched by ordinary post to the addresses specified in the relevant applications at the applicants' own risk. For more information, see "How to Apply for Hong Kong Offer Shares and Reserved Shares".

(9) e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications and also in respect of successful applications in the event that the final Offer Price is less than the initial price per Hong Kong Offer Share or Reserved 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 number/passport number of the first-named applicant, provided by you may be printed on your refund cheque, 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 cheque. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encashment of your refund cheque or may invalidate your refund cheque. For more information, see "How to Apply for Hong Kong Offer Shares or Reserved Shares".

The **BLUE** Application Forms have been despatched to all Qualifying Jiayuan Shareholders save for certain core connected persons of our Company who will not participate in the Preferential Offering.

Qualifying Jiayuan Shareholders may obtain a printed copy of this prospectus, free of charge, during normal business hours from any of the designated branches of the receiving bank and the designated offices of each of the Joint Global Coordinators as set out 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 into whose possession this prospectus and/or the **BLUE** Application Forms come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Share certificates are expected to be issued on Tuesday, December 8, 2020 but will only become valid certificates of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects and none of the Underwriting Agreements have been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the Share certificates becoming valid certificates of title do so entirely at their own risk.

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

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company has 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 as having been authorized by the Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, representatives, employees, agents or professional advisors or any other person or party involved in the Global Offering.

Page

This summary aims to give you an overview of the information contained in this prospectus. Since it 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". You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a leading comprehensive property management service provider in Zhejiang province with a proven track record of robust growth. Headquartered in Jiaxing and deeply rooted in the Yangtze River Delta Region, through over 15 years of operations, we have grown from a leading regional property management provider to an established comprehensive property management service provider with national presence. According to CIA, in 2019, among the Top 100 Property Management Companies in China headquartered in Zhejiang province and the Yangtze River Delta Region, we were ranked fifth and 14th, respectively, in terms of GFA under management. The Yangtze River Delta Region, which, according to CIA, is one of the most populous and economically prosperous regions in China, has always been and will continue to be our strategic development focus. According to CIA, both the per capita annual disposable income and urbanization rate in the Yangtze River Delta Region are higher than industry average in China. As of June 30, 2020, approximately 84.5% of our total GFA under management was located in the Yangtze River Delta Region. Leveraging our success in the Yangtze River Delta Region, we have spearheaded our nationwide expansion strategy and successfully grown from a regional property management service provider to an established comprehensive property management service provider with national presence. As of June 30, 2020, we had a total contracted GFA of approximately 40.3 million sq.m., covering 42 cities and 16 provinces in China; and had a total of 154 projects under management, with a total GFA under our management of approximately 27.6 million sq.m., covering 28 cities and ten provinces in China. We were ranked 35th among the 2020 Top 100 Property Management Companies in China (2020中國物業服務百強企業) and 13th among the 2020 Top 100 Property Management Companies in China by Growth (2020中國物業服務百強企業成長性領先企業) according to CIA. In 2018, we were ranked 33rd among the 2018 Top 50 Property Management Companies in China in terms of overall strength (2018中國物業管理企業綜合實力50強) according to China Real Estate Association (中國房地產業協會) and Shanghai Yiju Real Estate Research Institute China Real Estate Evaluation Center (上海易居房地產研究院中國房地產測評中心). In 2019, we were recognized as a "2019 Leading Property Management Service Enterprise in Jiaxing (2019嘉興市物業服務市場地位領先企業)" by CIA.

We offer a comprehensive portfolio of services to provide our customers with quality tailored services and superior experience. Our services primarily include (i) property management services to property developers, property owners and residents, primarily

* Each year the CIA publishes the Top 100 Property Management Companies in China in terms of overall strength based on the data from the previous year on key factors such as management scale, operational performance, service quality, growth potential and social responsibility of the property management companies under consideration.

comprising cleaning, security, gardening and landscaping, and repair and maintenance services; (ii) value-added services to non-property owners, primarily comprising sales management services, preliminary planning and design consultancy services, pre-delivery cleaning and inspection services, car park sales assistance services, and other customized services; and (iii) community value-added services to property owners and residents, primarily comprising home-living services, common area value-added services, car park leasing assistance services and sales of groceries to property owners.

Since 2005, we have built close and extensive cooperation with Jiayuan Property Brand, comprising Jiayuan International Group, our controlling shareholder, and Jiayuan Chuangsheng Group, our connected person. Jiayuan International Group is an established property developers in Jiangsu province, while Jiayuan Chuangsheng Group is an established property developers in Zhejiang province. The strong support from Jiayuan Property Brand has driven our development in provision of property management services to various types of properties since our inception in 2004 and laid the solid foundation for our continuous growth. During the Track Record Period, a majority of revenue from property management services and total GFA under management was generated from properties developed by Jiayuan Property Brand. According to CIA, the business relationship between Jiayuan Property Brand and us is common among PRC residential property management companies and their parent/connected group companies and has been mutually beneficial and complimentary. While such business relationship with Jiayuan Property Brand is expected to continue going forward, we believe that we are able to continue to leverage Jiayuan Property Brand's sizeable property portfolio and land reserve to further expand our market coverage, enrich our project portfolio and strengthen our market position.

Throughout the course of our development, we have adhered to our vision of "Build a Beautiful Life with Heartfelt Services" (用心服務,共築美好) in conducting our business. We believe service quality is key to enhancing our customer satisfaction and increasing our brand recognition, and endeavor to provide highly customized services to maximize customer experiences. As a result of our efficient operation and quality services, we experienced rapid growth during the Track Record Period. Our revenue increased at a CAGR of 47.2% from RMB209.8 million in 2017 to RMB454.9 million in 2019, and increased by 33.0% from RMB210.7 million in the six months ended June 30, 2019 to RMB280.3 million in the six months ended June 30, 2020. Our gross profit increased at a CAGR of 54.1% from RMB45.8 million in 2017 to RMB108.7 million in 2019, and increased by 63.8% from RMB52.4 million in the six months ended June 30, 2019 to RMB85.9 million in the six months ended June 30, 2020. Our net profit increased at a CAGR of 65.4% from RMB18.3 million in 2017 to RMB50.2 million in 2019, and increased by 27.0% from RMB28.5 million in the six months ended June 30, 2019 to RMB36.3 million in the six months ended June 30, 2020. The aggregate GFA of the properties we were contracted to manage increased from 26.1 million sq.m. as of December 31, 2017 to 32.9 million sq.m. as of December 31, 2018 and further to 38.8 million sq.m. as of December 31, 2019, representing a CAGR of 21.8%. The aggregate GFA of the properties we were contracted to manage increased to 40.3 million sq.m. as of June 30, 2020. The aggregate GFA of the properties under our management increased from 14.0 million sq.m. as of December 31, 2017 to 19.2 million sq.m. as of December 31, 2018 and further to 26.1 million sq.m. as of December 31, 2019, representing a CAGR of 36.5%. The aggregate GFA of the properties under our management increased to 27.6 million sq.m. as of June 30, 2020.

OUR BUSINESS MODEL

During the Track Record Period, we generated revenue primarily from three business lines.

- ***Property management services***. We provide property developers, property owners and residents with a wide range of property management services, which primarily comprise (i) cleaning, (ii) security, (iii) gardening and landscaping, and (iv) repair and maintenance services. Our portfolio of managed properties comprises residential and non-residential properties. The non-residential properties under our management are properties not built for residential use such as industrial parks, multipurpose complexes, shopping malls, office buildings, hospitals and schools. During the Track Record Period, we charged property management fees for most of the properties under our management on a lump-sum basis.

- ***Value-added services to non-property owners***. We offer a broad spectrum of value-added services to non-property owners, which primarily include property developers. Our value-added services to non-property owners primarily comprise (i) sales management services which involve helping property developers in showcasing and marketing their properties and management of the on-site sales office, including cleaning and maintenance, security and visitor management for the sales of properties, (ii) preliminary planning and design consultancy services that help property developers to further improve property in planning, design, construction and completion phrases to better meet the needs of end-users, (iii) pre-delivery cleaning and inspection services, (iv) car park sales assistance services, and (v) other services customized to meet specific needs of our customers on an as-needed basis such as employee catering services and sales of groceries.

- ***Community value-added services***. We provide value-added services to property owners and residents to improve their living experiences and to preserve and increase the value of their property. Our community value-added services primarily include, among others, (i) home-living services; (ii) common area value-added services, to improve the living experience of our customers and to maintain and enhance the value of their properties; (iii) car park leasing assistance services; and (iv) sales of groceries to property owners.

The following table sets forth a breakdown of our revenue by business line and type of property developer or customer 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	**169,581**	**80.8**	**259,035**	**78.2**	**365,635**	**80.4**	**170,780**	**81.1**	**236,650**	**84.4**
Jiayuan Property Brand[1]	163,367	77.9	235,105	71.0	290,141	63.8	136,692	64.9	166,113	59.2
– Jiayuan International	66,494	31.7	97,670	29.5	126,069	27.7	58,326	27.7	71,677	25.6
– Jiayuan Chuangsheng[2]	96,873	46.2	137,435	41.5	164,072	36.1	78,366	37.2	94,435	33.6
Third-party property developer	6,214	2.9	23,930	7.2	75,494	16.6	34,088	16.2	70,537	25.2
– Projects solely developed by independent third-party property developers[3]	6,214	2.9	23,621	7.1	71,967	15.8	32,679	15.5	67,968	24.3
Jointly developed projects[4]	–	–	309	0.1	3,527	0.8	1,409	0.7	2,569	0.9
Value-added services to non-property owners	**30,329**	**14.5**	**56,558**	**17.1**	**67,499**	**14.8**	**31,307**	**14.9**	**30,450**	**10.9**
– Jiayuan Property Brand[5]	27,798	13.3	53,211	16.1	65,568	14.4	30,550	14.5	28,272	10.1
– Third party[5][6]	2,531	1.2	3,347	1.0	1,931	0.4	757	0.4	2,178	0.8
Community value-added services	**9,894**	**4.7**	**15,665**	**4.7**	**21,757**	**4.8**	**8,578**	**4.0**	**13,154**	**4.7**
– Jiayuan Property Brand[5]	–	–	–	–	–	–	–	–	–	–
– Third party[5]	9,894	4.7	15,665	4.7	21,757	4.8	8,578	4.0	13,154	4.7
Total	**209,804**	**100.0**	**331,258**	**100.0**	**454,891**	**100.0**	**210,665**	**100.0**	**280,254**	**100.0**

(1) Includes (i) properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and (ii) properties that Jiayuan Property Brand jointly developed with other property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of more than 50%. During the Track Record Period, there was one relevant project with a GFA of approximately 0.3 million sq.m. under our management developed by its project company, a joint venture of Jiayuan International, in which Jiayuan International held an equity interest of 51.0%. In 2018 and 2019, we generated revenue of approximately RMB0.1 million and RMB0.8 million, respectively, from this project which was under our management from October 2018 to April 2019. None of the jointly developed projects were developed by associates of Jiayuan Property Brand.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon the Listing.

(3) Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of a 65% equity interest in it in December 2019.

(4) Include properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. During the Track Record Period, all of the three relevant projects were developed by the joint ventures of Jiayuan Property Brand and Jiayuan Property Brand held an equity interest of 36.0%, 42.0% and 49.0%, respectively, in each project company. None of such projects were developed by associates of Jiayuan Property Brand.

(5) Refer to the type of our customers from whom we generated revenue during the Track Record Period.

(6) Included two joint ventures of Jiayuan International Group.

OUR CUSTOMERS AND SUPPLIERS

Our customer base primarily consists of property developers, property owners and residents. In 2017, 2018 and 2019 and the six months ended in June 30, 2020, revenue generated from sales to our five largest customers amounted to RMB31.9 million, RMB58.5 million, RMB81.0 million and RMB37.7 million, respectively, accounting for 15.2%, 17.7%, 17.8% and 13.4%, respectively, of our total revenue. In 2017, revenue generated from services provided to our largest customer, Jiayuan International Group amounted to RMB15.5 million, accounting for 7.4% of our total revenue. In 2018 and 2019 and the six months ended June 30, 2020, revenue generated from services provided to our largest customer, Jiayuan Chuangsheng Group and Lingshan Liufeng Commercial Pedestrian Street Management Co., Ltd, both of which are controlled by Mr. Shum, amounted to RMB29.0 million, RMB44.1 million and RMB19.9 million, respectively, accounting for 8.7%, 9.7% and 7.1%, respectively, of our total revenue. See “Business—Customers” for details.

For all three of our business lines, our suppliers are primarily subcontractors located in China who provide maintenance of elevator and fire extinguishing systems, gardening and waste cleaning services. We outsource those services as an aim to lower our cost of services and improve our service quality. In 2017 and 2018, purchases from our largest supplier, Jiayuan Commercial and its associates, amounted to RMB2.1 million and RMB4.7 million, respectively, accounting for 1.2% and 1.9% of our total cost of services, respectively. In 2017, 2018 and 2019 and the six months ended in June 30, 2020, purchases from our five largest suppliers amounted to RMB4.4 million, RMB8.5 million, RMB7.2 million and RMB4.4 million, respectively, accounting for 2.7%, 3.4%, 2.1% and 2.3% of our total cost of services, respectively. See “Business—Suppliers.”

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have enabled us to achieve a competitive position in the property management industry in the PRC and differentiated us from our competitors: (i) comprehensive property management service provider deeply rooted in the economically fast-growing Yangtze River Delta Region with strategic nationwide coverage and proven track record of robust growth. Headquartered in Jiaxing, and deeply rooted in the Yangtze River Delta Region, we have, through over 15 years of development, established a leading market position in Zhejiang province and are well recognized in the Yangtze Delta Region. Leveraging our success in the Yangtze River Delta Region, we have spearheaded our nationwide expansion strategy and successfully grown from a regional property management service provider to an established comprehensive property management service provider with national presence; (ii) differentiated and customized offerings of value-added services with multiple dimensions covering multiple types of properties, catering to various customers groups and diversifying revenue streams. Our value-added services to non-property owners cover the life-cycle of property development process to address their needs from preliminary consultancy for property development to post-delivery management. To address property owners’ evolving demands with consistent high-quality services, we make continuous efforts in service upgrades, diversification and innovation under our “Jiayou Life” (佳優生活) service system, which was launched in 2018, to develop and provide comprehensive demand-inspired, customized and menu-based services, catering to different groups of property owners, factoring in different ages, different family structures and different occupations. Furthermore, we have diversified our property management portfolio by extending our services to non-residential properties; (iii) support from Jiayuan Property Brand enhancing our competitiveness and fueling further expansion. The strong support from Jiayuan Property Brand on property pipeline has laid a concrete foundation for our sustainable development. We believe that we can continue to leverage Jiayuan Property Brand's sizeable property portfolio and land reserve to further expand our market coverage and enrich our project portfolio going forward; (iv) strong brand name and high customer satisfaction achieved through provision of quality services, enabling us to continuously develop third-party customers; (v) standardized operations and effective cost control realizing consistent high quality and operational efficiency. We have established a scientific, standardized and practicable system to ensure consistent service procedures and standards. We have also improved our cost management and control capabilities by taking various measures to reduce costs while satisfying the conditions and requirements of each individual project; and (vi) seasoned and dedicated management team, efficient and well-developed workforce and human resource system supporting our sustainable growth. See "Business—Business Strategies" in this prospectus for detailed discussion.

OUR BUSINESS STRATEGIES

We plan to strengthen our position in China's property management industry by implementing the following strategies: (i) expand business scale and grow market share through strategic acquisitions and investments; (ii) continue to provide diversified value-added services and expand property portfolio; (iii) increase investment in intelligent operational and internal management systems to enhance service quality and customer experience; and (iv) continue to attract, cultivate and retain talent to support business growth.

SUMMARY OF KEY FINANCIAL INFORMATION

Selected Consolidated Statements of Comprehensive Income

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
			(RMB'000)		
				(unaudited)	
Revenue	209,804	331,258	454,891	210,665	280,254
Cost of services	(164,024)	(252,360)	(346,197)	(158,228)	(194,357)
Gross profit	45,780	78,898	108,694	52,437	85,897
Profit before taxation	25,109	48,542	68,304	37,866	52,128
Profit and total comprehensive income for the year/period	18,349	35,776	50,214	28,540	36,259
Attributable to:					
– Owners of our Company	18,349	35,776	50,214	28,540	35,653
– Non-controlling interests	–	–	–	–	606

During the Track Record Period, we generated a majority of our revenue from our property management services, which contributed 80.8%, 78.2%, 80.4% and 84.4%, respectively, of our total revenue in 2017, 2018 and 2019 and the six months ended in June 30, 2020. Revenue from property management services generally increased during the Track Record Period, primarily driven by (i) an increase in our total GFA under management as a result of our business expansion through organic growth as well as acquisition and (ii) the increase in our average property management fee.

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

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2017			2018			2019			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA(1)	Revenue(1)		GFA	Revenue		GFA	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)* *(unaudited)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Residential properties	12,462	152,469	89.9	17,034	212,296	82.0	23,224	310,558	84.9	20,827	144,263	84.5	24,657	202,480	85.6
Non-residential properties	1,567	17,112	10.1	2,175	46,739	18.0	2,920	55,077	15.1	2,577	26,517	15.5	2,990	34,170	14.4
Total	**14,029**	**169,581**	**100.0**	**19,209**	**259,035**	**100.0**	**26,144**	**365,635**	**100.0**	**23,404**	**170,780**	**100.0**	**27,647**	**236,650**	**100.0**

(1) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% equity interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

During the Track Record Period, a majority of our revenue from property management services was derived from residential properties. The increase in GFA of residential properties under our management during the Track Record Period was mainly due to our business expansion through organic growth, including cooperation with Jiayuan Property Brand and marketing efforts for customer base expansion, and strategic acquisitions of Hunan Huaguan and Jiaxing Xingzhou in 2019, Hangzhou Minan in 2018 and Chongqing Zhongnong in 2017.

The following table sets forth a breakdown of our total GFA under management and the number of projects that were in operation as of the dates indicated and revenue from property management services for the periods indicated by type of property developer and type of property:

	As of or for the year ended December 31,														
	2017					2018					2019				
	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects	GFA under management[5]		Revenue[5]		Number of projects
	(sq.m.'000)	(%)	(RMB'000)	(%)		(sq.m.'000)	(%)	(RMB'000)	(%)		(sq.m.'000)	(%)	(RMB'000)	(%)	
Jiayuan Property Brand[1]	**13,141**	**93.7**	**163,367**	**96.3**	**61**	**16,133**	**84.0**	**235,105**	**90.8**	**75**	**18,299**	**70.0**	**290,141**	**79.4**	**86**
– Jiayuan International Group	5,733	40.9	66,494	39.2	25	7,367	38.4	97,670	37.7	32	8,655	33.1	126,069	34.5	40
Residential properties	*5,129*	*36.6*	*61,636*	*36.3*	*21*	*6,576*	*34.2*	*80,756*	*31.2*	*26*	*7,421*	*28.4*	*102,669*	*28.1*	*31*
Non-residential properties	*604*	*4.3*	*4,858*	*2.9*	*4*	*791*	*4.2*	*16,914*	*6.5*	*6*	*1,234*	*4.7*	*23,400*	*6.4*	*9*
– Jiayuan Chuangsheng Group[2]	7,408	52.8	96,873	57.1	36	8,766	45.6	137,435	53.1	43	9,644	36.9	164,072	44.9	46
Residential properties	*6,641*	*47.3*	*86,660*	*51.1*	*28*	*7,448*	*38.8*	*108,688*	*42.0*	*31*	*8,414*	*32.2*	*136,165*	*37.2*	*36*
Non-residential properties	*767*	*5.5*	*10,213*	*6.0*	*8*	*1,318*	*6.8*	*28,747*	*11.1*	*12*	*1,230*	*4.7*	*27,907*	*7.7*	*10*
Third-party property developers	**888**	**6.3**	**6,214**	**3.7**	**8**	**3,076**	**16.0**	**23,930**	**9.2**	**24**	**7,845**	**30.0**	**75,494**	**20.6**	**55**
– Projects solely developed by third-party property[3] developers	888	6.3	6,214	3.7	8	3,011	15.7	23,621	9.1	23	7,510	28.7	71,967	19.7	53
Residential properties	*692*	*4.9*	*4,173*	*2.5*	*5*	*2,945*	*15.4*	*22,543*	*8.7*	*20*	*7,139*	*27.3*	*70,187*	*19.2*	*48*
Non-residential properties	*196*	*1.4*	*2,041*	*1.2*	*3*	*66*	*0.3*	*1,078*	*0.4*	*3*	*371*	*1.4*	*1,780*	*0.5*	*5*
– Jointly developed projects[4]	–	–	–	–	–	65	0.3	309	0.1	1	335	1.3	3,527	0.9	2
Residential properties	–	–	–	–	–	*65*	*0.3*	*309*	*0.1*	*1*	*250*	*1.0*	*1,537*	*0.4*	*1*
Non-residential properties	–	–	–	–	–	–	–	–	–	–	*85*	*0.3*	*1,990*	*0.5*	*1*
Total	**14,029**	**100.0**	**169,581**	**100.0**	**69**	**19,209**	**100.0**	**259,035**	**100.0**	**99**	**26,144**	**100.0**	**365,635**	**100.0**	**141**

	As of or for the six months ended June 30,									
	2019					2020				
	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects
	(sq.m.'000)	(%)	(RMB'000) (unaudited)	(%)		(sq.m.'000)	(%)	(RMB'000)	(%)	
Jiayuan Property Brand[1]	**18,559**	**79.3**	**136,692**	**80.0**	**86**	**19,021**	**68.8**	**166,113**	**70.2**	**89**
– Jiayuan International Group	8,616	36.8	58,326	34.2	39	8,722	31.5	71,677	30.3	41
Residential properties	*7,421*	*31.7*	*47,015*	*27.5*	*31*	*7,488*	*27.0*	*58,252*	*24.6*	*32*
Non-residential properties	*1,195*	*5.1*	*11,311*	*6.7*	*8*	*1,234*	*4.5*	*13,425*	*5.7*	*9*
– Jiayuan Chuangsheng Group[2]	9,943	42.5	78,366	45.9	47	10,299	37.3	94,435	39.9	48
Residential properties	*8,712*	*37.2*	*64,623*	*37.8*	*37*	*9,069*	*32.8*	*80,453*	*34.0*	*38*
Non-residential properties	*1,231*	*5.3*	*13,743*	*8.1*	*10*	*1,231*	*4.5*	*13,982*	*5.9*	*10*
Third-party property developers	**4,845**	**20.7**	**34,088**	**20.0**	**37**	**8,626**	**31.2**	**70,537**	**29.9**	**65**
– Projects solely developed by third-party property[3] developers	4,510	19.3	32,679	19.1	35	8,263	29.9	67,968	28.8	62
Residential properties	*4,444*	*19.0*	*32,109*	*18.8*	*32*	*7,822*	*28.3*	*62,914*	*26.7*	*56*
Non-residential properties	*66*	*0.3*	*570*	*0.3*	*3*	*441*	*1.6*	*5,054*	*2.1*	*6*
– Jointly developed projects[4]	335	1.4	1,409	0.9	2	363	1.3	2,569	1.1	3
Residential properties	*250*	*1.1*	*516*	*0.3*	*1*	*278*	*1.0*	*860*	*0.4*	*2*
Non-residential properties	*85*	*0.4*	*893*	*0.6*	*1*	*85*	*0.3*	*1,709*	*0.7*	*1*
Total	**23,404**	**100**	**170,780**	**100.0**	**123**	**27,647**	**100.0**	**236,650**	**100.0**	**154**

(1) Includes (i) properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and (ii) properties that Jiayuan Property Brand jointly developed with third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of over 50%. During the Track Record Period, there was one relevant project with a GFA of approximately 0.3 million sq.m. under our management developed by its project company, a joint venture of Jiayuan International, in which Jiayuan International held an equity interest of 51.0%. In 2018 and 2019, we generated revenue of approximately RMB0.1 million and RMB0.8 million, respectively, from this project which was under our management from October 2018 to April 2019. None of the jointly developed projects were developed by associates of Jiayuan Property Brand.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon the Listing.

(3) Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of a 65% equity interest in it in December 2019.

(4) Include properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. During the Track Record Period, all of the three relevant projects were developed by the joint ventures of Jiayuan Property Brand and Jiayuan Property Brand held an equity interest of 36.0%, 42.0% and 49.0%, respectively, in each project company. None of such projects were developed by associates of Jiayuan Property Brand.

(5) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

The following table sets forth certain information of our contracted and managed properties as of the dates indicated:

	As of December 31,			As of June 30,
	2017	2018	2019	2020
Contracted GFA (sq.m.'000)	26,138	32,871	38,804	40,299
Number of contracted properties	104	154	190	210
GFA under management (sq.m.'000)	14,029	19,209	26,144	27,647
Number of properties under management	69	99	141	154
Contracted but undelivered GFA (sq.m.'000)	12,109	13,662	12,660	12,652[(1)]

(1) To the best knowledge of our Directors, the majority of the contracted but undelivered GFA as of June 30, 2020 are expected to be delivered to us within the next three years.

During the Track Record Period, we derived a majority of our revenue from managing properties developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group. In 2017, 2018 and 2019 and the six months ended in June 30, 2019 and 2020, revenue from providing property management services to properties developed by Jiayuan Property Brand amounted to RMB163.4 million, RMB235.1 million, RMB290.1 million, RMB136.7 million and RMB166.1 million, respectively, accounting for 96.3%, 90.8%, 79.4%, 80.0% and 70.2%, respectively, of our total revenue derived from property management services for the same periods. In general, the decrease in our percentage of total revenue from providing property management services to properties developed by Jiayuan Property Brand during the Track Record Period was primarily due to our continuous efforts to expand our customer base and to manage more projects developed by third-party property developers.

The following table sets forth the components of our total cost of services 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Employee benefit expenses	121,974	74.4	181,593	72.0	259,910	75.1	121,591	76.9	149,048	76.7
Maintenance expenses	12,607	7.7	26,806	10.6	30,644	8.9	11,440	7.2	12,810	6.6
Utilities expenses	12,585	7.7	17,989	7.1	21,787	6.3	11,474	7.3	12,369	6.4
Cleaning and security expenses	7,375	4.5	11,548	4.6	16,648	4.8	5,444	3.4	12,471	6.4
Greening and gardening expenses	3,657	2.2	5,276	2.1	5,526	1.6	2,747	1.7	1,724	0.9
Taxes and surcharges	1,629	1.0	2,962	1.2	3,480	1.0	1,640	1.0	1,817	0.9
Office and communication expenses	1,064	0.6	1,985	0.8	1,656	0.5	784	0.5	919	0.5
Other expenses[(1)]	3,133	1.9	4,201	1.6	6,546	1.8	3,108	2.0	3,199	1.6
Total	**164,024**	**100.0**	**252,360**	**100.0**	**346,197**	**100.0**	**158,228**	**100.0**	**194,357**	**100.0**

(1) Mainly include housekeeping and catering expenses, cost of inventories consumed, parking spaces expenses and depreciation and amortization.

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

	Year ended December 31,						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	35,684	21.0	59,316	22.9	83,775	22.9	40,893	23.9	70,609	29.8
Value-added services to non-property owners	7,111	23.4	14,428	25.5	17,289	25.6	8,344	26.7	9,968	32.7
Community value-added services . .	2,985	30.2	5,154	32.9	7,630	35.1	3,200	37.3	5,320	40.4
Total	**45,780**	**21.8**	**78,898**	**23.8**	**108,694**	**23.9**	**52,437**	**24.9**	**85,897**	**30.6**

Our overall gross profit margin in 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 was 21.8%, 23.8%, 23.9%, 24.9% and 30.6%, respectively. Our overall gross profit margins are affected by gross profit margins for each of our business lines as well as fluctuations in our business mix. The increasing gross profit margin of our property management services during the Track Record Period was attributable to (i) the increase in average property management fee from RMB1.05 per sq.m. per month in 2017 to RMB1.21 per sq.m. per month in 2018, to RMB1.32 per sq.m. per month in 2019, and further to RMB1.43 per sq.m. per month in the first half of 2020; (ii) economies of scale as a result of our business expansion; and (iii) the implementation of cost effective measures, such as application of automated tools, advanced technology and standardization of procedures.

The gross profit margins for our value-added services to non-property owners and for our community value-added services were relatively high than that of the property management services, which were relatively more labor-intensive in nature. The upward trend of the gross profit margins for the two value-added business lines during the Track Record Period primarily reflected the increase in our business scale, our implementation of cost-effective measures and our continued efforts to diversify our service portfolio.

Our overall gross profit margin for the first half of 2020 was relatively high than our full-year overall gross profit margin in the past three years. The increases, other than the reasons described above, were also attributable to the deduction 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 outbreak.

See "Financial Information—Description of Certain Consolidated Statements of Comprehensive Income Items—Gross Profit and Gross Profit Margin" for details.

The following table sets forth our gross profit and gross profit margin from property management services by type of property developer for the periods indicated:

	Year ended December 31,						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)*	*(%)*
Jiayuan Property Brand	**34,355**	**21.0**	**54,238**	**23.1**	**67,193**	**23.2**	**32,864**	**24.0**	**50,027**	**30.1**
– Jiayuan International Group	13,143	19.8	22,454	23.0	29,011	23.0	14,013	24.0	21,455	29.9
– Jiayuan Chuangsheng Group	21,212	21.9	31,784	23.1	38,182	23.3	18,851	24.1	28,572	30.3
Third-party property developers	**1,329**	**21.4**	**5,078**	**21.2**	**16,582**	**22.0**	**8,029**	**23.6**	**20,582**	**29.2**
– Projects solely developed by third-party property developers	1,329	21.4	5,010	21.2	15,786	21.9	7,692	23.5	19,823	29.2
– Jointly developed projects	–	–	68	22.1	796	22.6	337	23.9	759	29.5
Total	**35,684**	**21.0**	**59,316**	**22.9**	**83,775**	**22.9**	**40,893**	**23.9**	**70,609**	**29.8**

The gross profit margins of property management services relating to properties developed by Jiayuan Property Brand and properties developed by third parties during the Track Record Period were relatively comparable, and the slight higher gross profit margin relating to the properties developed by Jiayuan Property Brand than those relating to properties developed by third-party property developers in 2018 and 2019, primarily because, as compared to the properties developed by third-party property developers, a relatively high percentage of the properties developed by Jiayuan Property Brand managed by us during such period were located in first- and second-tier cities and/or prime locations of second-tier cities, and thus our gross profit margins relating to such properties developed by Jiayuan Property Brand were relatively high.

In 2017, 2018 and 2019 and the six months ended June 30, 2020, our bidding success rate for properties developed by third-party property developers was 61.5%, 38.2%, 38.3% and 41.2%, respectively. The general decrease in the bidding success rate from 2017 to 2019 for projects developed by independent third-party property developers was primarily because of the increasingly intense competition and as we participated in an increasing number of tender processes during the period, in an effort to obtain more engagements, diversify our project portfolio and expand into new markets where we were in the process of establishing our brand awareness.

The following table sets forth our average property management fee by type of property developer for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	(RMB per sq.m. per month)				
Jiayuan Property Brand[1]	1.04	1.23	1.33	1.23	1.46
– Jiayuan International Group	0.97	1.13	1.22	1.13	1.37
– Jiayuan Chuangsheng Group[2]	1.09	1.31	1.42	1.31	1.53
Third-party property developers[3]	1.21	1.12	1.32	1.17	1.40
Overall	**1.05**	**1.21**	**1.32**	**1.22**	**1.43**

(1) Includes properties solely developed by Jiayuan Property Brand, and properties that Jiayuan Property Brand jointly developed with other property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of more than 50%.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon Listing.

(3) Include properties solely developed by independent third-party property developers, and properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of a 65% equity interest in it in December 2019.

During the Track Record Period, the average property management fee charged on properties developed by Jiayuan Property Brand was generally comparable to that of independent third-party property developers in respect of comparable services, standards, types of properties, years of completion and locations. The general increases in the average property management fee charged on projects developed by Jiayuan Property Brand were mainly because we were able to charge higher property management fees for our services to certain new properties delivered to us for management given our proven track record and enhanced brand name, as well as the increase in occupancy rate of existing projects under our management on which we generated higher revenue from providing property management services during the respective periods. The average property management fees of properties developed by Jiayuan Property Brand were lower than those of properties developed by third-party property developers in 2017, mainly because we only managed eight properties developed by third-party property developers, among which certain residential properties were more high-end in nature, including single-family villa, and therefore relatively high average property management fee was charged. The relatively low average property management fee we charged on projects developed by third-party property developers in 2018 was mainly because (i) the newly delivered projects to us for management in 2018 were mainly residential projects developed by third-party property developers which had relatively low property management fee; and (ii) some of the projects developed by third-party property developers which we newly obtained through acquisition of Hangzhou Minan in 2018 had lower property management fees than those of properties developed by Jiayuan Property Brand.

The following table sets forth a breakdown of the average property management fee by type of property for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	(RMB per sq.m. per month)				
Residential properties	1.06	1.12	1.26	1.15	1.38
Non-residential properties	0.93	1.89	1.84	1.71	1.92
Overall	**1.05**	**1.21**	**1.32**	**1.22**	**1.43**

Our average property management fee for residential properties increased during the Track Record Period, mainly driven by an increase in average property management fee we charged for the new projects delivered to us for management. Our average property management fee for non-residential properties increased significantly from RMB0.93 per sq.m. per month in 2017 to RMB1.89 per sq.m. per month in 2018, mainly because we provided more services and derived more revenue from certain shopping malls under our management in 2018 and we commenced to manage a school in Chongqing in 2018 which had relatively high average property management fee.

Selected Consolidated Statements of Financial Position

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Total non-current assets	11,213	16,867	70,956	73,005
Total current assets	164,946	635,459	778,522	783,116
– Trade and other receivables	142,992	600,597	738,439	733,966
Total current liabilities	179,986	551,101	681,779	657,092
– Trade and other payables	145,720	486,257	576,565	564,307
Net current assets/(liabilities)	(15,040)	84,358	96,743	126,024
Total non-current liabilities	229	291	6,394	4,965
Non-controlling interests	–	–	10,157	7,263
Total equity	(4,056)	100,934	161,305	194,064

As of December 31, 2017, we recorded net current liabilities of RMB15.0 million, primarily because we paid RMB75.0 million in 2017 to acquire 75% equity interests in Dongyuan Investment. As of December 31, 2017, we recorded net liabilities of RMB4.1 million, primarily because of the RMB75.0 million we paid in 2017 for acquisition of 75% equity interests in Dongyuan Investment, which was treated as a deemed distribution to Mr. Shum.

Summary of Consolidated Statements of Cash Flow

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
			(RMB'000)		
				(unaudited)	
Operating cashflow before changes in working capital	32,312	58,479	75,240	40,982	59,160
– Changes in working capital	(30,398)	63,425	(7,082)	(6,964)	(11,207)
– PRC corporate income tax paid	(5,313)	(6,177)	(16,428)	(11,560)	(34,566)
Net cash generated from/(used in) operating activities	(3,399)	115,727	51,730	22,458	13,387
Net cash (used in)/generated from investing activities	174,915	(80,571)	(47,051)	(34,276)	2,909
Net cash used in financing activities	(168,669)	(23,533)	(402)	(259)	(6,432)
Net increase in cash and cash equivalents	**2,847**	**11,623**	**4,277**	**(12,077)**	**9,864**
Cash and cash equivalents as of the beginning of year/period	18,897	21,744	33,367	33,367	37,644
Cash and cash equivalents as of the end of the year/period	**21,744**	**33,367**	**37,644**	**21,290**	**47,508**

We had negative cash flow from operating activities of approximately RMB3.4 million in 2017, primarily as a result of the increase in our trade and other receivables mainly because of our business growth and the advance to related parties.

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)	0.9	1.2	1.1	1.2
Quick ratio (times)	0.9	1.2	1.1	1.2
Return on total assets (%)	7.5	8.6	6.7	8.5
Return on equity (times)	10.4	0.7	0.4	0.4

See "Financial Information—Summary of Key Financial Ratios" for details of the definitions.

CONTROLLING SHAREHOLDERS AND CONNECTED TRANSACTIONS

Immediately upon completion of the Capitalization Issue and the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, Chuangyuan Holdings will hold 75% of the issued share capital of our Company. Chuangyuan Holdings is directly wholly-owned by Jiayuan Investment, which is in turn directly wholly-owned by Jiayuan International. Jiayuan International is owned as to approximately 67.96% by Mingyuan Group, which is directly wholly-owned by Mr. Shum, and approximately 1.78% by Mr. Shum in his own personal capacity. Hence, Mr. Shum, Mingyuan Group, Jiayuan International, Jiayuan Investment and Chuangyuan Holdings will be our Controlling Shareholders under the Listing Rules. See "Relationship with Controlling Shareholders."

Our Group has entered into a number of continuing transactions with our connected persons in our ordinary and usual course of business. Upon Listing, the transactions will constitute continuing connected transactions under Chapter 14A of the Listing Rules. See "Connected Transactions."

ACQUISITIONS DURING THE TRACK RECORD PERIOD

In order to expand our property management business in various regions, we acquired equity interest in four property management companies during the Track Record Period, including (a) 100% equity interest in Jiaxing Xingzhou, a property management company with four residential projects under its management which are located in Jiaxing, at the consideration of RMB618,700 (equivalent to approximately 1.8 times of the net profit of Jiaxing Xingzhou in 2018), which was determined after arm's length negotiation with reference to (i) the net asset value of Jiaxing Xingzhou as of December 31, 2018; (ii) the amount of consideration of approximately RMB1.6 per sq.m. calculated based on the GFA under management of Jiaxing Xingzhou immediately before the acquisition; (iii) the profitability of Jiaxing Xingzhou taking into account the expected average property management fee of approximately RMB1.5 per sq.m. on a monthly basis; and (iv) Jiaxing Xingzhou's revenue of approximately RMB11.7 million and net profit of approximately RMB0.4 million for the year ended December 31, 2018; (b) 100% equity interest in Hangzhou Minan, a property management company with seven residential projects and one non-residential project under its management which are located in Hangzhou, at the consideration of RMB5,016,000, which was determined after arm's length negotiation with reference to (i) the net asset value of Hangzhou Minan as of September 30, 2018; (ii) the amount of consideration of approximately RMB5.1 per sq.m. calculated based on the GFA under management of Hangzhou Minan immediately before the acquisition; (iii) the profitability of Hangzhou Minan taking into account the expected average property management fee of approximately RMB1.6 per sq.m. on a monthly basis; and (iv) Hangzhou Minan's revenue of approximately RMB17.4 million and net loss of approximately RMB0.1 million for the year ended December 31, 2017; (c) 100% equity interest in Chongqing Zhongnong Guoxin, a property management company with one residential project under its management which is located in Chongqing, at the consideration of RMB500,000, which was determined after arm's length negotiation with reference to (i) the then paid-up registered capital of Chongqing Zhongnong Guoxin; (ii) the amount of consideration of approximately RMB4.8 per sq.m. calculated based on the GFA under management of Chongqing Zhongnong Guoxin immediately before the acquisition; (iii) the profitability of Chongqing Zhongnong Guoxin taking into account the expected average property management fee of approximately RMB1.7 per sq.m. on a monthly basis; and (iv) Chongqing Zhongnong Guoxin's net loss of approximately RMB700 for the year ended December 31, 2016; and (d) 65% equity interest in Hunan Huaguan, a property management company with 13 residential projects and four non-residential projects under its management which are mostly located in Changsha, at the consideration of RMB33,722,000 (equivalent to approximately 7.6 times of the net profit of Hunan Huaguan in 2019), which was determined after arm's length negotiation with reference to (i) the investment payback period; (ii) the amount of consideration of approximately RMB12.5 per sq.m. calculated based on the GFA under management of Hunan Huaguan immediately before the acquisition; (iii) the profitability of Hunan Huaguan taking into account the expected average property management fee of approximately RMB1.6 per sq.m. on a monthly basis; and (iv) Hunan Huaguan's revenue of approximately RMB69.1 million and net profit of approximately RMB6.8 million for the year ended December 31, 2019. See "History, Reorganization and Corporate Structure—Acquisitions during the Track Record Period" for further details.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that: (i) the Global Offering is completed and 150,000,000 Shares are issued and sold in the Global Offering; (ii) the Over-allotment Option is not exercised; and (iii) 600,000,000 Shares are in issue upon completion of the Global Offering.

	Based on an Offer Price of HK$3.15 per Offer Share	**Based on an Offer Price of HK$4.05 per Offer Share**
Market capitalization of our Shares	HK$1,890.0 million	HK$2,430.0 million
Unaudited pro forma adjusted consolidated net tangible assets value per Share[1]	HK$1.01	HK$1.23

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

DIVIDEND POLICY

During the six months ended June 30, 2020, a dividend of RMB10.0 million was declared by Hunan Huaguan, a 65% owned subsidiary of our Group, to its shareholders. See note 15 in the Accountant's Report set out in the Appendix I to this prospectus for details. On October 20, 2020, we declared a dividend in an amount of RMB170.0 million, which was settled by cash as of the Latest Practicable Date.

Save for the above, we have no plan for future dividend payments. Our Board has absolute discretion as to whether to declare any dividend for any year, and in what amount. We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including HKFRS. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. See "Financial Information—Dividend Policy and Distributable Reserves."

USE OF PROCEEDS

We estimate that we will receive net proceeds of HK$477.2 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering, assuming an Offer Price of HK$3.60 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 and in the following amounts: (i) approximately 70.0%, or approximately HK$334.0 million, will be used to pursue selective strategic investment and acquisition opportunities and to further develop strategic cooperation such as by establishing joint ventures; we intend to acquire no more than ten potential targets, with each potential target contributing an increase in revenue and net profit by approximately RMB25.0 million and RMB2.5 million, respectively, at a price-earning ratio of approximately 12.0 times; our target region and provinces of expansions include but are not limited to Zhejiang, Anhui, Jiangsu, Shandong, Hu'nan, Guizhou and Qinghai provinces, Chongqing and Xinjiang autonomous region; we expect the gross profit margins for potential targets in the above target regions and provinces to be no less than 20.0%; we plan to acquire other property management companies to enter new markets, and professional service companies that engage in cleaning, security, home living services, as well as community retail, advertising and elderly care services, among others, which may create further synergies with our existing services to enhance our competitiveness; (ii) approximately 8.0%, or approximately HK$38.2 million, will be used to enrich our service offerings; (iii) approximately 12.0%, or approximately HK$57.3 million, will be used to invest in intelligent operational and internal management system to enhance service quality and customer experience; and (iv) approximately 10.0%, or approximately HK$47.7 million, will be used for working capital and general corporate purposes. See "Future Plans and Use of Proceeds."

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We had an aggregate contracted GFA of approximately 43.2 million sq.m. as of the Latest Practicable Date, including properties developed by Jiayuan Property Brand with an aggregate contracted GFA of approximately 31.7 million sq.m. and properties developed by third-party property developers with an aggregate contracted GFA of approximately 11.5 million sq.m. Among such aggregate contracted GFA as of the Latest Practicable Date, the aggregate GFA delivered for our management was approximately 29.4 million sq.m., including properties developed by Jiayuan Property Brand with an aggregate GFA of approximately 19.4 million sq.m. and properties developed by third-party property developers with an aggregate GFA of approximately 10.0 million sq.m. The remaining contracted but not delivered GFA of approximately 12.3 million sq.m. as of the Latest Practicable Date from the properties developed by Jiayuan Property Brand were related to 49 property projects located in Tianjin, Chongqing, Xinjiang Autonomous Region, as well as Anhui, Shandong, Guangdong, Jiangsu, Jiangxi, Hunan and Zhejiang provinces, the majority of which are expected to be delivered to us in the next two to three years. As of the Latest Practicable Date, there was no outstanding tender submitted by our Group to Jiayuan Property Brand.

We and our subsidiaries Chuangyuan Development and Jiayuan HK agreed to provide guarantees (the "**Guarantees**") for a term loan of up to US$70.0 million granted to Jiayuan International, and our Shares held by Chuangyuan Holdings and the shares of our subsidiaries, Chuangyuan Development, Jiayuan HK and Zhejiang Heyuan, have been pledged to secure the loan (the "**Share Pledges**"), pursuant to a facility agreement dated June 14, 2020, by and among, Jiayuan International as borrower, Mr. Shum, Chuangyuan Holdings, us, Chuangyuan Development and Jiayuan HK, as guarantors and The Hongkong and Shanghai Banking Corporation Limited, as mandated lead arranger and bookrunner, facility agent and security agent, and other lenders. The Guarantees and the Share Pledges will be released, and we, Chuangyuan Development and Jiayuan HK will cease to be parties to the facility agreement, prior to the Listing. The loan will be repaid by Jiayuan International shortly after the Listing.

An outbreak of respiratory illness caused by a novel coronavirus ("**COVID-19**") was first reported in late 2019 and continues to spread across the PRC and globally. On January 30, 2020, the World Health Organization (the "**WHO**") declared the outbreak of COVID-19 a Public Health Emergency of International Concern ("**PHEIC**"). On March 11, 2020, the WHO further declared COVID-19 a pandemic. However, according to CIA Report, the impacts of outbreak of COVID-19 on China's property management industry is expected to be limited in the long run, because China's solid economic scale is capable of withholding the impact of COVID-19. In addition, the PRC Government has introduced various types of policies to support the recovery of national economy, including the development of property management industry. The outbreak of COVID-19 also improved the level of trust and stickiness by many property owners on the services of property management companies, and promoted the development of value-added services offered by property management companies such as delivery services, house cleaning and disinfecting services, among others, according to CIA. See "Industry Overview."

As of the Latest Practicable Date, we did not have contracted projects in Hubei province, nor did we generate any revenue in Hubei province during the Track Record Period. The regions where our managed properties are located are relatively less affected by the spread of COVID-19.

Since the outbreak of COVID-19 and up to the Latest Practicable Date, approximately 21 projects that were contracted to us for property management services experienced certain delays in delivery ranging from one to three months from their originally planned delivery date, except for one project that is expected to be delayed by ten months, mainly due to the impacts from the COVID-19 pandemic and other factors beyond our control, as, to the best of our Directors' knowledge and information, a number of property developers experienced suspensions and/or delays in their property development work as a result of the restrictions and other regulations or policies that were put into place in early 2020 to prevent the spread of COVID-19 pandemic. As of the Latest Practicable Date, 21 of the abovementioned 22 delayed projects had been delivered to us for property management, totaling approximately 1.9 million sq.m. in total GFA under management. Our Directors consider the financial impact from such delays in project delivery to us to be immaterial, particularly in light of the facts that such delayed projects only represented a small portion of the total contracted but undelivered GFA as of the Latest Practicable Date and the material increase in our revenue due to the continued business expansion despite any negative effects from the COVID-19 outbreak. See "Financial

Information—Description of Certain Consolidated Statements of Comprehensive Income Items—Revenue" for more discussions on the latest financial results and commentaries on the material fluctuations in the six months ended June 30, 2020 as compared to the same period in 2019.

In response to the COVID-19 outbreak, we have implemented a contingency plan and have adopted enhanced hygiene and precautionary measures across our office premises and managed properties. For the nine months ended September 30, 2020, we incurred an aggregate cost of approximately RMB1.3 million for the purchasing of protective masks and other medical and cleaning supplies. However, our Directors believe that the additional costs associated with the enhanced measures, after taking into account the medical and cleaning supplies distributed by local governments, and relevant regulatory policies such as reduction in payment of social insurance contributions, pursuant to the Notice on the Temporary Reduction and Exemption of Social Insurance Premiums Payable by Enterprises (關於階段性減免企業社會保險費的通知) and Notice on Extending the Implementation Period of the Temporary Reduction and Exemption of Social Insurance Premiums Payable by Enterprises and other issues (關於延長階段性減免企業社會保險費政策實施期限等問題的通知) issued by the Ministry of Human Resources and Social Security, the Ministry of Finance and the State Taxation Administration, would have no significant adverse impact on our Group's financial position for the year ending December 31, 2020. See "Business—Effects of the COVID-19 outbreak—Our contingency plan and response towards the COVID-19 outbreak."

Since the outbreak of COVID-19 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. In view of the nature of our business, our Directors do not expect that our Group 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 readily available subcontractors and suppliers in the market as back-up.

Despite the recent outbreak of COVID-19 in the PRC, based on the above-mentioned operating and financial performance since the outbreak of COVID-19 and considering the supportive policies and financial subsidies from relevant local governments, our Directors confirm that the outbreak does not have material adverse effect on our Group's continuing business operation and sustainability. We believe that it is unlikely that we would change the use of the net proceeds from the Global Offering as disclosed in "Future Plans and Use of Proceeds" in this prospectus as a result of the COVID-19 outbreak.

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, the expected 10% of the net proceeds from the Global Offering as allocated for our general business operations and working capital, we estimate that our Group will remain financially viable for approximately 21 months. 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 of RMB47.5 million as of June 30, 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, except for the dividend payment as disclosed in "Financial Information—Dividend Policy and Distributable Reserves"; (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 was fully settled as of the Latest Practicable Date; (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. See "Risk Factors—Risks relating to Our Business and Industry—Risks relating to natural disasters, pandemics, epidemics, acts of terrorism or war in the PRC and globally may materially and adversely affect our business. In particular, the recent outbreak of COVID-19 could materially and adversely affect our results of operations and financial condition."

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 date of this prospectus, there has been no material adverse change in our business operations, the business environment in which we operate, as well as our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects.

LISTING EXPENSES

The total listing expenses (including underwriting commissions) for the Listing of the Shares are estimated to be HK$62.8 million, representing approximately 11.6% of the gross proceeds from the Global Offering (assuming an Offer Price of HK$3.60 per Share, being the mid-point of the indicative Offer Price Range), among which, approximately HK$33.5 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$29.3 million will be charged to our consolidated statements of comprehensive income for the year ending December 31, 2020. RMB13.5 million was charged to the consolidated statement of comprehensive income for the six months ended June 30, 2020. The listing expenses above are the latest practicable estimates and are provided for reference only and actual amounts may differ. Our Directors expect such expenses to have an impact on our financial results 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 China; and (iii) risks relating to the Global Offering. Some of the risks generally associated with our business and industry include the following: (i) our future growth may not materialize as planned; (ii) our future acquisitions may not be successful; (iii) a significant portion of our operations are concentrated in the Yangtze River Delta Region, and we are susceptible to any adverse development in government policies or business environment in this region; (iv) we primarily generated revenue from property management services on a lump-sum basis. We may be subject to losses if we fail to estimate or control our costs in performing our property management services; and (v) a substantial portion of our revenue is generated from property management services we provide to properties developed by Jiayuan Property Brand.

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 document and, in particular, should evaluate the specific risks set forth in "Risk Factors" in this document deciding whether to invest in our Shares.

In this prospectus, unless the context otherwise requires, the following words and expressions have the following meanings. Certain technical terms are explained in "Glossary".

"Anhui Chongyuan"	Anhui Chongyuan Property Management Company Limited (安徽崇源物業管理有限公司), a company established in the PRC with limited liability on March 15, 2018 and an indirect wholly-owned subsidiary of our Company
"Anhui Jiayuan"	Anhui Jiayuan Property Services Company Limited (安徽佳源物業服務有限公司), a company established in the PRC with limited liability on April 17, 2019 and an indirect wholly-owned subsidiary of our Company
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s) and **GREEN** Application Form(s), or where the context so requires, any of them in relation to the Hong Kong Public Offering and **BLUE** Application Form(s) in relation to the Preferential Offering
"Articles" or "Articles of Association"	the amended and restated articles of association of the Company, conditionally adopted on October 21, 2020 and will come into effect upon Listing, a summary of which is set out in "Appendix III—Summary of the Constitution of the Company and Cayman Companies Law" to this prospectus, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Assured Entitlement"	the entitlement of the Qualifying Jiayuan Shareholders to apply for the Reserved Shares on an assured basis under the Preferential Offering to be determined on the basis of their respective shareholdings in Jiayuan International 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 Jiayuan Shareholder(s)"	any beneficial owner of Jiayuan Shares whose Jiayuan Shares are registered, as shown in the register of members of Jiayuan International, in the name of a registered Jiayuan Shareholder at 4:30 p.m. on the Record Date
"**BLUE** Application Form(s)"	the application form(s) to be sent to Qualifying Jiayuan Shareholders to subscribe for the Reserved Shares pursuant to the Preferential Offering
"Board" or "Board of Directors"	the board of directors of the Company
"business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
"BVI"	the British Virgin Islands
"Capitalization Issue"	the issue of 449,999,900 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—4. Written resolutions of our sole Shareholder passed on October 21, 2020" to this prospectus
"Cayman Companies Law" or "Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant

"China" or "PRC"	the People's Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to "China" and the "PRC" do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
"Chongqing Jidi Youjia"	Chongqing Jidi Youjia Property Agency Company Limited (重慶及第有佳房地產經紀有限公司), a company established in the PRC with limited liability on July 20, 2020 and an indirect wholly-owned subsidiary of our Company
"Chongqing Zhongnong Guoxin"	Chongqing Zhongnong Guoxin Property Management Company Limited (重慶中農國信物業管理有限公司) (formerly known as Chongqing Shengdian Property Management Company Limited (重慶聖典物業管理有限公司), a company established in the PRC with limited liability on March 29, 2010 and an indirect wholly-owned subsidiary of our Company
"Chuangyuan Development"	Chuangyuan Development Limited (創源發展有限公司), a company incorporated in the BVI with limited liability on December 29, 2017 and a direct wholly-owned subsidiary of our Company
"Chuangyuan Holdings"	Chuangyuan Holdings Limited (創源控股有限公司), a company incorporated in the BVI with limited liability on June 22, 2018 and one of our Controlling Shareholders
"CIA"	China Index Academy, our industry consultant and an Independent Third Party
"CIA Report"	an independent market research report prepared by CIA, which was commissioned by our Company for the purpose of this prospectus
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Companies (WUMP) 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" or "our Company"	Jiayuan Services Holdings Limited (佳源服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on March 5, 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, collectively refers to Mr. Shum, Mingyuan Group, Jiayuan International, Jiayuan Investment and Chuangyuan 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
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the Chinese national securities markets
"Deed of Indemnity"	the deed of indemnity dated November 21, 2020 entered into by our Controlling Shareholders in favor of our Company (for ourselves and as trustee for each of our subsidiaries) to provide certain indemnities, particulars of which are set out in "Appendix IV—Statutory and General Information—D. Other Information—1. Tax and Other Indemnities"
"Deed of Non-Competition"	the deed of non-competition dated November 21, 2020 given by our Controlling Shareholders in favor of our Company (for ourselves and as trustee for each of our subsidiaries), particulars of which are set out in "Relationship with Controlling Shareholders"
"Director(s)"	director(s) of the Company
"EIT"	the PRC enterprise income tax

"EIT Law"	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), enacted on March 16, 2007, effective from January 1, 2008 and amended on February 24, 2017 by the NPC, further amended on December 29, 2018
"Excluded Group"	companies controlled by Mr. Shum from time to time (other than members of the Remaining Jiayuan Group) including Jiayuan Chuangsheng Group
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
"Global Offering"	the Hong Kong Public Offering and the International Offering
"**GREEN** Application Form(s)"	the application form(s) to be completed by the **HK eIPO White Form** Service Provider
"Group", "our Group", "we", "our" or "us"	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at that time
"Guizhou Huahong"	Guizhou Huahong Property Services Company Limited (貴州華泓物業服務有限公司), a company established in the PRC with limited liability on April 20, 2020 which is owned as to 70% by Hunan Huaguan and 30% by Mr. Deng Xiong (鄧雄), an Independent Third Party (other than being a substantial shareholder of Guizhou Huahong) and an indirect non-wholly owned subsidiary of our Company
"Guizhou Jiazhi"	Guizhou Jiazhi Property Services Company Limited (貴州佳致物業管理有限公司), a company established in the PRC with limited liability on September 18, 2020 which is owned as to 51% by Jiayuan Services and 49% by Guizhou Zhihe Property Management Company Limited (貴州致合物業管理有限公司), an Independent Third Party (other than being a substantial shareholder of Guizhou Jiazhi) and an indirect non-wholly owned subsidiary of our Company

"Guotai Junan Capital"	Guotai Junan Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity for the purpose of the SFO, being one of the Joint Sponsors
"Guotai Junan Securities"	Guotai Junan Securities (Hong Kong) Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities for the purpose of the SFO, being one of the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers
"Haitong International Capital"	Haitong International Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity for the purpose of the SFO, being one of the Joint Sponsors
"Haitong International Securities"	Haitong International Securities Company Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities for the purpose of the SFO, being one of the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers
"Hangzhou Jiayuan"	Hangzhou Jiayuan Property Services Company Limited (杭州佳源物業服務有限公司), a company established in the PRC with limited liability on June 18, 2019 and an indirect wholly-owned subsidiary of our Company
"Hangzhou Minan"	Hangzhou Minan Property Management Company Limited (杭州民安物業管理有限公司) (formerly known as Yuhang Xincheng Property Management Company Limited (餘杭市新城物業管理有限公司) and Hangzhou Yuhang Xincheng Property Management Company Limited (杭州餘杭新城物業管理有限公司)), a company established in the PRC with limited liability on March 30, 2000 and an indirect wholly-owned subsidiary of our Company
"**HK eIPO White Form**"	the application of Hong Kong Offer Shares for issue in the applicant's own name by submitting applications online through the designated website at **www.hkeipo.hk** or in the **IPO App**

"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by the Company, as specified on the designated website at **www.hkeipo.hk** or in the **IPO App**
"HKFRSs"	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
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited
"Hong Kong Offer Shares"	the 15,000,000 Offer Shares initially being offered by our Company for subscription pursuant to the Hong Kong Public Offering, subject to reallocation 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 (plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), on and subject to the terms and conditions of this prospectus and the Application Forms, as further described in "Structure and Conditions of the Global Offering" in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering, whose names are set out in "Underwriting – Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement dated November 26, 2020 relating to the Hong Kong Public Offering and entered into by, among others, our Company, our Controlling Shareholders, the Joint Global Coordinators and the Hong Kong Underwriters, as further described in "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Hong Kong Underwriting Agreement" in this prospectus

"Hunan Huaguan"	Hunan Huaguan Property Services Company Limited (湖南華冠物業服務有限公司), a company established in the PRC with limited liability on May 17, 2010 which is owned as to 65% by Jiayuan Services and 35% by Hunan Jianhongda and an indirect non-wholly owned subsidiary of our Company
"Hunan Huaze"	Hunan Huaze Property Services Company Limited (湖南華澤物業服務有限公司), a company established in the PRC with limited liability on August 21, 2019 which is owned as to 63% by Hunan Huaguan and 37% by Ms. Fang Jia (方佳), an Independent Third Party (other than being a substantial shareholder of Hunan Huaze) and an indirect non-wholly owned subsidiary of our Company
"Hunan Jianhongda"	Hunan Jianhongda Real Estate Development Co., Ltd. (湖南建鴻達房地產開發有限公司), a company established in the PRC with limited liability on August 29, 2001 and an Independent Third Party (other than being a substantial shareholder of Hunan Huaguan)
"Hunan Jiayuan"	Hunan Jiayuan Property Services Company Limited (湖南佳源物業服務有限公司), a company established in the PRC with limited liability on February 26, 2020 and an indirect wholly-owned subsidiary of our Company
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons as defined under the Listing Rules
"International Offer Shares"	the 135,000,000 Offer Shares initially being offered by our Company for subscription at the Offer Price pursuant to the International Offering, together with, where relevant, any additional Shares to be issued pursuant to the exercise of the Over-allotment Option, subject to reallocation as described in "Structure and Conditions of the Global Offering"

"International Offering"	the offer of the International Offer Shares by the International Underwriters outside the United States in offshore transactions in reliance on Regulation S, as further described in "Structure and Conditions of the Global Offering" in this prospectus
"International Underwriters"	the underwriters of the International Offering, who are expected to enter into the International Underwriting Agreement
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering and expected to be entered into by, among others, our Company, our Controlling Shareholders, the Joint Global Coordinators and the International Underwriters on or about the Price Determination Date, as further described in "Underwriting – Underwriting Arrangements and Expenses – The International Offering" in this prospectus
"**IPO App**"	the mobile application for **HK eIPO White Form** service which can be downloaded by searching "**IPO App**" in App Store or Google Play or downloaded at **www.hkeipo.hk/IPOApp** or **www.tricorglobal.com/IPOApp**
"Jiaxing Jiayuan Lvdong"	Jiaxing Jiayuan Lvdong Property Services Company Limited (嘉興佳源律動物業服務有限公司), a company established in the PRC with limited liability on September 7, 2020 and an indirect wholly-owned subsidiary of our Company
"Jiaxing Jiayuan Zhixiang"	Jiaxing Jiayuan Zhixiang Property Services Company Limited (嘉興佳源智想物業服務有限公司), a company established in the PRC with limited liability on August 7, 2019 and an indirect wholly-owned subsidiary of our Company
"Jiaxing Xingzhou"	Jiaxing Xingzhou Property Management Company Limited (嘉興星洲物業管理有限公司), a company established in the PRC with limited liability on July 11, 2003 and an indirect wholly-owned subsidiary of our Company

"Jiayuan Chuangsheng"	Jiayuan Chuangsheng Holding Group Company Limited (佳源創盛控股集團有限公司), a company established in the PRC with limited liability on April 18, 1995 and indirectly wholly-owned by Mr. Shum
"Jiayuan Chuangsheng Group"	Jiayuan Chuangsheng and its subsidiaries
"Jiayuan HK"	Jiayuan Property Management Limited (佳源物業管理有限公司), a company incorporated in Hong Kong with limited liability on June 20, 2018 and an indirect wholly-owned subsidiary of our Company
"Jiayuan International"	Jiayuan International Group Limited (佳源國際控股有限公司) (Stock Code: 2768), an exempted company incorporated in the Cayman Islands with limited liability on May 5, 2015 and the shares of which are listed on the Main Board. It is one of our Controlling Shareholders and will indirectly hold 75% of the issued share capital of our Company immediately upon completion of the Capitalization Issue and the Global Offering, assuming that the Over-allotment Option is not exercised
"Jiayuan Investment"	Jiayuan Investment Management Limited (佳源投資管理有限公司), a company incorporated in the BVI with limited liability on May 8, 2015 and a direct wholly-owned subsidiary of Jiayuan International and one of our Controlling Shareholders
"Jiayuan Property Brand"	Jiayuan International Group and Jiayuan Chuangsheng Group
"Jiayuan Services"	Zhejiang Jiayuan Property Services Group Company Limited (浙江佳源物業服務集團有限公司) (formerly known as Zhejiang Jiayuan Property Management Co., Ltd. (浙江佳源物業管理有限公司), Anhui Jiayuan Property Management Company Limited (安徽佳源物業管理有限公司), Liuan Jiayuan Property Management Company Limited (六安佳源物業管理有限公司), Yicheng (Zhejiang) Property Management Company Limited (怡城(浙江)物業管理有限公司) and Zhejiang Guangyuan Property Management Company Limited (浙江廣源物業管理有限公司)), a company established in the PRC with limited liability on April 26, 2004 and an indirect wholly-owned subsidiary of our Company

"Jiayuan Shareholders"	holders of Jiayuan Shares
"Jiayuan Shares"	ordinary shares of HK$0.01 each in the share capital of Jiayuan International
"Jilin Jiayuan"	Jilin Jiayuan Central North Property Services Company Limited (吉林佳源中北物業服務有限公司), a company established in the PRC with limited liability on June 12, 2020 which is owned as to 57% by Jiayuan Services and 43% by Jilin Central North Joint Investment Enterprise Management Company Limited (吉林省中北聯投企業管理有限公司), an Independent Third Party (other than being a substantial shareholder of Jilin Jiayuan) and an indirect non-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" of this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus
"Joint Lead Managers"	the joint lead managers as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus
"Joint Representatives"	Haitong International Securities and Guotai Junan Securities
"Joint Sponsors"	Haitong International Capital and Guotai Junan Capital
"Latest Practicable Date"	November 21, 2020, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
"Listing"	the listing of the Shares on the Main Board

"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange
"Listing Date"	the date on which dealings in the Shares on the Main Board first commence
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, 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 (國務院國有資產監督管理委員會), MOFCOM, SAT, SAIC, 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 our Company, adopted on October 21, 2020 with immediate effect, a summary of which is set out in "Appendix III – Summary of the Constitution of the Company and Cayman Companies Law" to this prospectus, as amended from time to time
"Mingyuan Group"	Mingyuan Group Investment Limited (明源集團投資有限公司), a company incorporated in the BVI with limited liability on May 4, 2015 and one of our Controlling Shareholders
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"MOHURD" or "Ministry of Construction"	the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) or its predecessor, the Ministry of Construction of the PRC (中華人民共和國建設部)

"Mr. Shum"	Mr. Shum Tin Ching (沈天晴) (also known as Mr. Shen Yuxing (沈玉興)), one of our Controlling Shareholders
"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)
"NEEQ"	the National Equities Exchange and Quotations, a PRC over-the-counter system for trading shares of public companies
"NPC"	the National People's Congress of the PRC (中華人民共和國 全國人民代表大會)
"Offer Price"	the offer price per Offer Share (exclusive of brokerage of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.0027%) at which the Offer Shares are to be subscribed pursuant to the Global Offering and to be determined in the manner further described in "Structure and Conditions of the Global Offering"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares
"Over-allotment Option"	the option expected to be granted by the Company under the International Underwriting Agreement to the International Underwriters, exercisable by the Joint Representatives (for themselves and on behalf of the International Underwriters), pursuant to which the Company may be required to issue and allot up to an aggregate of 22,500,000 additional new Shares at the Offer Price, representing 15% of the initial number of Offer Shares offered under the Global Offering, at the Offer Price to cover the over-allocations (if any) in the International Offering, as described in "Structure and Conditions of the Global Offering"
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them

"PRC Legal Advisor"	Jingtian & Gongcheng, legal advisor to our Company on PRC laws in connection with the Global Offering
"Preferential Offering"	the preferential offering to the Qualifying Jiayuan Shareholders of 15,000,000 Reserved Shares (representing 10% of the Offer Shares initially being offered under the Global Offering) in the form of the Assured Entitlement out of the Shares offered under the International Offering at the Offer Price, as further described in "Structure and Conditions of the Global Offering – The Preferential Offering" in this prospectus and subject to the terms and conditions stated in this prospectus and in the **BLUE** Application Form
"Price Determination Date"	the date, expected to be on or around December 2, 2020 but in any event not later than December 4, 2020, on which the Offer Price will be determined for the purposes of the Global Offering
"Principal Share Registrar"	Conyers Trust Company (Cayman) Limited
"Province" or "province"	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the PRC Government
"Qualifying Jiayuan Shareholders"	holders of the shares of Jiayuan International, whose names appear on the register of members of Jiayuan International as at 4:30 p.m. on the Record Date
"Record Date"	October 27, 2020, being the record date for ascertaining the Assured Entitlement
"Regulation S"	Regulation S under the U.S. Securities Act
"Remaining Jiayuan Group" or "Jiayuan International Group"	Jiayuan International and its subsidiaries after completion of the Spin-off, which excludes our Group
"Reorganization"	the reorganization of our Group as described in "History, Reorganization and Corporate Structure – Reorganization"

"Reserved Shares"	the 15,000,000 Offer Shares being offered to the Qualifying Jiayuan Shareholders as the Assured Entitlement at the Offer Price pursuant to the Preferential Offering, representing 10% of the Offer Shares initially being offered under the Global Offering (without taking into account any Shares which maybe issued and allotted pursuant to the exercise of the Over-allotment Option) which are to be allocated out of the Shares being offered under the International Offering
"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 (中國國家工商行政管理總局), including, as the context may require, its local counterparts, which was merged into SAMR
"SAMR"	the State Administration for Market Regulation of the PRC (中國國家市場監督管理總局)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"SCNPC"	the Standing Committee of the NPC
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with nominal value of HK$0.01 each in the share capital of our Company, which are to be traded in Hong Kong dollars and listed on the Main Board
"Shareholder(s)"	holder(s) of the Share(s)
"Spin-off"	the separate listing of our Shares on the Main Board, by way of the Global Offering (including the Preferential Offering)
"Stabilizing Manager"	Haitong International Securities

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Borrowing Agreement"	the stock borrowing agreement expected to be entered into between Chuangyuan Holdings and the Stabilizing Manager on or about the Price Determination Date
"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
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers issued by the SFC as amended, supplemented or otherwise modified from time to time
"Tongxiang Jiayuan"	Tongxiang Jiayuan Wenyun Property Services Company Limited (桐鄉佳源文蘊物業服務有限公司), a company established in the PRC with limited liability on October 23, 2020 and an indirect wholly-owned subsidiary of our Company
"Track Record Period"	the period comprising the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020
"U.S. Government"	the federal government of the United States, including its executive, legislative and judicial branches
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$", "USD" or "$"	U.S. dollars, the lawful currency of the United States
"VAT"	the PRC value-added tax

"**WHITE** Application Form(s)"	the application form(s) for those who require Hong Kong Offer Shares to be issued in the applicant's/applicants' own name(s)
"Xinjiang Jiayuan"	Xinjiang Jiayuan City Property Services Company Limited (新疆佳源都市物業服務有限公司), a company established in the PRC with limited liability on June 25, 2018 and an indirect wholly-owned subsidiary of our Company
"Yangzhou Shengyuan"	Yangzhou Shengyuan Property Services Company Limited (揚州盛源物業服務有限公司), a company established in the PRC with limited liability on April 15, 2019 and an indirect wholly-owned subsidiary of our Company
"**YELLOW** Application Form(s)"	the application form(s) for those who require Hong Kong Offer Shares to be deposited directly into CCASS
"Zhejiang Heyuan"	Zhejiang Heyuan Property Services Company Limited (浙江禾源物業服務有限公司), a company established in the PRC with limited liability on November 26, 2018 and an indirect wholly-owned subsidiary of our Company
"Zhejiang Jiayuan Real Estate"	Zhejiang Jiayuan Real Estate Group Company Limited (浙江佳源房地產集團有限公司) (formerly known as Jiaxing Guangyuan Property Development Co., Ltd. (嘉興市廣源房地產開發有限公司), a company established in the PRC with limited liability on March 29, 2004 and indirectly wholly owned by Mr. Shum
"Zhejiang Meiyuan"	Zhejiang Meiyuan Family Services Company Limited (浙江美源家庭服務有限公司), a company established in the PRC with limited liability on May 17, 2017 and an indirect wholly-owned subsidiary of our Company
"%"	per cent

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

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

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

This glossary of technical terms contains terms used in this prospectus in connection with us and our business. Some of these terms and their meanings may not correspond to standard industry meanings or usage of such terms.

"average property management fee(s)"	calculated by dividing annualized revenue from property management services by the GFA under our management as of the end of the same year, excluding the GFA contribution from Hunan Huaguan from which no revenue was combined with our Group before 2020
"bidding success rate"	the aggregate number of bids we won as of the end period divided by the aggregate number of bids we submitted as of the end of the period
"CAGR"	compound annual growth rate
"city(ies)"	include prefectural-level municipalities
"commercial property(ies)"	for purposes of this prospectus, property(ies) designated for commercial use
"commission basis"	a revenue-generating model whereby we collect a percentage of the total amount of property management fees that our customers pay on a monthly basis
"common area(s)"	common areas in residential properties such as lobbies, hallways, stairways, car parks, elevators and gardens, among others
"contracted GFA"	GFA managed or to be managed by our Group under our operating property management service contracts, including both revenue-bearing GFA and undelivered GFA
"first-tier 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
"GDP"	gross domestic product
"GFA"	gross floor area
"Jiaxing"	a prefecture-level city in northern Zhejiang province, China

"lump-sum basis"	a revenue-generating model for our property management business line whereby we charge a pre-determined property management fee per sq.m. 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 employees and sub-contractors. Property developers, property owners and residents will be responsible for paying our property management fees for the sold and unsold units respectively on a monthly basis
"mid- to high-end properties"	properties for which property management fees charged are above market average for the same types of properties located in the same city
"Renminbi" or "RMB"	the lawful currency of the PRC
"residential communities" or "residential property(ies)"	properties which are purely residential or properties containing residential units and ancillary facilities that are non-residential in nature such as commercial or office units but excluding pure commercial properties
"retention rate"	the aggregate number of properties under management as of the end of the period minus the number of properties we cease to manage during the same period, then divided by the aggregate number of properties under management as of the end of the period, including properties we managed under both (i) preliminary property management service agreements entered into with property developers, and (ii) property management service agreements entered into with property owners' associations or property owners
"revenue-bearing GFA" or "GFA under management"	GFA of properties that have been delivered, or are ready to be delivered by property developers, to property owners, for which we are already collecting property management fees in relation to contractual obligations to provide our services

"second-tier cities"	as of the Latest Practicable Date, included 31 major cities, other than first-tier cities in the PRC, as categorized by the National Bureau of Statistics of the PRC, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as "municipalities with independent planning" by the State Council of the PRC
"sq.m."	the measurement unit of square meters
"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, which comprised 100, 100, 210, 200, 200, 220 and 244 companies respectively, for rankings published in 2014, 2015, 2016, 2017, 2018, 2019 and 2020, respectively. The number of companies for each of 2016, 2017, 2018, 2019 and 2020 exceeded 100 as multiple companies with the same or very close scores were assigned the same ranking
"undelivered GFA"	the total GFA of properties that are not ready to be delivered to property owners by property developers, for which we have not begun collecting property management fees in relation to contractual obligations to provide property management services
"WeChat mini program"	a light feature within the WeChat interface which connects service providers and WeChat users
"Yangtze River Delta Region"	an economic region in China encompassing Shanghai, parts of Zhejiang province, Jiangsu province and Anhui province, including but not limited to Shanghai, Hangzhou, Nanjing, Huzhou, Hefei, Wenzhou, Yangzhou, Changzhou, Jiaxing, Taizhou (Zhejiang province), Taizhou (Jiangsu province), Taixing, Suqian, Suzhou, Nantong, Shaoxing, Zhenjiang, Bengbu, Jinhua, Ma'anshan, Bozhou, Lu'an, Huainan, Fuyang and Chuzhou, for the purpose of this prospectus

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

- our business prospects;
- future developments, trends and conditions in the industry and markets in which we operate;
- our business strategies and plans to achieve these strategies;
- our ability to identify and integrate suitable acquisition targets;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices in the industry and markets in which we operate;

- development and effect of the COVID-19 pandemic;
- risks identified under "Risk Factors";
- certain statements in "Financial Information" with respect to trends in prices, volumes, operations, margins, overall market trends, risk management and exchange rates; and
- other statements in this prospectus that are not historical facts.

This prospectus also contains market data and projects 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 the section entitled "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 or 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 consolidated 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 "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; (iii) risks relating to the Global Offering. 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.

We have been seeking to expand our business since our inception through organic growth as well as acquisitions of and investment in other companies. The total GFA under our management increased from 14.0 million sq.m. as of December 31, 2017 to 19.2 million sq.m. as of December 31, 2018 to 26.1 million sq.m. as of December 31, 2019, and further to 27.6 million sq.m. as of June 30, 2020; and our revenue increased from RMB209.8 million in 2017 to RMB331.3 million in 2018, and further to RMB454.9 million in 2019. Our revenue increased from RMB210.7 million in the six months ended June 30, 2019 to RMB280.3 million in the six months ended June 30, 2020.

We plan to continue to increase our total GFA under management and the number of properties we manage in existing and new markets, including properties developed by Jiayuan Property Brand and third-party property developers. See "Business—Business Strategies—Expand business scale and grow market share through strategic acquisitions and investments." However, our expansion plans are based upon our assessment and prediction of market prospects and development, which we cannot guarantee will turn out accurate. Neither can we guarantee that we will be able to grow our business as planned. Our expansion plans may be affected by a number of factors, many of which are beyond our control. Such factors include:

- changes in China's economic condition in general and the real estate market in particular;
- changes in disposable personal income in China;

- changes in government regulations;
- changes in the supply of and demand for property management and value-added services;
- our ability to generate sufficient liquidity internally and obtain external financing;
- our ability to recruit and train competent employees;
- our ability to select and work with suitable sub-contractors and suppliers;
- our ability to understand the needs of property developers, property owners, and residents in the projects;
- our ability to adapt to new markets where we have no prior experience and in particular, whether we can adapt to the administrative, regulatory and tax environments in such markets;
- our ability to leverage our brand names and to compete successfully in new markets, particularly against the incumbent players in such markets who might have more connections, resources and experience than us; 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. If we fail to manage our future growth, our business operations, financial position and results of operations could be materially and adversely affected. For example, the outbreak of COVID-19 may affect our ability to enter into new property service agreements or to acquire new target companies due to reduced levels of economic activities in China. See "—Risks relating to natural disasters, pandemics, epidemics, acts of terrorism or war in the PRC and globally may materially and adversely affect our business. In particular, the recent outbreak of COVID-19 could materially and adversely affect our results of operations and financial condition."

As we expand our business operations into new geographic regions and broaden the range of services we perform, we are subject to an increasing number of provincial and local rules and regulations. In addition, the difficulty in ensuring compliance with the various local property management regulations and the potential for losses resulting from non-compliance increased as the size and scope of our operations increased significantly during the Track Record Period. If we fail to comply with applicable local regulations such as on fire and safety systems at our managed properties, we may be subject to penalties or other liabilities. The laws and regulations applicable to our business, whether national, provincial or local, may also change in ways that materially increase the costs of compliance, and any failure to comply could result in significant financial penalties which could have a material adverse effect on our business, financial position and results of operations.

Risks relating to natural disasters, pandemics, epidemics, acts of terrorism or war in the PRC and globally may materially and adversely affect our business. In particular, the recent outbreak of COVID-19 could materially and adversely affect our results of operations and financial condition.

Natural disasters, epidemics, acts of terrorism or war or other factors that are beyond our control may materially and adversely affect the economy, infrastructure and livelihood of people in the areas where we have or plan to have business operations. In particular, due to their geographic regions, some of these areas are susceptible to the threat of floods, earthquakes, sandstorms, snowstorms, fires or droughts, power shortages or failures, as well as potential wars, terrorist attacks or epidemics such as Ebola, SARS, H1N1, H5N1, H7N9.

Toward the end of 2019, a highly infectious novel coronavirus was identified in and quickly spread across China. The World Health Organization, or the WHO, later named it COVID-19. WHO is closely monitoring and evaluating the situation. On January 30, 2020, the WHO declared the outbreak of COVID-19 a Public Health Emergency of International Concern, or the PHEIC. In March 2020, the WHO characterized the outbreak of COVID-19 a pandemic. As of the date of this prospectus, COVID-19 pandemic has spread to over 220 countries and territories globally with death toll and number of infected cases continuing to rise. Many countries have imposed unprecedented measures to halt the spread of the COVID-19 pandemic, including strict city lockdowns and travel bans. Several cities in China where we have operations had been under lockdowns, and have imposed travel restrictions in an effort to curb the spread of COVID-19 pandemic.

According to the data released on April 17, 2020 by the National Bureau of Statistics of China, or the National Statistics Bureau, China's first quarter GDP of 2020 contracted by 6.8% in 2020 compared with the first quarter of 2019. As a result, unemployment rate in the PRC could rise, and the financial condition of our customers worsen. We cannot assure you that property owners or residents of properties under our management will be able to make timely payments of property management fees due to economic downturn; nor can we assure you that their demands for various value-added services will be as high as we expected. Decline in our customers' abilities to pay and demands for our services could materially and adversely affect our business operations.

We cannot assure you that our business operations will resume to the level as we had planned in the absence of the pandemic. In addition, we may incur extra costs related to our precautionary measures and disinfection works which may result in losses under our lump sum charge. For the six months ended June 30, 2020, we incurred an aggregate cost of RMB1.3 million for the purchasing of protective masks and other medical and cleaning supplies. Certain on-site value-added services to property owners or residents of properties under our management may be affected by the outbreak of COVID-19. The delivery of properties for which we have been contracted to provide property management services may be delayed. We may also be required to quarantine some or all of our employees, or disinfect the property to prevent the spread of the disease if any of our employees were suspected of contracting or contracted an epidemic disease.

Furthermore, the COVID-19 outbreak may severely affect the economic activities in China as the government in the regions where we operate may impose regulatory or administrative containment measures to control the outbreak of COVID-19, which may disrupt business in major industries and adversely affect the overall business sentiment and environment in China, which in turn may lead to slower overall economic growth in China and the world. There is no assurance that the current containment measures will be effective in halting the pandemic. The containment measures may reduce the supply and demand and adversely affect economic growth globally, which could materially and adversely affect our business operations and financial condition. Neither can we assure you that we will be able to effectively respond to the impacts of the COVID-19 pandemic, which could have a material and adverse impact on our results of operations and financial condition.

Our future acquisitions may not be successful.

To grow our business scale, increase GFA under management, and enter into new markets, we plan to continue to evaluate opportunities to acquire other property management companies and other businesses that are complementary to our existing business and integrate their operations into our business. However, we cannot assure you that we will be able to identify suitable opportunities.

Even if we manage to identify suitable opportunities, we may not be able to complete the acquisitions on terms favorable or acceptable to us in a timely manner, or at all. The inability to identify suitable acquisition targets or complete acquisitions could materially and adversely affect our competitiveness and growth prospects.

Acquisitions that we complete also involve uncertainties and risks, including, without limitation:

- inability to apply our business model or standardized business processes on the acquisition targets;
- failure to achieve the intended business expansion or optimization objectives, 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 70.0%, or HK$334.0 million, of the net proceeds raised from the Global Offering will be used to pursue selective strategic investment and acquisition opportunities and further develop strategic cooperation. See "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, we may need to recognize impairment losses for goodwill recorded in connection with our historical acquisitions if our acquisitions failed to achieve its intended results.

A significant portion of our operations are concentrated in the Yangtze River Delta Region, and we are susceptible to any adverse development in government policies or business environment in this region.

We focus on cities with high population densities in economically developed regions, and a significant portion of our operations are concentrated in the Yangtze River Delta Region. As of December 31, 2017, 2018 and 2019 and June 30, 2020, we managed an aggregate GFA of approximately 12.9 million sq.m., 17.8 million sq.m., 22.0 million sq.m. and 23.4 million sq.m., respectively, in the Yangtze River Delta Region, which accounted for approximately 92.1%, 92.6%, 84.3% and 84.5%, respectively, of our total GFA under our management as of such dates; in 2017, 2018 and 2019 and the six months ended June 30, 2020, 95.5%, 93.3%, 94.0% and 82.5% of our total revenue was derived from property management services covering properties in the Yangtze River Delta Region, respectively. Due to such concentration, any adverse development in government policies or business environment in the area will materially and adversely affect our business, financial position and results of operations. Our operations rely heavily on the following development factors in the Yangtze River Delta Region, most of which are beyond our control:

- changes in the economic condition, the level of economic activities and the real estate market;
- the future regional development prospects;
- changes in government regulations and policies regarding the property management industry and real estate development industry; and
- our ability to compete with other property management companies operating in the region.

We primarily generated revenue from property management services on a lump-sum basis. We may be subject to losses if we fail to estimate or control our costs in performing our property management services.

During the Track Record Period, we primarily generated most of our revenue from property management services on a lump-sum basis where we charge property management fees at a pre-determined price per sq.m. per month, representing "all-inclusive" fees for the property management services provided. These property management fees do not change with the actual amount of property management costs we incur. We recognize the full amount of property management fees we charge to the property owners, residents or property developers as revenue throughout the relevant contract terms, and recognize the actual costs we incur in connection with rendering our services as our cost of services during the contract terms. Our profitability depends on our ability to estimate or control our costs in performing our property management services. See "Business—Property Management Services—Property Management Fees—Property management fees charged on a lump-sum basis" and "Financial Information – Critical Significant Accounting Policies and Accounting Estimates and Judgments."

In the event that the amount of property management fees that we charge is insufficient to cover all the costs for property management service we incur, we are not entitled to additional payments from property owners, residents or property developers to cover the shortfall. As a result, we may suffer losses. We incurred loss in an aggregate amount of RMB1.9 million, RMB1.0 million, RMB0.7 million and RMB0.2 million, respectively, with respect to eight, seven, six and three properties, respectively, which were managed under lump-sum basis in 2017, 2018 and 2019 and the six months ended June 30, 2020. The aggregate revenue generated from such loss-making properties was RMB17.6 million, RMB4.0 million, RMB14.8 million and RMB1.9 million, respectively, in 2017, 2018 and 2019 and the six months ended June 30, 2020, accounting for approximately 8.4%, 1.2%, 3.3% and 0.7%, respectively, of our total revenue for the same periods.

To avoid such losses, we can either attempt to raise property management fees, or to cut property management costs. However, our cost-saving initiatives, such as operation automation measures to reduce labor costs and energy-saving measures to reduce energy costs, may not be successful, and our cost-saving efforts may negatively affect the quality of our property management services, which in turn would further reduce the willingness of property owners, residents and property developers to pay property management fees, or even to retain us as their property management service provider, which will further negatively affect our results of operations and financial position.

A substantial portion of our revenue is generated from property management services we provide to properties developed by Jiayuan Property Brand.

During the Track Record Period, a large portion of our property management service contracts covered properties developed by Jiayuan Property Brand. In 2017, 2018 and 2019 and the six months ended June 30, 2020, revenue generated from such properties accounted for approximately 96.3%, 90.8%, 79.4% and 70.1% of our total property management service revenue, respectively.

During the Track Record Period, our bidding success rate with respect to properties developed by Jiayuan Property Brand was over 94%. During the Track Record Period, we managed most of the properties developed by Jiayuan Property Brand, which enables us to capitalize on its growth. However, we do not have control over Jiayuan Property Brand's management strategies, nor the macro-economic or other factors that affect their business operations. Our business may be affected if Jiayuan Property Brand suffers adverse developments that materially affect its property development business. We cannot assure you that we will be able to procure property management service contracts from alternative sources to make up for the shortfall in a timely manner or on favorable terms. Nor can we guarantee that we will be able to renew all of our property management service contracts with Jiayuan

Property Brand, or enter into such contracts with regards to new properties developed by Jiayuan Property Brand. If any of the abovementioned events occurs, our results of operations, financial position and growth prospects could be materially and 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 for properties that require tender processes, mainly residential properties, primarily through tender processes. For some non-residential properties that do not require tender and bidding process, we procured new property management service contracts primarily through negotiations. The selection of a property management company depends on a number of factors, including but not limited to the quality of services, the level of pricing and the 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 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 property developers during the later stages of property development. We cannot assure you that we will be able to maintain high success rate in obtaining preliminary property management service contracts. 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 when property owners' associations are formed and decide to enter into new property management service contracts. See "Business—Property Management Services—Property Management Service Agreements." We cannot guarantee that property owners' associations will continue to engage us for property management services. Our customers select us based on parameters such as quality and cost, and we cannot assure you that we will always be able to balance them on favorable terms for both sides.

Even where we succeed in entering into property management service contracts with property owners' associations, we cannot guarantee that they will be renewed upon expiration or will not be terminated prior to expirations for cause. There is no guarantee that we would be able to find other business opportunities and enter into alternative property management service contracts on favorable terms, or at all. Moreover, as both termination and non-renewal 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 within the industry.

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

Under PRC laws and regulations, property developers are typically required to enter into a preliminary property management service agreements for residential properties with a property management company through a tender and bidding process, and may be subject to fines and penalties if tender and bidding processes were not adopted in entering into preliminary property management service agreements.

As of June 30, 2020, we had entered into a limited number of preliminary property management service agreements without going through the required tender and bidding process under PRC laws and regulations and the compulsory requirement of relevant local authorities. As confirmed by our Directors, the lack of a tender and bidding process for these agreements was not due to us but the relevant property developers. As advised by our PRC Legal Advisor, there are no specific laws and regulations in the PRC which set out administrative penalties on property management companies for failing to undergo tender and bidding processes when obtaining preliminary property management service agreements. However, we cannot guarantee that such penalties will not be imposed in the future for our historical or future property management service agreements that do not go through tender and bidding processes, or that such agreements will not be declared invalid by competent judicial or other authorities due to the absence of tender or bidding process. Our results of operations and financial condition may therefore be materially and adversely affected.

Our value-added services may not grow as planned.

We plan to grow our value-added services to both property developers and property owners by expanding our service offerings and customer base. For further information on our value-added services, see "Business—Value-added Services to Non-property Owners" and "Business—Community Value-added Services." However, there is no assurance that we could grow such business as planned, and our related costs incurred may not be recovered. We need to recruit qualified employees with relevant experience to grow our value-added services to property owners and non-property owners. As the market is competitive, there is no assurance that we will be able to recruit sufficient number of qualified employees to support our growth plan. In addition, the development of value-added services also relies on our ability to further tap our existing relationships with property developers and property owners, which requires us to identify their needs in order to introduce services that fit their demands. We cannot guarantee that we will be successful in accurately identify customer needs and in introducing services tailored to such needs. If we fail to attract existing or new property developers and property owners with our value-added services, our results of operations, financial condition and business prospects could be materially and adversely affected.

Increase in labor costs, sub-contracting costs and listing expenses could adversely impact our business and reduce our profitability.

In 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, our labor costs accounted for 74.4%, 72.0%, 75.1%, 76.8% and, 76.7%, respectively, of our total cost of services. During the same periods, our sub-contracting costs represented 8.8%, 9.3%, 9.8%, 5.7% and 8.8%, respectively, of our total cost of services. We face pressure from rising labor and sub-contracting 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 sub-contractors.

- **increases in headcount.** As we expand our operations, the headcount of our property management staff, sales and marketing staff and administrative staff will continue to grow. We will also need to retain and continuously recruit qualified employees to meet our growing demand for talent. Moreover, as we continue to expand our business scale, we will need a growing number of sub-contractors. This increase in headcount also increased 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, service professionalization, procedure standardization and operation automation.** There is a lapse in time between our commencement of property management services for a particular property and any implementation of our management digitalization, service professionalization, 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.

The total listing expenses (including underwriting commissions) for the Listing of the Shares are estimated to be HK$62.8 million (assuming an Offer Price of HK$3.60 per Share, being the mid-point of the indicative Offer Price Range), among which, approximately HK$29.3 million will be charged to our consolidated statements of comprehensive income for the year ending December 31, 2020. RMB13.5 million was charged to the consolidated statement of comprehensive income for the six months ended June 30, 2020. We expect that such expenses may have an adverse impact on our financial results for the year ending December 31, 2020.

We cannot assure you that we will be able to control our 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 fines for failure to register for and/or sufficiently contribute to social insurance and housing provident funds on behalf of some of our employees.

During the Track Record Period, we did not register for and/or make full contributions to social insurance and housing provident funds for certain employees primarily because some of our employees declined to make their social insurance and housing provident fund contributions. See "Business—Employees—Social Insurance and Housing Provident Fund Contributions."

As advised by our PRC Legal Advisor, we may be required by relevant PRC authorities to pay outstanding social insurance contributions by a stipulated deadline, and may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. We may also be subject to a fine of one to three times the amount of the outstanding contributions if we fail to pay. Our PRC Legal Advisor has also advised us that under the relevant PRC laws and regulations, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period, and may be subject to fines, penalties, litigations and compulsory enforcements if we fail to make such payments. If relevant government authorities exercise their enforcement options described above due to our historical or future failure to create accounts and make full contribution to social insurance and housing provident funds on behalf of our employees, our results of operations and financial condition may be materially and adversely affected. See "Business—Legal Proceedings and Compliance—Compliance."

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

We may encounter difficulties in collecting property management fees from property owners or residents 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 or enable us to accurately predict our future collection rate.

Our allowance for impairment of trade receivables amounted to RMB8.4 million, RMB15.7 million, RMB20.6 million and RMB24.7 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. As of 30 June 2020, our collection rate of property management fees, calculated as the percentage of actually collected property management service fees attributable to a period out of total revenue from property management services for the same period, was 90.5%, 95.6%, 87.6% and 63.5%, respectively, in 2017, 2018 and 2019 and the six months ended June 30, 2020. In 2017, 2018 and 2019 and the six months ended June 30, 2020, our trade receivable turnover days of related parties were 210, 112, 89 days and 212 days, respectively, and our trade receivable turnover days of third parties were 57, 75, 88 days and 88 days, respectively. See "Financial Information—Selected Items of the Statements of Financial Position—Trade Receivables." Although our management's estimates and the related assumptions have been made in accordance with information available to us, such estimates or assumptions may need to be adjusted if new information becomes known. See note 22 and note 3.1.2 to the Accountant's Report in Appendix I to this prospectus. 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.

Delays in receiving payments from, or non-payment by property developers, third-party property owners or residents would adversely affect our cash flow position and our ability to meet our working capital requirements.

We have expanded our business through acquisitions, which may fail to yield the desired benefits, leading to goodwill and intangible asset impairments.

The implementation of our acquisition strategy is subject to a number of risks, including (i) failure to identify certain defects in the acquired business during the due diligence process, (ii) failure to integrate the acquired business and relevant personnel into our existing business, (iii) higher costs of integration than we may anticipate, (iv) any delay or failure in realizing the expected benefits of the acquired business, (v) failure to enable the acquired business to deliver the expected synergies, (vi) difficulties in obtaining government and other regulatory approvals, (vii) changes in market circumstances and demands, (viii) diversion of our management's time and attention from other business concerns, and (ix) changes in our cost structure due to acquisitions, such as an increasing portion of subcontracting costs.

We may face difficulties in integrating the acquired operations with our existing business, particularly when integrating their existing workforce with ours. Our ability to integrate the acquired businesses may be affected by a variety of factors. These factors include, but are not limited to, the complexity and size of the acquired business, the risks of operating in new markets, unfamiliarity with new regulatory regimes, differences in corporate cultures, the inability to retain the acquired business's personnel, as well as additional hidden costs associated with the acquisition. As a result, we cannot assure you that our acquisitions would achieve our desired strategic objectives or the expected return on investment.

We recorded intangible assets, net of accumulated amortization, in the amount of nil, RMB0.7 million, RMB35.7 million and RMB33.9 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. During the Track Record Period, our intangible assets comprise property management contracts and goodwill and were in connection with our acquisitions of Hangzhou Minan in November 2018, Jiaxing Xingzhou in January 2019 and Hunan Huaguan in December 2019. We apply impairment test for our goodwill, which primarily resulted from our acquired business, on an annual basis and recognize impairment of goodwill when necessary. If we fail to integrate acquired businesses into our existing operations, which may also cause us to record impairment losses to our goodwill or fail to identify suitable acquisition target in the future, our business may be materially and adversely affected.

We may not be able to fulfil our obligation in respect of the contract liabilities which may have impact on our cash position.

Our contract liabilities mainly represent property management fees received upfront as of the beginning of a billing cycle but not recognized as revenue. See "Financial Information—Selected Items of the Statements of Financial Position—Contract Liabilities."

We may fail to fulfill our obligations under our contracts with customers for various reasons within or beyond our control. For example, property owners may not be satisfied with our services during the contract period, and decide not to make the upfront property management fee payments going forward. If so, we may be terminated by our customers including the property developer or property owners' associations for quality or other reasons, which may require us to refund the cash we have received upfront, which could materially adversely affect our cash position.

We may be subject to administrative penalties as we have not registered all of our lease agreements with housing administration authorities.

Pursuant to applicable PRC laws and regulations, lease agreements must be registered with housing administration authorities. As of June 30, 2020, we had not registered the lease agreements for all of our three leased properties with the local housing administration authorities as required under PRC law, primarily due to lack of cooperation from our landlords in registering the relevant lease agreements which was beyond our control. Our PRC Legal Advisor has advised us that we might be ordered to rectify this failure to register by competent authorities and if we fail to rectify within a prescribed period, a penalty of RMB1,000 to RMB10,000 per agreement may be imposed as a result. As of the Latest Practicable Date, 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 PRC Legal Advisor has also advised us that the failure to register the lease agreements would not affect the validity of the lease agreements. In the event that our leases are challenged by third parties, we intend to find alternative locations nearby and relocate. We may incur additional relocation costs and cannot assure you that we will be able to find alternative locations in a timely or effective manner.

We may require additional cash resources to finance our continued growth, which may require additional funding.

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. 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 to 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.

Our historical results may not be indicative of our future prospects and results of operations.

Although we experienced fast revenue and profit growth during the Track Record Period, we cannot assure you that we can sustain such growth in the future. Estimates and plans for future business growth is based on our predictions of market prospects, which we cannot guarantee will always be correct. Our expansion plans may also be affected by a number of factors beyond our control, including changes in the economic condition of the PRC in general, per capita disposable income of residents in the PRC, changes in the real estate market and the property management market, changes in government regulations, changes in supply and demand for our services, as well as availability of suitable and proficient property managers and third-party service providers for our expansion efforts. Historical changes of these factors may not be indicative of their future developments, and therefore their historical impacts on our business operations may not serve as reliable indicators of our future business expansion and operations.

In terms of our future financial performance, our profitability depends partially on our ability to control costs and operating expenses, which may increase as our business expands. There is no guarantee that we will continue to be able to increase the number of our property management service contracts or total GFA under management as they did during the Track Record Period, nor that we will be able to succeed in our business development efforts going forward. Moreover, we will continue to face challenges related to rising labor and sub-contracting costs and intensive competition for employees and business opportunities. The effects of changing regulatory, economic or other factors beyond our control as discussed above may also have material adverse effects on our financial performance in addition to our business operations. We might not be able to enjoy economies of scale from our future geographical expansion if we expand beyond regions where we currently operate in, which, among other factors, could adversely affect our results of operations, and in particular, our gross profit margin. Thus, investors should not rely on our historical results of operations to predict our future financial performance.

We rely on third-party sub-contractors to perform certain property management services.

During the Track Record Period, we delegated certain property management services, primarily including waste cleaning, gardening, elevator and fire extinguishing system maintenance services, to third-party sub-contractors. In 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, sub-contracting costs amounted to approximately RMB14.4 million, RMB23.5 million, RMB33.9 million, RMB9.1 million and RMB17.1 million, respectively, accounting for approximately 8.8%, 9.3%, 9.8%, 5.7% and 8.8% of our total cost of services, respectively. 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. As a result, we may have disputes with our sub-contractors, or may be held responsible for their actions, either of which could lead to damages to our reputation, additional expenses and business disruptions and potentially expose us to litigations and damage claims.

We cannot assure you that upon the expiration of our agreements with our current third-party sub-contractors 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 sub-contractors fail to maintain a stable and qualified staff, or if their staff to fails to perform their obligations properly or in a timely manner, the work process may be interrupted, potentially resulting in breach of contracts between our customers and us, which could materially and adversely affect our service quality, our reputation, as well as our business, financial position and results of operations.

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

Accidents may occur in the ordinary course of our business. Hence, we are exposed to risks in relation to work safety, including but not limited to claims for injuries, fatalities or otherwise, sustained by our employees or sub-contractors, which may also damage our reputation within the property management industry. We may also experience business disruptions and be required to implement additional safety measures or modify our business model because of governmental or other investigations. 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 sub-contractors' negligence or recklessness when performing repair and maintenance services. We may be held liable for the injuries or deaths of employees, sub-contractors, residents or others. We may also experience interruptions to our business and may be required to change the manner in which we operate because of governmental investigations or the implementation of safety measures upon occurrence of accidents. Any of the foregoing could adversely affect our reputation, business, financial position and results of operations.

We operate a highly competitive business and may not compete successfully against existing and new competitors.

The PRC property management industry is highly competitive and fragmented. See "Industry Overview—Competition Landscape—Overview and Competition Landscape." 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 business scale, brand recognition, financial resources, price and service quality. 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 expertize in management and human resources and greater financial, technical, and public relations resources 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 on-site 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. If we do not compete successfully against existing and new competitors, our business, financial position, results of operations and prospects may be materially and adversely affected.

Furthermore, we may lose property developer clients who decide to enter into the property management business themselves, which will also intensify competition in the market. 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 materially and adversely affected.

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 RMB3.6 million, RMB7.7 million, RMB11.3 million and RMB13.4 million, respectively, as of December 31, 2017, 2018 and 2019 and June 30, 2020. We periodically assess the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. In particular, deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized. However, there is no assurance that our expectation of future earnings could 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.

We had negative operating cash flow in 2017, and net current liabilities and net liabilities as of December 31, 2017, which could expose us to liquidity risks.

We had negative cash flow from operating activities of approximately RMB3.4 million in 2017, primarily as a result of the increase in our trade and other receivables mainly because of our business growth and the advance to related parties. See "—Selected Items of the Statements of Financial Position—Other Receivables" for further discussions. Such cash outflows may not always be completely offset by proceeds received from our property management services and other services and bank loans. As a result, there could be a period during which we experience net cash outflow. Although we seek to effectively manage our working capital, we cannot assure you that we will be able to match the timing and amounts of our cash inflows with the timing and amounts of our payment obligations and other cash outflows.

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 sufficient additional financing to meet out financing needs and obligations and to support our operations or expansion plans. In the event that we are unable to generate sufficient cash flow for our operations or otherwise unable to obtain sufficient external funds to finance our business, our liquidity and financial condition may be materially adversely affected and we may not be able to expand our business. We cannot assure you that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities, we will incur additional financing costs, and we cannot guarantee 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 (used in)/generated from operating activities."

As of December 31, 2017, we recorded net current liabilities of RMB15.0 million, primarily because we paid RMB75.0 million in 2017 to acquire 75% equity interests in Dongyuan Investment. As such, we recorded a net current liability position as of December 31, 2017, which could expose us to liquidity risks. As of December 31, 2017, we recorded net liabilities of RMB4.1 million, primarily because of the RMB75.0 million we paid in 2017 for acquisition of 75% equity interests in Dongyuan Investment, which was treated as a deemed distribution to Mr. Shum. See "Financial Information—Current Assets and Current Liabilities" in this prospectus. Also, see note 25 to the Accountant's Report in Appendix I to this prospectus for a detailed discussion. We cannot assure you that we will not experience net current liabilities or net liabilities in the future. Our future liquidity, the payment of trade and other payables and repayment of debt financing will primarily depend on our ability to generate adequate cash inflows from our operating activities. If we are unable to maintain sufficient working capital, our business, financial position, results of operation and prospects would be materially and adversely affected.

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

In 2017, 2018 and 2019 and the six months ended June 30, 2020, our property management service revenue on the commission basis accounted for 0.2%, 0.3%, 0.4% and 0.4%, respectively, of our total revenue from property management services. Under the commission basis, we essentially act as an agent helping property owners and residents coordinate and monitor service providers of various property management services. Management estimation is required to determine whether the management offices have the ability to settle the payments on behalf of residents. We take into consideration a number of indicators to determine whether there is any objective evidence of impairment loss on receivables from property owners and residents, including, among others, subsequent settlement status, historical write-off experience and management fee collection rate of the residents in estimating the future cash flows from the receivables.

Although our management's estimation or the related assumptions have been made in accordance with currently available information, such estimation or assumptions may need to be adjusted if new information becomes known. In the event that the actual recoverability is lower than expected, or that our past allowance on bad debt becomes 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 may be unable to collect payments on water, electricity and heating which we made on behalf of property owners and residents.

Under our utility fee collection services, we pay charges for water, electricity and heating on behalf of property owners and residents in certain residential communities. Residential communities situated in the northern region of China generate heating charges as distinguished from electricity charges in the colder seasons of the year, when central heating is turned on regionally as part of the national infrastructure. We prepay utility bills for our property owners and residents free of charge on their behalf. However, we cannot assure you that property owners and residents will pay us the utility fees which we prepaid on their behalf in a timely manner, in full, or at all, which could have an adverse impact on our liquidity position and results of operations.

Interruptions and security risks to our IT systems, failure to upgrade our management systems, and risks related to third-party online payment platforms may result in disruption of our operations.

We rely on our information technology systems to manage key operational functions such as processing financial data and facilitating communications. To facilitate our business development, we need to continuously maintain and upgrade our systems to meet evolving requirements of our operations and customer needs and preferences. However, we may fail to upgrade our information technology systems according to customer needs and market demands. Moreover, we cannot assure you that damages or interruptions caused by power outages, computer viruses, hardware and software failures, telecommunication failures, fires, natural disasters, security breaches and other similar occurrences relating to our information systems will not occur going forward. We may incur significant costs in restoring any damaged information technology systems. Failures in or disruptions to our information technology systems and loss or leakage of confidential information could cause transaction errors, processing inefficiencies and the loss of customers and sales. We may thus experience adverse effects on our business and results of operations.

We accept payments via various methods, including but not limited to online payments through third-party platforms such as WeChat 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 providers of our third-party platforms. In the event that the security and integrity of these third-party platforms are compromised, we may experience material adverse effects on our ability to process property management fees.

We may also be perceived as partially responsible for failures to secure personal information and be subject to claims alleging possible liability brought by our customers. Such legal proceedings may 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; such measures may increase our compliance and operational costs, for example by requiring that we pay higher transaction fees.

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

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

Under the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), network operators are generally obligated to protect their networks against disruption, damage or unauthorized access, and to prevent data leakage, theft or tampering. In addition, they will also be subject to specific rules depending on their classification under the multi-level network security protection scheme. With respect to personal information protection, the Cyber Security Law requires network operators not to disclose, tamper with or damage personal information collected or generated in the business operation, and they are obligated to delete unlawfully collected information and to amend incorrect information. In addition, network operators may not collect, use or provide personal information to others without consent. Moreover, the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》) is the specialized regulation governing the collection and use of personal information of users in the provision of telecommunication service and Internet information services. These laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. The evolving PRC regulations regarding (i) data collection, usage and transfer; and (ii) cyber security may lead to future restrictions and the establishment of new regulatory agencies, and we may bear more legal responsibilities and compliance costs, which may have an adverse effect on our prospects. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our reputation and brands could be severely damaged and we could incur significant liability, and our business, financial condition and results of operations could be adversely affected.

Damage to the communal areas of our managed properties 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 or intentional damage. Although PRC law mandates that each residential community establish a special fund to pay the repair and maintenance costs of communal areas, there is 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 criminal actions that may have been involved.

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 may have to compensate for the difference with our own resources first. We would need to collect the amount of the shortfall from the property owners or residents later. To the extent that our attempts are unsuccessful, we may experience material adverse effects on our business, financial position and results of operations. As we intend to continue growing our business, the likelihood of such occurrences may rise in proportion to any increases in the number of our managed properties.

The communal areas of the communities we manage, such as the lobby, hallway, outdoor open space, stairway, car park, elevator shaft and equipment room, may be damaged or impacted in a variety of ways that are out of our control, including but not limited to natural disasters, residents' intended or unintended actions, and epidemics, such as severe acute respiratory syndrome.

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. For example, certain areas where we operate may be located on earthquake belt or may be subject to typhoons. Although none of our assets, business, results of operations and financial positions were materiality affected during the Track Record Period, we continue to be exposed to such risks that a material number of the properties may suffer damage due to reasons such as natural disasters, epidemics and residents' intended or unintended actions.

Negative publicity, including adverse information on the internet, about us, our Shareholders and affiliates, our brand and 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, 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, and we cannot assure you that other types of negative publicity will not arise in the future. 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 such as WeChat and Weibo. Our sub-contractors may also become the subject of negative publicity for various reasons, such as customer complaints about the quality of their services. In the long term, if such negative publicity about us, our Shareholders and affiliates, our brand, 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, and our business, financial position, results of operation and prospects would be materially and adversely affected.

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

We are exposed to fraud or other misconduct committed by our employees, sub-contractors, 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, if a customer subcontracted a project to us for property management which constitutes its non-compliance, the contract may be deemed void, which may cause us to make compensation and incur losses, such misconduct may 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. Further, it is not always possible to detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective. There will therefore continue to be the risk that fraud and other misconduct may occur, including negative publicity as a result, which may have an adverse effect on our business, reputation, financial position and results of operations.

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 and industry expertize, 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 expertize, connections and full 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 aspects of our business, including corporate management and property management personnel. If we are unable to attract and retain these qualified personnel, our growth may be limited and our business, financial position and operating results could be materially and adversely affected.

We may be involved in intellectual property disputes and claims.

We currently hold a number of trademarks and a domain name and have filed various applications in China for protection of certain aspects of our intellectual property. We rely on and expect to continue to rely on a combination of confidentiality and license agreements, as well as trademark and domain name protection laws, to protect our proprietary rights. See "Business—Intellectual Property." 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. To our knowledge, the relevant authorities in the PRC historically have not protected intellectual property rights to the same extent as most developed countries. 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 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 determination, 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 within 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 for outstanding honors and awards.

Our government grants amounted to RMB0.5 million, RMB0.2 million, RMB0.6 million and RMB2.3 million in 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively. Tax benefits and government grants fluctuated during the Track Record Period because such benefits and grants were subject to the sole discretion of the relevant government authorities. 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.

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

We cannot assure 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. 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."

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.

We may, from time to time, be involved in disputes with and subject to claims by property developers, property owners and residents as well as local property management companies, to whom we provide property management services. Disputes may also arise if they are dissatisfied with our services. In addition, property owners or residents may take legal action against us if they perceive that our services are inconsistent with our 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 our third-party sub-contractors, suppliers and employees, or other third parties who sustain injuries or damages while visiting properties under our management. 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 may be subject to administrative penalties if we fail to comply with applicable regulations and requirements such as on fire and safety systems at our managed properties. For instance, under relevant PRC laws and regulations, property management service providers are obligated to file for the inspection of elevators with relevant government authorities timely. However, if we fail to comply with applicable regulations in the future, we may be subject to administrative fines or other penalties, and our business and results of operations may be adversely affected.

We are susceptible to changes in the regulatory landscape of the PRC property management industry.

We seek to comply with the regulatory regime of the property management service industry in conducting our business operations. In particular, the PRC Government promulgates new laws and regulations relating to property management fees from time to time. In December 2014, the NDRC issued the Circular of NDRC on the Opinions on Relaxing Price Controls in Certain Services (國家發展改革委關於放開部分服務價格意見的通知) (發改價格[2014]2755號), which requires the relevant provincial authorities to abolish all price control policies in relation to residential properties with certain exceptions. Property management fees for indemnificatory housing, housing-reform properties and properties in old residential areas and management fees under preliminary property management service contracts remain subject to price guidance imposed by provincial level price administration departments and the administrative departments of housing and urban-rural development. See "Regulatory Overview—Laws and Regulations Relating to Property Management Services and Other Related Services—Fees Charged by Property Management Enterprises." We expect that price controls on residential properties will be relaxed over time. For now, our property management fees will continue to be subject to price controls until the relevant authorities pass local regulations to implement the Circular. However, we cannot assure you that the PRC Government may not reverse its policy and re-impose limits on property management fees. In the event that it imposes limits on property management fees, we may see diminished profit margins as our labor, subcontracting and other costs increase. We cannot assure you that we would be able to respond to such changes timely and effectively by implementing our cost-saving measures, nor that we would be able to pass any additional costs to our customers. The PRC Government may also promulgate new laws and regulations related to other aspects of our industry. This could increase our compliance and operational costs, thereby materially and adversely affecting our business, financial condition and results of operations.

Given the stringent governmental regulations on property management fees, together with the difficulties we may face in obtaining the requisite votes at property owners' meetings, it may be impracticable to collect additional property management fees. 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 on behalf of the residents.

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

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

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

The PRC government has implemented a series of measures with a view to controlling the growth of the economy in recent years. In particular, the PRC government has continued to introduce 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 charged interest on advances made to other parties during the Track Record Period.

During the Track Record Period, we had interest income from amounts due from related parties in relation to our advances to Taizhou Heyuan Real Estate Co., Ltd. ("**Taizhou Heyuan**") in 2016 with a principal amount of RMB94.0 million and an annual interest rate of 7.5% which was due and fully settled in April 2017. We also had a one-off interest income of RMB1.2 million on advance to a third-party supplier of Jiayuan International Group with a principal amount of approximately RMB37.3 million and an annual interest rate of 4.35% which was fully settled in January 2020.

Pursuant to Article 61 of the General Lending Provisions (貸款通則) issued by the PBOC, financing arrangements or lending transactions between non-financial institutions are prohibited. Further, pursuant to Article 73 of the General Lending Provisions, the PBOC may impose on the non-compliant lender a fine of one to five times the income received by the lender from such loans. Notwithstanding the General Lending Provisions, the Supreme People's Court has made new interpretations concerning financing arrangements and lending transactions between non-financial institutions in the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (最高人民法院關於審理民間借貸案件適用法律若干問題的規定) (the "**Judicial Interpretations on Private Lending Cases**") which came into effect on September 1, 2015 and was amended on August 20, 2020. According to Article 11 of the Judicial Interpretations on Private Lending Cases, the Supreme People's Court recognizes the validity and legality of financing arrangements and lending transactions between non-financial institutions so long as certain requirements, such as the interest rates charged, are satisfied. Within two years from the date of settlement of the abovementioned borrowing and up to the Latest Practicable Date, we did not receive any penalties, investigation or notice from relevant competent authorities in relation to such borrowings between related parties. Our Directors confirm that our Group will not enter into similar financing arrangement with related parties and/or non-financing institutional third parties in the future. On such basis, our PRC Legal Advisor is of the view that (i) such loans were legally binding on the related parties or third parties; and (ii) the risk of us being penalized for the above mentioned borrowing is low. However, in the event that we are ordered by the PBOC to pay the penalties, our financial condition and results of operations will be adversely affected.

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 condition and results of operations may be adversely affected.

Any inability to comply with our environmental responsibilities may subject us to liability.

We are subject to various laws and regulations related to environmental protection in the PRC, which may become increasingly stringent going forward. For example, an increasing number of cities in the PRC have implemented garbage sorting regulations which impose fines on property management companies for failure to comply with the relevant sorting standards. In addition, awareness of environmental issues in the PRC has been growing. As a result, we may be expected to comply with higher and stricter standards than provided in prevailing environmental laws and regulations in order to maintain positive reputation and brand image. If we are unable to comply with existing or future environmental laws and regulations or are unable to meet public expectations in relations to environmental issues, we may be required to pay fines and penalties, and our reputation may be damaged. We may also be required to invest financial and managerial resources to implement remedial measures. Any of the above could materially and adversely affect our business operations, results of operations and financial condition.

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 Jiaxing. 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. Before its adoption of reform and open-door policies beginning in 1978, China was primarily a planned economy. Since then, the PRC economy has been transitioning to become a market economy with socialist characteristics.

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

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

China's economic growth may also slow down due to weakened exports as well as recent developments surrounding the trade war with the United States. In 2018, the United States government, under the administration of President Donald J. Trump, imposed several rounds of tariffs on various categories of imports from China, and China responded with similarly sized tariffs on U.S. products in retaliation. The trade war escalated in May 2019, when the United States increased tariffs on US$200 billion worth of Chinese products from 10% to 25%, and China increased tariffs on US$60 billion worth of U.S. goods in response. Moreover, since May 2019, the United States has banned six Chinese technology firms from exporting certain sensitive U.S. goods. In August 2019, the U.S. Treasury declared China a currency manipulator. On September 1, 2019, the U.S. implemented further tariffs on more than US$125 billion worth of Chinese goods. On September 2, 2019, China lodged a complaint in the World Trade Organization against the U.S. over the import tariffs. The rhetoric surrounding the trade war has continued to escalate, and trade negotiations between the two governments, even though ongoing, have not yielded breakthroughs. The amicable resolution of the trade war remains elusive, and the lasting impact it may have on China's economy and the industries in which our Company operate remains uncertain.

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

The exchange rate of the Renminbi fluctuates against the Hong Kong dollar, U.S. dollar and other foreign currencies and is affected by, among other factors, the policies of the PRC Government and changes in international and domestic political and economic conditions. In light of the trend towards Renminbi internationalization, the PRC Government may announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar, U.S. dollar or other foreign currencies.

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 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 precedent. The PRC Government has been developing a commercial law system, and has made significant progress in promulgating laws and regulations related to economic affairs and matters, such as corporate organization and governance, foreign investments, commerce, taxation and trade.

However, many of these laws and regulations are relatively new. 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. 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 Cayman Islands. All of our assets are located in China and 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 within 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.

In addition, on July 14, 2006, China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "**Arrangement**"). Pursuant to the Arrangement, a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between the parties after the effective date of the arrangement in which a Hong Kong or PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in China if the parties in dispute do not agree to enter into a choice of court agreement in writing. It may be difficult or impossible for investors to enforce a Hong Kong court judgment against our assets or our Directors or senior management in China.

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.

SAT released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) ("**Circular 82**") on April 22, 2009 (which was amended on December 29, 2017) setting out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of China and controlled by PRC enterprises or PRC enterprise groups is located within China. Under Circular 82, a foreign enterprise controlled by a PRC enterprise or a PRC enterprise group is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily business operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within China; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within China. In addition, Circular 82 also requires that the determination of "de facto management body" shall be based on the principle that substance is more important than form. Further to Circular 82, SAT issued the Chinese-Controlled Offshore Incorporated Resident Enterprises Income Tax Regulation (Trial Implementation) (境外註冊中資控股居民企業所得稅管理辦法(試行)) (the "**Bulletin 45**"), which took effect on September 1, 2011 and amended on June 1, 2015, June 28, 2016 and June 15, 2018 to provide more guidance on the implementation of Circular 82 and clarify the reporting and filing obligations of such "Chinese-controlled offshore incorporated resident enterprises." Bulletin 45 provides procedures and administrative details for the determination of resident status and administration of post-determination matters. Although Circular 82 and Bulletin 45 explicitly provide that the above standards apply to enterprises which are registered outside of China and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect SAT's criteria for determining the tax residence of foreign enterprises in general. 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 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.

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

RISKS RELATING TO THE GLOBAL OFFERING

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

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

We have applied to list and deal in our Shares on the Stock Exchange. However, even if approved, there can be no guarantee that: (i) an active or liquid trading market for our Shares will develop; or (ii) if such a trading market does develop, it will be sustained following 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 cooperation 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 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 are currently subject to certain lock-up undertakings, the details of which are set out in "Underwriting—Underwriting Arrangements and Expenses" in this prospectus. However, there is no assurance that following the expiration of the lock-up periods, these Shareholders will not dispose of any Shares. We cannot predict the effect of any future sales of the Shares by any of our Shareholders on the market price of our Shares.

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

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

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

Immediately upon completion of the Spin-off, and assuming no exercise of the Over-allotment Option, our Controlling Shareholders will directly or indirectly control the exercise of 75% 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 December 2, 2020. However, our Shares will not commence trading on the Stock Exchange until the Listing Date, which is expected to be December 9, 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 China, the PRC economy and our relevant industries contained in this prospectus.

Certain facts, forecasts and statistics in this prospectus relating to China, the PRC economy and industries relevant to us were obtained from information provided or published by PRC Government agencies, independent research institutions or other third-party sources, and we can guarantee neither the quality nor reliability of such source materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters or any of its 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 publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

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.

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 IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules. We have applied for a waiver from strict compliance with Rule 8.12 of the Listing Rules primarily on the basis that, as our headquarters and principal business operations are located in the PRC, our management is best able to attend to its function by being based in the PRC. We have applied to the Stock Exchange for, and the Stock Exchange has granted us a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to, among others, the following conditions:

(1) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, Ms. Mu Liyuan, our executive Director, and Mr. Chan Yu Hin, our company secretary, who will act as our Company's principal channel of communication with the Stock Exchange. Mr. Chan Yu Hin is an 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 our authorized representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company has been registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance and Mr. Chan Yu Hin has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;

(2) both our authorized representatives have means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors 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. Each of our Directors has provided his/her office phone number, mobile phone number, fax number and/or email address 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. Each of our Directors and the authorized representatives has also provided his/her office phone number, mobile number, fax number and/or email address to the Stock Exchange;

(3) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Rainbow Capital (HK) Limited as our compliance advisor, which will have 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

(4) 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.

CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted us waivers from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “Connected Transactions – (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders’ Approval Requirement”; and (ii) the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “Connected Transactions – (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements.” See “Connected Transactions” in this prospectus for details.

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 (WUMP) 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 to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this prospectus or any statement herein misleading.

THIS HONG KONG PUBLIC OFFERING AND THE PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering. See "How to Apply for Hong Kong Offer Shares and Reserved Shares" and the Application Forms for details of the procedures for applying for the Hong Kong Offer Shares and Reserved Shares.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and conditions set out herein and therein. No person has been authorized to give any information or make any representations other than those contained in this prospectus and the Application Forms and, if given or made, such information or representations must not be relied on as having been authorized by us, the Joint Sponsors, the Joint Representatives, Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their affiliates or any of their respective directors, officers, employees, agents, advisors or any other person or party involved in the Global Offering.

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

STRUCTURE OF THE GLOBAL OFFERING AND UNDERWRITING

See "Structure and Conditions of the Global Offering" for details of the structure of the Global Offering, including its conditions and the arrangements relating to the Over-allotment Option and stabilization.

The Listing is sponsored by the Joint Sponsors. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement. The International Underwriting Agreement relating to the International Offering is expected to be entered into on or around the Price Determination Date, subject to agreement on the Offer Price between the Joint Representatives (for themselves and on behalf of the Underwriters) and us. The Global Offering is managed by the Joint Representatives. If, for any reason, the Offer Price is not agreed on or before December 4, 2020, the Global Offering will not proceed and will lapse. See "Underwriting" for details of the Underwriters and the underwriting arrangements.

RESTRICTIONS ON OFFER OF THE OFFER SHARES

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

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus and/or the Application Forms may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and/or the Application Forms and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdiction pursuant to registration with or an authorisation by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been publicly offered and sold, directly or indirectly, in the PRC or the United States.

Prospective applicants for the Offer Shares should consult their financial advisers and seek legal advice, as appropriate, to inform themselves of, and to observe, all applicable laws, rules and regulations of any relevant jurisdiction. Prospective applicants for the Offer Shares should also inform themselves as to the relevant legal requirements and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

Our Company has applied to the Listing Committee for the granting of the approval for the listing of, and permission to deal in the Shares in issue and to be issued pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option). Dealings in the Shares on the Stock Exchange are expected to commence on Wednesday, December 9, 2020. The Shares will be traded in board lots of 1,000 Shares each. The stock code of the Shares will be 1153.

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

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the Stock Exchange granting the approval for the listing of, and permission to deal in, our Shares on the Stock Exchange and the compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All necessary arrangements have been made for the Shares to be admitted into CCASS. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. You should seek the advice of your stockbroker or other professional adviser for details of those settlement arrangements as such arrangements will affect your rights and interests.

HONG KONG SHARE REGISTER AND STAMP DUTY

All Shares issued by us pursuant to applications made in the Hong Kong Public Offering will be registered on our register of members to be maintained by our Hong Kong Branch Share Registrar, Tricor Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by our principal registrar, Conyers Trust Company (Cayman) Limited, in the Cayman Islands. Only Shares registered on our Company's register of members in Hong Kong may be traded on the Stock Exchange.

No stamp duty is payable by applicants in the Global Offering.

Dealings in our Shares registered on our Company's register of members in Hong Kong will be subject to Hong Kong stamp duty.

PROFESSIONAL TAX ADVICE RECOMMENDED

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

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain RMB amounts into Hong Kong dollars at a specified rate. Unless we indicate otherwise, the translations of RMB into Hong Kong dollars and vice versa have been made at the rate of RMB1.00 to HK$1.1786 in this prospectus.

No representation is made that any amount in RMB or Hong Kong dollars can be or could be, or have been, converted at the above rate or any other rate or at all.

CSRC APPROVAL AND OTHER RELEVANT 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.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and its Chinese translation, the English version of this prospectus shall prevail. For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

ROUNDING

In this prospectus, where information is presented in hundreds, thousands, ten thousands, millions, hundred millions or billions, certain amounts of less than one hundred, one thousand, ten thousand, one million, a hundred million or a billion, as the case may be, have been rounded to the nearest hundred, thousand, ten thousand, million, hundred million or billion, respectively. Unless otherwise stated, all the numerical figures are rounded to one decimal place. 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. Zhu Hongge (朱宏戈)	Room 2, Building 10 New Oriental Garden Nanhu District Jiaxing Zhejiang Province PRC	Chinese
Ms. Mu Liyuan (牟立園)	Room 1212, Building 12 Fengqing Yundu Community Yuexiu North Road Nanhu District Jiaxing Zhejiang Province PRC	Chinese
Non-executive Directors		
Mr. Huang Fuqing (黃福清)	Room 301, Unit A, Block No. 12 Hongmei Holiday Garden Tianning District Changzhou Jiangsu Province PRC	Chinese
Mr. Pang Bo (龐博)	Room 303, Block 3, Nanxiu Garden Nanhu District Jiaxing Zhejiang Province PRC	Chinese
Independent Non-executive Directors		
Ms. Liang Yunxu (梁蘊旭)	No. 28A, Hanlin Fudi Fang Gong Road Jiaxing Zhejiang Province PRC	Chinese

Mr. Wang Huimin (王惠敏)	Room 306, 3/F, Block 3 No. 40 South Street Zhongguancun Haidian District Beijing PRC	Chinese
Mr. Wong Kwok Yin (王國賢)	Flat D, 23/F, Tower 9 The Long Beach Hoi Fai Road Tai Kok Tsui Kowloon Hong Kong	Chinese

See "Directors and Senior Management" in this prospectus for further details of our Directors.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**Haitong International Capital Limited** 8th Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
	Guotai Junan Capital Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Joint Representatives, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	**Haitong International Securities Company Limited** 22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
	Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	**CCB International Capital Limited** 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	SPDB International Capital Limited 33/F, SPD Bank Tower One Hennessy, 1 Hennessy Road Hong Kong
	Valuable Capital Limited Room 2808, 28th Floor China Merchants Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong

Harmonia Capital Limited
Unit 2505, 25/F, Cosco Tower
183 Queen's Road Central
Hong Kong

Joint Bookrunners and Joint Lead Managers

BOCOM International Securities Limited
9/F, Man Yee Building
68 Des Voeux Road Central
Hong Kong

ABCI Capital Limited
(in the capacity as a Joint Bookrunner)
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

ABCI Securities Company Limited
(in the capacity as a Joint Lead Manager)
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Zhongrong PT Securities Limited
Rm 201A, 2/F China Building
29 Queen's Road, Central
Hong Kong

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

CSFG International Securities Limited
Room 701, 7/F Southland Building
48 Connaught Road Central
Hong Kong

Soochow Securities International Brokerage Limited
Level 17, Three Pacific Place
1 Queen's Road East
Hong Kong

Glory Sun Securities Limited
18/F Wing On Centre
111 Connaught Road Central
Sheung Wan, Hong Kong

Zhongtai International Securities Limited
19th Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

CRIC Securities Company Limited
Room 2007 & 2403, Great Eagle Centre
23 Harbour Road, Wan Chai
Hong Kong

Futu Securities International (Hong Kong) Limited
Unit C1-2 13/F, United Centre
No.95 Queensway, Admiralty
Hong Kong

Fortune (HK) Securities Limited
43/F Cosco Tower
183 Queen's Road Central
Hong Kong

Seazen Resources Securities Limited
Unit 4503-07, 45/F, The Center
99 Queen's Road Central, Central
Hong Kong

Joint Lead Managers

Vision Capital International Holdings Limited
Room A01-A02, 11/F.
Grand Millennium Plaza
181 Queen's Road Central
Sheung Wan, Hong Kong

SBI China Capital Financial Services Limited
4/F, Henley Building
No.5 Queen's Road Central
Hong Kong

Legal advisors to our Company

As to Hong Kong law:
Sidley Austin
Level 39
Two International Finance Centre
8 Finance Street
Central
Hong Kong

As to PRC law:
Jingtian & Gongcheng
45/F, K. Wah Centre
1010 Huaihai Road (M)
Xuhui District
Shanghai
China

As to PRC law for tax matters:
Beijing Yingke Law Firm (Shanghai Office)
15-16/F Inter Continental Business Center
100 Yutong Road
Shanghai
China

As to Cayman Islands law:
Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Legal advisors to the Joint Sponsors and the Underwriters

As to Hong Kong law:
Deacons
5th Floor, Alexandra House
18 Chater Road Central
Hong Kong

As to PRC law:
Beijing Yingke Law Firm (Jiaxing Office)
22/F, A Financial Square
1818 Zuili Road
Nanhu District
Jiaxing
China

Auditor and reporting accountant

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

Compliance advisor	**Rainbow Capital (HK) Limited** Room 5B, 12/F Tung Ning Building No. 2 Hillier Street Sheung Wan Hong Kong
Industry consultant	**China Index Academy** Tower A No. 20 Guogongzhuang Middle Street Fengtai District Beijing PRC
Receiving bank	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and principal place of business in the PRC	Floor 3, Rome Metropolis No. 899, Wanghu Road Nanhu District Jiaxing Zhejiang Province PRC
Principal place of business in Hong Kong	Room 1403 9 Queen's Road Central Hong Kong
Company's website	**http://jy-fw.cn** *(The information on this website does not form part of this prospectus)*
Company secretary	Mr. Chan Yu Hin (陳宇軒) *(HKICPA)*
Authorized representatives	Ms. Mu Liyuan (牟立園) Room 1212, Building 12 Fengqing Yundu Community Yuexiu North Road Nanhu District Jiaxing Zhejiang Province PRC Mr. Chan Yu Hin (陳宇軒) Room 1403 9 Queen's Road Central Hong Kong
Audit Committee	Mr. Wong Kwok Yin (Chairperson) Ms. Liang Yunxu Mr. Wang Huimin

Remuneration Committee	Ms. Liang Yunxu (Chairperson) Mr. Wang Huimin Mr. Pang Bo
Nomination Committee	Mr. Zhu Hongge (Chairperson) Mr. Wong Kwok Yin Ms. Liang Yunxu
Principal Share Registrar and transfer office	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong Branch Share Registrar	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Principal banks	**Industrial and Commercial Bank of China** Nanhu Sub-branch No. 819 Guangyi Road Nanhu, Jiaxing Zhejiang Province PRC **China Construction Bank** Nanhu New District Sub-branch Shop 1, Building 2, Kaixuan Shopping Mall Paris Metropolitan Residential Area Ling Gong Tang Road Nanhu, Jiaxing Zhejiang Province PRC **Bank of China** Jiaxing Sub-branch No. 218 Zhongshan East Road Nanhu, Jiaxing Zhejiang Province PRC

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

BACKGROUND AND METHODOLOGIES OF CIA

We purchased the right to use and quote various data from publications by CIA at a total cost of RMB800,000. Established in 1994, CIA is an independent property research organization in China with over 500 analysts. With 16 branches, it covers more than 600 cities across the five regions of Northern, Eastern, Southern, Central and Southwestern China. CIA has extensive experience researching and tracking the PRC property management industry, and has conducted research on the Top 100 Property Management Companies since 2008. In conducting its research, CIA primarily considers property management companies that have managed at least ten properties or an aggregate GFA of 500,000 sq.m. or above for the previous three years. CIA uses research parameters and assumptions and gathers data from multiple primary and secondary sources, including reported statistics from property management companies, websites and marketing materials, surveys, data from the China Real Estate Index System, the China Real Estate Statistics Yearbooks, public data from governmental authorities and data gathered for reports that it has previously published. In addition, each year CIA publishes the Top 100 Property Management Companies ranking PRC 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. CIA may assign the same ranking to multiple companies with the same or very close scores, and therefore more than 100 companies may be classified as being among the top 100 in the industry. CIA may, upon specific request, prepare further rankings within the Top 100 Property Management Companies for certain indices. 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 Statistics Bureaus are accurate; and (iv) all collected information relating to residential sales transactions from the relevant local housing administrative bureaus are accurate.

THE PRC PROPERTY MANAGEMENT INDUSTRY

Overview

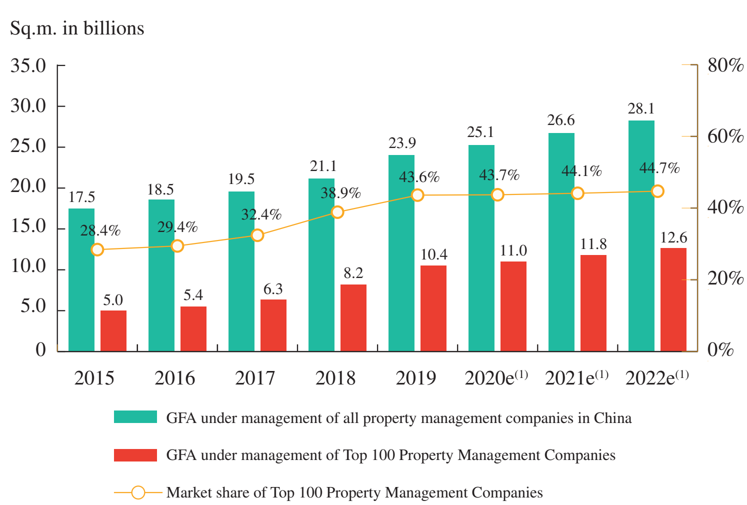
The history of the PRC property management industry can be traced back to the early 1980s with the establishment of the first property management company in China. Since then, the PRC Government has sought to construct a regulatory framework for the PRC property management industry in parallel to its growth. According to CIA, the first of these were the Regulations on Property Management (《物業管理條例》) promulgated in June 2003. According to CIA, in 2012, the State Council issued the 12th Five-Year Plan for the Development of the Service Industry (《服務業發展「十二五」規劃》), proposing to "encourage property management companies to develop diversified businesses." In April 2019, the State Council promulgated the Opinions on Promoting the Development of Elderly Care Industry (《關於推進養老發展的意見》), which aims to promote the model of "property management service + elderly care services" where property management companies play an active role in elderly care by introducing various community value-added services. The PRC Government promulgated an increasing number of regulations over the years, establishing an open and fair market system for the property management industry that served to spur its rapid growth and development.

In China, property management companies generally charge fees for property management services and value-added services. Property management services typically include cleaning, gardening, security and repair services. Value-added services typically include community value-added services and value-added services to non-property owners. Property management fees may be charged either on a lump sum or commission basis. The lump sum basis revenue model is the dominant model of collecting property management fees in China, especially in relation to residential properties. The lump sum model improves efficiency by dispensing with certain collective decision making procedures for large expenditures by property owners and residents and incentivize property management service providers to optimize their operations to enhance profitability. In contrast, the commission model is increasingly adopted in non-residential properties to make property owners more deeply involved in the management of their properties and property management service providers more closely supervised.

Overall Market Size and Future Development

Property management industry experienced significant growth in recent years. According to CIA, total GFA under management for all property management companies in the PRC increased from 17.5 billion sq.m. in 2015 to 23.9 billion sq.m. in 2019, representing a CAGR of 8.2%; total GFA under management for Top 100 Property Management Companies increased from 5.0 billion sq.m. in 2015 to 10.4 billion sq.m. in 2019, representing a CAGR of 20.5%. According to CIA, the total GFA under management for all property management companies in the PRC is expected to increase from 25.1 billion sq.m. in 2020 to 28.1 billion sq.m. in 2022, representing a CAGR of 5.8%; and the total GFA under management for Top 100 Property Management Companies is expected to increase from 11.0 billion sq.m. in 2020 to 12.6 billion sq.m. in 2022, representing a CAGR of 7.0%.

The following chart sets forth the total GFA under management of all property management companies in China, of Top 100 Property Management Companies, and the market share of Top 100 Property Management Companies in the years indicated.



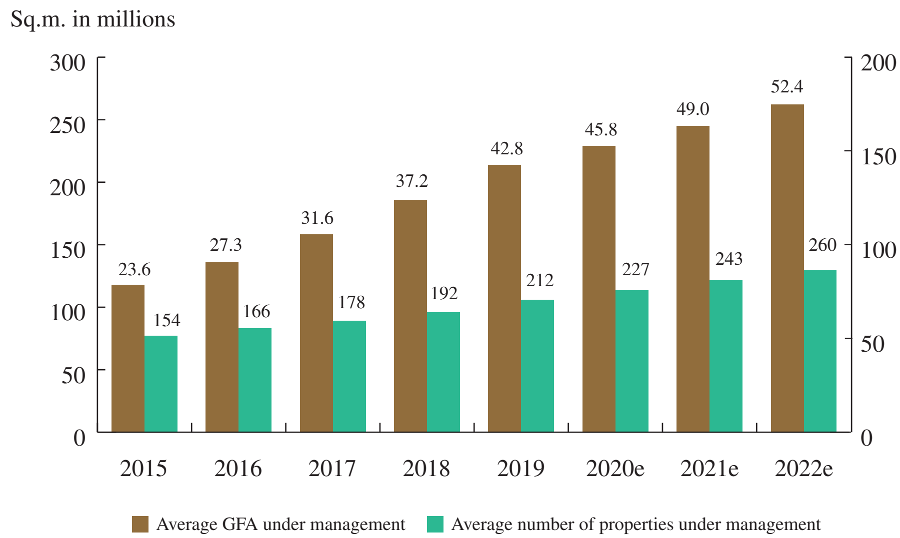
Note:

(1) Represent expected numbers in the years indicated.

Overview of the Top 100 Property Management Companies

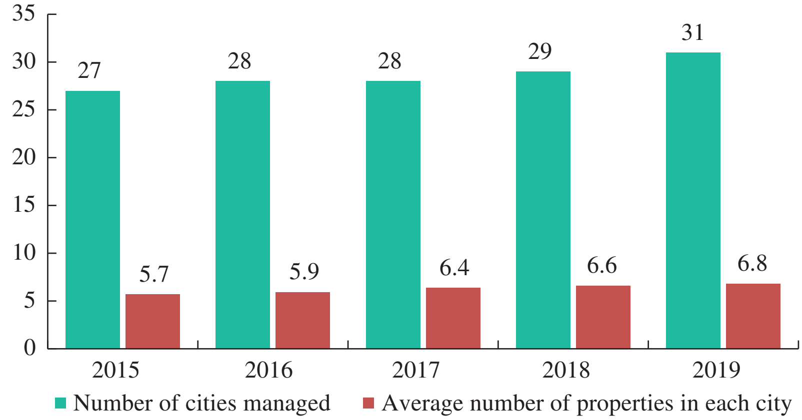
In recent years, following rapid urbanization and continuous growth in per capita disposable income, the GFA of properties managed by the Top 100 Property Management Companies have increased rapidly. The average GFA of properties managed by the Top 100 Property Management Companies increased to approximately 42.8 million sq.m. in 2019 from approximately 23.6 million sq.m. in 2015, representing a CAGR of 16.0%, and is expected to increase from 45.8 million sq.m. in 2020 to 52.4 million sq.m. in 2022, representing a CAGR of 7.0%. Meanwhile, the average number of properties managed by Top 100 Property Management Companies increased from 154 in 2015 to 212 in 2019, representing a CAGR of 8.3%, and is expected to increase from 227 in 2020 to 260 in 2022, representing a CAGR of 7.0%.

The following chart sets forth the rise in average GFA under management and average number of properties under management of the Top 100 Property Management Companies in the years indicated.

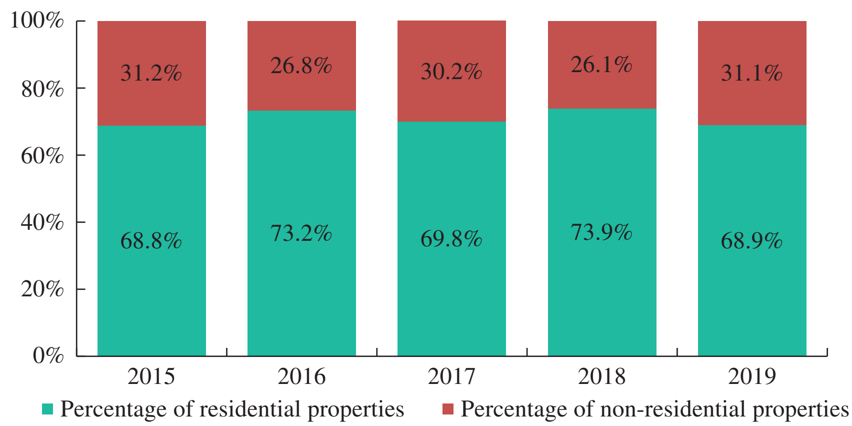


Geographic business expansion has been a common strategy of Top 100 Property Management Companies in recent years. Due to enhanced cooperation with group companies and third-party outreach strategy, the average number of cities where Top 100 Property Management Companies operate increased to 31 as of December 31, 2019 from 27 as of December 31, 2015. During the same period, average number of properties managed by Top 100 Property Management Companies in each city increased to 6.8 as of December 31, 2019 from 5.7 as of December 31, 2015. Substantially all Top 100 Property Management Companies have expanded their operations nationwide.

The following chart sets forth the rise in number of cities where Top 100 Property Management Companies operate and the average number of properties managed by Top 100 Property Management Companies in each city in the years indicated.



Residential properties continue to be the dominant type of property in the management portfolios of property management companies. The total GFA of residential properties managed by the Top 100 Property Management Companies as of December 31, 2019 amounted to 68.9% of their total GFA under management. According to CIA, this is partly due to the aggressive efforts of property management companies generally to hone the quality and efficiency of their services in relation to residential properties. In 2019, total GFA under management of residential properties and non-residential properties of Top 100 Property Management Companies reached approximately 7.2 billion sq.m. and 3.2 billion sq.m. GFA under management of non-residential properties of Top 100 Property Management Companies reached 31.1% in 2019, up from 26.1% in 2018. The following chart sets forth the percentage of total GFA of each type of property managed by the Top 100 Property Management Companies during the years indicated.



Corresponding to the significant growth in GFA under management, the Top 100 Property Management Companies have benefited from economies of scale and also become increasingly profitable. The average net profits for the Top 100 Property Management Companies increased to approximately RMB91.1 million in 2019 from approximately RMB39.2 million in 2015, representing a CAGR of 23.5%. In 2019, for Top 100 Property Management Companies, on a per sq.m. per month basis, the average property management fees was approximately RMB3.9 overall among which approximately RMB6.0 to RMB7.0 for office buildings, commercial properties, and hospitals; approximately RMB3.0 to RMB4.0 for public facilities, educational institutions, and industrial parks; and approximately RMB2.1 for residential properties.

OVERVIEW OF PROPERTY MANAGEMENT INDUSTRY IN THE YANGTZE RIVER DELTA REGION AND ZHEJIANG PROVINCE

Regional Overview

The Yangtze River Delta Region is one of the most economically developed regions in China with high urbanization rates and resident disposable income. In 2019, the Yangtze River Delta Region had an urbanization rate of 68.1%, and average annual disposable income of RMB53,487, which is 1.26 times the national average. The average property management fees for properties located in the Yangtze River Delta Region and Zhejiang Province was RMB2.3 and RMB2.4 per sq.m. per month, respectively, both of which were higher than the national average of RMB2.1 per sq.m. per month. In 2019, the percentage of Top 100 Property Management Companies headquartered in the Yangtze River Delta Region was 18.2%, which was the highest among major metropolitan areas in the PRC. As of December 31, 2018, the total GFA under management in the Yangtze River Delta Region was approximately 5.0 billion sq.m., accounting for 17.9% of China's total GFA under management as of the same date. As of the same date, the region has attracted more than 18,000 property management companies, accounting for 14.2% of the total number of property management service provider in China, hiring an aggregate of over two million employees, accounting for approximately 21.0% of total number of property management service employees in China. Among the top 100 property management service providers, 62 companies are headquartered in the Yangtze River Delta Region and 21 of which are headquartered in Zhejiang province. According to CIA, our market share among the Top 100 Property Management Companies in Yangtze River Delta Region and Zhejiang province were 1.9% and 5.2%, respectively, based on GFA under management as of December 31, 2019.

OUTBREAK OF COVID-19 AND ITS IMPACT ON THE PROPERTY AND PROPERTY MANAGEMENT MARKETS OF THE PRC AND THE YANGTZE RIVER DELTA REGION

According to CIA, the impacts of outbreak of COVID-19 on China's property management industry is expected to be limited in the long run, because China's solid economic scale is capable of withholding the impact of COVID-19. In addition, the PRC Government has introduced various types of policies to support the recovery of national economy, including the development of property management industry. The outbreak of COVID-19 also improved the level of trust and stickiness by many property owners on the services of property management companies, and promoted the development of value-added services offered by property management companies such as delivery services, house cleaning and disinfecting services, among others, according to CIA.

In the Yangtze River Delta Region, the regional macroeconomic development plans and talent attraction plans in the long run remain unchanged, and thus after the COVID-19 outbreak is effectively controlled, the outlook for the demand of residential and commercial properties and related property management services in the Yangtze River Delta region and Zhejiang province will remain positive. In the first quarter of 2020, the rate of decline in GDP of the Yangtze River Delta Region was slower than the national average, and its region's GDP contribution to the national economy increased as a result. It is also worth noting that since work resumption in March, the Yangtze River Delta Region saw clear sign of recovery, with various economic indicator rapidly recovering.

MARKET DRIVERS

The growth of China's property management industry is attributable to the following key drivers.

Favorable Policies

According to CIA, in June 2003, the PRC Government promulgated the Regulations on Property Management, establishing a regulatory framework for the property management industry. 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》) (which eased the restrictions on property management service fees and parking fees over certain residential properties, allowing us more flexibility in pricing our services) and 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》) (which, according to CIA, was the first policy document in the PRC aiming at improving the scale and quality of daily life services, offering us policy support in expanding the scale of our services provided to residents and providing premium value-added services). The State Council and the Central Committee of the Communist Party of China also promulgated the Recommendations on Strengthening and Improving the Governance of Urban and Rural Communities (《關於加強和完善城鄉社區治理的意見》) in June 2017, which promotes the offering of property management services to rural communities as well as urban communities, expanding the potential addressable market for our property management services. According to CIA, lots of policies are promulgated by the PRC Government to encourage property management companies to expand their business operations and bring their expertise into rural areas. In addition, these favourable government policies supporting the development of the property management industry cover the Yangtze River Delta Region and other regions that we operate in and intend to expand into.

Rapid Urbanization and Increasing Per Capita Disposable Income

According to CIA, rapid urbanization in China and growth in per capita disposable income are principal growth drivers for the PRC property management industry. The urbanization rate (the projected average rate of change of the size of the urban population over a given period of time) in China increased from 34.8% as of December 31, 1999 to 60.6% as of December 31, 2019, and the PRC property management industry grew in parallel. The growing urbanization, increasing urban population, and expansion of the property market produce a high demand for property management services, stimulating the rapid development of the industry. Furthermore, China's rapid economic development has resulted in the formation of a middle-to high-income class of consumers and spurred continuous growth in the per capita disposable income for the urban population, which increased to RMB42,359 as of December 31, 2019, representing a CAGR of 9.4% since December 31, 2009. We expect that the abovementioned middle-to high-income class of consumers will be increasingly willing to pay premiums for quality and to increase their discretionary spending on goods and services beyond basic necessities. For example, there may be increasing demand for better living conditions and higher-quality property management services. We believe that the emerging middle-to high-income class of consumers in China and their growing spending power will have substantial influence on the development of mid-to high-end property management services in China.

Development of Commodity Residential Properties and Continuous Investment in Real Estate Market in the PRC

The supply of commodity properties (residential properties developed for sale) increased in parallel with rapid urbanization in China and growth in per capita disposable income. According to CIA, the total GFA of commodity residential properties sold in China increased from approximately 1,285.0 million sq.m. in 2015 to approximately 1,715.6 million sq.m. in 2019, representing a CAGR of 7.5%. The total GFA of commodity residential properties which began constructions increased from 1,544.5 million sq.m. in 2015 to 2,271.5 million sq.m. in 2019, representing a CAGR of 10.1%.

Capital Market as a Major Driver of the Industry's Organic and Rapid Development

With introduction of policies for deepening reform of the capital market, domestic capital market policy environment has significantly improved. According to CIA, with the development of "Property + Internet" model, the market value of property development companies continue to raise. A total of 22 property management companies have been listed on the Hong Kong Stock Exchange with a total market capitalization of over HK$282.2 billion according to the available data at the closing of trading day on March 9, 2020. Access to capital markets offers a source of funding for property management companies to enrich their service offerings and expand their business scales.

COVID-19 as an Opportunity for Property Management Companies to Expand

During the COVID-19 pandemic, the role of property management companies became increasingly prominent. To combat the pandemic, many cities in the PRC adopted strict lock-down measures which led to high reliance on property management service providers by residents in terms of their daily living needs, leading to higher requirements for property management companies' service quality. Such high reliance also paves the way for property management companies to introduce new service offerings to properties under management. The property management industry therefore received significant attention, being at the forefront of the combat of COVID-19, and received widespread attention. The market opportunities brought by COVID-19 is more significant than the challenges, as the prospects of the industry and demand for quality property management services remain positive.

FUTURE TRENDS OF THE PRC PROPERTY MANAGEMENT INDUSTRY

Increasing Market Concentration and Merger and Acquisition Activities

The PRC property management industry is fragmented and competitive. Large-scale property management companies actively accelerate their expansion by means of organic growth and mergers and acquisitions of small and medium-sized property management companies in order to expand the scale of properties under management and realize economies of scale to improve their market position.

Increasing Standardization and Adoption of Information Technology

Enabled by information technology, property management companies are increasingly included to improve operational standardization and automate key processes to reduce labor costs and human errors, and to ensure consistently high service quality, according to CIA. Standardization is also expected to monitor and ensure consistent and reliable application of policies and procedures throughout the entire organization across various functional departments, branches and subsidiaries.

In response to residents' demands for better quality and diversified services as well as increasing operational pressure driven by general cost increases for property management companies, more property management companies are willing to adjust their business model. With the help of the Internet and mobile applications, the development of intelligent communities gradually heats up. Centered around the needs of residents, an "intelligent community" (智慧社區) aims to achieve digitalization, automation, modernization and synergy of resident services through the integration of online and offline information and resources, the reflection of community characteristics and the use of Internet of Things, AI technology, cloud computing, intelligent terminal and other information technologies.

Diversified Services and Sources of Revenue

According to CIA, Top 100 Property Management Companies have been enriching their service offerings based on property owners' demands, which contributed to diversified revenue sources. According to CIA, Top 100 Property Management Companies primarily focus on offline services to property owners, such as housekeeping services, household services, community space operation services, e-commerce services, realty services, automobile services, community financial services and elderly care services.

Increasing Market Operation and Growing Focus on Service Quality

According to CIA, due to consumers' growing emphasis on service quality in selecting their property management service providers rather than basing their choices solely on cost considerations and the growth of a middle-to high-income class of consumers that is more willing to pay premiums for quality and increase their discretionary spending, property management companies in the PRC are expected to deliver quality service going forward.

New Opportunities in Urban Redevelopment Projects

According to data from Ministry of Housing and Urban-Rural Development (住房和城鄉建設部), the number of old communities in need of renovations exceed 170,000 in China, with a total GFA of approximately 4.0 billion sq.m. According to the 2020 Report on the Work of the Government (2020政府工作報告), approximately 39,000 old urban communities have undertaken renovation projects, affecting a total of seven million residents. Along with such urban redevelopment projects, the needs for both basic property management services as well as community value-added services such as elderly care, childcare and healthcare services also increased, according to CIA. Due to favorable policies encouraging property management companies to offer such services in the renovated old communities, the property management industry in the PRC is expected to experience sustainable growth, according to CIA.

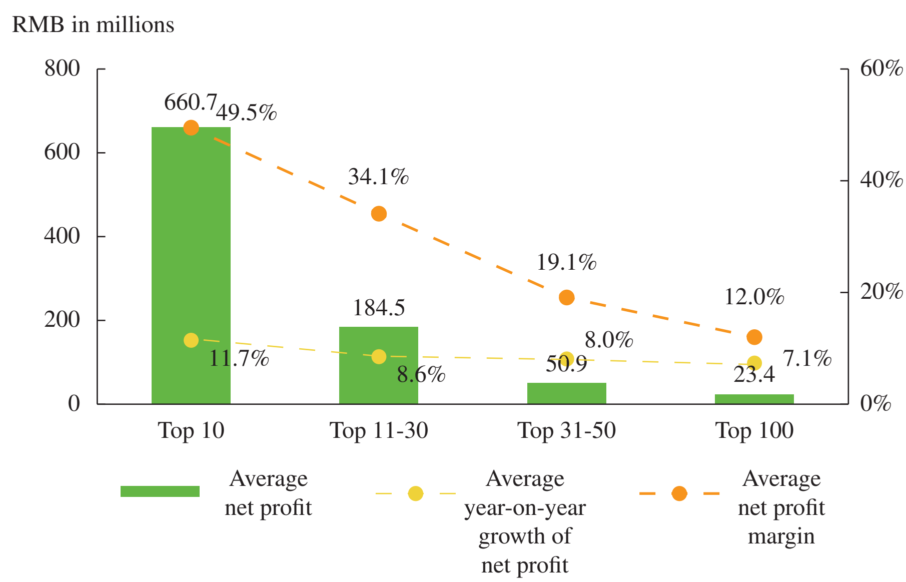
COMPETITION LANDSCAPE

Overview and Competition 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, and with top ten of the Top 100 Property Management Companies accounting for 9.2% of the market in terms of GFA under management as of December 31, 2019. In recent years, increasing market concentration has become a dominant trend in property management industry in the PRC and recent development has experienced differentiated characteristics of distribution of the Top 100 Property Management Companies. On average, property management companies of larger scale have recorded higher revenue, net profit, and better respective growth margins in 2019.

The advantages of larger companies are more prominent, and smaller companies strive for stable development in their respective segments. In 2019, average GFA under management of the Top 10 Property Management Companies is 5.2 times the average of the Top 100 Property Management Companies, while average GFA under management of the Top 11-30 Property Management Companies is 1.9 times that of the Top 100 Property Management Companies. In the same year, average net profit of the Top 10 Property Management Companies is 7.3 times the average of Top 100 Property Management Companies, while the average net profit of Top 11-30 Property Management Companies is 2.0 times that of the Top 100 Property Management Companies.

The following charts set forth average net profit, average net profit margin and average year-on-year growth of net profit of the Top 100 Property Management Companies by ranking segments in 2019.

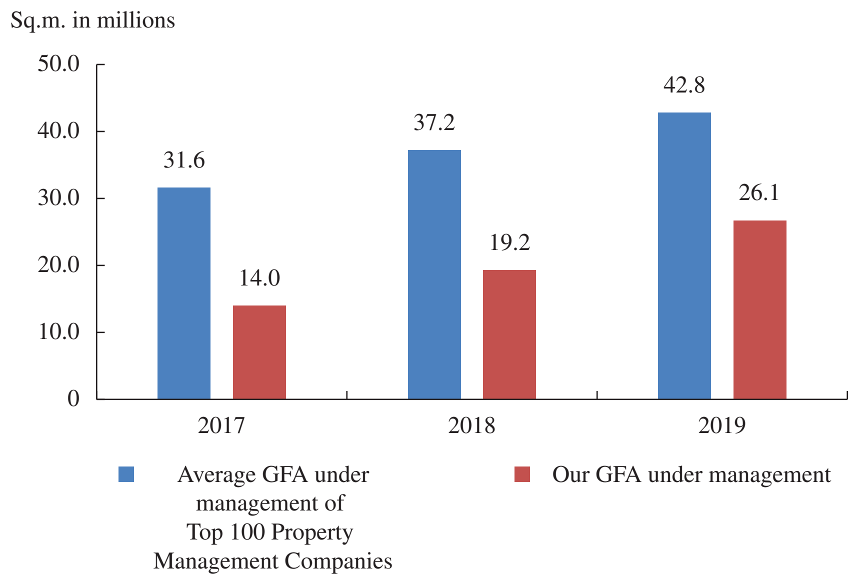


Our Competitive Position

Our Competitive Position among the Top 100 Property Management Companies

Major property management companies in China experienced steady growth in GFA under management. According to CIA, average GFA managed by the Top 100 Property Management Companies was 31.6 million sq.m., 37.2 million sq.m. and 42.8 million sq.m. in 2017, 2018 and 2019, respectively. Our market share among the Top 100 Property Management Companies based on GFA under management as of December 31, 2019 was 0.25%. Our GFA under management as of December 31, 2019 was 26.1 million sq.m. with a growth rate of 36.1% from December 31, 2018, and the average GFA under management of Top 100 Property Management Companies was 42.8 million sq.m. as of December 31, 2019, with a growth rate of 16.3% from

December 31, 2018. We ranked 35th among among Top 100 Property Management Companies in 2019 in terms of overall strengths in scale, operational performance, service quality, growth potential and social responsibility. The CAGR of our GFA under management from 2017 to 2019 was 36.5%, which was 2.2 times the average CAGR of Top 100 Property Management Companies during the same period. The following chart sets forth the average GFA under management of Top 100 Property Management Companies and our GFA under management during the years indicated.



Our net profit growth rate reached 40.4% from 2018 to 2019, higher than the average net profit growth rate of the Top 100 Property Management Companies of 26.2% during the same period according to CIA. Our net profit margin was 11.0% in 2019, ranking 16th among Top 100 Property Management Companies headquartered in the Yangtze River Delta, and ranking 8th among those headquartered in Zhejiang province.

Our Competitive Position in the Yangtze River Delta Region and Zhejiang province

As of December 31, 2019, we had a total GFA under management of approximately 26.1 million sq.m., ranking 14th among Top 100 property management service providers headquartered in the Yangtze River Delta Region and 5th in Zhejiang province. In terms of revenue, we ranked the 25th among Top 100 property management service providers headquartered in the Yangtze River Delta Region and 6th in Zhejiang province. In terms of net profit and net profit margin, we ranked the 16th and 16th among Top 100 property management service providers headquartered in the Yangtze River Delta Region, respectively, and 5th and 8th in Zhejiang province, respectively.

Our Company has been deeply rooted in the Yangtze River Delta region for over 15 years, continuously expanding the scope of property management in the Yangtze River Delta region, and further consolidating the competitive advantage in this region. As of December 31, 2019, 119 out of our 141 projects under management were located in the Yangtze River Delta region, representing approximately 84.3% of our GFA under management, which according to CIA, was one of the highest among the Top 100 Property Management Companies in China.

Our Competitive Strengths

See "Business—Competitive Strengths."

ENTRY BARRIERS AND MAJOR CHALLENGES

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

Availability of talent. Property management depends on manual labor, not only for the performance 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 up to date with the technological advances in the industry. New market entrants may find it difficult to compete against larger property management companies with better brand value and recognition for talent.

Brand awareness and reputation. According to CIA, new market entrants will face difficulties penetrating into a market where consumers increasingly value service quality. In selecting property management service providers, property developers, property owners and residents are likely to prioritize companies that have had longer operating histories. New market entrants are at a disadvantage in comparison to property management companies who have built up their brand value and reputation for quality through years of service.

Industry Expertise and Capital requirements. According to CIA, the expertise and experience of management teams may significantly contribute to the competitiveness of property management companies. Property management companies now have to seamlessly implement technological solutions, management systems, service quality standards and internal policies and procedures across networks of subsidiaries, branches and offices. In addition, property management companies will require increasingly large amounts of capital as they begin experimenting or implementing technological solutions to automate their business operations and lower labor costs, particularly if they have large-scale business operations and must consistently apply their policies to subsidiaries and branches located throughout China.

HISTORICAL PRICE TRENDS

Property management companies constantly balance the rising labor costs with the necessity of providing quality services, as they rely on the availability of cheap and abundant manual labor to carry out their various services. However, according to CIA, inflation has led to increases in labor costs in recent years, which has placed additional pressures on property management companies seeking to expand their business operations. According to CIA, labor costs as a percentage of total cost of sales of Top 100 Property Management Companies increased from 57.8% in 2018 to 59.1% in 2019, indicating that labor costs is having an increasingly heavier influence on property management companies' ability to control their overall costs.

According to CIA, property management companies may reduce their overall cost of sales by innovating with technological solutions and appropriately increasing the proportion of services performed by sub-contractors. In recent years, the Top 100 Property Management Companies have actively experimented with and employed technological solutions to automate their business operations, and managed to increase operational efficiency and raise service quality. According to CIA, sub-contracting allows property management companies to reduce overall labor costs as well as leverage the expertise of sub-contractors in their respective fields to enhance service efficiency.

Our business operations are subject to extensive supervision and regulation from the PRC government. This section sets out a summary of the main laws and regulations applicable to our business in PRC.

LAWS AND REGULATIONS RELATING TO PROPERTY MANAGEMENT SERVICES AND OTHER RELATED SERVICES

Foreign Invested Property Management Enterprises

On January 1, 2020, the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which was jointly issued by MOFCOM and State Administration for Market Regulation came into effect and replaced The Provisional Measures for the Filing Administration of Establishment and Changes of Foreign-Invested Enterprise (2018 Revision) (《外商投資企業設立及變更備案管理暫行辦法(2018年修正)》). It sets out the prescribed procedures for the establishment and modifications of foreign-invested enterprise to be registered or filed with delegated commerce authorities through enterprise registration system and specifies the procedures and requirements for online submission in detail.

According to Regulations on Foreign Investment Guidelines (《指導外商投資方向規定》) (Order No. 346 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 shall be classified into four categories, namely "encouraged", "permitted", "restricted" and "prohibited". Encouraged, restricted and prohibited foreign investment projects shall be listed in the Guideline Catalog of Foreign Investment Industries, while foreign investment projects that do not fall within the encouraged, restricted and prohibited categories shall be classified as belonging to the category of permitted foreign investment projects.

On June 30, 2019, the MOFCOM and the NDRC promulgated the Catalog of Industries for Encouraging Foreign Investment (Edition 2019) (《鼓勵外商投資產業目錄(2019年版)》) and the Special Management Measures (Negative List) for the Access of Foreign Investment (Edition 2019) (《外商投資准入特別管理措施(負面清單)(2019年版)》) (the "**Negative List (Edition 2019)**"), both of which came into effect on July 30, 2019, and provide that property management industry is an industry that allows foreign merchants to make investments. On June 23, 2020, the MOFCOM and the NDRC promulgated the Special Management Measures (Negative List) for the Access of Foreign Investment (Edition 2020) (《外商投資准入特別管理措施(負面清單) (2020年版》), which became effective on July 23, 2020 and superseded the Negative List (Edition 2019), while the policy for the property management industry remains the same.

On March 15, 2019, the NPC adopted the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") which became effective on January 1, 2020, the Foreign Investment Law replaced the Law on Chinese-foreign Equity Joint Ventures (《中外合資經營企業法》), the Law on Chinese-Foreign Contractual Joint Ventures (《中外合作經營企業法》) and the Law on Wholly Foreign-owned Enterprises (《外資企業法》) to become the legal foundation for foreign investment in the PRC. Under the Foreign Investment Law, the PRC Government shall implement the management system of pre-entry national treatment and a negative list for foreign investments, and shall give national treatment to foreign investments which do not fall into Negative List.

Qualification of Property Management Enterprises

According to the Regulation on Property Management (《物業管理條例》) (Order No. 379 of the State Council), which was promulgated on June 8, 2003, came into effect since September 1, 2003, and was amended on August 26, 2007, February 6, 2016 and March 19, 2018, the construction administration authority of the State Council shall, jointly with the relevant authorities, established a join honesty incentives and joint dishonesty punishment mechanism, and strengthen industry creditworthiness administration.

According to Measures for the Administration on Qualifications of Property Service Enterprises (《物業服務企業資質管理辦法》) (Order No. 125 of the Ministry of Construction), which was promulgated by the Ministry of Construction on March 17, 2004, came into effect on May 1, 2004, amended on November 26, 2007 and abolished on March 8, 2018, a system of qualification administration was once adopted and the qualifications of a property management enterprise was classified into first, second and third grades based on specific conditions.

According to Decision of the State Council on Canceling the Third Batch of Administrative Licensing Items Designated by the Central Government for Implementation by Local Governments (《國務院關於第三批取消中央指定地方實施行政許可事項的決定》), which was promulgated by the State Council on January 12, 2017, the examination and approval of second grade or below qualifications of property management enterprises were canceled. According to the Decision of the State Council on Canceling a Group of Administrative Licensing Items (《國務院關於取消一批行政許可事項的決定》) (Guo Fa [2017] No. 46), which was promulgated by the State Council on September 22, 2017, the examination and approval of first-grade qualification of property management enterprises were canceled.

According to the Notice of the General Office of Ministry of Housing and Urban-Rural Development on Effectively Implementing the Work of Canceling the Qualification Accreditation for Property Management Enterprises (《住房城鄉建設部辦公廳關於做好取消物業服務企業資質核定相關工作的通知》) (Jian Ban Fang [2017] No. 75), which was promulgated by the General Office of the Ministry of Housing and Urban-Rural Development (the "**MOHURD**") on December 15, 2017, application for, change, renewal or re-application of the qualifications of property management enterprises shall not be accepted, and the qualifications obtained already shall not be a requirement for property management enterprises to undertake new property management projects. The real estate administration department at and above the county level shall instruct and supervise the property management work, and the integrity management system of the property management industry will be established, the supervision of property management enterprises will be based on credit appraisal. The Decision of Ministry of Housing and Urban-Rural Development on Abolishing Measures for the Administration on Qualification of Property Management Enterprise (《住房和城鄉建設部關於廢止<物業服務企業資質管理辦法>的決定》) (Order No. 39 of Ministry of MOHURD) which was promulgated and came into effect on March 8, 2018, abolished Measures for the Administration on Qualifications of Property Service Enterprises and canceled the accreditation of qualifications of property management enterprises.

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

The Establishment of Property Owners' Associations

According to the Property Law of the PRC (《中華人民共和國物權法》) (Order No. 62 of the President of the PRC) issued by the National People's Congress (the "**NPC**") on March 16, 2007 which came into effect on October 1, 2007, 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.

According to the Regulation on Property Management (《物業管理條例》) (Order No. 379 of the State Council), which was promulgated by the State Council on June 8, 2003, came into effect on September 1, 2003 and was revised on August 26, 2007, February 6, 2016 and March 19, 2018, to form the general meeting of the property owners and elect the property owners' association, the property owners in the property management area shall follow the guidelines of the real estate administrative department of the district or county government or the sub-district office (街道辦事處) or the township government (鄉鎮政府). The local government may assist property owners in the formation of the property owners' association, providing guidelines and advice. 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》) (Jianfang [2009] No. 274), which was promulgated by MOHURD on December 1, 2009, 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.

Appointment of Property Management Enterprises

According to Property Law of the PRC (《中華人民共和國物權法》) (Order No. 62 of the President of the PRC) issued by the NPC on March 16, 2007 which came into effect on October 1, 2007, the owners of a building may manage the building and its affiliated facilities by themselves or by entrusting property management enterprise or other management personnel. The owners are entitled to change the property management enterprise or any other management personnel hired by the developer according to law. Property management enterprises or other management personnel shall manage the building and its ancillary facilities within the building area upon the entrustment of the owners and be subject to the supervision of the owners.

According to the Regulation on Property Management (《物業管理條例》) (Order No. 379 of the State Council), which was promulgated by the State Council on June 8, 2003, came into effect on September 1, 2003 and was revised on August 26, 2007, February 6, 2016 and March 19, 2018, a general meeting of the property owners of a community can engage or dismiss the property management enterprise with affirmative votes of owners who own more than half of the total 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 property management service contract with property management enterprises 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 property management service contract should be entered into between the property developer and the selected and engaged property management enterprise. A sales contract concluded by the property developer and the realty buyer shall include the contents stipulated in the preliminary property management service contract. The preliminary property management service contract may stipulate the contract duration. If the property management service contract signed by the property owners' association and the property management enterprise comes into force within the term of preliminary property management service contract, the preliminary property management service contract automatically terminates. Property developers of residential buildings shall enter into preliminary property management service contract with property management enterprises through tender process. Where the property 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.

According to Interim Measures for Bid-Inviting and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》) (Jian Zhu Fang [2003] No. 130), which was promulgated by the Ministry of Construction on June 26, 2003 and came into effect on September 1, 2003, preliminary property management services shall be implemented by the property management enterprise employed by the construction entity before the owners or the owners' general meeting select a property management enterprise at its own discretion. The construction entity of residential buildings and non-residential buildings located in the same property management areas shall engage the property management enterprises of corresponding qualification through bid-invitation and bidding. The bid inviter shall establish tender evaluation committee consisting of an odd number of no less than five members, among which the experts in property management other than the representatives of the bid inviter shall be no less than two-thirds of total members. The property management experts shall be confirmed by the means of random sampling from the expert name list set up by the administrative departments of real estate, and person of interest with the bidder shall not be a member of the Bidding Evaluation Commission of the relevant project. In cases where there are no more than 3 bidders or the residence scale is relatively small, the construction entity may select the property management enterprise with corresponding qualifications through agreement upon approval by the administrative department of real estate of the people's government of the district or county of the place where the realty is located.

In addition, Interpretation of the Supreme People's Court on Several Issues on 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》) (Fashi [2009] No. 8), which was issued by the Supreme People's Court on May 15, 2009 and came into effect on October 1, 2009, stipulates the principles applied by the court when hearing disputes on specific matters between property owners and property management companies. For example, the preliminary property management contract signed according to the relevant laws and regulations by the developer and the property management company and the property management contract signed by the property owners' association and property management companies hired according to the relevant laws and regulations by the general meeting are legally binding on property owners, and the people's court shall not support a claim if property owners plead on the basis that they 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 companies 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 Administrative Measures for Property Service Charges (《物業服務收費管理辦法》) (Fa Gai Jia Ge [2003] No. 1864), 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 property service fees from property owners for repairing, maintaining and managing houses as well as their accompanying facilities and equipment and relevant sites, and ensuring the sanitation and order of relevant areas according to relevant property management contracts.

Property service charges shall be reasonable, transparent, and suitable for the level of services offered, and shall take into account the unique nature and characteristics of the different property and be priced under the government's guidance and market regulation respectively. In what way the charges are priced shall be determined by competent price departments under the people's governments of all provinces, autonomous regions and municipalities directly under the Central Government, in concert with the competent departments of real estate.

According to the Regulation on Property Management Service Fee with Clear Price Tag (《物業服務收費明碼標價規定》) (Fa Gai Jia Jian [2004] No. 1428), 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, during their provision of services to the property owners (inclusive of the property service as stipulated in the property management contract as well as other services requested by property owners), shall charge service fees at expressly marked prices, and display their service items, standards and other related contents. In case there's any change to the pricing standard, the property management enterprise shall adjust the related contents displayed and indicate the execution date of new standards one month prior to the implementation of the new standards.

According to the Circular of NDRC on the Opinions for Decontrolling the Prices of Some Services (《國家發展和改革委員會關於放開部分服務價格意見的通知》) (Fa Gai Jia Ge [2014] No. 2755), which was promulgated by the NDRC and became effective on December 17, 2014, the competent price departments of all provinces, autonomous regions and municipalities directly under the PRC Government are supposed to perform relevant procedures to liberalize the prices of the following types of services that have met the relevant conditions:

(1) Property management services for non-government-supported houses. Property management fees are fees charged by property management service providers for (i) the maintenance, conservation and management of non-government-supported houses, their supporting facilities and equipment and the relevant sites thereof, (ii) maintaining the environment, sanitation, and order within the geographical scope of the managed properties as agreed upon in the property management service contract, and (iii) other actions entrusted by the property owner in accordance with the property management service contract. The provincial price authorities shall, jointly with the housing and urban-rural development administrative authorities, implement government guidance prices for property management fees charged in relation to government-supported houses, houses under housing reform, older residential communities and preliminary property management services with regard to the actual situation.

(2) Parking services in residential communities. Fees charged by property management service providers or parking service companies from property owners or residents of residential areas for the management of parking spaces and parking facilities.

According to the Circular of the NDRC and the Ministry of Construction on Issuing the Measures for the Supervision and Examination of Pricing Costs of Property Services (Trial) (《國家發展改革委及建設部關於印發物業服務定價成本監審辦法(試行)》) (Fa Gai Jia Ge [2007] No. 2285) which was jointly issued by the NDRC and the Ministry of Construction on September 10, 2007 and came into effect on October 1, 2007, competent pricing department of people's government shall formulate or regulate property management charging standards and implements pricing cost supervision and examination on relevant property management enterprises. Property management pricing cost is determined according to the social average cost of property management services verified by the competent pricing department of the people's government. With the assistance of a competent real estate administrative department, competent pricing department is responsible for organizing 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.

Regulations 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》) (No. 292 Order of the State Council) which was issued by the State Council on September 25, 2000, and 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 provision with charge of payment of information through the Internet to web users or of web page designing, etc. Non-commercial Internet information 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, only a 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 for approval of the change 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, the competent 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 3 times and less than 5 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, the competent 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.

Regulations on Mobile Internet Application Information Services

According to the Provisions on Administration of Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) which was issued by the Cyberspace Administration of China (國家互聯網信息辦公室) 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 laws and regulations. Mobile Internet application provider shall not use mobile Internet application programs to carry out activities prohibited by laws and regulations, such as endangering national security, disturbing public orders, and infringing on 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 China shall be responsible for the supervision and administration of information on mobile Internet applications. The local cyberspace administrations shall be responsible for the supervision and administration of information on mobile Internet application program within the administrative regions.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax (the "EIT")

According to the EIT Law (《中華人民共和國企業所得稅法》) (Order No. 63 of the President), which was promulgated by the NPC on March 16, 2007 and then amended respectively on February 24, 2017 and December 29, 2018, and came into effect on December 29, 2018, and the EIT Implementation Rules (《企業所得稅法實施條例》) (Order No. 512 of the State Council), which was promulgated by the State Council on December 6, 2007 and became effective from January 1, 2008 and was amended on April 23, 2019, enterprises are classified as either resident enterprises or non-resident enterprises. The income tax rate for resident enterprises, including both domestic and foreign-invested enterprises shall typically be 25% commencing from January 1, 2008. An enterprise established outside the PRC with its "de facto management body" located in the PRC is considered a "resident enterprise", which means it can be treated as domestic enterprise for enterprise income tax purposes. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income of which has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside the PRC at the reduced rate of enterprise income tax of 10%.

Income Tax in Relation to Dividend Distribution

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得稅避免雙重徵稅和防止偷漏稅的安排》), which was promulgated by the State Administration of Taxation and became effective on December 8, 2006, the 5% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident, provided that the recipient is a company that directly holds at least 25% of the capital of the PRC company; the 10% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident if the recipient is a company that directly holds less than 25% of the capital of the PRC company.

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) promulgated by the State Administration of Taxation and became effective on February 20, 2009, all of the following requirements must be satisfied for a resident enterprise to enjoy the preferential tax rates provided under the tax agreements: (i) such a fiscal resident who obtains dividends should be a company as defined in the tax agreement; (ii) the equity and voting interests in the PRC resident enterprise directly owned by such fiscal resident must reach a specified percentage; and (iii) the equity interests of the PRC resident enterprise directly owned by such fiscal resident, at any time during the 12 months prior to the payment of the dividends, must reach a specified percentage.

Pursuant to the Administrative Measures for Tax Agreements Treatment for Non-Resident Taxpayers (《非居民納稅人享受稅收協定待遇管理辦法》), which was issued on November 1, 2015 and revised on June 15, 2018 and October 14, 2019 by the State Administration of Taxation, and became effect on January 1, 2020, according to which, a non-resident taxpayer who make their own declaration shall make self-assessment regarding whether they are entitled to tax treaty benefits and submit the relevant reports, statements and material stipulated in Article 7 of the measures. Also, all levels of tax authorities shall, through strengthening follow-up administration for non-resident taxpayers' entitlement to tax treaty benefits, implement tax treaties and international transport agreements accurately, and prevent abuse of tax treaties and tax evasion and tax avoidance risks.

The Announcement of the State Administration of Taxation on Issues concerning "Beneficial Owners" in Tax Treaties (《國家稅務總局關於稅收協定中"受益所有人"有關問題的公告》) (the "**Announcement 9**"), which was promulgated by the State Administration of Taxation on February 3, 2018 and took effect on April 1, 2018, provides the methods to determine the "beneficial owners" under the treaty articles on dividends, interest and royalties. Pursuant to Announcement 9, a "beneficial owner" generally must be engaged in substantive business activities and, for determining such a "beneficial owner", a comprehensive analysis shall be conducted based on the factors set out in the Announcement 9 and in combination with the actual conditions of the specific case.

Value-added Tax

According to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (Order No. 134 of the State Council), which was promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994, and was amended on November 5, 2008, 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》) (No. 65 Order of the Ministry of Finance), which were issued on December 25, 1993 by the Ministry of Finance, and became effective on the same day and revised on December 15, 2008 and October 28, 2011 (collectively, the "VAT Law"), the organizations and individuals engaging in sale of goods or processing, repair and assembly services (hereinafter referred to as "**labor services**"), sale of services, intangible assets, immovables and importation of goods in the PRC shall be taxpayers of Value-added Tax ("**VAT**"), and the tax rate for taxpayers engaging in sale of services and intangible assets shall be 6% unless otherwise stipulated and for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods shall be 11%.

In addition, 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》) (Cai Shui [2016] No. 36) which was issued by the Ministry of Finance and the State Administration of Taxation on March 23, 2016 and came into effect on May 1, 2016, the state started to fully implement the pilot change 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.

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

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE CONTROL

According to Regulations on Foreign Exchange Administration of the PRC (《中華人民共和國外匯管理條例》) (Order No. 193 of the State Council) (the "**Foreign Exchange Administration Regulations**"), which was promulgated by the State Council of on January 29, 1996 and came into effect since April 1, 1996 and was amended on January 14, 1997 and August 5, 2008, RMB is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside the PRC, unless the prior approval by the State Administration of Foreign Exchange(the "**SAFE**") or its local counterparts is obtained.

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

According to the Notice of State Administration of Foreign Exchange on Reforming and Regulating the policies for the Administration of Foreign Exchange Settlement under the Capital Account (《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》) (Hui Fa [2016] No. 16) ("**SAFE Notice 16**"), which was promulgated and became effective on June 9, 2016, enterprises registered in the PRC (including Chinese-funded enterprises and foreign-funded enterprises, but excluding financial institutions) may also covert their foreign debt from foreign currency into RMB on self-discretionary basis. And SAFE Notice 16 also provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital, foreign debt and funds recovered from overseas listing) on a self-discretionary basis, which applies to all enterprises registered in the PRC.

On October 23, 2019, the SAFE promulgated the Circular on Further Promoting the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) ("**Circular No. 28**"). Pursuant to Circular No. 28, on the basis of allowing investment-oriented foreign-invested enterprise (including foreign-invested investment companies, foreign-invested venture capital enterprises an foreign-invested equity investment enterprises) to use capital funds for domestic equity investment in accordance with laws and regulations, non-investment foreign-invested enterprises shall be allowed to use capital funds for domestic equity investment in accordance with the laws under the premise of not violating the Negative List and the authenticity and compliance of their domestic invested projects.

LABOR LAWS AND REGULATIONS

Enterprises in China are mainly subject to the following PRC labor laws and regulations: the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Regulation of Insurance for Work-Related Injury (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》), the Provisional Measures on Insurance for Maternity of Employee (《企業職工生育保險試行辦法》), the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the Administrative Regulation on Housing Provident Fund (《住房公積金管理條例》) and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time.

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, companies must enter into employment contracts with their employees, based on the principles of equality, consent and agreement through consultation. Companies must establish and effectively implement a system of ensuring occupational safety and health, educate employees on occupational safety and health, preventing work-related accidents and reducing occupational hazards. Companies must also pay for their employees' social insurance premium.

The principal regulations governing the employment contract is the PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007 and was amended on December 28, 2012 and came into effect on July 1, 2013, pursuant to which, employers shall establish an employment relationship with employees on the date that they start employing the employees. To establish employment, a written employment contract shall be concluded, or employers will be liable for illegal actions. Furthermore, the probation period and liquidated damages shall be restricted by the law to safeguard employees' rights and interests.

As required under the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Regulation of Insurance for Work-Related Injury (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》), the Provisional Measures on Insurance for Maternity of Employee (《企業職工生育保險試行辦法》), the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) and the Administrative Regulation on Housing Provident Fund (《住房公積金管理條例》), enterprises in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, injury insurance, medical insurance and housing provident fund.

According to the Social Insurance Law of PRC (《中華人民共和國社會保險法》) (Order No. 35 of the President of the PRC) (promulgated by the Standing Committee of the National People's Congress on October 28, 2010 and came into effect on July 1, 2011 and as amended on December 29, 2018), employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them, and their executive staffs and other directly responsible persons shall be fined RMB500 to RMB3,000. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the relevant administrative department. Also, it has consolidated pertinent provisions for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, and the legal obligations and liabilities of employers who do not comply with relevant laws and provisions on social insurance have been stipulated in detail.

On July 20, 2018, the General Office of the Communist Party of China and the General Office of the State Council of the PRC issued the Reform Plan of the State Tax and Local Tax Collection Administration System (《國稅地稅徵管體制改革方案》) (the "**Reform Plan**"). Under the Reform Plan, from January 1, 2019, tax authorities will be responsible for the collection of social insurance contributions in the PRC.

Pursuant to the Notice of the General Office of the SAT of on Conducting the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《國家稅務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》), promulgated on September 13, 2018, the tax authorities shall properly handle historical arrears under the principle of clearly sorting out and properly taking over historical outstanding accounts and not organising the review of arrears on their own. Pursuant to the Urgent Notice on Implementing the Spirit of the Executive Meeting of the State Council in Stabilising the Collection of Social Security Contributions (《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》) released by the Ministry of Human Resources and Social Security on September 21, 2018, the relevant policies for both the rate and basis of social insurance contributions shall remain unchanged until the reform on the transfer of the authority for social insurance has been completed, and it is strictly prohibited for the relevant authorities to collectively initiate and proactively collect historical outstanding social security contributions from enterprises. On November 16, 2018, the State Administration of Taxation released the Notice of Certain Measures on Further Supporting and Serving the Development of Private (《關於實施進一步支援和服務民營經濟發展若干措施的通知》), which provided that the policy for social insurance shall remain stable and the State Administration of Taxation will pursue to lower the social insurance contribution rates with the relevant authorities, and ensure the overall burden of social insurance contribution on enterprises will be lowered.

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

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademark Law

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (Order No. 10 of SCNPC), which was promulgated on August 23, 1982, and amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019, came into effect on November 1, 2019, and the Implementation Regulations on the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) (Order No. 358 of the State Council) which was promulgated by the State Council on August 3, 2002, and amended on April 29, 2014, came into effect on May 1, 2014, the trademark registrant may, by concluding a trademark licencing contract, authorize others to use the registered trademark. The licensor shall supervise the quality of the goods on which the licencee uses the licensor's registered trademark, and the licencee shall guarantee the quality of the goods on which the registered trademark is used. For licenced use of a registered trademark, the licensor shall file record of the licencing of the said trademark with the trademark bureau, while non-filing of the licencing of a trademark shall not be contested against a good faith third party.

Domain Name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) (No. 43 Order of the Ministry of Industry and Information Technology), which was issued 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 ".CN" and the ".zhongguo (in Chinese character)" shall be China's national top-level domains. 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.

OUR HISTORY AND DEVELOPMENT

History

Our history can be traced back to 2004 when our first operating subsidiary, Jiayuan Services, was established by a property development company invested by Mr. Shum. In 1995, Mr. Shum ventured into the real estate industry by establishing his first wholly-owned property development project company in Jiaxing, Zhejiang Province and since then, he has been focusing on expanding his property development business. Seeing the need of property management services to support his property development projects, in 2004, Mr. Shum decided to invest in property management business. Mr. Shum, through his wholly-owned company, increased his stake in Jiayuan Services and became a controlling shareholder of Jiayuan Services in 2012. He subsequently became the sole beneficial owner of Jiayuan Services in 2014. For details, please refer to "– Our Corporate Developments – Our Operating Subsidiaries in the PRC – Jiayuan Services" in this section. Considering that the expansion into the property management business would lead to a more comprehensive coverage of Jiayuan International's business value chain, in early 2019, Jiayuan International acquired the group comprising Jiayuan Services and its subsidiaries from Mr. Shum.

Upon commencement of our business operation in 2005, we mainly provided our property management services in Zhejiang province with a focus on residential properties, and then gradually expanded our service scope to cover various non-residential properties including shopping malls, public facilities, office buildings, industrial parks, schools and hospitals. We also expanded our business to the Yangtze River Delta Region including Jiangsu, Anhui and Shanghai. Driven by the mutually beneficial and complementary relationship with the Remaining Jiayuan Group and the Excluded Group and our quality service, we have become a leading comprehensive property management service provider in Zhejiang province. In 2017, we established an investment and development department with an aim to expand our cooperation with independent developers to provide property management services to properties developed by them. Leveraging our success in the Yangtze River Delta Region, we have spearheaded our nationwide expansion strategy and expanded to other regions including Hunan, Liaoning and Xinjiang. We have therefore successfully grown from a regional property management service provider to an established comprehensive property management service provider with national presence.

As of June 30, 2020, we had a total contracted GFA of approximately 40.3 million sq.m., covering 42 cities and 16 provinces in China; and had a total of 154 projects under management, with a total GFA under our management of approximately 27.6 million sq.m., covering 28 cities and ten provinces in China. With the philosophy of "Build a Beautiful Life with Heartfelt Services (用心服務,共築美好)" in mind, in November 2018, we launched our "Jiayou Life (佳優生活)" service system to provide comprehensive demand-inspired, customized and menu-based services, catering to different groups of property owners. We were ranked 35th among the 2020 Top 100 Property Management Companies in China (2020中國物業服務百強企業) and 13th among the 2020 Top 100 Property Management Companies in China by Growth (2020中國物業服務百強企業成長性領先企業) by CIA in 2020. In 2018, we were ranked 33rd among the 2018 Top 50 Property Management Companies in China in terms of overall strength (2018中國物業管理企業綜合實力50強) by China Real Estate Association (中國房地產業協會) and Shanghai Yiju Real Estate Research Institute China Real Estate Evaluation Center (上海易居房地產研究院中國房地產測評中心). In 2019, we were recognized as a 2019 Leading Property Management Service Enterprise in Jiaxing, Taixing and Suqian (2019嘉興市、泰興市、宿遷市物業服務市場地位領先企業) by CIA.

Business Development Milestones

The following table sets out various milestones in the history of our business development:

Year	Milestones
2005	We commenced to provide property management services in Zhejiang Province.
2012	We were first named as a Top 100 Property Management Companies in China in terms of overall strength (中國物業管理企業綜合實力100強) by China Real Estate Association (中國房地產業協會) and Shanghai Yiju Real Estate Research Institute China Real Estate Evaluation Center (上海易居房地產研究院中國房地產測評中心).
2014	We were named one of the Top 10 Growth Companies among the Top 100 Property Management Companies in China in terms of growth potential (中國物業服務百強企業成長性Top10).
2017	We established an investment and development department with an aim to expand our cooperation with independent property developers to provide property management services to properties developed by them.
2018	We launched our "Jiayou Life (佳優生活)" service system.
	We were ranked 33rd among the 2018 Top 50 Property Management Companies in China in terms of overall strength (2018中國物業管理企業綜合實力50強) by China Real Estate Association (中國房地產業協會) and Shanghai Yiju Real Estate Research Institute China Real Estate Evaluation Center (上海易居房地產研究院中國房地產測評中心).
2019	We were recognized as 2019 Leading Property Management Service Enterprise in Jiaxing, Taixing and Suqian (2019年嘉興市、泰興市、宿遷市物業服務市場地位領先企業) by CIA.
	We acquired 65% equity interest in an independent property management company in Hunan Province with a total GFA under management of 2.7 million sq.m as of December 31, 2019.
2020	We were ranked 35th among the 2020 Top 100 Property Management Companies in China (2020中國物業服務百強企業) by CIA.
	We were ranked 13th among the 2020 Top 100 Property Management Companies in China by Growth (2020中國物業服務百強企業成長性領先企業) by CIA.

OUR CORPORATE DEVELOPMENTS

Our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on March 5, 2020, and became the holding company and listing vehicle of our Group upon completion of the Reorganization. See "– Reorganization" below for details.

Our Operating Subsidiaries in the PRC

As of the Latest Practicable Date, our business operations had been carried out by our operating subsidiaries established or acquired by our Group in the PRC. Set out below are the major corporate developments including major shareholding changes in the equity interests in our operating subsidiaries in the PRC:

Zhejiang Heyuan

Zhejiang Heyuan is the intermediate holding company of our Group in the PRC. Zhejiang Heyuan was established in the PRC on November 26, 2018 as a limited liability company with an initial registered capital of RMB30,000,000 to be fully paid up in cash pursuant to the articles of association of Zhejiang Heyuan. Since the date of its establishment, it has been wholly-owned by Jiayuan HK, an indirect wholly-owned subsidiary of our Company.

On December 5, 2018, the registered capital of Zhejiang Heyuan was increased to RMB300,000,000 to be fully paid up in cash by Jiayuan HK pursuant to the articles of association of Zhejiang Heyuan. On May 29, 2020, the denomination of the registered capital of Zhejiang Heyuan was changed to US dollars, following which the registered capital of Zhejiang Heyuan became US$43,592,200. There has been no change in the equity interest in Zhejiang Heyuan since then.

Jiayuan Services

Jiayuan Services is the principal holding company of our Group in the PRC and the centralized management platform for our business operations. Jiayuan Services was established in the PRC on April 26, 2004 as a limited liability company with an initial registered capital of RMB5,000,000 fully paid up in cash. Upon its establishment, Jiayuan Services was owned as to 60% by Horizons City Property Management Co. (怡城物業管理公司) ("**Horizons Property Management**"), a sole proprietorship established by Mr. Tsho Yun Wai, an Independent Third Party, as the sole proprietor and 40% by Jiaxing Tongsheng Real Estate Co., Ltd. (嘉興市同盛房產置業有限公司) ("**Jiaxing Tongsheng**"), which was then owned as to 90% by Shanghai Wuhengyue Investment Co., Ltd. (上海五恒悦投資有限公司) ("**Wuhengyue Investment**") and 10% by Jiaxing Jinhai Property Co., Ltd. (嘉興市錦海置業有限公司) ("**Jinhai Property**"). Wuhengyue Investment is beneficially owned by five Independent Third Parties, whereas Jinhai Property is beneficially interested by Mr. Shum and his spouse.

On September 23, 2005, due to the business plan of Jiaxing Tongsheng to focus on property development business, Jiaxing Tongsheng transferred its 40% equity interest in Jiayuan Services to Horizons Property Management at a consideration of RMB2,000,000.

The consideration was determined after arm's length negotiation with reference to the then paid-up registered capital of Jiayuan Services at the time of such transfer. Upon completion of such equity transfer, Jiayuan Services was wholly-owned by Horizons Property Management.

Given Mr. Tsho Yun Wai's intention to scale down his investment in property management business due to personal reason and Mr. Shum's decision to expand into the property management business in view of its potential, on October 22, 2012, Horizons Property Management transferred its 80% equity interest in Jiayuan Services to Zhejiang Jiayuan Real Estate, a company ultimately wholly owned by Mr. Shum at a consideration of RMB4,000,000. The consideration was determined after arm's length negotiation with reference to the then paid-up registered capital of Jiayuan Services at the time of such transfer. Upon completion of such equity transfer, Jiayuan Services was owned as to 80% by Zhejiang Jiayuan Real Estate and 20% by Horizons Property Management.

On May 4, 2014, Horizons Property Management transferred its 20% equity interest in Jiayuan Services to Jin Jiang Investment Limited (錦江投資管理有限公司) ("**Jin Jiang Investment**"), a company directly wholly owned by Mr. Shum at the relevant time, at a consideration of RMB1,000,000. The consideration was determined after arm's length negotiation with reference to the then paid-up registered capital of Jiayuan Services at the time of such transfer. Upon completion of such equity transfer, Jiayuan Services was owned as to 80% by Zhejiang Jiayuan Real Estate and 20% by Jin Jiang Investment.

On May 25, 2017, the registered capital of Jiayuan Services was increased to RMB50,000,000 through a capital injection in the amount of RMB45,000,000 by Jiayuan Chuangsheng, a company directly wholly owned by Mr. Shum. Upon completion of such increase of the registered capital, Jiayuan Services was owned as to 90% by Jiayuan Chuangsheng, 8% by Zhejiang Jiayuan Real Estate and 2% by Jin Jiang Investment.

On July 21, 2017, Jin Jiang Investment transferred its 2% equity interest in Jiayuan Services to Zhejiang Jiayuan Real Estate at a consideration of RMB1,000,000. The consideration was determined after arm's length negotiation with reference to the then paid-up registered capital of Jiayuan Services at the time of such transfer. Upon completion of such equity transfer, Jiayuan Services was owned as to 90% by Jiayuan Chuangsheng and 10% by Zhejiang Jiayuan Real Estate.

On December 5, 2018, pursuant to the internal restructuring plan of Mr. Shum's property management business to be acquired by Jiayuan International, Jiayuan Chuangsheng and Zhejiang Jiayuan Real Estate transferred their respective 90% and 10% equity interest in Jiayuan Services to Zhejiang Heyuan, at a consideration of RMB270,000,000 and RMB30,000,000, respectively. The respective consideration was determined after arm's length negotiation with reference to the future prospects of Jiayuan Services. Upon completion of such equity transfer and as of the Latest Practicable Date, Jiayuan Services was wholly-owned by Zhejiang Heyuan, an indirect wholly-owned subsidiary of our Company.

Anhui Chongyuan

Anhui Chongyuan is principally engaged in the provision of property management services. Anhui Chongyuan was established in the PRC on March 15, 2018 as a limited liability company with an initial registered capital of RMB5,000,000 to be fully paid up in cash pursuant to the articles of association of Anhui Chongyuan. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Xinjiang Jiayuan

Xinjiang Jiayuan is principally engaged in the provision of property management services. Xinjiang Jiayuan was established in the PRC on June 25, 2018 as a limited liability company with an initial registered capital of RMB5,000,000 to be fully paid up in cash pursuant to the articles of association of Xinjiang Jiayuan. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Zhejiang Meiyuan

Zhejiang Meiyuan is principally engaged in the provision of community value-added services. Zhejiang Meiyuan was established in the PRC on May 17, 2017 as a limited liability company with an initial registered capital of RMB10,000,000 to be fully paid up in cash pursuant to the articles of association of Zhejiang Meiyuan. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Anhui Jiayuan

Anhui Jiayuan was established to engage in the provision of property management services. Anhui Jiayuan was established in the PRC on April 17, 2019 as a limited liability company with an initial registered capital of RMB5,000,000 to be fully paid up in cash pursuant to the articles of association of Anhui Jiayuan. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Hangzhou Jiayuan

Hangzhou Jiayuan was established to engage in the provision of property management services. Hangzhou Jiayuan was established in the PRC on June 18, 2019 as a limited liability company with an initial registered capital of RMB1,000,000 to be fully paid up in cash pursuant to the articles of association of Hangzhou Jiayuan. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Jiaxing Jiayuan Zhixiang

Jiaxing Jiayuan Zhixiang was established to engage in the provision of property management services. Jiaxing Jiayuan Zhixiang was established in the PRC on August 7, 2019 as a limited liability company with an initial registered capital of RMB1,000,000 to be fully paid up in cash pursuant to the articles of association of Jiaxing Jiayuan Zhixiang. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Yangzhou Shengyuan

Yangzhou Shengyuan was established to engage in the provision of property management services. Yangzhou Shengyuan was established in the PRC on April 15, 2019 as a limited liability company with an initial registered capital of RMB1,000,000 to be fully paid up in cash pursuant to the articles of association of Yangzhou Shengyuan. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Hunan Jiayuan

Hunan Jiayuan was established to engage in the provision of property management services. Hunan Jiayuan was established in the PRC on February 26, 2020 as a limited liability company with an initial registered capital of RMB5,000,000 to be fully paid up in cash pursuant to the articles of association of Hunan Jiayuan. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Guizhou Huahong

Guizhou Huahong was established to engage in the provision of property management services. Guizhou Huahong was established in the PRC on April 20, 2020 as a limited liability company with an initial registered capital of RMB5,000,000 to be fully paid up in cash pursuant to the articles of association of Guizhou Huahong. Since the date of its establishment, it has been owned as to 70% by Hunan Huaguan and 30% by Mr. Deng Xiong (鄧雄), an Independent Third Party (other than being a substantial shareholder of Guizhou Huahong).

Jilin Jiayuan

Jilin Jiayuan was established to engage in the provision of property management services. Jilin Jiayuan was established in the PRC on June 12, 2020 as a limited liability company with an initial registered capital of RMB5,000,000 to be fully paid up in cash pursuant to the articles of association of Jilin Jiayuan. Since the date of its establishment, it has been owned as to 57% by Jiayuan Services and 43% by Jilin Central North Joint Investment Enterprise Management Company Limited (吉林省中北聯投企業管理有限公司), an Independent Third Party (other than being a substantial shareholder of Jilin Jiayuan).

Jiaxing Jiayuan Lvdong

Jiaxing Jiayuan Lvdong was established to engage in the provision of property management services. Jiaxing Jiayuan Lvdong was established in the PRC on September 7, 2020 as a limited liability company with an initial registered capital of RMB1,000,000 to be fully paid up in cash pursuant to the articles of association of Jiaxing Jiayuan Lvdong. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Guizhou Jiazhi

Guizhou Jiazhi was established to engage in the provision of property management services. Guizhou Jiazhi was established in the PRC on September 18, 2020 as a limited liability company with an initial registered capital of RMB10,000,000 to be fully paid up in cash pursuant to the articles of association of Guizhou Jiazhi. Since the date of its establishment, it has been owned as to 51% by Jiayuan Services and 49% by Guizhou Zhihe Property Management Company Limited (貴州致合物業管理有限公司), an Independent Third Party (other than being a substantial shareholder of Guizhou Jiazhi).

Chongqing Jidi Youjia

Chongqing Jidi Youjia was established to engage in the provision of property agency and consultancy services. Chongqing Jidi Youjia was established in the PRC on July 20, 2020 as a limited liability company with an initial registered capital of RMB1,000,000 to be fully paid up in cash pursuant to the articles of association of Chongqing Jidi Youjia. Since the date of its establishment, it has been wholly-owned by Zhejiang Meiyuan, an indirect wholly-owned subsidiary of our Company.

Tongxiang Jiayuan

Tongxiang Jiayuan was established to engage in the provision of property management services. Tongxiang Jiayuan was established in the PRC on October 23, 2020 as a limited liability company with an initial registered capital of RMB1,000,000 to be fully paid up in cash pursuant to the articles of association of Tongxiang Jiayuan. Since the date of its establishment, it has been wholly-owned by Jiayuan Services, an indirect wholly-owned subsidiary of our Company.

Acquisitions during the Track Record Period

Jiaxing Xingzhou

Jiaxing Xingzhou was established in the PRC on July 11, 2003 as a limited liability company and is principally engaged in the provision of property management services. Immediately prior to the completion of the acquisition of the entire equity interest in Jiaxing Xingzhou, Jiaxing Xingzhou was owned as to 60% by Jiaxing Jiulong Real Estate Co., Ltd. (嘉興市九龍城置業有限公司) ("**Jiaxing Jiulong**"), an Independent Third Party, and 40% by Pinghu Xingzhou Real Estate Co., Ltd. (平湖星洲置業有限公司) ("**Pinghu Xingzhou**"), an Independent Third Party. Prior to the acquisition of Jiaxing Xingzhou by our Group, it had four residential projects under its management which are located in Jiaxing, Zhejiang province. For the purpose of expanding its property management business in Pinghu, Jiaxing, Zhejiang province, on December 18, 2018, Jiaxing Jiulong, Pinghu Xingzhou and Jiayuan Services reached an agreement such that Jiayuan Services shall be entitled to appoint responsible persons to take control over the management of Jiaxing Xingzhou prior to the signing of the formal agreement in respect of such transfer. On January 1, 2019, Jiayuan Services nominated and appointed three directors and a general manager and took control of the management of Jiaxing Xingzhou. On August 12, 2019, a formal agreement for such transfer was then entered into among Jiaxing Jiulong, Pinghu Xingzhou and Jiayuan Services to final confirm and determine certain provisions of the agreement including the consideration for such transfer. The consideration of RMB618,700 (equivalent to approximately 1.8 times of the net profit of Jiaxing Xingzhou in 2018) was determined after arm's length negotiation with reference to (i) the net asset value of Jiaxing Xingzhou as of December 31, 2018; (ii) the amount of consideration of approximately RMB1.6 per sq.m. calculated based on the GFA under management of Jiaxing Xingzhou immediately before the acquisition; (iii) the profitability of Jiaxing Xingzhou taking into account the expected average property management fee of approximately RMB1.5 per sq.m. on a monthly basis; and (iv) Jiaxing Xingzhou's revenue of approximately RMB11.7 million and net profit of approximately RMB0.4 million for the year ended December 31, 2018. The consideration of RMB333,300 was settled in cash on August 15, 2019 and the remaining consideration of RMB285,400 will be settled pursuant to the terms of the equity transfer agreement. Upon completion of such equity transfer, Jiaxing Xingzhou became an indirect wholly-owned subsidiary of our Company.

Hangzhou Minan

Hangzhou Minan was established in the PRC on March 30, 2000 as a limited liability company and is principally engaged in the provision of property management services. Prior to the acquisition of Hangzhou Minan by our Group, it had seven residential projects and one non-residential project under its management which are located in Hangzhou, Zhejiang province. For the purpose of expanding its property management business to in Hangzhou, Zhejiang province, on November 9, 2018, Jiayuan Services acquired 93.33% and 6.67% equity interest in Hangzhou Minan from Mr. Zhu

Jianhua (朱建華), an Independent Third Party, and Zhejiang Beili Real Estate Group Co., Ltd. (浙江貝利房地產集團有限公司) ("**Zhejiang Beili**"), an Independent Third Party, at the consideration of RMB4,707,329 and RMB308,991, respectively. The consideration was determined after arm's length negotiation with reference to (i) the net asset value of Hangzhou Minan as of September 30, 2018; (ii) the amount of consideration of approximately RMB5.1 per sq.m. calculated based on the GFA under management of Hangzhou Minan immediately before the acquisition; (iii) the profitability of Hangzhou Minan taking into account the expected average property management fee of approximately RMB1.6 per sq.m. on a monthly basis; and (iv) Hangzhou Minan's revenue of approximately RMB17.4 million and net loss of approximately RMB0.1 million for the year ended December 31, 2017. Such consideration was settled in cash on August 10, 2020. Upon completion of such equity transfers, Hangzhou Minan became wholly-owned by Jiayuan Services and an indirect wholly-owned subsidiary of our Company.

Chongqing Zhongnong Guoxin

Chongqing Zhongnong Guoxin was established in the PRC on March 29, 2010 as a limited liability company and is principally engaged in the provision of property management services. Prior to the acquisition of Chongqing Zhongnong Guoxin by our Group, it had one residential project under its management which is located in Chongqing. For the purpose of expanding its property management business in Chongqing, Jiayuan Services entered into an equity transfer agreement with Chongqing Zhongnong Guoxin Real Estate Co., Ltd. (重慶中農國信置業有限公司) ("**Guoxin Real Estate**"), a company beneficially owned as to approximately 45.9% by Zhejiang Jiayuan Real Estate, which in turn is ultimately wholly owned by Mr. Shum, and approximately 54.1% by other Independent Third Parties, on November 8, 2017 to acquire the entire equity interest in Chongqing Zhongnong Guoxin at the consideration of RMB500,000. The consideration was determined after arm's length negotiation with reference to (i) the then paid-up registered capital of Chongqing Zhongnong Guoxin; (ii) the amount of consideration of approximately RMB4.8 per sq.m. calculated based on the GFA under management of Chongqing Zhongnong Guoxin immediately before the acquisition; (iii) the profitability of Chongqing Zhongnong Guoxin taking into account the expected average property management fee of approximately RMB1.7 per sq.m. on a monthly basis; and (iv) Chongqing Zhongnong Guoxin's net loss of approximately RMB700 for the year ended December 31, 2016. Such consideration was settled in cash on November 15, 2017. Upon completion of such equity transfer, Chongqing Zhongnong Guoxin became wholly-owned by Jiayuan Services and an indirect wholly-owned subsidiary of our Company.

Hunan Huaguan

Hunan Huaguan was established in the PRC on May 17, 2010 as a limited liability company and is principally engaged in the provision of property management services. Immediately prior to the completion of our acquisition of 65% equity interest in Hunan Huaguan, Hunan Huaguan was owned as to 30% by Hunan Jianhongda Industrial Group

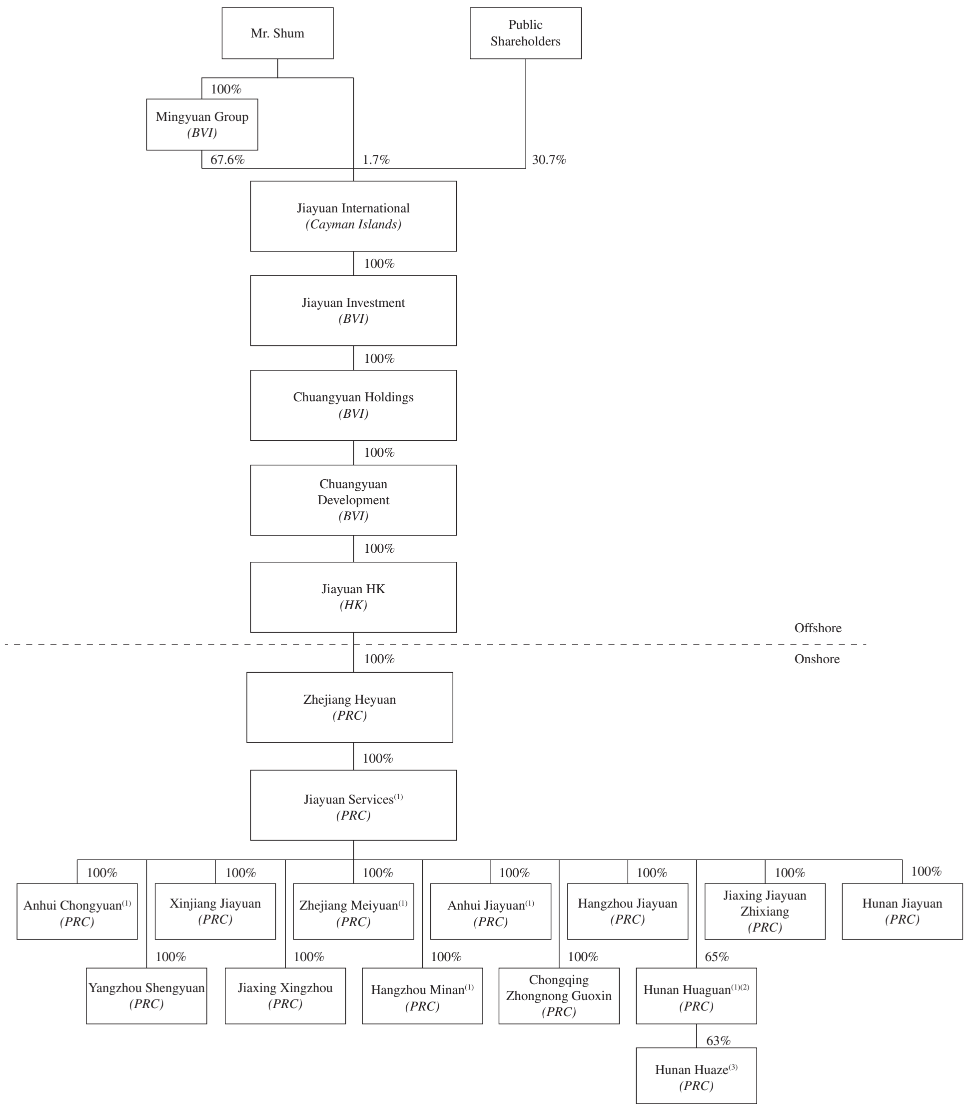
Co., Ltd. (湖南建鴻達實業集團有限公司) ("**Jianhongda Industrial**"), an Independent Third Party and 70% by Hunan Jianhongda, a non-wholly owned subsidiary of Jianhongda Industrial, an Independent Third Party (other than being a substantial shareholder of Hunan Huaguan). In addition, it had 13 residential projects and four non-residential projects under its management which are mostly located in Changsha, Hunan province prior to the acquisition of 65% equity interest in Hunan Huaguan by our Group. For the purpose of expanding its property management business in Hunan province, on December 31, 2019, Jiayuan Services entered into an equity transfer agreement with Jianhongda Industrial and Hunan Jianhongda, pursuant to which Jiayuan Services acquired 65% equity interest in Hunan Huaguan from Hunan Jianhongda at a consideration of RMB33,722,000 (equivalent to approximately 7.6 times of the net profit of Hunan Huaguan in 2019). The consideration was determined after arm's length negotiation with reference to the valuation of Hunan Huaguan by the management of the Company which was based on (i) the investment payback period; (ii) the amount of consideration of approximately RMB12.5 per sq.m. calculated based on the GFA under management of Hunan Huaguan immediately before the acquisition; (iii) the profitability of Hunan Huaguan taking into account the expected average property management fee of approximately RMB1.6 per sq.m. on a monthly basis; and (iv) Hunan Huaguan's revenue of approximately RMB69.1 million and net profit of approximately RMB6.8 million for the year ended December 31, 2019. Such consideration was settled in cash on February 27, 2020. Jianhongda Industrial and Hunan Jianhongda also agreed that Jiayuan Services is entitled to appoint responsible persons to take control over the management of Hunan Huaguan. On December 31, 2019, Jiayuan Services nominated and appointed two directors and a manager and took control of the management of Hunan Huaguan. Upon completion of such transfer, Hunan Huaguan became owned as to 65% by Jiayuan Services and 35% by Jianhongda Industrial. On April 2, 2020, Jianhongda Industrial transferred its 35% equity interest in Hunan Huaguan to Hunan Jianhongda and upon completion of such equity transfer and as of the Latest Practicable Date, Hunan Huaguan was owned as to 65% by Jiayuan Services and 35% by Hunan Jianhongda and Hunan Huaguan was an indirect non-wholly owned subsidiary of our Company.

Hunan Huaze

Hunan Huaze was established in the PRC on August 21, 2019 as a limited liability company and is principally engaged in the provision of property management services. Since the date of its establishment, it has been owned as to 63% by Hunan Huaguan and 37% by Ms. Fang Jia (方佳), an Independent Third Party (other than being a substantial shareholder of Hunan Huaze). Since the date of its establishment, it had been a non-wholly owned subsidiary of Hunan Huaguan. Upon completion of the equity transfer of Hunan Huaguan from Hunan Jianhongda to Jiayuan Services as disclosed in the paragraph headed "Acquisitions during the Track Record Period – Hunan Huaguan" above, Hunan Huaze became an indirectly non-wholly owned subsidiary of our Company.

REORGANIZATION

The following diagram illustrates our shareholding structure before the Reorganization:



Notes:

1. Each of Jiayuan Services, Anhui Chongyuan, Zhejiang Meiyuan, Anhui Jiayuan, Hangzhou Minan and Hunan Huaguan operates certain branch companies.

2. The remaining 35% equity interest in Hunan Huaguan is held by Hunan Jianhongda, an Independent Third Party (other than being a substantial shareholder of Hunan Huaguan).

3. The remaining 37% equity interest in Hunan Huaze is held by Ms. Fang Jia (方佳), an Independent Third Party (other than being a substantial shareholder of Hunan Huaze).

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

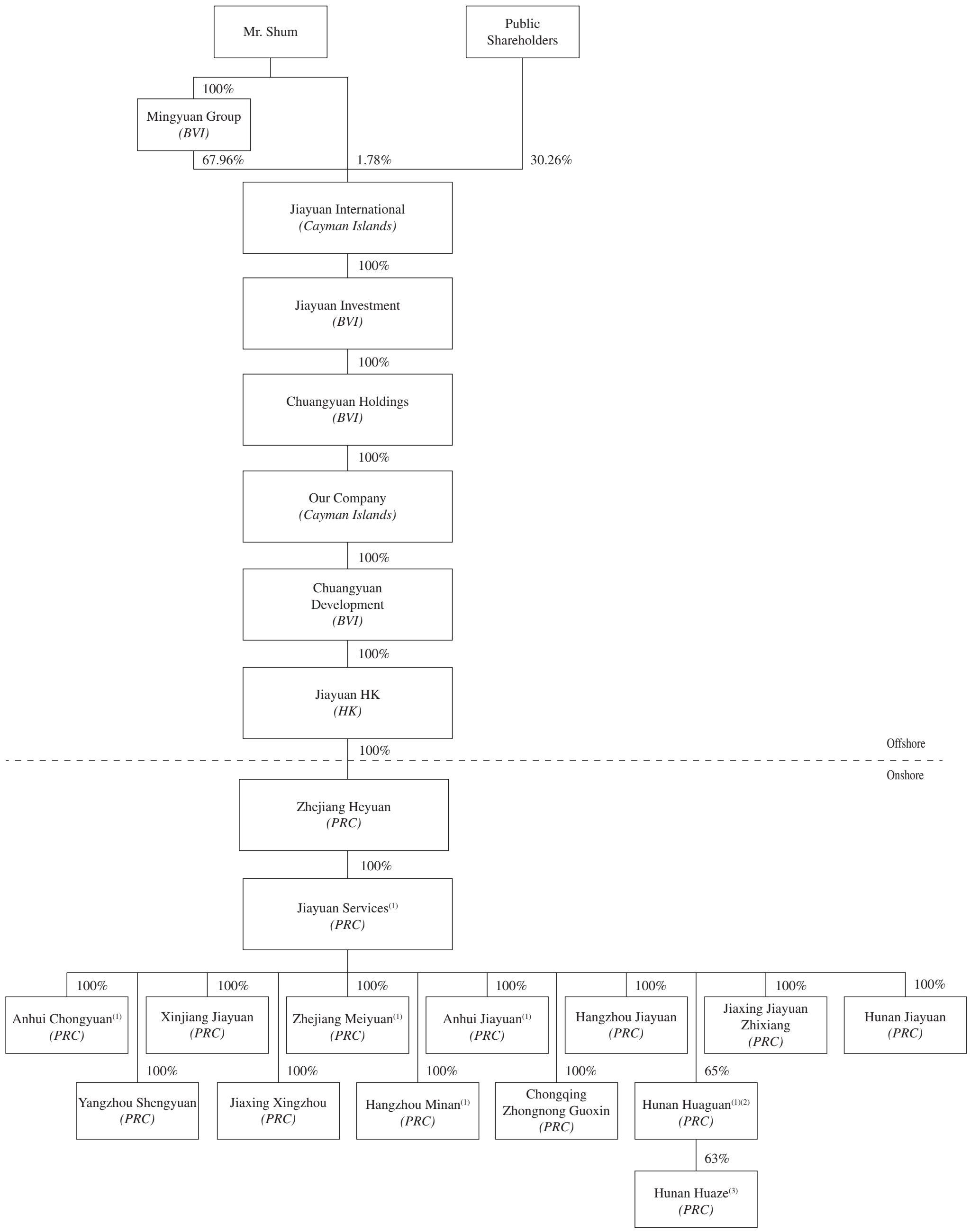
1. Incorporation of our Company

On March 5, 2020, our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability. As of the date of incorporation, the authorized share capital of our Company was HK$390,000 divided into 39,000,000 ordinary shares of HK$0.01 each, among which one fully-paid share was issued to the initial subscriber, an Independent Third Party, at par and such Share was transferred to Chuangyuan Holdings at par on the same day. Upon completion of such share transfer, our Company was wholly-owned by Chuangyuan Holdings.

2. Acquisition of Chuangyuan Development by our Company

On April 9, 2020, our Company acquired the entire issued shares of Chuangyuan Development, a company incorporated in the BVI with limited liability and wholly owned by Chuangyuan Holdings. In consideration of such acquisition, our Company issued and allotted 99 shares to Chuangyuan Holdings on the same day. Upon completion of such acquisition, Chuangyuan Development became a direct wholly-owned subsidiary of our Company.

The following chart sets out the shareholding structure of our Group immediately following the completion of the Reorganization but before the completion of the Capitalization Issue and the Global Offering:



Notes:

1. Each of Jiayuan Services, Anhui Chongyuan, Zhejiang Meiyuan, Anhui Jiayuan, Hangzhou Minan and Hunan Huaguan operates certain branch companies.

2. The remaining 35% equity interest in Hunan Huaguan is held by Hunan Jianhongda, an Independent Third Party (other than being a substantial shareholder of Hunan Huaguan).

3. The remaining 37% equity interest in Hunan Huaze is held by Ms. Fang Jia (方佳), an Independent Third Party (other than being a substantial shareholder of Hunan Huaze).

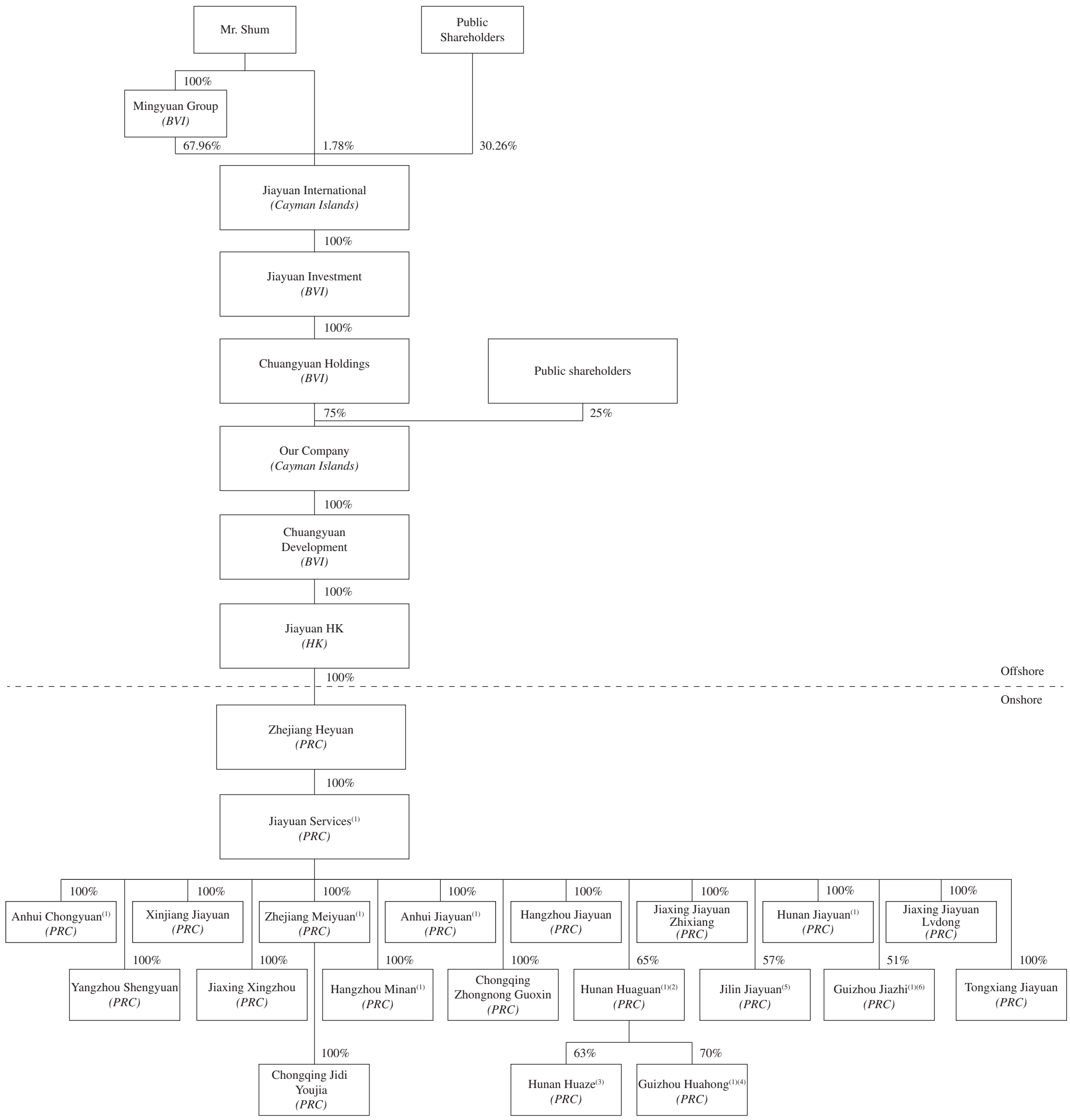
INCREASE OF AUTHORIZED SHARE CAPITAL

On October 21, 2020, our Company increased its authorized share capital to HK$20,000,000 through the creation of 1,961,000,000 additional Shares of nominal value of HK$0.01 each.

CAPITALIZATION ISSUE

Pursuant to the written resolutions of our sole Shareholder passed on October 21, 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 HK$4,499,999 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 449,999,900 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 resolution 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. The Shares to be issued and allotted pursuant to such resolution shall carry the same rights in all respects with the existing issued Shares.

The shareholding structure of our Group immediately following the completion of the Reorganization, the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised) is set out as follows:



Notes:

1. Each of Jiayuan Services, Anhui Chongyuan, Zhejiang Meiyuan, Anhui Jiayuan, Hangzhou Minan, Hunan Jiayuan, Guizhou Huahong, Guizhou Jiazhi and Hunan Huaguan operates certain branch companies.

2. The remaining 35% equity interest in Hunan Huaguan is held by Hunan Jianhongda, an Independent Third Party (other than being a substantial shareholder of Hunan Huaguan).

3. The remaining 37% equity interest in Hunan Huaze is held by Ms. Fang Jia (方佳), an Independent Third Party (other than being a substantial shareholder of Hunan Huaze).

4. Guizhou Huahong was established on April 20, 2020. The remaining 30% equity interest in Guizhou Huahong is held by Mr. Deng Xiong (鄧雄), an Independent Third Party (other than being a substantial shareholder of Guizhou Huahong).

5. Jilin Jiayuan was established on June 12, 2020. The remaining 43% equity interest in Jilin Jiayuan is held by Jilin Central North Joint Investment Enterprise Management Company Limited (吉林省中北聯投企業管理有限公司), an Independent Third Party (other than being a substantial shareholder of Jilin Jiayuan).

6. Guizhou Jiazhi was established on September 18, 2020. The remaining 49% equity interest in Guizhou Jiazhi is held by Guizhou Zhihe Property Management Company Limited (貴州致合物業管理有限公司), an Independent Third Party (other than being a substantial shareholder of Guizhou Jiazhi).

PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisor has confirmed that all the equity transfers and increases in registered capital in respect of the PRC companies in our Group as described above have obtained all necessary government approvals and permits and the government procedures involved are in accordance with the applicable PRC laws and regulations. Our PRC Legal Advisor has also confirmed that given that no equity transfer of PRC companies was involved in the course of the Reorganization, no approval from relevant PRC regulatory authorities is required for the implementation of the Reorganization.

The Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors in the PRC

According to the M&A Rules, where a domestic company, enterprise or natural person intends to acquire its or his/her related domestic company in the name of an offshore company which it or he/she lawfully established or controls, the acquisition shall be subject to the examination and approval of the MOFCOM, and where a domestic company or natural person holds an equity interest in a domestic company through an offshore special purpose company by paying the acquisition price with equity interests, the overseas listing of that special purpose company shall be subject to approval by the CSRC. Pursuant to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the "**Foreign Investment Information Measures**"), since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to these measures. As advised by our PRC Legal Advisor, the Reorganization is not subject to the M&A Rules and the Foreign Investment Information Measures given that no equity transfer of PRC companies was involved in the course of the Reorganization.

SAFE Registration in the PRC

Pursuant to the Circular on the Administration of Foreign Exchange Involved in the Investment and Financing and Round-trip Investment Conducted by PRC Residents via Special Purpose Vehicles 《(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》) ("**SAFE Circular No. 37**") issued by SAFE on July 4, 2014 and Circular on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知) ("**SAFE Circular No. 13**"), where the PRC individual residents conduct investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments. SAFE Circular No. 37 also requires the PRC residents to file changes to their registration where their offshore special purpose vehicles undergo material events such as the change of basic information including PRC residence, name and operation period, as well as capital increase or decrease, share transfer or exchange, merger or division. Our PRC Legal Advisor has confirmed that since Mr. Shum is a Hong Kong permanent resident, he is not subject to the registration procedures of the foreign exchange for his overseas investment under SAFE Circular 37 and SAFE Circular No. 13.

REASONS FOR THE 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 from Jiayuan International.

In September 2018, Jiayuan International entered into the sale and purchase agreement with Mr. Shum to acquire our business (the "**Acquisition**"), details of which are set out in the announcement of Jiayuan International dated September 19, 2018 and the circular of Jiayuan International dated December 24, 2018 (the "**Circular**"). As disclosed in the Circular, Jiayuan International believed that the Acquisition would be beneficial and in the interest of Jiayuan International given that, among other things, (i) the expansion into the property management business would lead to a more comprehensive coverage of Jiayuan International's business value chain; (ii) the Acquisition would diversify the source of income of Jiayuan International, from which Jiayuan International could generate a stable source of management fees; and (iii) by combining the upstream property development business and the downstream property management business, Jiayuan International would be capable of providing homeowners with a one-stop comprehensive services with better customer experience. Having seen an increasing trend of property developers to spin off their property management businesses in light of the growing interests of investors in listed property management companies in recent years, and the board of directors of Jiayuan International (the "**Jiayuan International Board**") considering that the property management companies have benefited from their separate listing status and experienced accelerated growth as a result of a separate listing, in late August 2019, Jiayuan International began to explore the feasibility of pursuing the proposed Spin-off. In early November 2019, considering that our business is growing rapidly with an increasing number of properties developed by independent property developers, the Jiayuan International Board believed that it was an appropriate time to pursue a separate listing for the our business, while capitalizing on the benefits brought by the Acquisition stated above through adopting a vertical structure with control retained over our Group upon completion of the Spin-off. In addition, Jiayuan International considers that it is commercially beneficial and in the interest of the shareholders of Jiayuan International to effect the Spin-off as the Spin-off is expected to create greater value for Jiayuan International and its shareholders as a whole for the following reasons:

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

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

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

(d) the Spin-off will enable a more focused development, strategic planning and better allocation of resources for the Remaining Jiayuan Group and our Group with respect to their respective businesses. Both the Remaining Jiayuan Group and our Group will benefit from the efficient decision-making process under the separate management structure for seizing emerging business opportunities, especially with a dedicated management team for our Group to focus on our development.

The Spin-off by Jiayuan International complies with the requirements of Practice Note 15 of the Listing Rules.

You should read this prospectus in its entirety before you decide to invest in the Offer Shares, and not rely solely on key or summarized information. The financial information in this section has been extracted without material adjustment from "Appendix I – Accountant's Report." All market statistics quoted in this prospectus, unless otherwise specified, are from an industry report issued by CIA. See "Industry Overview" in this prospectus for the qualifications of CIA as well as details of the industry report.

OVERVIEW

We are a leading comprehensive property management service provider in Zhejiang province with a proven track record of robust growth. Headquartered in Jiaxing and deeply rooted in the Yangtze River Delta Region, through over 15 years of operations, we have grown from a leading regional property management provider to an established comprehensive property management service provider with national presence. According to CIA, in 2019, among the Top 100 Property Management Companies in China headquartered in Zhejiang province and the Yangtze River Delta Region, we were ranked fifth and 14th, respectively, in terms of GFA under management. The Yangtze River Delta Region, which, according to CIA, is one of the most populous and economically prosperous regions in China, has always been and will continue to be our strategic development focus. According to CIA, both the per capita annual disposable income and urbanization rate in the Yangtze River Delta Region are higher than industry average in China. As of June 30, 2020, approximately 84.5% of our total GFA under management was located in the Yangtze River Delta Region.

Leveraging our success in the Yangtze River Delta Region, we have spearheaded our nationwide expansion strategy and successfully grown from a regional property management service provider to an established comprehensive property management service provider with national presence. As of June 30, 2020, we had a total contracted GFA of approximately 40.3 million sq.m., covering 42 cities and 16 provinces in China; and had a total of 154 projects under management, with a total GFA under our management of approximately 27.6 million sq.m., covering 28 cities and ten provinces in China.

We were ranked 35th among the 2020 Top 100 Property Management Companies in China (2020中國物業服務百強企業) and 13th among the 2020 Top 100 Property Management Companies in China by Growth (2020中國物業服務百強企業成長性領先企業), according to CIA. In 2018, we were ranked 33rd among the 2018 Top 50 Property Management Companies in China in terms of overall strength (2018中國物業管理企業綜合實力50強), according to China Real Estate Association (中國房地產業協會) and Shanghai Yiju Real Estate Research Institute China Real Estate Evaluation Center (上海易居房地產研究院中國房地產測評中心). In 2019, we were recognized as a "2019 Leading Property Management Service Enterprise in Jiaxing (2019嘉興市物業服務市場地位領先企業)" by CIA.

* Each year the CIA publishes the Top 100 Property Management Companies in China in terms of overall strength based on the data from the previous year on key factors such as management scale, operational performance, service quality, growth potential and social responsibility of the property management companies under consideration.

We offer a comprehensive portfolio of services to provide our customers with quality tailored services and superior experience. Our services primarily include the following:

- *Property management services*. We provide property developers, property owners and residents with a wide range of property management services, which primarily comprise (i) cleaning, (ii) security, (iii) gardening and landscaping, and (iv) repair and maintenance services.

- *Value-added services to non-property owners*. In addition to quality traditional property management services, we endeavor to offer non-property owners comprehensive and customized value-added services covering the entire lifecycle of property development process to address their needs from preliminary consultancy for property development to post-delivery management. Our value-added services to non-property owners primarily comprise (i) sales management services, (ii) preliminary planning and design consultancy services, (iii) pre-delivery cleaning and inspection services, (iv) car park sales assistance services, and (v) other services customized to meet specific needs of our customers on an as-needed basis such as employee catering services and sales of groceries.

- *Community value-added services*. We strive to offer a broad spectrum of differentiated and customized community value-added services, targeting the diverse needs of our customers while enhancing customer stickiness. By providing comprehensive demand-inspired, customized and menu-based services, our value-added services to property owners and residents cater to different groups of property owners, factoring in different ages, different family structures and different occupations. Our community value-added services primarily include, among others, (i) home-living services, (ii) common area value-added services, (iii) car park leasing assistance services and (iv) sales of groceries to property owners.

Throughout the course of our development, we have adhered to our vision of "Build a Beautiful Life with Heartfelt Services" (用心服務,共築美好) in conducting our business. We believe service quality is key to enhancing our customer satisfaction and increasing our brand recognition, and endeavour to provide highly customized services to maximize customer experiences. As a result of our efficient operation and quality services, we experienced rapid growth during the Track Record Period. Our revenue increased at a CAGR of 47.2% from RMB209.8 million in 2017 to RMB454.9 million in 2019. Our revenue increased by 33.0% from RMB210.7 million in the six months ended June 30, 2019 to RMB280.3 million in the six months ended June 30, 2020. Our gross profit increased at a CAGR of 54.1% from RMB45.8 million in 2017 to RMB108.7 million in 2019. Our gross profit increased by 63.8% from RMB52.4 million in the six months ended June 30, 2019 to RMB85.9 million in the six months ended June 30, 2020. Our net profit increased at a CAGR of 65.4% from RMB18.3 million in 2017 to RMB50.2 million in 2019. Our net profit increased by 27.0% from RMB28.5 million in the six months ended June 30, 2019 to RMB36.3 million in the six months ended June 30, 2020. The aggregate GFA of the properties we were contracted to manage increased from 26.1 million sq.m. as of December 31, 2017 to 32.9 million sq.m. as of December 31, 2018 and further to 38.8 million sq.m. as of December 31, 2019, representing a CAGR of 21.8%. The aggregate GFA of the properties we were contracted to manage increased to 40.3 million sq.m. as of June 30, 2020. The aggregate GFA of the properties under our management increased from 14.0 million sq.m. as of December 31, 2017 to 19.2 million sq.m. as of December 31, 2018 and further to 26.1 million sq.m. as of December 31, 2019, representing a CAGR of 36.5%. The aggregate GFA of the properties under our management increased to 27.6 million sq.m. as of June 30, 2020.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths have enabled us to achieve a competitive position in the property management industry in the PRC and differentiated us from our competitors:

Comprehensive Property Management Service Provider Deeply Rooted in the Economically Fast-growing Yangtze River Delta Region with Strategic Nationwide Coverage and Proven Track Record of Robust Growth

We are a leading comprehensive property management service provider in Zhejiang province with a proven track record of robust growth. Headquartered in Jiaxing, and deeply rooted in the Yangtze River Delta Region, we have, through over 15 years of development, established a leading market position in Zhejiang province and are well recognized in the Yangtze Delta Region. According to CIA, in 2019, among the Top 100 Property Management Companies in China headquartered in Zhejiang province and the Yangtze River Delta Region, we were ranked fifth and 14th, respectively, in terms of GFA under management. As of June 30, 2020, our managed projects which are located in the Yangtze River Delta Region contributed to approximately 84.5% of our aggregate GFA under management and 82.5% of our total revenue in the six months ended June 30, 2020.

The Yangtze River Delta Region, which, according to CIA, is one of the most populous and economically prosperous regions in China, has always been and will continue to be our strategic development focus. According to CIA, both the per capita annual disposable income and urbanization rate in the Yangtze River Delta Region are higher than industry average in China. We expect that, with our current market position in Zhejiang province and the Yangtze River Delta Region, we will continue to benefit from the growth opportunities in the region.

Leveraging our success in the Yangtze River Delta Region, we have spearheaded our nationwide expansion strategy and successfully grown from a regional property management service provider to an established comprehensive property management service provider with national presence. As of June 30, 2020, we had a total contracted GFA of approximately 40.3 million sq.m., covering 42 cities and 16 provinces in China; and had a total of 154 projects under management, with a total GFA under our management of approximately 27.6 million sq.m., covering 28 cities and ten provinces in China.

Adhering to the vision of "Build a Beautiful Life with Heartfelt Services" (用心服務,共築美好), we have endeavored to keep refining our service quality through development and implementation of stringent quality standards, while at the same time, keep diversifying and enriching our services portfolio. With our quality services and extensive industry experience, we are recognised for our service quality and brand reputation. In 2020, we were ranked 35th among the 2020 Top 100 Property Management Companies in China (2020中國物業服務百強企業) and 13th among the 2020 Top 100 Property Management Companies in China by Growth (2020中國物業服務百強企業成長性領先企業) according to CIA. In 2019, we were recognized as a "2019 Leading Property Management Service Enterprise in Jiaxing (2019嘉興市物業服務市場地位領先企業)" by CIA.

We believe our strategic market positioning and our commitment to provide, and continuous efforts to offer, quality services and products to our customers have contributed to our fast growth during the Track Record Period. Our total GFA of properties under management increased from 14.0 million sq.m. as of December 31, 2017 to 26.1 million sq.m. as of December 31, 2019, representing a CAGR of 36.5% which was higher than the relevant average CAGR of 16.3% with respect to the 2019 Top 100 Property Management Companies in China according to CIA. Our total GFA of properties under management increased by 5.7% from 26.1 million sq.m. as of December 31, 2019 to 27.6 million sq.m. as of June 30, 2020. Our revenue and net profit grew at a CAGR of 47.2% and 65.4%, respectively, from 2017 to 2019, which were higher than the relevant average CAGR of 18.4% and 26.2%, respectively, with respect to the 2019 Top 100 Property Management Companies in China according to CIA. Our revenue and net profit grew by 33.0% and 27.0%, respectively, from the six months ended June 30, 2019 to the six months ended June 30, 2020.

Differentiated and Customized Offerings of Value-added Services with Multiple Dimensions Covering Multiple Types of Properties, Catering to Various Customers Groups and Diversifying Revenue Streams

In addition to quality traditional property management services, we endeavor to offer non-property owners and property owners a wide range of differentiated and customized value-added services from multiple dimensions, targeting the diverse needs of our customers while enhancing customer stickiness.

Our value-added services to non-property owners, primarily property developers, cover the lifecycle of property development process to address their needs from preliminary consultancy for property development to post-delivery management. Before the commencement of construction, we provide consultancy services on development plan and design proposal. During the course of construction, we provide construction site management, including onsite monitoring and inspection of construction activities, pipeline and drainage systems and ancillary facilities. Upon the commencement of pre-sale, we offer sales management services, which assist property developers in showcasing and marketing their properties. Upon the completion of major construction work, we provide pre-delivery cleaning and inspection services according to customers' requests.

We adhere to our vision and strive to provide a warmer and happier community with comfortable and healthy living environment. To address property owners' evolving demands with consistent high-quality services, we make continuous efforts in service upgrades, diversification and innovation under our "Jiayou Life" (佳優生活) service system, which was launched in 2018, to develop and provide comprehensive demand-inspired, customized and menu-based services, catering to different groups of property owners, factoring in different ages, different family structures and different occupations. Meanwhile, we endeavor to create an ecosystem within our managed communities with three dimensions under our brands "Livable Yue Home" (宜居悅家), "Sweet and Safe Home" (幸福安家), and "Healthy and Happy Home" (健康樂家):

- *"Livable Yue Home" (宜居悅家)*. Under our "Livable Yue Home," we strive to bring our customers a comfortable, healthy and convenient living experience, including by providing (i) the new "Six Guarantees" (六保) butler services which include the traditional property management, as well as diverse and customized services addressing special needs of the school children and the elderly; (ii) smart butler services which apply technological solutions and intelligent operations, such as intelligent entrance and exit system and 24-hour surveillance system, at our managed communities; and (iii) "golden key services" which aim to offer one-on-one tailored VIP services to address our customers' special needs.

- *"Sweet and Safe Home" (幸福安家)*. Under our "Sweet and Safe Home", we offer comprehensive and specialized value-added services tailored to property owners' differentiated life experiences and diverse needs. We offer quality value-added services including, among other, (i) healthy, convenient and gourmet catering services at "Mi Dao" (彌稻) property owners' restaurants, (ii) laundry services, (iii) upgraded home-living services under "Jia Home Group" (佳家邦) such as home appliance cleaning, delivery and maintenance of their households and turnkey and move-in services, (iv) organizing "Extra-fresh and Worry-free" (領鮮無憂) community weekend markets to bring the maximized comfort and convenience to property owners' daily life, and (v) health care butler services which offer a wider range of healthcare services by cooperating with partners from third-party professional teams.

- *"Healthy and Happy Home" (健康樂家)*. Under "Healthy and Happy Home" (健康樂家), we aim to create a warm and friendly atmosphere within our managed community by organizing various themed activities and events, such as family sports days, mini-marathons, singing competitions, different interest groups and workshops, for property owners and residents from all age groups.

We believe that provision of diverse services will improve customers' loyalty, increase our brand recognition and enhance our financial performance. Our revenue from value-added services to non-property owners and community value-added services increased from RMB40.2 million in 2017 to RMB72.2 million in 2018, RMB89.3 million in 2019. Our revenue from value-added services to non-property owners and community value-added services increased from RMB39.9 million in the six months ended June 30, 2019 to RMB43.6 million in the six months ended June 30, 2020.

Furthermore, we have diversified our property management portfolio by extending our services to non-residential properties, such as commercial properties, office buildings, educational institutions, hospitals, industrial parks as well as urban redevelopment projects (舊改項目). During the Track Record Period, our revenue generated from managing non-residential properties grew from RMB17.1 million in 2017 to RMB55.1 million in 2019, at a CAGR of 79.4%. Our revenue generated from managing non-residential properties grew by 28.1% from RMB26.5 million in the six months ended June 30, 2019 to RMB34.2 million in the six months ended June 30, 2020.

Support from Jiayuan Property Brand Enhancing Our Competitiveness and Fueling Further Expansion

Since 2005, we have built close and extensive cooperation with Jiayuan Property Brand, which mainly comprises Jiayuan International Group, our controlling shareholder, an established property developer in Jiangsu province listed on the Stock Exchange (stock code: 2768), and Jiayuan Chuangsheng Group, our connected person, an established property developer in Zhejiang province. With Jiayuan International Group mainly focusing on Jiangsu and Anhui provinces and the Greater Bay Area, Jiayuan Chuangsheng Group mainly targets Zhejiang province, Chongqing and the Capital Economic Zone. Both Jiayuan International Group and Jiayuan Chuangsheng Group develop and market their properties under the "Jiayuan" brand. Strong support from Jiayuan Property Brand has driven our development since our inception and laid the solid foundation for our continuous growth. Jiayuan Property Brand had been recognized as one of the Top 100 PRC Property Developers in terms of overall strength (中國房地產開發百強企業) by China Real Estate Top 10 Research Group (中國房地產 Top 10 研究組) from 2009 to 2011 and one of the the Top 50 PRC Property Developers in terms of overall strength (中國房地產開發企業50強) for six consecutive years since 2013 by China Real Estate Research Institute (中國房地產研究會), China Real Estate Association (中國房地產業協會) and China Real Estate Appraisal Center (中國房地產測評中心). According to China Real Estate Top 10 Research Group (中國房地產 Top 10 研究組), Jiayuan Property Brand was ranked 38th among the 2020 Top 100 PRC Property Developers in China in terms of Overall Strength (2020年中國房地產開發百強企業). The strong support from Jiayuan Property Brand on property pipeline has laid a concrete foundation for our sustainable development. According to the Announcement of Final Results for the Year ended December 31, 2019 of Jiayuan International Group dated March 9, 2020, Jiayuan International Group, our controlling shareholder, had the total land reserve of approximately 14 million sq.m. as of December 31, 2019.

As of June 30, 2020, we managed 89 properties developed by Jiayuan Property Brand with an aggregate GFA of approximately 19.0 million sq.m., accounting for 68.8% of our total GFA under management, and we had contracted but undelivered GFA developed by Jiayuan Property Brand of 11.1 million sq.m., the majority of which were expected to be delivered for our management in the next two to three years. Our average bidding success rate and average retention rate during the Track Record Period with respect to projects developed by Jiayuan Property Brand were 97.7% and 98.7% and our business scaled up in concert with the expansion of Jiayuan Property Brand.

We believe that we can continue to leverage Jiayuan Property Brand's sizeable property portfolio and land reserve to further expand our market coverage and enrich our project portfolio going forward.

Strong Brand Name and High Customer Satisfaction Achieved through Provision of Quality Services, Enabling Us to Continuously Develop Third-party Customers

Throughout the course of our development, we consider service quality a key to enhancing our customer satisfaction and increasing our brand recognition. We have developed our "Five Senses" management system (五感服務) to standardize our property management services from "vision," "taste," "hearing," "smell" and "touch" aspects. Under our "Five Senses" management system, we emphasis on providing delicate services to maximize customer experiences with efficiency.

We believe that quality control is crucial to the long-term success of our business. We have obtained the ISO9001 quality management system certification, GB/T28001 occupational health and safety management system certification and ISO14001 environmental management system certification. These certifications are a testament for our service quality. Besides, we were awarded the Golden Keys 6S Management Innovation Award (中國金鑰匙聯盟"6S管理創新獎") by Golden Key International Alliance (金鑰匙聯盟) in 2018.

As a result of our quality services, market reputation and diversified service offering, we have received numerous industrial accolades and recognition. We were ranked 35th among the 2020 Top 100 Property Management Companies in China (2020中國物業服務百強企業) and 13th among the 2020 Top 100 Property Management Companies in China by Growth (2020中國物業服務百強企業成長性領先企業) according to CIA in May 2020. We have been honored as "2019 Leading Property Management Service Enterprise in Jiaxing (2019嘉興市物業服務市場地位領先企業)" by CIA in December 2019. A number of properties under our management have received awards in recognition of our service quality. For instance, in 2019, Jiaxing Cheng'an Cuiyuan (嘉興承安翠苑), a residential property under our management, was awarded the "2019 Municipal Property Management Model Project (2019年度市級物業服務示範項目)" by Housing and Urban-rural Construction Bureau of Jiaxing (嘉興市住房和城鄉建設局). In 2019, Siyang Paris City (泗陽巴黎都市) and Jiayuan Venice Town-Villette Palace (佳源威尼斯城 – 維萊特宮), residential properties under our management, were awarded the "2018 Suqian Excellent Property Management Model Project (2018年度宿遷市物業服務優秀示範項目)" and the "2018 Taizhou Property Management Model Project (2018年度泰州市市級示範物業管理項目)", respectively. Our dedicated services provide customers with premium experience and in 2019 won a customer satisfaction score of 80.8 out of 100.0, higher than the industry average for the 2019 Residential Satisfaction of Urban Residents in China of 75.3, according to CIA. We have achieved relatively high retention rate of 97.0% in 2019.

Moreover, our established market reputation, brand awareness, service quality and professional business development team have put us in a competitive position to explore market opportunities and manage properties developed by third-party property developers. Our managed project developed by third-party developers increased from eight projects with a GFA under management of approximately 0.9 million sq.m. as of December 31, 2017 to 24 projects with a GFA under management of approximately 3.1 million sq.m. as of December 31, 2018, 55 projects with a GFA under management of approximately 7.8 million sq.m. as of December 31, 2019, and further to 65 projects with a GFA under management of approximately 8.6 million sq.m. as of June 30, 2020.

We believe that our quality services have enabled us to achieve high customer satisfaction and enhance our brand recognition as well as customer loyalty which have, in turn, helped us develop new third-party customers.

Standardized Operations and Effective Cost Control Realizing Consistent High Quality and Operational Efficiency

Focusing on standardization of our procedures and cost control measures, we are able to provide consistent and cost-effective services to improve customer experience, enhance operational efficiency and generate sustainable profits.

We have established a scientific, standardized and practicable system to ensure consistent service procedures and standards. Based on our management experiences, information and knowledge built on issues previously encountered and resolved, we have formulated detailed and replicable service standards and operating procedures, ranging from staff training to customer complaint management, to ensure that our service quality is closely monitored and reviewed. For properties under our management, we have adopted a series of measures and we generally conduct daily, weekly or monthly review of our managed projects to ensure that our performance meets the standards set forth in the respective property management service agreements and our customers' expectations.

Furthermore, we have improved our cost management and control capabilities by taking various measures to reduce costs while satisfying the conditions and requirements of each individual project. Our measures include, among others, (i) providing comprehensive and professional training to equip our own employees with multi-tasking abilities to ensure consistent high-quality services and control labor costs, (ii) establishing centralized and stringent procurement and supplier selection procedures, taking into account various factors including, among others, supplier background, historical performance, market prices, technical requirements, sample test and regular evaluation results, and (iii) outsourcing certain services, such as maintenance services for elevator and fire extinguishing systems, gardening and waste cleaning services. See "—Suppliers."

We have established various procedures and systems to monitor and maintain the quality of our services, including but not limited to, a service hotline "400," customer re-visit and satisfaction level reviews by project managers, as well as periodic and selected evaluation of services, feedback reviews and onsite visit by relevant personnel at all levels of operational management within our Group. We use our customer feedback system to timely track customers' complaints and responses which allows us to expand our service offerings, and improve our communication methods and issue handling capabilities based on customer experiences. We train our customer service representatives to respond to customer inquiries timely, proactively introduce our services to the customers and promptly resolve customer complaints.

Attributable to the successful implementation of our standardized operational procedures and cost control measures, we were ranked fifth and sixteenth, respectively, among the Top 100 Property Management Companies headquartered in Zhejiang province and the Yangtze River Delta region, in terms of net profit in 2019 according to CIA.

We believe that our standardized operational procedures and cost control measures will continue to help us further reduce costs and improve our profitability.

Seasoned and Dedicated Management Team, Efficient and Well-developed Workforce and Human Resource System Supporting Our Sustainable Growth

We believe our success and future prospects are dependent on the quality of our employees. Our core management team has extensive experience in the management of medium- to large-scale enterprises and companies in similar industries. Our senior management team have over ten years of experience in the property development and management industry on average. We believe that our experienced and dedicated management team has contributed to our success and will further enhance our execution capabilities.

We believe that talent is our core competitiveness for sustainable development and have established an effective human resources management system to attract, retain and cultivate outstanding talent. We formulate annual training plans based on specific training needs to provide systematic and appropriate trainings to our employees, ranging from orientation and in-service training programs to promotion training program. We also provide various professional trainings according to the needs of different position, and our training topic covers corporate culture, management system, internal regulations and operating standards, industry laws and regulations, team building, customer management, financial accounting, expansion operations, strategic execution, among others. To retain and motivate our workforce, we offer our employees career advancement prospects and professional skills development trainings catering to the job requirements. We have cultivated a flexible corporate structure through which we strive to create a performance-oriented and innovation-encouraging corporate culture, where our employees are inspired to provide quality services to property owners and residents. We also motivate our employees with competitive compensation schemes, performance-based bonuses and other incentives and career development opportunities. Through a sound employee welfare system, a competitive salary structure and performance incentive system, we attract outstanding external talent to join our Group. Through the above-mentioned programs and policies, we ensure that we have a deep talent pool for our continuous business expansion.

We believe that our strong management team and sound human resources management system will enable us to retain sufficient competent employees to provide quality services, enhance our market position and maintain our competitiveness.

BUSINESS STRATEGIES

We plan to strengthen our position in China's property management industry by implementing the following strategies:

Expand Business Scale and Grow Market Share through Strategic Acquisitions and Investments

We plan to continue to solidify our market position in Zhejiang province and expand our market share, business coverage and brand image in this region through both organic growth and strategic acquisitions and investments. We plan to leverage our experiences from successful acquisitions and integration with the acquired companies in the past, and continue to seek investment and acquisition opportunities to penetrate into new markets with growth potential. During the Track Record Period, we deepened our penetration into Southern and Western regions in China through the acquisition of 65% interest in Hunan Huaguan. We may be subject to higher costs or risks when we expand into a new market due to the differences in local policies, customs, market conditions, and strategic investment in or acquisitions of suitable and local property management companies can be alternative means of efficient expansion into new markets to save our costs and time.

We plan to select target cities for acquisitions based on a number of factors, including city size, population, per capita disposable income, competition in the local property market and average level of property management fee. We plan to further target property management companies based on service offering, geographic coverage, financial stability, growth potential, brand image, competitiveness, qualifications in service areas that we consider profitable or compatible with our expansion strategy, among other factors. We also intend to target property management companies that can further diversify our managed property portfolio, for example, expanding our managed property type to include commercial complexes, office buildings, industrial parks, hospitals and educational institutions. We also aim to acquire professional service companies engaging in cleaning, security, home living services, as well as community retail, advertising and elderly care services among others, which may create further synergies with our existing services to enhance our competitiveness. Specifically, we believe that such acquisitions can improve our economies of scale by shouldering a portion of our fixed expenditures and improving our overall profit margin. In addition, we expect the acquisition to enlarge our potential customer pool for our value-added services, leading to more opportunities for cross-selling. We plan to focus on the effective integration of human resources, organizational structure and corporate culture when integrating newly acquired targets, which we believe will lead to improved overall management efficiency and service capabilities, thereby enhancing our local competitiveness, eliminating excessive and unnecessary expenditures, and improving our results of operations.

In addition, we will continue to explore cooperation opportunities with local property developers or local city investment companies to acquire more redevelopment projects and to provide municipal sanitation services and expand our property management services to existing projects. We believe that suitable investments and acquisitions will help us further increase the breadth of our service offering and geographic coverage of our project portfolio.

We plan to invest approximately 70.0% of our net proceeds from the Global Offering in strategic acquisitions and investments of property management companies. The number of our actual acquisition will depend on the scale and consideration required for actual acquisition. The main criteria for target companies for our acquisition include, among other things, (i) a total GFA under management of over 1.2 million sq.m., (ii) a total annual operating revenue of over RMB20.0 million, (iii) a total net profit of over RMB2.0 million and (iv) an average net profit margin of above 10.0% for the target's most recent financial year with gross profit margin of no less than approximately 20.0%. When determining the amount of proceeds allocated to potential acquisitions of HK$334.0 million, we consider (i) our goal to increase revenue and net profit by approximately RMB250 million and RMB25 million, respectively, per year through the acquisition of 100% equity interests in no more than ten potential targets, with each potential target contributing an increase in revenue and net profit by approximately RMB25 million and RMB2.5 million, respectively, at a price-earning ratio of approximately 12.0 times and (ii) our criteria for strategic acquisitions and investments. 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 ratio ranging from 11.0 to 15.0 times as of the Latest Practicable Date. See "Future Plans and Use of Proceeds—Use of Proceeds." As of the Latest Practicable Date, we have not identified any suitable targets that fit our criteria and will complement our business strategies. Leveraging our proven track record of historical successful strategic acquisitions, industry consolidation trend, our established market position, standardized internal control measures and extensive industrial experience, we believe we can successfully implement our acquisition strategies and realize integration with the acquired companies.

Continue to Provide Diversified Value-added Services and Expand Property Portfolio

As our business is closely linked with the needs and preferences of our customers' daily lives, we believe that it is vital for us to continue to improve our service quality and offer pertinent value-added services that best meet our customers' preferences and requirements. We seek to leverage our experience and expand our offering of value-added services to property owners and residents to better cater for their needs along the value chain of property development.

To meet the evolving demands of property owners and residents in daily life, we aim to improve our "Jiayou" service system by expanding community value-added services which are tailored to address community and customer needs, in addition to traditional services we offered, to provide a more personalized experience. For example, we continue to provide residents with community elderly and school child care services, and seminars to cater for the diversified interests and learning needs of our customers. We also plan to explore and expand our offering of customized travel planning, wealth management consultancy and immigration and overseas study consulting services by cooperating with experienced third-party service providers with relevant qualifications and licenses. Specifically, we can leverage our established relationship with property owners and close interactions with them to learn their needs. Based on our understanding of various and evolving customer demands, we plan to serve as a customer acquisition channel for such qualified and experienced third-party service providers which can provide professional services to address customer demands. Our customized community value-added services will also be enhanced to cover more special home appliance cleaning, thoughtful in-home cooking services for seniors in need, as well as "Extra-fresh and Worry-free" community weekend market events. We also plan to organize more diverse community events and activities to property owners and residents to help build caring and inclusive communities by encouraging them to participate more in community activities.

We will enhance our coverage of the industry chain of property development, sales and management, achieve vertical industry extension and gain more opportunities to obtain property management projects while providing community value-added services. We will further expand our offering of various value-added services to property developer, ranging from preliminary and construction consultancy to sales management services, to strengthen our business relationships with Jiayuan Property Brand and third-party property developers and enhance our brand awareness. For example, we plan to provide more early-stage services to property developers such as by giving advices on property design from the perspective of post-delivery operations and property owners' daily needs even before a new property development project's overall plan is submitted to the property developer's assessment committee for approval. We also plan to become more thoroughly involved in property developers' business operations than we have currently achieved through our preliminary planning and design consultancy services. In addition, we intend to expand our sales management services to an increasing number of property developers.

We have been providing property management services to non-residential properties such as Jiashan Silicon Valley Industrial Park (嘉善歸谷智造小鎮創業中心及物聯網產業園), Hefei Jiayuan Plaza (合肥佳源廣場) and Taixing New District Gynecological Hospital (泰興新區婦產醫院). In the future, we intend to continue to expand and diversify the property portfolio under our management, in particular the non-residential properties such as large-scale residential and commercial complexes, office buildings, public and educational institutions, traditional and smart industrial parks, hospitals and shopping malls.

As our property portfolio becomes more diversified, we will further offer more customized value-added services to meet the different needs of our customers and further increase our customer satisfaction in order to diversify our income sources and enhance profitability. We plan to fund such strategies substantially with 8.0% of the net proceeds from the Global Offering, with the remainder from our working capital. We believe we have sufficient experienced management and expertise, as well as human resources to manage these additional value-added services. We believe that our core personnel in our sales and marketing team are young and energetic with strong communications skills, which contribute their capabilities to obtain new business opportunities in value-added services. More than half of such core personnel have earned a bachelor degree or above, and have multiple years of experience in industries such as restaurants, retail, trade, home furnishing, among others. We believe the educational background as well as professional experience of our staff equip them with the necessary expertise and experience to manage our planned additional value-added service businesses. See "Future Plans and Use of Proceeds—Use of Proceeds" in this prospectus for detailed discussion.

Increase Investment in Intelligent Operational and Internal Management Systems to Enhance Service Quality and Customer Experience

We plan to further improve our service quality and enhance customer experience by developing and upgrading our technologies and intelligent operations:

- We are committed to providing property owners and residents with more convenient and reliable services using modern technologies. By iteratively upgrading our "Jiayou Life" service system, we can better utilize the first-hand information collected during our interactions with residents, and better address their needs by offering customized value-added services. Our services will extend to online and onsite services in community retail, management fee payment, repair and maintenance service booking, remote access control, feedbacks and complaints, among others. The plan is to optimize the intelligent systems to facilitate our interaction with customers and to integrate quality resources to better serve customers and enhance profit growth;

- We also plan to introduce intelligent devices and facilities at our managed properties to provide more convenient and reliable services to property owners and residents. For example, we intend to increase the coverage of smart access and face recognition system, to strengthen the security of communities under our management and reduce the management difficulty. We will also promote the design of automated operation of carparks, such as intelligent carpark system, contactless payment system and license plate recognition technology, and other facilities in communities, such as shared vehicle charging stations, to reduce the reliance on manual labor and improve convenience; and

- We also plan to further invest in the development and upgrade of our internal management systems with information technologies. By developing the information-driven management system, we aim to strategically and continuously improve our management details, offering diversity, service quality and profitability. We plan to focus on the continuous investment in the application of Internet of Things and cloud-based technologies which allow real-time monitor of the status of utility facilities, fire control facilities and other public equipment and facilities, as well as efficient management of suppliers. We will also continue to optimize and upgrade the internal resource planning and management system, procurement system, financial system, human resource system and contract management system. We will build a big data platform to collect and analyze data relating to our managed properties, such as resident identity and contact, visitor information, management fee payment status, unusual incidents or events reports, and customer consumption data, to help us construct customer behaviors and understand customer needs and therefore provide delicate and thoughtful services. We store and manage the customer data that we access collect through these technologies pursuant to relevant PRC laws and regulations. See "—Standardized Operation, Digitalization and Information Technology" for more information about our data collection, usage and retention. The optimization of these internal management systems will enable us to achieve intelligent and efficient decision-making and improves our internal management efficiency and service quality.

We plan to use approximately 12.0% of the net proceeds from the Global Offering in our digitalized management systems and automated operations. We plan to purchase 26 sets of intelligent operational and internal management hardware and software sets in total, consisting of more than 9,000 units and covering each of the above-mentioned three types of systems. We believe that by implementing these systems, we are able to connect customers' service requests with our automated service system and internal management system, which will enable us to respond to customer requests more promptly, to assign our staff resources more efficiently, and to reduce our operating costs more effectively. We will also gain the capabilities to better understand customers' consumption behaviors based on which we can improve our service offerings and quality. See "Future Plans and Use of Proceeds—Use of Proceeds" in this prospectus for details.

Continue to Attract, Cultivate and Retain Talent to Support Business Growth

We firmly believe that our success for the past 20 years, to a large extent, attributable to the implementation of our core values and our focus on workforce team building. In order to achieve continued success, we intend to further invest in talent recruitment and cultivation.

In terms of talent recruitment, we will continue to explore diversified talent recruitment channels and establish a healthily structured workforce. In terms of talent cultivation, we will continue to combine internal and external resources to further enhance our training programs. In terms of talent retention, we plan to gradually enrich our existing internal training programs to further facilitate our employees' career progression. We expect also to continue exploring different opportunities of external training and continuing education, providing employees with comprehensive training support.

For our employees with outstanding performance, we may also offer them opportunities of internal transfers, rotation and promotions. We will also optimize our human resource management and provide competitive remuneration and benefit packages that will help us attract talented employees with teamwork spirit and advancement potential.

We will continue to enhance our human resources management system to enable our talented employees to grow with us and help us achieve sustainable growth in the long term.

OUR BUSINESS MODEL

During the Track Record Period, we generated revenue primarily from three business lines.

Property management services	We provide property developers, property owners and residents with a wide range of property management services, which primarily comprise (i) cleaning, (ii) security, (iii) gardening and landscaping, and (iv) repair and maintenance services. Our portfolio of managed properties comprises residential and non-residential properties. The non-residential properties under our management are properties not built for residential use such as industrial parks, multi-purpose complexes, shopping malls, office buildings, hospitals and schools. During the Track Record Period, we charged property management fees for most of the properties under our management on a lump-sum basis.
Value-added services to non-property owners	We offer a broad spectrum of value-added services to non-property owners, which primarily include property developers. Our value-added services to non-property owners primarily comprise (i) sales management services which involve helping property developers in showcasing and marketing their properties and management of the on-site sales office, including cleaning and maintenance, security and visitor management for the sales of properties, (ii) preliminary planning and design consultancy services that help property developers to further improve property in planning, design, construction and completion phrases to better meet the needs of end-users, (iii) pre-delivery cleaning and inspection services, (iv) car park sales assistance services, and (v) other services customized to meet specific needs of our customers on an as-needed basis such as employee catering services and sales of groceries.
Community value-added services	We provide value-added services to property owners and residents to improve their living experiences and to preserve and increase the value of their property. Our community value-added services primarily include, among others, (i) home-living services; (ii) common area value-added services, to improve the living experience of our customers and to maintain and enhance the value of their properties; (iii) car park leasing assistance services; and (iv) sales of groceries to property owners.

The following table sets forth a breakdown of our revenue by business line and type of property developer or customer 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	**169,581**	**80.8**	**259,035**	**78.2**	**365,635**	**80.4**	**170,780**	**81.1**	**236,650**	**84.4**
Jiayuan Property Brand[(1)]	163,367	77.9	235,105	71.0	290,141	63.8	136,692	64.9	166,113	59.2
– Jiayuan International	66,494	31.7	97,670	29.5	126,069	27.7	58,326	27.7	71,677	25.6
– Jiayuan Chuangsheng[(2)]	96,873	46.2	137,435	41.5	164,072	36.1	78,366	37.2	94,435	33.6
Third-party property developer	6,214	2.9	23,930	7.2	75,494	16.6	34,088	16.2	70,537	25.2
– Projects solely developed by independent third-party property developers[(3)]	6,214	2.9	23,621	7.1	71,967	15.8	32,679	15.5	67,968	24.3
Jointly developed projects[(4)]	–	–	309	0.1	3,527	0.8	1,409	0.7	2,569	0.9
Value-added services to non-property owners	**30,329**	**14.5**	**56,558**	**17.1**	**67,499**	**14.8**	**31,307**	**14.9**	**30,450**	**10.9**
– Jiayuan Property Brand[(5)]	27,798	13.3	53,211	16.1	65,568	14.4	30,550	14.5	28,272	10.1
– Third party[(5)(6)]	2,531	1.2	3,347	1.0	1,931	0.4	757	0.4	2,178	0.8
Community value-added services	**9,894**	**4.7**	**15,665**	**4.7**	**21,757**	**4.8**	**8,578**	**4.0**	**13,154**	**4.7**
– Jiayuan Property Brand[(5)]	–	–	–	–	–	–	–	–	–	–
– Third parties[(5)]	9,894	4.7	15,665	4.7	21,757	4.8	8,578	4.0	13,154	4.7
Total	**209,804**	**100.0**	**331,258**	**100.0**	**454,891**	**100.0**	**210,665**	**100.0**	**280,254**	**100.0**

(1) Includes (i) properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and (ii) properties that Jiayuan Property Brand jointly developed with other property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of more than 50%. During the Track Record Period, there was one relevant project with a GFA of approximately 0.3 million sq.m. under our management developed by its project company, a joint venture of Jiayuan International, in which Jiayuan International held an equity interest of 51.0%. In 2018 and 2019, we generated revenue of approximately RMB0.1 million and RMB0.8 million, respectively, from this project which was under our management from October 2018 to April 2019. None of the jointly developed projects were developed by associates of Jiayuan Property Brand.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon the Listing.

(3) Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of a 65% equity interest in it in December 2019.

(4) Include properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. During the Track Record Period, all of the three relevant projects were developed by the joint ventures of Jiayuan Property Brand and Jiayuan Property Brand held an equity interest of 36.0%, 42.0% and 49.0%, respectively, in each project company. None of such projects were developed by associates of Jiayuan Property Brand.

(5) Refer to the type of our customers from whom we generated revenue during the Track Record Period.

(6) Included two joint ventures of Jiayuan International Group.

PROPERTY MANAGEMENT SERVICES

Overview

We commenced our business by providing property management services to a residential community developed by Jiayuan Chuangsheng Group in Jiaxing, Zhejiang province in 2005. We started managing properties developed by third-party property developers since 2016. As of December 31, 2017, 2018 and 2019 and June 30, 2020, our total GFA under management was 14.0 million sq.m., 19.2 million sq.m., 26.1 million sq.m. and 27.6 million sq.m., respectively. In 2017, 2018 and 2019 and the six months ended June 30, 2020, our revenue from property management services amounted to RMB169.6 million, RMB259.0 million, RMB365.6 million and RMB236.7 million, respectively, accounting for 80.8%, 78.2%, 80.4% and 84.4% of our total revenue for the respective periods.

Scope of Services

We provide the following major categories of general property management services:

- *Cleaning.* We provide cleaning and hygiene maintenance services to property units and communal areas of residential and non-residential properties, primarily through our own employees. The communal areas mainly include staircases, railings, hallways, basements, clubhouses and public areas.

- *Security services.* We seek to ensure that the properties we manage are safe and in good order. The security services we provide on a daily basis include, among others, traffic management, patrolling, video surveillance, car park security, emergency assistance, entry control, visitor management and fire safety. We provide our security services primarily through our own employees and technological solutions such as surveillance cameras and other intelligent facilities. We seek to enhance the quality of our security services through equipment upgrades.

- *Gardening and landscaping.* Our gardening and landscaping services include pruning, plant transplantation and watering, fertilization and pest control for the greenery of our managed properties. We provide gardening and landscaping services through our own employees and third-party subcontractors. We seek to maintain the growth and beauty of greenery in our managed properties.

- *Repair and maintenance services.* We are generally responsible for ensuring that elevator systems, intelligent property facilities, power supply and distribution systems, water supply and drainage systems, fire extinguishing systems and other property facilities and equipment located in communal areas are in good working order. We generally provide repair and maintenance services through our own employees. For power supply and distribution, water supply and drainage and elevator systems, we provide repair and maintenance services through subcontractors.

While providing our property management services, we keep and update records in relation to property owners and residents, as well as respond to and record complaints and feedback on our services. See "—Quality Control—Feedback and Complaint Management" below for more information. From time to time we may also organize social activities for the benefit of property owners and residents.

We strive to provide high-quality customer-focused services for our managed residential and non-residential properties in order to provide comprehensive and customized on-site services, dedicated and comprehensive care to property developers, property owners and residents in addition to our standard property management services.

GFA under Management

During the Track Record Period, a vast majority, but decreasing proportion, of the properties under our management were developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group. We started managing properties developed by third-party property developers in 2016. The following table sets forth a breakdown of our total GFA under management and the number of projects that were in operation as of the dates indicated and revenue from property management services for the periods indicated 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					2019					2020				
	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects	GFA under management[5]		Revenue[5]		Number of projects	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects
	(sq.m.'000)	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*	
Jiayuan Property Brand[1]	**13,141**	**93.7**	**163,367**	**96.3**	**61**	**16,133**	**84.0**	**235,105**	**90.8**	**75**	**18,299**	**70.0**	**290,141**	**79.4**	**86**	**18,559**	**79.3**	**136,692**	**80.0**	**86**	**19,021**	**68.8**	**166,113**	**70.2**	**89**
- Jiayuan International Group	5,733	40.9	66,494	39.2	25	7,367	38.4	97,670	37.7	32	8,655	33.1	126,069	34.5	40	8,616	36.8	58,326	34.2	39	8,722	31.5	71,677	30.3	41
Residential properties	*5,129*	*36.6*	*61,636*	*36.3*	*21*	*6,576*	*34.2*	*80,756*	*31.2*	*26*	*7,421*	*28.4*	*102,669*	*28.1*	*31*	*7,421*	*31.7*	*47,015*	*27.5*	*31*	*7,488*	*27.0*	*58,252*	*24.6*	*32*
Non-residential properties	*604*	*4.3*	*4,858*	*2.9*	*4*	*791*	*4.2*	*16,914*	*6.5*	*6*	*1,234*	*4.7*	*23,400*	*6.4*	*9*	*1,195*	*5.1*	*11,311*	*6.7*	*8*	*1,234*	*4.5*	*13,425*	*5.7*	*9*
- Jiayuan Chuangsheng Group[2]	7,408	52.8	96,873	57.1	36	8,766	45.6	137,435	53.1	43	9,644	36.9	164,072	44.9	46	9,943	42.5	78,366	45.9	47	10,299	37.3	94,435	39.9	48
Residential properties	*6,641*	*47.3*	*86,660*	*51.1*	*28*	*7,448*	*38.8*	*108,688*	*42.0*	*31*	*8,414*	*32.2*	*136,165*	*37.2*	*36*	*8,712*	*37.2*	*64,623*	*37.8*	*37*	*9,069*	*32.8*	*80,453*	*34.0*	*38*
Non-residential properties	*767*	*5.5*	*10,213*	*6.0*	*8*	*1,318*	*6.8*	*28,747*	*11.1*	*12*	*1,230*	*4.7*	*27,907*	*7.7*	*10*	*1,231*	*5.3*	*13,743*	*8.1*	*10*	*1,231*	*4.5*	*13,982*	*5.9*	*10*
Third-party property developers[3]	**888**	**6.3**	**6,214**	**3.7**	**8**	**3,076**	**16.0**	**23,930**	**9.2**	**24**	**7,845**	**30.0**	**75,494**	**20.6**	**55**	**4,845**	**20.7**	**34,087**	**20.0**	**37**	**8,626**	**31.2**	**70,537**	**29.9**	**65**
- Projects solely developed by third-party property developers	888	6.3	6,214	3.7	8	3,011	15.7	23,621	9.1	23	7,510	28.7	71,967	19.7	53	4,510	19.3	32,679	19.1	35	8,263	29.9	67,968	28.8	62
Residential properties	*692*	*4.9*	*4,173*	*2.5*	*5*	*2,945*	*15.4*	*22,543*	*8.7*	*20*	*7,139*	*27.3*	*70,187*	*19.2*	*48*	*4,444*	*19.0*	*32,109*	*18.8*	*32*	*7,822*	*28.3*	*62,914*	*26.7*	*56*
Non-residential properties	*196*	*1.4*	*2,041*	*1.2*	*3*	*66*	*0.3*	*1,078*	*0.4*	*3*	*371*	*1.4*	*1,780*	*0.5*	*5*	*66*	*0.3*	*570*	*0.3*	*3*	*441*	*1.6*	*5,054*	*2.1*	*6*

	As of or for the year ended December 31,															As of or for the six months ended June 30,									
	2017					2018					2019					2019					2020				
	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects	GFA under management[5]		Revenue[5]		Number of projects	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects
	(sq.m.'000)	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*	
– Jointly developed projects[4]	–	–	–	–	–	65	0.3	309	0.1	1	335	1.3	3,527	0.9	2	335	1.4	1,409	0.9	2	363	1.3	2,569	1.1	3
Residential properties	–	–	–	–	–	*65*	*0.3*	*309*	*0.1*	*1*	*250*	*1.0*	*1,537*	*0.4*	*1*	*250*	*1.1*	*516*	*0.3*	*1*	*278*	*1.0*	*860*	*0.4*	*2*
Non-residential properties	–	–	–	–	–	–	–	–	–	–	*85*	*0.3*	*1,990*	*0.5*	*1*	*85*	*0.4*	*893*	*0.6*	*1*	*85*	*0.3*	*1,709*	*0.7*	*1*
Total	**14,029**	**100.0**	**169,581**	**100.0**	**69**	**19,209**	**100.0**	**259,035**	**100.0**	**99**	**26,144**	**100.0**	**365,635**	**100.0**	**141**	**23,404**	**100**	**170,780**	**100.0**	**123**	**27,647**	**100.0**	**236,650**	**100.0**	**154**

(1) Includes properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and properties that Jiayuan Property Brand jointly developed with other property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of more than 50%. During the Track Record Period, there was one relevant project with a GFA of approximately 0.3 million sq.m. under our management developed by its project company, a joint venture of Jiayuan International, in which Jiayuan International held an equity interest of 51.0%. In 2018 and 2019, we generated revenue of approximately RMB0.1 million and RMB0.8 million, respectively, from this project which was under our management from October 2018 to April 2019. None of the jointly developed projects were developed by associates of Jiayuan Property Brand.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon Listing.

(3) Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of 65% equity interest in it in December 2019.

(4) Include properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. During the Track Record Period, all of the three relevant projects were developed by the joint ventures of Jiayuan Property Brand and Jiayuan Property Brand held an equity interest of 36.0%, 42.0% and 49.0%, respectively, in each project company. None of such projects were developed by associates of Jiayuan Property Brand.

(5) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

We managed to grow the percentage of our total GFA under management for properties developed by third-party property developers from 6.3% as of December 31, 2017 to 31.2% as of June 30, 2020. The revenue generated from managing properties developed by third-party property developers increased from RMB6.2 million in 2017 to RMB75.5 million in 2019, representing a CAGR of 248.5%. The revenue generated from managing properties developed by third-party property developers increased significantly from RMB34.1 million in the six months ended June 30, 2019 to RMB70.5 million in the six months ended June 30, 2020. Such growth, in terms of both GFA under management and revenue, was primarily attributable to our continuous efforts to expand our property management services to cover properties developed by third-party property developers by leveraging our experiences, established brand recognition and proven track records. During the Track Record Period, the projects developed by third-party property developers were primarily secured by our Group through acquisition of property management companies, submission of tender bids to the independent property developers or property owners' associations and direct compiling after negotiations. We have established a business development team responsible for (i) exploring potential cooperation opportunities with property developers or acquisition targets through internal referrals and external marketing events; (ii) identifying potential acquisition targets or projects developed by third-party property developers through establishing contacts with property developers, property owners' associations or property owners by site visits or setting up meetings with them by internal referrals; and (iii) allocating personnel to review publicly available information such as newspapers and online resources from time to time to obtain up-to-date public tender information and other key information about newly developed or existing properties, through which we can compile preliminary assessment and feasibility studies on potential targets, and analyze, among other data, corporate information, geographic presence, financial results, results of on-site due diligence and market research, to assess the potential opportunities and take follow-up actions in a timely manner. Our subsidiaries and branch offices are also responsible for implementing the sales and marketing strategies devised by our investment management and development department.

Our Geographic Presence

Since our inception in Zhejiang province, we have expanded our geographic presence nationwide and were contracted to manage properties across 42 cities in China during the Track Record Period. As of June 30, 2020, we managed a total of 154 properties and were contracted to manage 56 properties that had not been delivered for our management. Through acquisition of Hunan Huaguan in 2019, we obtained 17 projects with a GFA under our management of 2.7 million sq.m. as of December 31, 2019 and further expanded our market reach in Hunan province.

The following map sets forth number of the properties that we were contracted to manage as of June 30, 2020 by geographic location:

Region and provinces	Number of properties under management	Number of contracted but undelivered properties(1)	Total number of contracted properties
Yangtze River Delta Region	130	41	**171**
– Shanghai	4	–	**4**
– Zhejiang province	85	30	**115**
– Jiangsu province	32	7	**39**
– Anhui province	9	4	**13**
Northern region	2	4	**6**
– Liaoning province	1	–	**1**
– Tianjin	–	1	**1**
– Shandong province	1	1	**2**
– Xinjiang autonomous region	–	1	**1**
– Jilin province	–	1	**1**
Central southern region	18	6	**24**
– Jiangxi province	–	1	**1**
– Guangdong province	–	3	**3**
– Hunan province(2)	17	2	**19**
– Hainan province	1	–	**1**
Western region	4	5	**9**
– Chongqing	2	4	**6**
– Guizhou province	–	1	**1**
– Guangxi province	2	–	**2**
Total	**154**	**56**	**210**

(1) Refers to contracted projects that have not been delivered to us for management under our preliminary property management service agreements or property management service agreements, for which we had not started to collect property management fees.

(2) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total contracted GFA of 3.1 million sq.m., and a total GFA under our management of 2.7 million sq.m. as of December 31, 2019.

The following table sets forth a breakdown of our total GFA under management as of the dates indicated and the total revenue generated from property management services for the periods indicated, 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				2019				2020			
	GFA		Revenue		GFA		Revenue		GFA[5]		Revenue[5]		GFA		Revenue		GFA		Revenue	
	(sq.m.'000)	(%)	(RMB'000)	(%)	(sq.m.'000)	(%)	(RMB'000)	(%)	(sq.m.'000)	(%)	(RMB'000)	(%)	(sq.m.'000)	(%)	(RMB'000) (unaudited)	(%)	(sq.m.'000)	(%)	(RMB'000)	(%)
Yangtze River Delta region[1]	12,921	92.1	161,986	95.6	17,789	92.6	241,627	93.3	22,036	84.3	343,823	94.0	21,685	92.7	159,705	93.5	23,366	84.5	195,171	82.5
Western region[2]	508	3.6	2,107	1.2	755	3.9	10,450	4.0	1,039	4.0	15,860	4.3	1,039	4.4	8,029	4.7	1,084	3.9	11,731	5.0
Central southern region[3]	468	3.4	3,789	2.2	533	2.8	4,792	1.9	2,923[5]	11.1[5]	3,118[5]	0.9[5]	534	2.3	1,914	1.1	2,951	10.7	27,059	11.4
Northern region[4]	132	0.9	1,699	1.0	132	0.7	2,166	0.8	146	0.6	2,834	0.8	146	0.6	1,132	0.7	246	0.9	2,689	1.1
Total	**14,029**	**100.0**	**169,581**	**100.0**	**19,209**	**100.0**	**259,035**	**100.0**	**26,144**	**100.0**	**365,635**	**100.0**	**23,404**	**100.0**	**170,780**	**100.0**	**27,647**	**100.0**	**236,650**	**100.0**

(1) Cities in the Yangtze River Delta Region in which we provided property management services include but is not limited to Shanghai, Hangzhou, Nanjing, Huzhou, Hefei, Wenzhou, Yangzhou, Changzhou, Jiaxing, Taizhou (Zhejiang province), Taizhou (Jiangsu province), Suqian, Suzhou, Nantong, Shaoxing, Zhenjiang, Bengbu, Jinhua, Ma'anshan, Bozhou, Lu'an, Huainan, Fuyang, Yancheng, Ningbo and Chuzhou.

(2) Cities in the western region in which we provided property management services include but is not limited to Chongqing, Qinzhou and Baise.

(3) Cities in the central southern region in which we provided property management services include but is not limited to Changsha, Nanchang, Shaoyang, Guiyang, Shenzhen, Huizhou, Jiangmen and Dongfang.

(4) Cities in the northern region in which we provided property management services include is but not limited to Tianjin, Fushun, Qingdao, Weihai, Siping and Urumqi.

(5) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

As of the Latest Practicable Date, our undelivered GFA was 13.9 million sq.m. The table below sets forth the expiration schedule of our property management service agreements for properties under our management as of the Latest Practicable Date:

	Properties under management		Contracted properties	
	GFA[(2)]	Number of agreements	GFA	Number of agreements
	(sq.m.'000)		*(sq.m.'000)*	
Property management service agreements without fixed terms[(1)]	20,142	96	32,129	135
Property management service agreements with fixed terms expiring in				
Year ending December 31, 2020	2,753	19	3,192	32
Year ending December 31, 2021	1,250	13	2,138	22
Year ending December 31, 2022 and beyond	5,234	41	5,777	44
Subtotal	9,237	73	11,107	98
Total	**29,379**	**169**	**43,236**	**233**

(1) Property management service agreements without fixed terms are typically (i) agreements entered into with property developers before a property owners' association is set up, which represents 132 contracted projects with a contracted GFA of 31.2 million sq.m. and a GFA under our management of 19.2 million sq.m. as of the Latest Practicable Date; and (ii) agreements entered into with certain property developers, owners or residents with whom we had property management service agreements that had fixed terms, but such terms expired and we continue to provide services until a new property management service agreement becomes effective. We face certain risks if such property management agreements are terminated or not renewed. See "Risk Factors—Risks Relating to Our Business and Industry—We may fail to secure new or renew our existing property management service contracts on favorable terms, or at all" for further discussion.

(2) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total contracted GFA of 3.1 million sq.m. and a total GFA under our management of 2.7 million sq.m. as of December 31, 2019.

In 2017, 2018 and 2019 and the six months ended June 30, 2020, our retention rates for property management service agreements, including (i) preliminary property management service agreements we entered into with property developers, and (ii) property management service agreements we entered into with property owners' associations or property owners, with respect to properties developed by Jiayuan Property Brand were 100.0%, 98.4%, 97.7%, and 98.5%, respectively, while the relevant retention rates with respect to properties developed by third-party developers were 92.9%, 90.9%, 95.4% and 95.1%, respectively.

As of June 30, 2020, to the best knowledge of our Directors after consulting Jiayuan Property Brand, Jiayuan Property Brand had about 100 property projects under development or held for development, with an aggregate GFA of approximately 25.6 million sq.m., including (i) 59 property projects of Jiayuan International Group with a GFA of approximately 16.2 million sq.m. based on Jiayuan International Group's 2020 interim results filed with the Stock Exchange. Out of these 59 projects, we have entered into service agreements in respect of 33 property projects with a GFA of approximately 9.1 million sq.m.; and (ii) 41 projects of Jiayuan Chuangsheng Group with a GFA of approximately 9.4 million sq.m. based on Jiayuan Chuangsheng Group's management account as of and for the six months ended June 30, 2020, which have not been audited or reviewed by Jiayuan Chuangsheng, our independent accountants or any other independent accountants and may be subject to adjustments if audited or reviewed. Out of the above-mentioned 41 projects of Jiayuan Chuangsheng Group, we have entered into service agreements in respect of 30 projects with a GFA of approximately 6.7 million sq.m. as of June 30, 2020. We expect to be awarded a majority of the property management service projects by Jiayuan Property Brand with respect to Jiayuan Property Brand's property projects under development or held for development as of June 30, 2020 which will commence bidding in 2021 or later, subject to the results of bidding processes and based on a number of assumptions, including, among others, (i) there will be no material change in delivery schedule of the properties developed by Jiayuan Property Brand; (ii) there will be no material adverse change to the time gap between entering the property management service agreements and the delivery of properties developed by Jiayuan Property Brand during the Track Record Period; and (iii) the tender success rate for such properties will keep at the historical level, and is subject to uncertainties and changes.

Portfolio of Properties under Management

We manage residential and non-residential properties. While residential properties have generated, and is expected to continue to generate, a major portion of our revenue, we also endeavor to diversify our service offerings to include a wide range of non-residential properties.

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

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2017			2018			2019			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA[(1)]	Revenue[(1)]		GFA	Revenue		GFA	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)* *(unaudited)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Residential properties	12,462	152,469	89.9	17,034	212,296	82.0	23,224	310,558	84.9	20,827	144,263	84.5	24,657	202,480	85.6
Non-residential properties	1,567	17,112	10.1	2,175	46,739	18.0	2,920	55,077	15.1	2,577	26,517	15.5	2,990	34,170	14.4
Total	**14,029**	**169,581**	**100.0**	**19,209**	**259,035**	**100.0**	**26,144**	**365,635**	**100.0**	**23,404**	**170,780**	**100.0**	**27,647**	**236,650**	**100.0**

(1) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

Our GFA under management increased from 14.0 million sq.m. as of December 31, 2017 to 27.6 million sq.m. as of June 30, 2020. During the Track Record Period, we generated a substantial portion of our revenue from the management of residential properties. To diversify our portfolio of properties, we have contracted to manage office buildings, industrial parks, hospitals, commercial complexes and educational institutions, among others. For example, in 2017, we contracted to manage a commercial complex, Yangzhou Century Tiancheng (揚州世紀天城); an office building in Jiaxing for a PRC leading internet technology company and a school in Chongqing in 2018; an industrial park in Chongqing and a maternity hospital in Taixing in 2019; and a public property for local tax bureau in Shaoyang in 2020. In addition to quality property management services we provided, we also endeavor to provide property owners a wide range of differentiated and customized value-added services covering multiple types of properties to meet their diverse needs. Leveraging our quality services, diverse service offering and brand recognition, we successfully acquired and continue to maintain business from property owners on non-residential properties. Typically, we explore potential business opportunities for non-residential properties via internal referrals, or the property owners take the initiative to contact us. After understanding the customer's needs and negotiation, we will sign a property management agreement with the property owners, which stipulates the contract period and the renewal matters after the expiration. Our revenue generated from managing non-residential properties increased from RMB17.1 million in 2017 to RMB46.7 million in 2018, and further to RMB55.1 million in 2019. Our revenue generated from managing non-residential properties increased from RMB26.5 million in the six months ended June 30, 2019 to RMB34.2 million in the six months ended June 30, 2020. We believe that as we accumulate experience and recognition for the quality of our property management services, we will be able to continue growing our portfolio of properties under management and further diversify our customer base.

Our property management service agreements on non-residential properties typically have terms of one year to three years. The following table sets forth the expiration schedule of our property management service agreements for our managed non-residential properties as of the Latest Practicable Date:

	Properties under management		Contracted properties	
	GFA[(2)]	Number of agreements	GFA	Number of agreements
	(sq.m.'000)		*(sq.m.'000)*	
Property management service agreements without fixed terms[(1)]	2,131	15	2,887	17
Property management service agreements with fixed terms expiring in				
Year ending December 31, 2020	73	2	73	2
Year ending December 31, 2021	15	1	15	3
Year ending December 31, 2022 and beyond..............	465	7	465	9
Subtotal	553	10	553	14
Total....................................	**2,684**	**25**	**3,440**	**31**

(1) Property management service agreements without fixed terms are typically (i) agreements entered into with property developers or property owners without fixed terms, and (ii) agreements entered into with certain property developers or property owners with whom we had property management service agreements that had fixed terms, but such terms expired and we continue to provide services until a new property management service agreement becomes effective. We face certain risks if such property management agreements are terminated or not renewed. See "Risk Factors—Risks Relating to Our Business and Industry—We may fail to secure new or renew our existing property management service contracts on favorable terms, or at all" for further discussion.

(2) In 2019, we had four non-residential properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total contracted GFA of 0.3 million sq.m. and a total GFA under our management of 0.3 million sq.m. as of December 31, 2019.

Growth of Our Project Portfolio

As of December 31, 2017, 2018 and 2019 and June 30, 2020, we were contracted to manage 104, 154, 190 and 210 projects, respectively, out of which 69, 99, 141 and 154 projects were under management for the same periods, respectively, contributing an increase in our GFA under management from 14.0 million sq.m. as of December 31, 2017, to 19.2 million sq.m. as of December 31, 2018, to 26.1 million sq.m. as of December 31, 2019 and further to 27.6 million sq.m. as of June 30, 2020. As of December 31, 2017, 2018, 2019 and June 30, 2020, we were contracted to manage 13, 30, 62 and 78 properties developed by third-party property developers, respectively. As of June 30, 2020, we were contracted to manage 132 projects developed by Jiayuan Property Brand with contracted GFA of 30.1 million sq.m, out of which 89 projects were under our management with a total GFA under our management of approximately 19.0 million sq.m. As of the Latest Practicable Date, we were contracted to manage 233 projects with contracted GFA of approximately 43.2 million sq.m., out of which 169 projects were under our management with a total GFA under our management of approximately 29.4 million sq.m. As of the Latest Practicable Date, we were contracted to manage 143 projects developed by Jiayuan Property Brand with contracted GFA of approximately 31.7 million sq.m, out of which 94 projects were under our management with a total GFA under our management of approximately 19.4 million sq.m. We have been growing our property management services portfolio during the Track Record Period primarily by obtaining new property management service agreements. Going forward, we intend to increase our business scale and market share through organic growth and by pursuing strategic acquisition and investment opportunities. See "—Business Strategies—Expand Business Scale and Grow Market Share through Strategic Acquisitions and Investments." The following table indicates the movement of our contracted GFA and GFA under management as of the dates indicated:

	December 31,						June 30, 2020		Latest Practicable Date	
	2017		2018		2019					
	Contracted GFA	GFA under management	Contracted GFA	GFA under management	Contracted GFA	GFA under management[8]	Contracted GFA	GFA under management	Contracted GFA	GFA under management
	(sq.m.'000)									
As of the beginning of the year/period	22,274	10,902	26,138	14,029	32,871	19,209	38,804	26,144	38,804	26,144
– **Jiayuan Property Brand**[1]	20,728	10,706	24,598	13,141	28,980	16,133	29,766	18,299	29,766	18,299
Jiayuan International	11,606	4,202	13,342	5,733	15,350	7,367	16,074	8,655	16,074	8,655
Jiayuan Chuangsheng[2]	9,122	6,504	11,256	7,408	13,630	8,766	13,692	9,644	13,692	9,644
– **Third-party property developers**[3]	1,546	197	1,540	888	3,891	3,076	9,038	7,845	9,039	7,845
Projects solely developed by third-party property developers	1,546	197	1,115	888	3,466	3,012	8,500	7,510	8,501	7,510
Jointly developed projects[4]	–	–	425	–	425	64	538	335	538	335
New engagements[5]	5,206	3,127	6,014	4,459	3,850	4,827	2,071	2,079	5,907	4,686
– **Jiayuan Property Brand**	4,300	2,435	4,461	3,136	1,897	3,140	638	999	3,081	2,182
Jiayuan International	2,166	1,531	2,008	1,699	1,274	1,757	148	344	887	944
Jiayuan Chuangsheng	2,134	904	2,453	1,437	623	1,383	490	655	2,194	1,238

	December 31,						June 30, 2020		Latest Practicable Date	
	2017		2018		2019					
	Contracted GFA	GFA under management	Contracted GFA	GFA under management	Contracted GFA	GFA under management[8]	Contracted GFA	GFA under management	Contracted GFA	GFA under management
	(sq.m.'000)									
– Third-party property developers	906	692	1,553	1,323	1,953	1,687	1,433	1,080	2,826	2,504
Projects solely developed by third-party property developers	906	692	1,553	1,323	1,953	1,502	1,433	1,052	2,826	2,337
Jointly developed projects	–	–	–	–	–	185	–	28	–	167
Acquisitions[6]	–	–	1,002	992	3,087	3,001	–	–	–	–
– Jiayuan Property Brand	–	–	–	–	–	–	–	–	–	–
Jiayuan International	–	–	–	–	–	–	–	–	–	–
Jiayuan Chuangsheng	–	–	–	–	–	–	–	–	–	–
– Third-party property developers	–	–	1,002	992	3,087	3,001	–	–	–	–
Projects solely developed by third-party property developers	–	–	1,002	992	3,087	3,001	–	–	–	–
Jointly developed projects	–	–	–	–	–	–	–	–	–	–
Terminations[7]	1,342	–	283	271	1,004	893	576	576	1,475	1,451
– Jiayuan Property Brand	5	–	79	79	969	858	277	277	1,128	1,104
Jiayuan International	5	–	0	–	523	468	277	277	277	277
Jiayuan Chuangsheng	–	–	79	79	446	390	–	–	851	827
– Third-party property developers	1,337	–	204	192	35	35	299	299	347	347
Projects solely developed by third-party property developers	1,337	–	204	192	35	35	299	299	347	347
Jointly developed projects	–	–	–	–	–	–	–	–	–	–
As of the end of the year/period	**26,138**	**14,029**	**32,871**	**19,209**	**38,804**	**26,144**	**40,299**	**27,647**	**43,236**	**29,379**

(1) Includes (i) properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and (ii) properties that Jiayuan Property Brand jointly developed with other property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of more than 50%. During the Track Record Period, there was one relevant project with a GFA of approximately 0.3 million sq.m. under our management developed by its project company, a joint venture of Jiayuan International, in which Jiayuan International held an equity interest of 51.0%. In 2018 and 2019, we generated revenue of approximately RMB0.1 million and RMB0.8 million, respectively, from this project which was under our management from October 2018 to April 2019. None of the jointly developed projects were developed by associates of Jiayuan Property Brand.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon Listing.

(3) Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of a 65% equity interest in it in December 2019.

(4) Include properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. During the Track Record Period, all of the three relevant projects were developed by the joint ventures of Jiayuan Property Brand and Jiayuan Property Brand held an equity interest of 36.0%, 42.0% and 49.0%, respectively, in each project company. None of such projects were developed by associates of Jiayuan Property Brand.

(5) Primarily include (i) preliminary property management service agreements for new projects developed by property developers and (ii) property management service agreements for residential or non-residential communities to replace their previous property management service providers. The renewed agreements are not regarded as the new engagements that we entered into during such year. The newly engaged GFA under management includes the newly delivered GFA we contracted in previous years.

(6) Refer to new GFA we obtained through our acquisitions of certain property management companies during the Track Record Period.

(7) Primarily include our non-renewal of certain property management service agreements as we intended to reallocate our resources to more profitable engagements in an effort to optimize our property management portfolio.

(8) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total contracted GFA of 3.1 million sq.m. and a total GFA under our management of 2.7 million sq.m. as of December 31, 2019.

Property Management Fees

We adopt two fee models under which we charge property management fees on a lump-sum basis or commission basis. During the Track Record Period, most of our property management fees were charged on a lump-sum basis, with the remainder charged on a commission basis. In 2017, 2018, 2019 and the six months ended June 30, 2020, 99.8%, 99.7%, 99.6% and 99.7% of our revenue generated from property management services was charged on a lump-sum basis, respectively, while 0.2%, 0.3%, 0.4% and 0.3% of our revenue generated from property management services was charged on a commission basis for the same periods, respectively. In 2017, 2018 and 2019 and the six months ended June 30, 2020, 99.1%, 99.7%, 99.8% and 99.8% of our total GFA under management was managed on a lump-sum basis, respectively, while 0.9%, 0.3%, 0.2% and 0.2% of our total GFA under management was managed on a commission basis, respectively. See "Risk Factors—Risks Relating to Our Business and Industry—We primarily generated revenue from property management services on a lump-sum basis. We may be subject to losses if we fail to estimate or control our costs in performing our property management services" for discussion of the related risks.

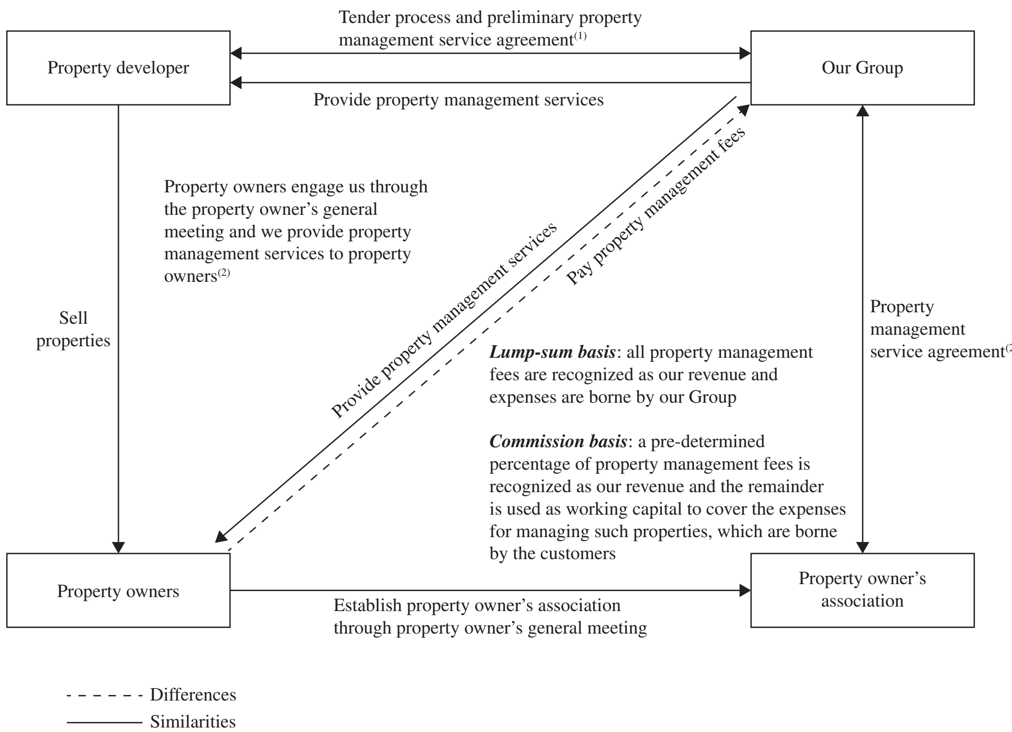
The following table sets forth a breakdown of our total GFA under management as of the dates and revenue generated from property management services for the periods indicated by fee model:

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2017			2018			2019			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA[(1)]	Revenue[(1)]		GFA	Revenue		GFA	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)* *(unaudited)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Lump-sum basis	13,905	169,254	99.8	19,161	258,173	99.7	26,096	364,227	99.6	23,356	170,400	99.8	27,599	235,978	99.7
Commission basis	124	327	0.2	48	862	0.3	48	1,408	0.4	48	380	0.2	48	672	0.3
Total	**14,029**	**169,581**	**100.0**	**19,209**	**259,035**	**100.0**	**26,144**	**365,635**	**100.0**	**23,404**	**170,780**	**100.0**	**27,647**	**236,650**	**100.0**

(1) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

We take into account a number of factors in determining whether to charge fees on a lump-sum or commission basis, including local regulations, personalized requirements specified by property developers or property owners' associations, local market conditions and the nature and characteristics of individual properties, among others. We assess prospective customers by evaluating key factors such as estimated costs involved with property management, historical fee collection rates, projected profitability as well as whether the property was previously managed on a lump-sum or commission basis.

The diagram below illustrates our relationships with various parties under our property management service agreements and the major differences between the lump-sum and commission basis.



(1) The property developer can enter into a preliminary property management service agreement with us before sales of the properties and such agreement is legally binding on all future property owners.

(2) The property owners can select to engage us through the property owners' general meeting. Once we are selected, the property owners' general meeting can authorize the property owners' association to enter into a property management service agreement with us on behalf of the property owners and such contract is legally binding on all the property owners belonging to the relevant property.

Property Management Fees Charged on a Lump-sum Basis

During the Track Record Period, we derived a substantial portion of our revenue from property management service agreements on a lump-sum basis. Under the lump-sum fee model, we charge a fixed and all-inclusive fee for our property management services, which are generally settled on an annual basis, depending on the terms of our property management service agreements. We are entitled to retain the full amount of property management fees collected from property developers, property owners and residents as revenue and bear the costs incurred in providing our property management services. According to CIA, the lump-sum fee model is the dominant method of collecting property management fees in China, especially in relation to residential properties. See "Industry Overview—The PRC Property Management Industry—Overview."

Prior to negotiating and entering into our property management service agreements, we seek to form, as accurately as possible, an estimate as to our cost of services. Our cost of services primarily include expenses associated with, among others, labor and subcontracting costs, purchasing supplies and equipment, repair and maintenance of communal areas, management and operation of our office facilities, cleaning and garbage disposal and security. As we bear such expenses ourselves, our profit margins are affected by our ability to reduce our cost of services. In the event that our cost of services is higher than anticipated, we would not be able to collect additional amounts from our customers to sustain our profit margins. See "Risk Factors—Risks relating to our Business and Industry—We primarily generated revenue from property manager services on a lump sum basis. We may be subject to losses if we fail to estimate or control our costs in performing our property management services."

We have implemented various technological initiatives, internal control policies and standardized procedures to reduce costs and prevent or reduce such shortfall. See "—Standardized Operation, Digitalization and Information Technology" below for more information. During the Track Record Period, we incurred losses of approximately RMB1.9 million, RMB0.8 million, RMB0.6 million and RMB0.1 million with respect to eight, six, five and two properties out of the properties we managed as of the Latest Practicable Date respectively. Such losses were incurred primarily because these projects were obtained at a relatively early stage of our management. We generally incurred relatively high labor costs and expenses for coordinating third-party service providers while we charged management fees at a relatively stable rate for such projects at the early stage of our management. We expect that these projects will record profit in the future through improving operating efficiency, reducing operating costs and raising property management fees after implementation of our quality service. See "Risk Factors—We primarily generated revenue from property management services on a lump-sum basis. We may subject to losses if we fail to estimate or control our costs in performing our property management services." In the event that we experience unexpected increases in our cost of services, we may propose raising our property management fees with property owners' associations while negotiating to renew our property management service agreements.

Property Management Fees Charged on a Commission Basis

During the Track Record Period, we derived revenue from a limited number of property management service agreements under a commission basis. Under the commission fee model, we collect a predetermined percentage of the total amount of property management fees payable by our customers on a quarterly or monthly basis, which usually ranges from 5% to 10%. We recognize the commission fee as revenue, while the remainder is used as working capital to cover the costs we incur in providing our property management services. Effectively, these costs are being borne by customers who pay our property management fees.

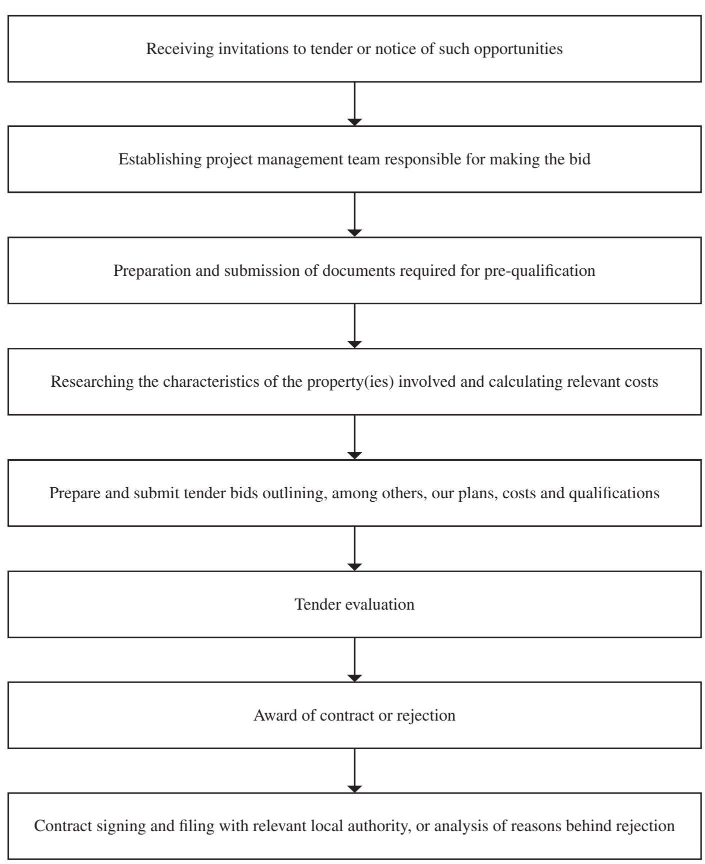
When we contract to manage residential communities on a commission basis, we essentially act as an agent of the property owners. For such residential communities, the management offices have no separate bank accounts and settle transactions through our treasury. As of the end of the reporting period, if the working capital of a management office accumulated in our treasury is insufficient to cover the expenses incurred by the management office in arranging for property management services, we recognize the shortfall as a long-term receivable subject to impairment. See "Risk Factors—Risks Relating to our Business and Industry—We may fail to recover all payments on behalf of property owners and residents of the properties managed on a commission basis." During the Track Record Period, one of the non-residential properties we had been contracted to manage was charged on a commission basis.

Under this fee model, we are not entitled to collect any surplus of property management fees after covering the costs incurred in providing property management services. Therefore, we generally do not recognize any direct costs for property management service agreements charged on a commission basis in general. Such costs are borne by property developers, property owners and residents as applicable.

Tender Process

We generally obtain property management service agreements by participating in tenders, a process whereby property developers or property owners' associations evaluate and select from multiple property management service providers. Invitations to tender are usually issued by property developers for properties under development, or from property owners' associations for residential communities who wish to replace their existing property management service provider. Under PRC laws and regulations, property management companies are generally required to obtain preliminary property management service agreements for residential properties through participation in the tender process. If there are fewer than three bidders or the scale of the property is relatively small, the property developer can select and engage a qualified property management company by directly entering into an agreement with the approval of the real estate administrative department of the relevant district or county government where the property is located. See "Regulatory Overview—Laws and Regulations Relating to Property Management Services and Other Related Services—Appointment of Property Management Enterprises" in this prospectus for more information on tender processes.

The flow chart below illustrates each stage of our typical tender process for obtaining property management service agreements:



For residential properties developed by Jiayuan Property Brand, we generally also undergo the tender process before being awarded property management service agreements, which is a standard tender process regulated by applicable PRC laws and regulations and the same process we undergo with respect to properties developed by third-party property developers. During the Track Record Period, our success rate in tender bids for properties developed by Jiayuan Property Brand was over 94%. Such high bid success rates with respect to projects developed by Jiayuan Property Brand during the Track Record Period was primarily attributable to, among others, (i) our long-standing relationship and established track record of providing property management services to Jiayuan Property Brand, which has helped to reduce communication costs between Jiayuan Property Brand and us and (ii) the fact that we share a deep understanding about Jiayuan Property Brand's projects and a similar service philosophy with Jiayuan Property Brand which has enabled us to offer services that better meet its needs and requirements. The aforementioned are all factors prioritized by Jiayuan Property Brand in selecting its property management service providers.

In 2017, 2018 and 2019 and the six months ended June 30, 2020, two, one, three and nil of our contracted residential properties as of the Latest Practicable Date, respectively, were obtained by us without going through tender process, as tender processes are not required, or the projects have been endorsed by, the competent PRC regulatory authority. According to the Regulations on Property Management (2018 revision) (《物業管理條例》) (2018年修正), (i) a property developer of any residential properties shall select a property management company through participation in the tender process; where there are fewer than three bidders or the scale of residential property is relatively small, the property developer may select a property management company by directly entering into an agreement with the approval of the real estate administrative department of the district or county government where the property is located and (ii) a property management company is not required to be selected through the tender process to enter into the property management service agreement with the residential property owners' association. Among such projects, three contracts were entered into between our Group and the property developers of the residential properties directly and three contracts were entered into between our Group and the property owners' associations. In addition, pursuant to the Regulations on Property Management (2018 revision) (《物業管理條例》) (2018年修正), purely non-residential property is not required to select a property management company through tender process.

In 2017, 2018 and 2019 and the six months ended June 30, 2020, we submitted a total of 13, 34, 47 and 17 tender bids for properties developed by third-party property developers, respectively, and our relevant bidding success rate for the same periods was 61.5%, 38.2%, 38.3% and 41.2%, respectively. The general decrease in the bidding success rate from 2017 to 2019 for projects developed by independent third-party property developers was primarily because of the increasingly intense competition and as we participated in an increasing number of tender processes during the period, in an effort to obtain more engagements, diversify our project portfolio and expand into new markets where we were in the process of establishing our brand awareness.

Property Management Service Agreements

We generally enter into preliminary property management service agreements with property developers. A preliminary property management service agreement is a type of property management service contract that we enter into before sales of the properties.

In relation to residential properties that have already been delivered to property owners, we typically enter into property management service agreements with property owners' associations on behalf of property owners when property owner' associations are properly established. If the property owners' associations have not been established, we provide property management services to property owners and residents pursuant to the preliminary property management service agreements that we entered into with the property developer. For non-residential properties, we generally enter into property management service agreements with the property owner. During the Track Record Period, a majority of our revenue from property management services was generated from preliminary property management service agreements entered into with property developers.

The following table sets forth a breakdown of our total contracted GFA, GFA under management and revenue generated from property management services at different stages of our property management projects 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					
	Contracted GFA		GFA under management		Revenue		Contracted GFA		GFA under management		Revenue		Contracted GFA[3]		GFA under management[3]		Revenue[3]		Contracted GFA		GFA under management		Revenue	
	(sq.m.'000)	*(%)*	*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(%)*	*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(%)*	*(sq.m.'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(sq.m.'000)*	*(%)*	*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*
Preliminary stage	22,575	86.4	10,997	78.4	135,627	80.0	27,521	83.7	14,033	73.1	209,290	80.8	30,623	78.9	18,315	70.1	251,962	68.9	31,131	77.3	18,897	68.4	168,602	71.2
Property owners' association stage[1]	2,970	11.4	2,836	20.2	31,913	18.8	4,864	14.8	4,715	24.5	48,000	18.5	7,577	19.5	7,249	27.7	102,380	28.0	8,517	21.1	8,123	29.4	61,178	25.9
Others[2]	593	2.2	196	1.4	2,041	1.2	486	1.5	461	2.4	1,745	0.7	604	1.6	580	2.2	11,293	3.1	651	1.6	627	2.3	6,870	2.9
Total	**26,138**	**100.0**	**14,029**	**100.0**	**169,581**	**100.0**	**32,871**	**100.0**	**19,209**	**100.0**	**259,035**	**100.0**	**38,804**	**100.0**	**26,144**	**100.0**	**365,635**	**100.0**	**40,299**	**100.0**	**27,647**	**100.0**	**236,650**	**100.0**

(1) Includes property management projects where we continued to render services after property owners' associations were established pursuant to the terms of preliminary property management service agreements originally signed with property developers, as well as property management projects where we rendered services pursuant to the terms of property management service agreements signed with property owners' associations. See "—Key Terms of Dealing with Property Developers" below. As of December 31, 2017, 2018 and 2019 and June 30, 2020, the number of our managed projects which had formed property owners' associations was 14, 27, 46 and 57, respectively.

(2) Includes property management projects where we entered into property management service agreements with property owners directly or with other property management companies.

(3) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

Key Terms of Dealing with Property Developers

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

- *Scope of services.* A typical contract with a property developer sets out the scope of services by phase. Typically, we agree to provide property management services to public areas and facilities, including cleaning, security, gardening and repair and maintenance. We may also agree to provide services in relation to the usage of car parks.

- *Performance standards.* The preliminary property management service agreements set forth the specific standards for our main property management services. The agreement also sets forth the areas to which our services relate, as well as the frequency of performance of services such as cleaning communal areas and inspecting facilities such as fire extinguishing systems, elevator and other electromechanical systems and security.

- *Property management fees.* The preliminary property management service agreements would set forth the amount of property management fees payable, either on a lump-sum or commission basis. The property developer is responsible for paying the property management fees for units that remain unsold. For overdue property management fees, property developers pay a penalty equal to a daily-accumulating surcharge at a certain percentage of the overdue amount or as specified in the agreement. If we have agreed to manage the car parks, the preliminary property management service agreements will also specify the fees payable for such services.

- *Property developer's obligations.* The property developer is primarily responsible for, among others, ensuring that its buyers understand and commit to their obligations in relation to the payment of property management fees, providing us with office facilities and other support necessary for carrying out our contractual obligations, including providing us with blueprints and other construction design documents and completion inspection documents.

- *Term of service.* Our preliminary property management service agreements specify that they automatically terminate when a property owners' association is established and a new property service management agreement is entered into. Such preliminary property management service agreements will also specify that if they expire and no property owners' association has been established, then such agreement will be automatically renewed or we may negotiate with the property developer to enter into a supplementary preliminary property management service agreement. Preliminary property management service agreements without fixed terms will generally expire once a property owners' association is established and a new property service management agreement is entered into.

- *Dispute resolution.* Both parties are typically required to resolve any contractual disputes through negotiations first before resorting to litigation or arbitration.

After delivery of the properties by property developers to the property owners, property owners may form and operate property owners' associations to manage the properties. The Property Law of the PRC, the Regulations on Property Management and the Guidance Rules of the Owners' Meeting and the Property Owner's Association stipulate that property owners' associations may be established at property owner meeting by affirmative votes of owners who own more than half of the total GFA of the community and who account for more than half of the total number of the property owners. According to the Interpretations of the Supreme People's Court on Issues Relating to Application of Laws for Trial of Property Management Service Dispute Cases (《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 "**Interpretations**"), a preliminary property management service agreement entered into between a property developer and a property management service company in accordance with the PRC laws and regulations is legally binding on the relevant property owners. According to the Interpretations, where any property owner contends that the preliminary property management service agreement is not applicable on the ground that he/she is not a party to the agreement, the relevant People's Court shall not uphold such claim. According to the Regulations on Property Management (2018 revision) (《物業管理條例》) (2018年修正), a sales contract concluded by a property developer and a property buyer shall include the contents stipulated in the relevant preliminary property management service agreement. Therefore, as advised by our PRC Legal Advisor, the preliminary property management service agreements entered into with property developers in compliance with the aforementioned regulations are legally binding on the relevant future property owners as the property sale and purchase agreements that property owners enter into with property developers shall include the content of the preliminary property management service contracts.

Once our preliminary property management service agreements have expired, we may negotiate with the newly-formed property owners' associations for the terms of renewal of our property management service agreements. Property owners and residents were legally obligated to pay us property management fees, since we continued rendering services to those property management projects during the negotiation period. If, upon the expiration of the initial term of the preliminary property management service agreements, 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, the preliminary property management service agreements typically will be renewed automatically until a new property management service agreement with the property owners' association is entered into or can be renewed through entering into new management contracts with the property developers and/or homeowners before the property owners' association is formed. In cases where we have signed preliminary property management service agreements without fixed terms and no property owners' association is formed after delivery of the properties, or after the expiration of the preliminary property management service agreements with fixed terms, where property owners did not hire new service provider and we continued to provide property management services, property owners and residents are also legally obligated to pay property management fees directly to us for the services we continue to render. For the agreements entered into with property owners' associations during the Track Record Period, the level of fees charged and scope of services provided did not materially differ from those of the preliminary property management service agreements and there have been no adverse impact on our profitability.

The property owners' associations are independent from us. In order to secure and continue to secure property management service agreements, we must consistently provide quality services at competitive prices. According to the Regulations on Property Management, property owners may hire or dismiss property management service providers by affirmative votes of owners who own more than half of the total GFA of the community and who account for more than half of the total number of the property owners at the property owner meeting, provided that such decision will not constitute a violation of applicable law or a breach of the respective contract. The property owners' association may either hire a new property management service provider through the tender process or select one based on specific standards to do with terms and conditions of service, quality, price and credentials which are typically their major parameters for selecting a property management service provider when evaluating tenders or bids. Some of them also conduct on-site inspection to comprehensively evaluate property management service providers. See "Regulatory Overview—Laws and Regulations Relating to Property Management Services and Other Related Services—Appointment of Property Management Enterprises." In 2017, 2018 and 2019 and the six months ended June 30, 2020, we had two, one, four and nil preliminary management agreements with Jiayuan Property Brand which terminated because of the formation of property owners' associations during the relevant period, respectively, and upon termination, we renewed all such projects and entered into two, one, four and nil property management agreements in the relevant period with independent property owners or owners' associations, respectively. Therefore, in 2017, 2018 and 2019, the renewal rate with respect to the property management service agreements with independent property owners or owners' associations upon termination of the preliminary management agreements with Jiayuan Property Brand remained at 100.0%. We had no preliminary management agreements with independent third-party property developers which terminated in 2017, 2018 and 2019. In the six months ended June 30, 2020, we had one preliminary management agreement with independent third-party property developers terminated because of the formation of property owners' association, which was renewed into property management agreement with independent property owners' associations upon its termination. Therefore, the relevant renewal rate with respect to independent third-party property developers was 100.0% in the six months ended June 30, 2020. Such renewal rate was calculated by dividing the number of property management agreements we entered into during the period with independent property owners or owners' associations upon termination of the preliminary management agreements with Jiayuan Property Brand or independent third-party property developers by the total number of terminated preliminary management agreements with Jiayuan Property Brand or independent third-party property developers, respectively, during the same period. Considering our well-established brand reputation for quality services and proven track record, we believe that we have competitive advantage which distinguishes us from our competitors and will be able to renew our existing property management service agreements with newly formed property owners' associations going forward.

Key Terms of Dealing with Property Owners' Associations

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

- *Scope of services.* We typically provide general property management services including cleaning, security, gardening and landscaping and repair and maintenance. Those services do not include value-added services, which property owners or residents may request by entering into separate service agreements with us. We may also agree to provide services in relation to the usage of car parks.

- *Performance scope and standards.* The property management service contract would set forth the scope and expected standards for our property management services, including the areas to which our services relate, as well as the frequency of performance of services such as cleaning communal areas and inspecting public facility equipment such as electromechanical equipment systems and fire extinguishing systems.

- *Property management fees.* The property management fee would be payable either on a lump-sum or commission basis by property owners and residents. When payable on a lump-sum basis, our property management fees are generally charged proportional to the size of the GFA they occupy. We also specify the fees that we will charge in relation to managing and leasing car parks. For overdue property management fees, property owners and residents pay a penalty equal to a daily-accumulating surcharge at a range of 0.03% to 0.3% of percentage of the overdue amount. If we have agreed to manage and lease car parks, the property management service contract will also detail the fees payable for such services.

- *Rights and obligations of property owners' associations.* The property owners' association is primarily responsible for, among others, ensuring that property owners and residents understand and commit to their obligations in relation to the payment of property management fees, providing us with office facilities and other support necessary for carrying out our contractual obligations and reviewing plans and budgets that we may draw up in relation to our services.

- *Terms of service.* Such agreements typically have a duration of one year to three years. During the Track Record Period and up to the Latest Practicable Date, neither we nor any property owners' association have unilaterally terminated any property management service contract before the end of their terms.

- *Dispute resolution.* Both parties are typically required to resolve any contractual disputes through negotiations first before resorting to litigation or arbitration.

According to the Regulations on Property Management (2018 revision) (《物業管理條例》) (2018年修正), property owners' associations represent the interests of property owners in matters concerning property management. The property owners' association's decisions are binding on all property owners. Contracts between property owners' associations and property management service providers are valid and legally binding on all property owners concerned, irrespective of whether or not the property owners are individual parties to such contracts. Thus, we have legal claim rights against property owners for outstanding property management fees. Property owners and residents have the right to be informed of and to supervise the use of public funds, review our annual budget and any plans we prepare in relation to topping-up the public funds or our property management services in general. Property owners are required under PRC law to settle all outstanding property management fees to us before selling their properties. Property owners are jointly liable with the residents of their properties for the payment of property management fees. In addition, according to the Regulations on Property Management (2018 revision) (《物業管理條例》) (2018年修正), where there is only one owner, or where there are a few owners and they all agree not to form the property owners' general meeting, the owner(s) shall (jointly) perform the duties of the property owners' general meeting and the property owners' association.

Under the PRC Property Law and relevant PRC laws and regulations, as advised by our PRC Legal Advisor, non-residential property owners are allowed to establish property owners' associations although it is not a mandatory requirement to set up a property owners' association for non-residential properties. As for non-residential properties which have no property owners' associations, we directly negotiate and enter into contract with, and perform our property management services to, property owners who are therefore our customers after the delivery of non-residential projects by property developers to such property owners.

Our Pricing Policy

We generally price our services by taking into account factors such as characteristics and locations of the residential communities, our budget, target profit margins, property owner and resident profiles and the scope and quality of our services. We regularly evaluate our financial information to assess whether we are collecting sufficient property management fees to sustain our profit margins. During renewal negotiations for our property management service agreements, we may raise our property management fee rates as a condition precedent for continuing our services.

The price administration and construction administration departments of the State Council are jointly responsible for supervision over and administration of fees charged for property management and related services, and we are also subject to pricing controls issued by the PRC Government. In December 2014, the NDRC issued the Circular of the NDRC on the Opinions of Relaxing Price Controls in Certain Services (國家發展和改革委員會關於放開部分服務價格意見的通知) (the "**Circular**"), which required provincial-level price administration authorities to abolish all price control or guidance policies on residential properties, with certain exceptions. According to PRC laws and regulations, property management fees charged shall be determined with references to the government guidance price or the market price, which is based on the nature and features of the relevant properties to which the property management services are provided. The specific pricing principles shall be determined by the competent price administration departments and property administration department of the local governments of each provinces, autonomous region and municipality. See "Regulatory Overview—Laws and Regulations Relating to Property Management Services and Other Related Services—Fees Charged by Property Management Enterprises" in this prospectus for more information. During the Track Record Period, the property management fees charged by us complied with the relevant PRC laws and regulations in relation to such pricing control. According to CIA, our property management fees were generally in line with the relevant market trends with respect to property management fees charged by property management companies in the PRC during the Track Record Period. We expect that pricing controls on residential properties will relax over time as relevant local authorities pass regulations to implement the Circular. See "Risk Factors—Risks Relating to our Business and Industry—We primarily generated revenue from property management services on a lump-sum basis. We may be subject to losses if we fail to estimate or control our costs in performing our property management services."

Payment and Credit Terms

We may charge property management fees on an annual basis, depending on the terms of our property management service agreements. We typically issue bills to remind our customers of payment for the annual property management fees during the first quarter of each year. The fees for property management services are typically due for payment by property owners and residents upon our issuance of bills. We typically demand payment for our property management services upon receipt of bills by property owners and residents which, according to CIA, is consistent with the property management industry norm in the PRC. To the extent permitted under PRC law, we charge property owners and residents for utility fees in relation to water and electricity consumed by communal areas, in proportion to the total GFA under management that they occupy and in addition to agreed-upon property management fees.

We primarily accept payments for property management fees through online transfers, auto-pay, credit card or third-party platforms such as WeChat Pay and Alipay. To facilitate the timely collection of property management fees and other payments, we send regular reminders and notifications through various channels such as via phone calls, text messages and WeChat one-to-one communications, by posting notices at communal areas and lobbies and when necessary, by visiting property owners or residents in person to remind them of their outstanding property management fees. For customers whose property management fees are outstanding for over one year, we may increase the frequency of our reminders and issue demand letters to tenants whose property management fees are overdue. If such outstanding payment has not been settled after several rounds of communications, we may issue a demand letter through attorneys via email or registered mail, and may file a lawsuit to claim the outstanding amounts. We will issue one demand letter per year to ensure that we fulfill requirements under PRC statutes of limitations, which, according to the General Principles of the Civil Law of the People's Republic of China (《中華人民共和國民法通則》), impose a three-year time frame within which we may sue for outstanding property management fees. Although we can usually demand payment in advance according to the terms of our property management service agreements, property management fees are generally paid by our customers after the delivery of services which, according to CIA, is largely in line with the property management industry norm in the PRC. See "Financial Information—Selected Items of the Statements of Financial Position—Trade Receivables" and "Risk Factors—Risks Relating to Our Business and Industry—We may not be able to collect property management fees from property owners, residents and property developers and as a result, may incur impairment losses on receivables" in this prospectus for more information on our trade receivables and related risks thereof.

VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

We provide a range of value-added services to property developers. During the Track Record Period, a majority of the revenue from value-added services to non-property owners was from sales management service. We have being made continuous efforts to diversify the service portfolio under this business line to also provide preliminary planning and design consultancy services, pre-delivery cleaning and inspection services and car park sales assistance services during the Track Record Period.

The following table sets forth a breakdown of our revenue from value-added services to non-property owners 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Sales management services	30,329	100.0	56,544	99.9	62,321	92.3	29,983	95.8	28,243	92.8
Preliminary planning and design consultancy services	–	–	–	–	2,854	4.2	704	2.2	1,784	5.9
Pre-delivery cleaning and inspection services	–	–	–	–	854	1.3	129	0.4	48	0.2
Car park sales assistance services	–	–	–	–	603	0.9	152	0.5	27	0.1
Others[(1)]	–	–	14	0.1	867	1.3	339	1.1	348	1.0
Total	**30,329**	**100.0**	**56,558**	**100.0**	**67,499**	**100.0**	**31,307**	**100.0**	**30,450**	**100.0**

(1) Mainly includes additional tailored value-added services we provided to property developers such as employee catering services and sales of groceries.

During the Track Record Period, we charged (i) the fixed fees for sales management by number of persons engaged in the service, generally ranging from RMB78,500 to RMB130,000 per person on an annual basis, which depends on the location of projects; (ii) the fixed fees by GFA for preliminary planning and design consultancy services and pre-delivery cleaning and inspection services, generally ranging from RMB2.0 per sq.m. to RMB2.5 per sq.m. and RMB1.0 per sq.m. to RMB5.0 per sq.m., respectively; and (iii) a fixed fee as specified in the services contract for car park sales assistance services, generally ranging from RMB2,000 to RMB10,000 per transaction. As we provided sales management services to both Jiayuan Property Brand and third-party property developers during the Track Record Period, our

Directors believe that the range of fees for sales management services to Jiayuan Property Brand were comparable with that of third-party property developers with respect to similar service scope, standards and term. As advised by CIA, the aforementioned range of fees charged for value-added services to property developers are generally in line with the industry range.

Sales Management Services

Property developers may engage us to provide sales management services in relation to their sales offices. Our sales management services include cleaning, security, maintenance of display units, management of the on-site sales office, visitor management and hospitality services. We determine fees for these services by charging a mark-up on top of our estimated costs. Under our sales management service agreements, we are obligated to follow the service standards specified by our customers, while our customers are obligated to provide us with the facilities and equipment necessary to provide our services. We generally provide our sales management services through our employees. Revenue from our sales management service business increased by 86.4% from RMB30.3 million in 2017 to RMB56.6 million in 2018, and further by 10.2% to RMB62.3 million in 2019, mainly driven by the increased number of projects of Jiayuan Property Brand for sale or sold, which required sales management services from us, which was generally in line with the increased business scale of Jiayuan Property Brand during the relevant period. Our revenue from sales management services decreased slightly from RMB30.0 million in the six months ended June 30, 2019 to RMB28.2 million in the six months ended in June 30, 2020. The slight decrease was mainly attributable to the impact from the outbreak of COVID-19 in early 2020, as a result of which on-site sales activities of the property developers reduced, and thus, fewer services from us for sales management, while we expect to make up for the decrease in the services income in the second half of 2020 after the relevant development activities of the property developers gradually resume.

Preliminary Planning and Design Consultancy Services

We provide preliminary planning and design consultancy services to property developers, who leverage our experience in provision of property management services to improve their own performance in planning, design, construction and completion phrases to better meet the needs of end-users. Our preliminary planning and design consultancy services involve on-site consulting during construction to facilitate the understanding of the needs of end-users of properties, so that property developers may design buildings that conform as much as possible to those standards and meet the needs. We will participate in the review of blueprints and other construction planning documents. The scope of our assessment covers individual units, public facilities, basements, greening and engineering systems such as those to do with water supply and drainage systems, fire extinguishing systems, electromechanical equipment systems, pipeline systems. During construction, we will conduct on-site inspections from time to time and follow up on any quality issues we may find from the property management service provider's perspective.

We may agree to provide preliminary planning and design consultancy services in the same property management service contract signed with property developers. The property management service contract may detail the scope and expected standard of our services, or we may sign separate agreements for that purpose. We generally charge for our preliminary planning and design consultancy services by GFA and agree on the fees in separate agreements with property developers in compliance with relevant local regulations.

Pre-Delivery Cleaning and Inspection Services

We provide pre-delivery cleaning and inspection services to property developers. Per property developers' specific requirements, we provide special cleaning services before delivery to property buyers to make the properties suitable for delivery and improve their customer satisfaction rate. We also help inspect each unit of the property to advise on the adequacy for delivery from the end-user's perspective. Our inspection focuses on issues such as functionality, quality and design. We undertake various tests and surveys during the on-site examination to detect potential defects. The inspection service has been included in preliminary services, and will not be charged separately. We generally do not charge extra fee for our pre-delivery inspection services and typically charge for our pre-delivery cleaning services by GFA and determine fees with reference to the prevailing market price. During the Track Record Period, we provided pre-delivery cleaning services through our own employees. We also assisted property developers with onsite monitoring if third-party professional cleaning companies were engaged.

Car Park Sales Assistance Services

We provide sales assistance services to property developers in relation to parking spaces, which involve assisting in marketing and coordination of visitor management. Property developers bear the cost of maintaining the parking spaces. We provide marketing and advertising services to assist sales of car parks through our network of property management offices located at our managed properties.

For our car park sales assistance services, we charge a fixed service fee. The amount of such service fee is specified in the services contract, and will be paid by the relevant property developers.

Additional Tailored Services

We may offer to provide additional services to property developers or other third-party customers tailored to their specific needs. Our additional tailored services may include, among others, provision of catering services to property developers. We may agree to provide these additional tailored services in our property management service agreements or in separately signed agreements. In both instances, we collect fees for our additional tailored services by charging a mark-up on top of our costs. We offer our additional tailored services primarily through our employees.

COMMUNITY VALUE-ADDED SERVICES

We provide the following community value-added services to property owners and residents:

Home-Living Services

Our home-living services include waste cleaning services, home maintenance services, purchase assistance, catering services, utility fee collection services and community event organization.

Waste Cleaning Services

In addition to removing and disposing of trash for property owners and residents, our waste cleaning services include collecting waste produced during construction and decoration. Such services are provided through our subcontractors. We generally charge the property owners and residents for our waste cleaning services by GFA.

Home Maintenance Services

From time to time, property owners and residents may request miscellaneous services, such as cleaning apartments prior to move-in as well as cleaning, repair, maintenance and installation of home appliances to address their special needs. Such services are provided by our own employees or through competent subcontractors in accordance with a pricing schedule. Our property owners and residents may request our apartment cleaning services before moving into or out of their apartment units. We have established relevant internal policies to do with cleaning procedures, quality standards, etiquette guidelines and payment standards in relation to these services.

We also provide group purchases of products to property owners and residents in our residential communities. Products primarily include groceries, which can usually be priced at a discount for bulk purchase, so the residents can enjoy the benefit of living in a property community managed by us.

Catering Services

We also provide catering services to property owners and residents at our managed residential community. We directly charge our customers who use such services with fees that actually occur on each occasion.

Utility Fee Collection Services

We pay charges for water, electricity and heating on behalf of property owners and residents in certain residential communities. Residential communities situated in the northern region of China generate heating charges as distinguished from electricity charges in the colder seasons of the year, when central heating is turned on regionally as part of the national infrastructure. We prepay utility bills for our property owners and residents on a free of charge basis on their behalf.

Common Area Value-Added Services

We assist property owners in leasing common spaces such as lift advertising spaces, basements and outer wall advertising spaces. We may also rent out empty floor space for small businesses to use as shops. We profit from our common area value-added services by collecting a portion of the rental fees.

Car Park Leasing Assistance Services

We provide value-added services to property owners in relation to their parking spaces and our services include, for example, assisting property owners in registration, entry control, daily management, surveillance and collection of parking fees. Such services are provided primarily through our own employees. We profit from our car park leasing assistance services by collecting a percentage of temporary parking fees and rents.

Sales of Groceries

We intend to maximize convenience and provide a more enjoyable life to property owners and residents at our managed properties by offering a full range of groceries for sale, such as ecological grain and oil, household appliances, fresh fruits, vegetables and household supplies. Our active engagement and relationships with the property owners and residents through our property management services help us better understand and respond to their demands. With a view of serving our customers' need for shopping, we use the cost-plus method to price our products by adding a markup to the unit cost of the products. Our markup varies depending on the types and qualities of the products and prevailing market prices. The property owners and residents may place orders at our property management offices or through our "Jiayou Life+" (佳優生活+) WeChat mini program through which we aim to provide convenience to property owners and residents. Such services are provided primarily through our own employees. See "—Our Brands" for further details on our "Jiayou Life+" (佳優生活+), WeChat mini program.

EFFECTS OF THE COVID-19 OUTBREAK

Effects of the COVID-19 Outbreak on Our Business Operations

An outbreak of respiratory illness caused by a novel coronavirus (COVID-19) was first reported in late 2019 and continues to spread across the PRC and globally. As of the Latest Practicable Date, COVID-19 had been effectively controlled in China as a result of the strict measures implemented to contain the COVID-19 pandemic spread.

As of the Latest Practicable Date, we did not have contracted projects in Hubei province, nor did we generate any revenue in Hubei province during the Track Record Period. The regions where our managed properties are located are relatively less affected by the spread of COVID-19.

To the best of our Directors' knowledge, as of the Latest Practicable Date, there had been no confirmed cases of COVID-19 infection of our staff and none of our staff was subject to the mandatory quarantine requirements and thus failed to report to duties. Since the outbreak of COVID-19 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 disrupted to a certain extent by the outbreak of COVID-19, particularly due to the prolonged suspension of business operations in the PRC and the instability of workforce arising from the mandatory quarantine requirements, in view of the nature of our business, our Directors do not expect that our Group 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 readily available subcontractors and suppliers in the market as back-up. In view of the foregoing, our Directors are confident that our Group can continue to provide our services and discharge our obligations under existing contracts.

Unlike other industries such as retail and manufacturing which may be subject to extensive or even complete suspension of operations for a period of time as a result of the COVID-19 outbreak, given the nature of our business operations, our Directors are of the view that the risks of our Group having to suspend our operations or terminate our provision of property management services to customers, experience material interruption to the services provided by our subcontractors and utility service providers and supplies of raw materials, and reduce our property management fees as a result of the COVID-19 outbreak are remote. 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 outbreak.

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, the expected 10% of the net proceeds from the Global Offering as allocated for our general business operations and working capital, we estimate that our Group will remain financially viable for approximately 21 months. 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 of RMB47.5 million as of June 30, 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, except for the dividend payment as disclosed in

"Financial Information—Dividend Policy and Distributable Reserves"; (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 was fully settled as of the Latest Practicable Date; (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.

To the best knowledge of our Directors after consulting Jiayuan Property Brand, we do not anticipate there will be any material delay in the delivery of the properties developed by Jiayuan Property Brand for our management as scheduled.

Our Contingency Plan and Response Towards the COVID-19 Outbreak

In response to the COVID-19 outbreak, we have implemented a contingency plan to minimize the disruptions that may be caused to our business operations, including identification of and discussions with various suitable service subcontractors and material suppliers which meet our demands and requirements to ensure the stability and consistency of our services, sourcing of quantities of materials needed for our operations to reduce any disruptions that may cause, and implementation of the flexible rotation arrangements for our staff across the PRC with an aim to control and minimize possible community transmission of COVID-19. Further, we have also adopted enhanced hygiene and precautionary measures across the office premises and properties under our management since late January 2020, details of which is disclosed in "—Quality Control—Enhanced Hygiene and Precautionary Measures against the COVID-19 Outbreak" below. The additional costs for implementing these enhanced measures are expected to be mainly related with masks, ethanol hand wash, disinfectants and infrared thermometers. Our Directors believe that the additional costs associated with the enhanced measures, after taking into account the medical and cleaning supplies distributed by local governments, and relevant regulatory policies such as deduction of three-month payment of social insurance contributions would have no significant adverse impact on our Group's financial position for the year ending December 31, 2020.

Effects of the COVID-19 Outbreak on Our Business Strategies

Currently, it is one of our business strategies to expand our geographic presence and business in China. While the property market in the PRC may experience certain extent of impact as a result of the COVID-19 outbreak, given the continuous rise in the urban population and urbanization rate in China, we believe that the demand for residential and commercial properties in areas with high population density and spending power will remain high. According to the CIA Report, the outbreak of COVID-19 is expected to cause certain short-term economic slowdown across China but it will unlikely affect the regional macroeconomic development plan and talent attraction plan in the long run, and it is expected that once the outbreak is effectively controlled, the outlook for the demand of residential and commercial properties and related property management services in these cities will remain positive. We therefore believe that our expansion plan as discussed in "—Business Strategies" is feasible, and it is unlikely that we would change the use of the net proceeds from the Global Offering as disclosed in "Future Plans and Use of Proceeds" in this prospectus as a result of the COVID-19 outbreak.

OUR BRANDS

We market and provide our services under our main brand and our "Jiayou Life" (佳優生活) service system. In response to demands from property owners and residents and increasing cost pressure, we have made efforts to optimize our business model and improve our service quality. With the help of the Internet, we have built a one-stop service platform to collect, organize and respond to data related to the customer needs, provision and management of our project management services and community value-added services as well as business decision-making. We operate our one-stop service platform through our headquarters and branches.

Our one-stop service platform helps synergize various services and integrate online and offline information and resources by applying intelligent terminals and other information technologies. During the Track Record Period, our online platform refers to "Jiayou Life+" (佳優生活+), a WeChat mini program, and our internal management system. Our offline platform includes "Jiayou Life Service Center" (佳優生活服務中心), through which we can closely interact with customers, collect their requests and feedback and tackle with customers' concerns and complaints in a timely and effective manner.

"Jiayou Life+" (佳優生活+) Online Platform

Our WeChat mini program, "Jiayou Life+" (佳優生活+), mainly serves as an online shopping platform to support our property management and community value-added services. We utilize "Jiayou Life+" (佳優生活+) to offer a wide variety of groceries purchased by us for sale to property owners and residents at our managed properties to bring convenience to their daily lives. The registered customers select and purchase products online and receive the purchased item through delivery service, or by in person pick-up. The transactions are conducted and processed through third-party online payment platforms, and the registered customers pay for their purchased products and use the mini program free of charge.

With our WeChat mini program, "Jiayou Life+" (佳優生活+), we are also able to communicate with our customers through WeChat, a third-party developed instant messaging software commonly used by our customers, to bring convenience to customers and improve customer experience.

To further improve the service quality and enhance customer experience by developing and upgrading our technologies and intelligent operations, we entered into an agreement on September 3, 2020 to purchase a mobile application from a related party, Zhejiang Xigu Digital Technology Co., Ltd. (浙江西谷數字技術股份有限公司), at a consideration of RMB2.0 million and operate it by ourselves going forward. We intend to utilize such mobile application as an additional communication channel with our customers and will provide services in compliance with relevant PRC laws and regulations. We also plan to use approximately 5.0% of the net proceeds from the Global Offering to upgrade our online service system to connect customers' service requests with our automated service system and internal management system, which we believe will enable us to respond to customer requests more promptly, to assign our staff resources more efficiently, and to reduce our operating costs more effectively. See "—Business Strategies" and "Future Plans and Use of Proceeds—Use of Proceeds" for further details.

According to the Telecommunication Regulation (《電信條例》), telecommunication business shall be conducted with a telecommunication business license/filling obtained from the Ministry of Industry and Information Technology or the competent telecommunications administrative authorities. The Catalog of Telecommunications Business (《電信業務分類目錄》) stipulates detailed categories of the telecommunications business. Pursuant to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》), entities engaged in providing commercial Internet information service shall apply for a license for value-added telecommunication services of Internet information services. 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. See "Regulatory Overview—Regulations on the Internet Information Services" in this prospectus.

We utilize the WeChat mini program as a platform to sell products purchased by us and also as a free tool to facilitate the provision of our services and we have not charged, and will not charge, any internet information services fee for providing our services on such online platform. Therefore, as advised by our PRC Legal Advisors, the community products and services we provide through "Jiayou Life+" (佳優生活+) during the Track Record Period and up to the Latest Practicable Date does not constitute value-added telecommunications service or commercial Internet information service. With respect to the mobile application, we intend to utilize it as a tool to provide the registered users primarily with a variety of groceries we purchased, mainly including a variety of food, and our services such as home maintenance services and access control services, and we will not charge any fees for the use of such mobile application. Therefore, as advised by our PRC Legal Advisors, the community products and services we will provide through the mobile application will be non-commercial Internet information services. Based on the oral consultation of our business nature as described above which was conducted in July 2020 with the handling officer at the Zhejiang Communications Administration (浙江省通信管理局), the competent authority for supervision over digital platforms and consultation on matters relating to the operation of value-added telecommunication services by an entity in Zhejiang Province, in relation to the WeChat mini program and the mobile application, a license for value-added telecommunication services of Internet information services and/or an Internet content provider license is not required. Therefore, as advised by our PRC Legal Advisors, a license for value-added telecommunication services of Internet information services and/or an Internet content provider license is not required for the services we provide on "Jiayou Life+" (佳優生活+) or will provide through the mobile application; and our business operations relating to "Jiayou Life+" (佳優生活+) and the mobile application are non-commercial Internet information services and, therefore, are not subject to any foreign investment restriction under the relevant PRC laws and regulations.

In addition, considering the aforementioned online business patterns of "Jiayou Life+" (佳優生活+) and the mobile application and the type of groceries, mainly including a variety of food, offered on this WeChat mini program or to be offered on the mobile application, as advised by our PRC Legal Advisors, we have obtained all material licenses and permits necessary for providing our services through this WeChat mini program and the mobile application under the PRC laws and regulations during the Track Record Period and up to the Latest Practicable Date.

Our one-stop service platform connects the owners and residents of the properties we manage to our steward team and allows the residents to easily purchase services and products from us. While we believe our one-stop service platform represents a lucrative and fast-growing business, it is still at a relatively early development stage and associated with both market opportunities and corresponding challenges and risks. See "Risk Factors—Risks Relating to Our Business and Industry—Failure to protect confidential information of our customers and our network against security breaches, any actual or perceived failure by us or third parties to comply with applicable data protection laws and regulations or privacy policies could harm our business, financial condition and results of operations."

"Jiayou Life" (佳優生活) Service System

Under the service system, "Jiayou Life" (佳優生活), we develop and market our services with respect to mainly three dimensions, namely, "Livable Yue Home" (宜居悦家), "Sweet and Safe Home" (幸福安家), and "Healthy and Happy Home" (健康樂家). Each dimension is designed to indicate the expected scope and standards of services provided and is catered to specific customer needs and preferences. We believe that these dimensions help us to provide unified and clear messages about the comprehensive and dedicated services that we provide and enable us to maximize our market share by leveraging this specific positioning strategy to attract a wider range of customer groups:

- *"Livable Yue Home" (宜居悦家).* Under our "Livable Yue Home," we strive to bring our customers a comfortable, healthy and convenient living experience, for example, by providing the new "Six Guarantees" (六保) butler services which include the traditional property management, as well as diverse and customized services addressing special needs of the school children and the elderly. In addition, we explore and employ technological solutions for automating our key business operations, as well as our business strategy of investing in technologies and intelligent operations, such as our smart maintenance and living facilities, and vehicle automatic identification system. We strive to optimize our property management services such as smart access, online payment of property management fees and maintenance report through technological solutions and intelligent operations at our managed communities to bring convenience to our customers' living experience. Furthermore, by cooperating with third-party professional team, our "golden key services" aim to offer one-on-one tailored VIP services to address our customers' special and diverse needs, covering a wide spectrum of their needs for clothing, food, health, private social events, education and immigration, wealth management and travel to bring convenience to our customers. For example, we intend to offer residents customized travel planning and wealth management consultancy by cooperating with third-party service providers.

- *"Sweet and Safe Home" (幸福安家).* Under our "Sweet and Safe Home", we offer comprehensive and specialized value-added services tailored to property owners' differentiated life experiences and diverse needs to build a sense of community among property owners and residents, enrich their living experiences and maximize the comfort and convenience of our customers in keeping with contemporary trends and lifestyles. We provide a variety of value-added services, including, (i) thoughtful, convenient and gourmet catering services at "Mi Dao" (彌稻) property owners' restaurants, at which we not only change the menu with the seasons but also offer private kitchen option with innovative and tailored solutions addressing customers' typical needs for special events and occasions; (ii) laundry services; (iii) upgraded home-living services under "Jia Home Group" (佳家邦) brand such as home appliance cleaning, delivery and maintenance of their households, as well as turnkey and move-in services; (iv) organizing "Extra-fresh and Worry-free" (領鮮無憂) community weekend markets to bring the maximized comfort and convenience to property owners' daily life; (v) health care butler services which offer a wider range of healthcare services such as community health checks by cooperating with partners from third-party professional teams; (vi) community aging care services targeting the elderly over 75 for whom we typically arrange one-on-one special staff to bring convenience to their daily life, including household works, personal care, day care services, carer support services, and community support services; and (vii) community youth care services such as by cooperating with third-party professional teams to organize "4:30PM School" for which we provide a safe, healthy, and stimulating afterschool place for school-age children and youth where the youth can participate in various enriching activities and classes such as art, Guzheng and Taekwondo classes.

- *"Healthy and Happy Home" (健康樂家).* Under "Healthy and Happy Home," we aim to create a warm and friendly atmosphere within the residential community by organizing activities for all age groups. We organize a wide range of community activities, including (i) fitness activities such as family sports day, community sports day, basketball competitions, and mini-marathon; (ii) interest groups and activities for elderly members of the residential community to cater to a range of hobbies, such as singing and dancing; and (iii) various other interest groups and community activities. For instance, we held "Jiayou Singing Competition" to provide a cultural platform for residents to participate, regardless of age and singing ability, and to bring people together to nurture a local collective community. We believe that our customers will benefit most from, and are most likely to take advantage of, social opportunities within a residential community.

SALES AND MARKETING

Our investment management and development department is primarily responsible for developing our overall marketing strategy, managing our efforts in relation to tender bids and negotiating property management service agreements as a group, implementing mergers and other forms of investments, brand development and advertising, coordinating our sales and marketing activities, managing and maintaining client relationships and conducting business development. They will approve or reject new property management service agreements, sales and marketing plans and budget proposals submitted by our subsidiaries and branch offices for review. The center for investment management and development at our headquarters has a supervisory and supporting role in relation to our subsidiaries and branch offices.

As of June 30, 2020, we had a team of 17 personnel in our business development department. Our subsidiaries and branch offices are generally responsible for implementing the sales and marketing strategies devised by our investment management and development department. They are also expected to explore and establish information channels within their respective localities for business development and market research purposes. Such information channels may include, for example, websites or other platforms on which property developers or property owners' associations announce tender opportunities, uncovering business opportunities by way of recommendation or frequent communication with customers and other industry players, and organizing promotional events to showcase our service offerings.

We actively strive to form new and maintain existing business relationships with potential customers, particularly property developers. For example, each of our subsidiaries and branch offices compile a customer register for their respective regional markets and submit it to our headquarters each year for filing. They are also required to keep records of the frequency and methods by which they have reached out to potential and important customers through issuing brochures, phone calls or in-person meetings. From time to time we will also organize events to promote or showcase our service offerings during holidays or other occasions as we see fit.

Brand Development and Advertising Efforts

As we are dedicated to building the best possible living experience for our customers, we have embraced our key service system "Jiayou Life" (佳優生活). We believe that our brand value and recognition play a critical role in the growth of our business. We seek to cultivate our brand value so that our customers and industry players associate it with quality services. As an advertising measure, we print our logos on our employees' and subcontractors' uniforms and marketing pamphlets, and display them prominently on our website. We also make frequent use of our official WeChat to advertise our services, communicate with our customers and publish press releases related to our business.

STANDARDIZED OPERATION, DIGITALIZATION AND INFORMATION TECHNOLOGY

To strengthen our competitiveness, enhance customer satisfaction and stickiness, reduce our reliance on manual labor and costs, we focus on innovation and implementing standardized operation, digitalization, information technology and machinery to reduce labor cost. We evaluate our property management services and formulate processes to render such services in a manner that is intended to improve operational efficiency, ensure consistent service quality, help develop a scalable business model and alleviate the pressure of increasing labor cost.

We have standardized our operation in key areas of our services including environmental management, occupational health and safety management and quality management. In December 2008, we obtained the quality management system ISO9001: 2000 certification, environmental management system ISO14001: 2000 certification and occupational health and safety system GB/T28001-2001 certification by the CQC, which made us become an enterprise with National First Class Property Management Qualification (國家一級資質物業服務企業) in Zhejiang province to obtain the "three-in-one" certification. Furthermore, we apply consistent standards in certain operations including, among others, environmental and greening and landscaping maintenance, the repair and maintenance of equipment and facilities, and customer services. To improve standardization, service quality and satisfactory of property owners or residents, we have also formulated an internal "Five Senses" management system (五感服務) for property management services to standardize and regulate approximately our customized services from five aspects that include sight, smell, taste, sound and touch, which maximize customer experiences of our services and to ensure customer satisfaction.

Based on our management experiences, information and knowledge built on issues previously encountered and resolved, in 2019 we have formulated various detailed service standards, ranging from staff training to customer complaint management, to ensure that our service quality is closely monitored and reviewed. To facilitate implementation and effectively control our business operation and service quality, in early 2020, we simplified the procedures into a scoring system assessing performance of our employees covering internal control, onsite management, client service and execution, among others. Our scoring system specifies requirements from 50 aspects, such as overall appearance and work quality, and includes 180 specific criteria, for example, deduction of two points per incident if the employee fails to carry out the work to a satisfactory standard required.

The expenses we incurred in connection with the standardized operation, digitalization and information technology during the Track Record Period primarily consist of providing training to employees, subcontracting cost, as well as purchase of facilities and equipment.

In addition, our information technology system collect user data including name, gender, birth date, phone number, address and records of payment, complaints and request for repair and maintenance. We have implemented the following internal control measures to enhance information security:

- we have installed anti-virus software in our system. We upgrade such software from time to time and carry out inspections to detect virus intrusion on a regular basis. We also scan all incoming data to ensure that it is free from virus;
- we have adopted procedures such as regular system check, password policy, user authorization and approval, data backup and data recovery test to safeguard our users' data;
- we have designated our information technology department to conduct frequent review of our systems to ensure that our collection, storage and use of users' data comply with our internal policies and applicable laws and regulations. Our information technology department is responsible for restricting our employees' access right to users' data; and
- we have provided training to our employees to ensure that they are aware of our internal policies in relation to users' data protection.

CUSTOMERS

Overview

Our customer base primarily consists of property developers, property owners and residents. The following table sets forth the main types of our major customers for each of our three business lines:

Business Line	Major Customers
Property management services	Property owners, residents and property developers
Value-added services to non-property owners	Property developers
Community value-added services	Property owners and residents

In 2017, 2018 and 2019 and the six months ended June 30, 2020, revenue generated from sales to our five largest customers amounted to RMB31.9 million, RMB58.5 million, RMB81.0 million and RMB37.7 million, respectively, accounting for 15.2%, 17.7%, 17.8% and 13.4%, respectively, of our total revenue. In 2017, revenue generated from services provided to our largest customer, Jiayuan International Group amounted to RMB15.5 million, accounting for

7.4% of our total revenue. In 2018, 2019 and the six months ended June 30, 2020, revenue generated from services provided to our largest customer, Jiayuan Chuangsheng Group and Lingshan Liufeng Commercial Pedestrian Street Management Co., Ltd, both of which are controlled by Mr. Shum, amounted to RMB29.0 million, RMB44.1 million and RMB19.9 million, respectively, accounting for 8.7%, 9.7% and 7.1% of our total revenue, respectively. The transactions with Jiayuan International, Jiayuan Chuangsheng and their associates, and the companies owned by Mr. Shum constituted connected transactions. Other than Jiayuan International, Jiayuan Chuangsheng and their associates, and the companies owned by Mr. Shum, our customers during the Track Record Period were Independent Third Parties. During the Track Record Period and as of the Latest Practicable Date, save as disclosed below, none of our Directors, their respective close associate or Shareholders, who owned more than 5% of our issued share capital held any interest in any of our five largest customers.

In 2017, 2018 and 2019 and the six months ended June 30, 2020, revenue derived from Jiayuan Property Brand amounted to RMB29.8 million, RMB56.3 million, RMB75.3 million and RMB35.0 million, respectively, accounting for 14.2%, 17.0%, 16.6% and 12.5%, respectively, of our total revenue. Jiayuan Property Brand operates a property development and property investment business in China. Jiayuan Property Brand has achieved nationwide geographical coverage and a strong presence in selected first-tier cities and second-tier cities. According to China Real Estate Top 10 Research Group (中國房地產 Top 10 研究組), Jiayuan Property Brand was ranked 38th among the 2020 Top 100 Property Developers in China in terms of Overall Strength (中國房地產開發百強企業). As of December 31, 2017, 2018, 2019 and June 30, 2020, we managed 61, 75, 86 and 89 properties developed by Jiayuan Property Brand, respectively. To the best knowledge of our Directors after consulting Jiayuan Property Brand, in terms of GFA under management, approximately 99.0%, 99.0%, 98.1% and 98.2%, as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively, of the properties developed by Jiayuan Property Brand were managed by us. Our Group's contribution to the cost of sales of Jiayuan International Group for the year ended December 31, 2019, based on Jiayuan International Group's 2019 annual report filed with the Stock Exchange, was approximately 0.3%, while our Group's contribution to the cost of sales of Jiayuan Chuangsheng Group for the year ended December 31, 2019, based on Jiayuan Chuangsheng Group's 2019 annual report published on the official website of Shanghai Clearing House (上海清算所), was approximately 0.2%.

See "Connected Transactions," "Relationship with Controlling Shareholders" and "Risk Factors—Risks Relating to our Business and Industry—A substantial portion of our revenue is generated from property management services we provide to properties developed by Jiayuan Property Brand."

Our Top Five Customers

The following table sets forth details of our top five customers in 2017:

Rank	Customer	Background	Major services provided	Commencement of business relationship	Payment method	Revenue contribution	Percentage of total revenue
						(RMB'000)	*(%)*
1.	Jiayuan International[(1)]	Property developer	Property management services and value-added services to non-property owners	Since September 2005	Bank transfer	15,491	7.4
2.	Jiayuan Chuangsheng[(2)]	Property developer	Property management services and value-added services to non-property owners	Since February 2005	Bank transfer	14,287	6.8
3.	Customer A	Bank	Property Management Services	Since November 2016	Bank transfer	1,582	0.8
4.	Customer B	A Company engaged in infrastructure development, construction and management of science and technology parks	Value-added services to non-property owners	Since August 2017	Bank transfer	292	0.1
5.	Customer C	Bank	Property management services and community value-added services	Since April 2016	Bank transfer	292	0.1

(1) Including Jiayuan International and its subsidiaries. Jiayuan International is one of our Controlling Shareholders. See "Relationship with Controlling Shareholders."

(2) Including Jiayuan Chuangsheng and its subsidiaries. Jiayuan Chuangsheng is indirectly wholly-owned by Mr. Shum, one of our Controlling Shareholders. See "Connected Transactions."

The following table sets forth details of our top five customers in 2018:

Rank	Customer	Background	Major services provided	Commencement of business relationship	Payment method	Revenue contribution	Percentage of total revenue
						(RMB'000)	*(%)*
1.	Jiayuan Chuangsheng[(1)]	Property developer	Property management services and value-added services to non-property owners	Since February 2005	Bank transfer	28,983	8.7
2.	Jiayuan International[(2)]	Property developer	Property management services and value-added services to non-property owners	Since September 2005	Bank transfer	27,860	8.4
3.	Customer D	Commercial property management company	Property management services	Since October 2018	Bank transfer	601	0.2
4.	Customer B	A Company engaged in infrastructure development, construction and management of science and technology parks	Value-added services to non-property owners	Since August 2017	Bank transfer	594	0.2
5.	Customer E	Property developer	Value-added services to non-property owners	Since May 2018	Bank transfer	450	0.1

(1) Including Jiayuan Chuangsheng and its subsidiaries, as well as Lingshan Liufeng Commercial Pedestrian Street Management Co., Ltd which is controlled by Mr. Shum. Jiayuan Chuangsheng is indirectly wholly-owned by Mr. Shum, one of our Controlling Shareholders. See "Connected Transactions."

(2) Including Jiayuan International and its subsidiaries. Jiayuan International is one of our Controlling Shareholders. See "Relationship with Controlling Shareholders."

The following table sets forth details of our top five customers in 2019:

Rank	Customer	Background	Major services provided	Commencement of business relationship	Payment method	Revenue contribution	Percentage of total revenue
						(RMB'000)	*(%)*
1.	Jiayuan Chuangsheng[1]	Property developer	Property management services and value-added services to non-property owners	Since February 2005	Bank transfer	44,078	9.7
2.	Jiayuan International[2]	Property developer	Property management services and value-added services to non-property owners	Since September 2005	Bank transfer	32,265	7.1
3.	Customer D	Commercial property management company	Property management services	Since October 2018	Bank transfer	3,499	0.8
4.	Customer F	Property developer	Property management services	Since September 2018	Bank transfer	674	0.1
5.	Customer G[3]	Property developer	Property management services	Since January 2019	Bank transfer	440	0.1

(1) Including Jiayuan Chuangsheng and its subsidiaries, as well as Lingshan Liufeng Commercial Pedestrian Street Management Co., Ltd which is controlled by Mr. Shum. Jiayuan Chuangsheng is indirectly wholly-owned by Mr. Shum, one of our Controlling Shareholders. See "Connected Transactions."

(2) Including Jiayuan International and its subsidiaries. Jiayuan International is one of our Controlling Shareholders. See "Relationship with Controlling Shareholders."

(3) Including Customer G and other companies which are under common control.

The following table sets forth details of our top five customers in the six months ended June 30, 2020:

Rank	Customer	Background	Major services provided	Commencement of business relationship	Payment method	Revenue contribution	Percentage of total revenue
						(RMB'000)	*(%)*
1.	Jiayuan Chuangsheng[1]	Property developer	Property management services and value added services to non-property owners	Since February 2005	Bank transfer	19,885	7.1
2.	Jiayuan International[2]	Property developer	Property management services and value added services to non-property owners	Since September 2005	Bank transfer	15,434	5.5
3.	Customer D	Commercial property management company	Property management services	Since October 2018	Bank transfer	1,545	0.6
4.	Customer H	Car park management company	Value added services to non-property owners	Since October 2019	Bank transfer	499	0.2
5.	Customer I	Company engaged in industrial investment	Value added services to non-property owners	Since November 2017	Bank transfer	294	0.1

(1) Including Jiayuan Chuangsheng and its subsidiaries, as well as Lingshan Liufeng Commercial Pedestrian Street Management Co., Ltd which is controlled by Mr. Shum. Jiayuan Chuangsheng is indirectly wholly-owned by Mr. Shum, one of our Controlling Shareholders. See "Connected Transactions."

(2) Including Jiayuan International and its subsidiaries. Jiayuan International is one of our Controlling Shareholders. See "Relationship with Controlling Shareholders."

SUPPLIERS

Overview

For all three of our business lines, our suppliers are primarily subcontractors located in China who provide maintenance of elevator and fire extinguishing systems, gardening and waste cleaning services. We outsource those services as an aim to lower our cost of services and improve our service quality. Our subcontractors specialize in the services they perform and operate in an efficient manner. We believe that such sub-contracting arrangements allow us to leverage the human resources and technical expertize of our sub-contractors, reduce our labor costs and enhance our overall profitability. In 2017, 2018, 2019 and the six months ended June 30, 2020, our subcontracting costs amounted to RMB14.4 million, RMB23.5 million, RMB33.9 million and RMB17.1 million, respectively, accounting for 8.8%, 9.3%, 9.8% and 8.8%, respectively, of our total cost of services.

In 2017 and 2018, purchases from our largest supplier, Zhejiang Jiayuan Commercial Management Group Co., Ltd. (the "**Jiayuan Commercial**"), amounted to RMB2.1 million and RMB4.7 million, respectively, accounting for 1.2% and 1.9% of our total cost of services, respectively. The transactions with Jiayuan Commercial and its associates constituted connected transactions. Other than Jiayuan Commercial and its associates, our suppliers during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, save as disclosed below, neither do we nor any of our Directors, their close associates, senior management or Shareholders, who owned more than 5% of our issued share capital, held any interest in any of our five largest suppliers, or have any past or present family, employment, trust, financing relationship during the Track Record Period with our five largest suppliers, their shareholders, directors, senior management or associates. Our Directors confirmed that during the Track Record Period, our transactions with such suppliers were conducted on an arm's length basis at terms and prices comparable to similar transactions conducted with other independent third parties. In 2017, 2018 and 2019 and the six months ended June 30, 2020, purchases from our five largest suppliers amounted to RMB4.4 million, RMB8.5 million, RMB7.2 million and RMB4.4 million, respectively, accounting for 2.7%, 3.4%, 2.1% and 2.3%, respectively, of our total cost of services.

Our Top Five Suppliers

The following table sets forth details of our top five suppliers in 2017:

Rank	Supplier	Background	Major services purchased	Place of incorporation	Type of enterprise	Commencement of business relationship	Payment method	Purchase amount	Percentage to our cost of services for the year
								(RMB'000)	*(%)*
1.	Jiayuan Commercial[(1)]	Commercial operation and management company	Cleaning and security services	Jiaxing	Private enterprise	Since January 2017	Bank transfer	2,050	1.2
2.	Jiaxing Weisen Mechanical and Electrical Equipment Co., Ltd. (嘉興威森機電設備有限公司)	Electromechanical Equipment Company	Facility maintenance	Jiaxing	Private enterprise	Since November 2016	Bank transfer	637	0.4

Rank	Supplier	Background	Major services purchased	Place of incorporation	Type of enterprise	Commencement of business relationship	Payment method	Purchase amount	Percentage to our cost of services for the year
								(RMB'000)	*(%)*
3.	Supplier A	Landscaping Engineering Company	Greening service	Jiaxing	Private enterprise	Since July 2016	Bank transfer	602	0.4
4.	Volkslift Schindler Elevator Co., Ltd. (沃克斯迅達電梯有限公司)	Provider of manufacturing sales, installation and maintenance of elevator	Facility maintenance	Huzhou	Private enterprise	Since January 2017	Bank transfer	584	0.4
5.	Supplier B	Provider of architectural decoration and landscape garden engineering design	Facility maintenance	Jiaxing	Private enterprise	Since December 2016	Bank transfer	522	0.3

(1) Jiayuan Commercial is a wholly owned subsidiary of Jiayuan Chuangsheng.

The following table sets forth details of our top five suppliers in 2018:

Rank	Supplier	Background	Major services purchased	Place of incorporation	Type of enterprise	Commencement of business relationship	Payment method	Purchase amount	Percentage to our cost of services for the year
								(RMB'000)	*(%)*
1.	Jiayuan Commercial[(1)]	Commercial operation and management company	Cleaning and security services	Jiaxing	Private enterprise	Since January 2017	Bank transfer	4,730	1.9
2.	Supplier C	Construction engineering company	Facility maintenance	Taixing	Private enterprise	Since August 2018	Bank transfer	1,039	0.4
3.	Supplier D	Construction engineering company	Facility maintenance	Jiaxing	Private enterprise	Since December 2018	Bank transfer	986	0.4
4.	Volkslift Schindler Elevator Co., Ltd. (沃克斯迅達電梯有限公司)	Provider of manufacturing sales, installation and maintenance of elevator	Facility maintenance	Huzhou	Private enterprise	Since January 2017	Bank transfer	938	0.4
5.	Supplier E	an institution that engaged in special equipment safety supervision, inspection	Facility maintenance	Nanjing	State-owned enterprise	Since July 2013	Bank transfer	845	0.3

(1) Jiayuan Commercial is a wholly owned subsidiary of Jiayuan Chuangsheng.

The following table sets forth details of our top five suppliers in 2019:

Rank	Supplier	Background	Major services purchased	Place of incorporation	Type of enterprise	Commencement of business relationship	Payment method	Purchase amount	Percentage to our cost of services for the year
								(RMB'000)	*(%)*
1.	Ningbo Gaode Property Management Co., Ltd. (寧波高德物業管理有限公司)	Property management company	Cleaning services	Ningbo	Private enterprise	Since October 2018	Bank transfer	2,775	0.8
2.	Anhui Eastman Property Services Co., Ltd. (安徽伊思曼物業服務有限公司)	Property management company	Cleaning services	Hefei	Private enterprise	Since April 2019	Bank transfer	1,395	0.4
3.	Supplier E	an institution that engaged in special equipment safety supervision, inspection	Facility maintenance	Nanjing	State-owned enterprise	Since July 2013	Bank transfer	1,315	0.4
4.	Supplier F	Environmental Technology company	Facility maintenance	Taixing	Private enterprise	Since July 2019	Bank transfer	917	0.3
5.	Jiangsu Ruian Security Service Co., Ltd. (江蘇瑞安保安服務有限公司)	Cleaning and Security Company	Cleaning and Security services	Changzhou	Private enterprise	Since April 2019	Bank transfer	830	0.2

The following table sets forth details of our top five suppliers in the six months ended June 30, 2020:

Rank	Supplier	Background	Major services provided	Place of incorporation	Type of enterprise	Commencement of business relationship	Payment method	Purchase amount	Percentage to our cost of services for the year
								(RMB'000)	*(%)*
1.	Supplier G	Landscaping engineering company and cleaning company	Cleaning services	Changsha	Private enterprise	Since December 2019(1)	Bank transfer	1,248	0.6
2.	Zhejiang Yuejian Security Service Co., Ltd. (浙江越劍保安服務有限公司)	Security company	Security services	Shaoxing	Private enterprise	Since November 2019	Bank transfer	911	0.5

Rank	Supplier	Background	Major services provided	Place of incorporation	Type of enterprise	Commencement of business relationship	Payment method	Purchase amount	Percentage to our cost of services for the year
								(RMB'000)	*(%)*
3.	Ningbo Gaode Property Management Co., Ltd. (寧波高德物業管理有限公司)	Property management company	Cleaning services	Ningbo	Private enterprise	Since October 2018	Bank transfer	875	0.5
4.	Anhui Eastman Property Services Co., Ltd. (安徽伊思曼物業服務有限公司)	Property management company	Cleaning services	Hefei	Private enterprise	Since April 2019	Bank transfer	746	0.4
5.	Supplier H	Property management company	Cleaning and security services	Shanghai	Private enterprise	Since August 2019	Bank transfer	627	0.3

(1) Since acquisition of Hunan Huaguan.

Selection and Management of Subcontractors

In general, our headquarter is responsible for supervising and reviewing the selection, management and evaluation of our subcontractors and makes the relevant policy decisions in this aspect of our business operations. Our subsidiaries and branch offices contribute to and support our headquarter in their supervision, review and decision-making processes.

Selection of Our Subcontractors

We annually maintain and update a list of pre-approved subcontractors primarily based on a history of cooperation. Our subsidiaries and branch offices are required to hire from this list.

We add subcontractors for each property management project to the list primarily by soliciting recommendations from our subsidiaries and branch offices. Our subsidiaries and branch offices will complete a "Sub-Contractor Recommendation Form," outlining their qualifications and the reasons for recommending the sub-contractor in question. We evaluate subcontractors in accordance with criteria such as (i) that they must have held their operating licenses for at least two years; (ii) that they must have obtained the necessary professional qualifications for providing their services in accordance with all applicable laws and regulations for at least one year; and (iii) that they must have provided services to other companies within our industry for at least two years. Our subsidiaries and branch offices are required to obtain documentary evidence in relation to the aforementioned criteria. The "Sub-Contractor Recommendation Form" will then be submitted to our headquarter for review and approval. Sub-contractors who pass this approval process will be named onto our list of pre-approved subcontractors.

In hiring subcontractors, our subsidiaries and branch offices may send invitations to tender to sub-contractors on the pre-approved list and assess their tender submissions based on criteria such as service quality, industry reputation, price, past performance and cooperativeness.

Management of Our Subcontractors

We regularly monitor and evaluate our subcontractors. Managers for each property management project are expected to inspect the work of subcontractors each time the services are provided, and complete inspection checklist and record any issues they detect. We also provide guidelines on property management and provision of community value-added services such as on how to organize community events.

We formally review and evaluate our subcontractors on a monthly and annual basis. Our subsidiaries and branch offices will complete monthly and annual evaluation reports for every sub-contractor, and the evaluation results will be used as one of the basis for stage payment and contract renewal. When the time comes to each year to update the list of pre-approved subcontractors, our subsidiaries and branch offices will make their recommendations based on their evaluation reports. We terminate subcontracting agreements if we discover that certain subcontractors are consistently delivering substandard services. We will also remove them from our pre-approved list if we discover that they have (i) not provided property management services to any member of our Group for more than two years; (ii) not been responding to the findings of evaluations and undercover reviews and raising the quality of their services accordingly; (iii) not acted in accordance with common standards of honesty and integrity; (iv) issued defamatory statements in relation to us or our services; and/or (v) created material and adverse impact on our customers, our reputation or brand value by their conduct.

Key Terms of Our Subcontracting Agreements

Our subcontracting agreements typically include the following key terms:

- *Term.* Such agreements are typically signed for an one-year term and if the subcontractor's services meet the agreed standard, the contract may be renewed by mutual consent. We will consider re-engaging the subcontractors based on the quality of their services.

- *Performance scope and standards.* The subcontracting agreement would set forth the scope and expected standards of the sub-contractor's services, including the areas to which the sub-contracting services relate. For subcontracting agreements in relation to services such as repair and maintenance of elevators and fire extinguishing systems, we may specify our expected standards as to their conditions and the types of inspections we require. We also require our subcontractors to adhere to our internal policies, such as those to do with quality standards, safety, reporting times, uniforms and etiquette guidelines.

- *Licenses and permits*. our subcontracting agreements may set out qualification requirement for the sub-contractor and its workers.

- *Fees and payments*. our subcontracting agreements may provide either lump-sum payment of the amount or payment by installment. The fees typically include the value-added taxes, and thus the suppliers are required to provide value-added tax invoices.

- *Our rights and obligations.* Generally, we have both the right and obligation to supervise and evaluate our subcontractors. We are also responsible for providing them with the necessary support for the completion of their services, which may include, for example, the use of office facilities without charge. We generally pay subcontracting fees on a quarterly or semi-annually basis, depending on what is agreed on in the contract. We are entitled to collect fines or deduct subcontracting fees if our subcontractors fail to adhere to our performance scope and standards.

- *Rights and obligations of subcontractors.* Our subcontractors are responsible for obtaining all licenses, permits and certificates necessary for conducting their business operations in accordance with applicable laws and regulations. They also undertake to provide their services in accordance with the scope, frequency and standards of quality prescribed in the relevant subcontracting agreements.

- *Risk allocation.* Our subcontractors manage their own employees, with whom we have no employment relationship. Our subcontractors are responsible for compensating their own employees who suffer damages to person or property in the course of providing the contracted services. They are also responsible for damages to person or property caused by their employees in the course of providing the contracted services.

- *Procurement of raw materials.* Our subcontractors will generally procure their own tools and other raw materials required for providing their contracted services. Where our sub-contractors need to procure certain raw materials for us, such as components to fire extinguishing systems or elevators, they are required to obtain our permission beforehand. We may also agree in the contract that they would procure for us, free of additional charge, components that cost below a certain price.

- *Termination and renewal.* We monitor and assess the performance of subcontractors regularly. Generally, we have the right to terminate the contract if our subcontractors fail to adhere to their rights and obligations, make repeated mistakes or if we receive multiple complaints from our customers in relation to their services. Proposals to renew the contract are generally made in-written by subcontractors 30 days before the contract expires.

QUALITY CONTROL

We prioritize quality in our services and believe that quality control is crucial to the long-term success of our business. Our technological implementation department is primarily responsible for overseeing our business operations to do with quality control, focusing on maintaining standards of quality, standardizing our internal policies and procedures and monitoring adherence to those standards. As of June 30, 2020, we had a professional quality control and supervision team consisting of 80 members. Through both the online monitoring and off line supervision, our quality control and supervision team controls and supervises the quality of various aspects of our services, including customer service, security service, maintenance service and environment service at different levels.

Quality Control over Our Services

We conduct our operations in accordance with the standards represented by our ISO9001: 2015 certification, which we first obtained from the Hangzhou Wantai Certification Company Limited (杭州萬泰認證有限公司) in 2008. Our current certification is valid from November 2019 to November 2022. We have established a system for monitoring the quality of our services, which includes multiple sets of standardized internal policies and procedures. For example, we require our employees and subcontractors to complete inspection checklists after each round of scheduled inspections, recording their observations and updates as to the property's conditions. We also have guidance pamphlets on how to conduct certain aspects of our business operations, such as how to organize social events as part of our community value-added services, how to clean areas such as offices, bathrooms, elevators and carpets and how to maintain and operate technical facilities such as elevator systems and fire-extinguishing equipment.

Quality Control over Subcontractors

We have established an organized management system for subcontractors and typically set forth expected standards of quality in our subcontracting agreements. We evaluate the performance of our subcontractors on monthly or annually basis and may require that they take appropriate and necessary rectification measures for incidents of substandard performance. We reserve the right to collect fines, deduct subcontracting fees and even terminate the contract if our subcontractors fail to perform in accordance with our standards of quality, and decide whether to renew subcontracting agreements based on the outcome of our evaluations. See

"—Suppliers—Selection and Management of Subcontractors—Management of Our Subcontractors" and "—Suppliers—Selection and Management of Subcontractors—Key Terms of Our Subcontracting Agreements."

Enhanced Hygiene and Precautionary Measures against the COVID-19 Outbreak

In response to the COVID-19 outbreak, we have adopted enhanced hygiene and precautionary measures across the properties under our management since late January 2020. These measures include (i) regularly cleaning and disinfecting the common areas in our managed properties; (ii) monitoring the medical symptoms of the visitors at our managed properties by measuring their body temperatures; (iii) requiring our staff to wear suitable protective gear such as gloves and face masks; and (iv) promoting personal hygiene among our employees as well as property owners and residents of the properties we manage. The additional costs for implementing these enhanced measures are expected to be mainly related with masks, ethanol hand wash, disinfectants and infrared thermometers.

Feedback and Complaint Management

During the ordinary course of our business, we seek and receive customer feedback and complaints about our services. Customers may provide us with feedback and complaints by dialing our national service hotline or by communicating with employees stationed at our property management projects. Customer feedback and complaints may relate to, for example, substandard services by our subcontractors and loss or damage to property.

We have established internal policies and procedures for responding to and recording customer feedback and complaints, and following up with our customers for reviews on our responses. These internal policies and procedures are applicable across all of our property management projects. We require our relevant employees to file a feedback form within two hours upon receipt of all customer feedback and complaints and submit the form to the responsible person at the relevant property management projects to handle such compliant. They are also required to obtain the customer's contact information and follow up on the case within 48 hours. All instances of contact with the customer must be recorded and filed in written and photographic form. Employees responsible for the case must make constructive contact with the customer within 48 hours of receipt until the case has been resolved. If the feedback is found to be untrue or unsatisfactory after the return visit, or if the customer makes a new request, the complaint will be transferred to the handling process again. We seek to maintain the trust and confidence of our customers. In designing such a feedback and complaint management system, we seek to maintain the trust and confidence of our customers.

INTELLECTUAL PROPERTY

We believe that our intellectual property rights are critical to our continued success. We primarily rely on laws and regulations on trademarks and trade secrets and our employees' and third parties' contractual commitments to confidentiality to protect our intellectual property rights. As of the Latest Practicable Date, we did not own any patent. As of the Latest

Practicable Date, we registered two domain name and 12 trademarks and were under application for registration of two trademarks that we believe are material to our business. As of the Latest Practicable Date, we were not aware that we had materially infringed any intellectual property rights owned by third parties, nor were we aware that any third parties had materially infringed our intellectual property rights.

See "Appendix IV—Statutory and General Information—B. Future Information About Our Business—2. Intellectual Property Rights of Our Group" to this prospectus for more information about our registered intellectual property and intellectual property applications.

AWARDS AND RECOGNITION

The following table sets forth a selection of the notable awards and accreditations we received during the Track Record Period and up to the Latest Practicable Date:

Date	Award or Recognition	Awarding Entity
September 2020	2020 Specialized Operational Leading Brand of China Property Service Companies (2020中國物業服務專業化運營領先品牌企業)	China Index Academy (中國指數研究院)
September 2020	2020 China Property Service East China Regional Brand Enterprise (2020中國物業服務華東區域品牌企業)	China Index Academy (中國指數研究院)
May 2020	Ranked 35th in the 2020 Top 100 Property Management Companies in China (2020中國物業服務百強企業)	China Index Academy (中國指數研究院)
May 2020	Ranked 13th among the 2020 Top 100 Property Management Companies in China by Growth (2020中國物業服務百強企業成長性領先企業)	China Index Academy (中國指數研究院)
May 2020	Ranked 4th among the Real Estate Services Company Worth Focusing by Capital Markets (2020值得資本市場關注的物業服務企業)	China Index Academy (中國指數研究院)
December 2019	2019 Leading Property Management Service Enterprise in Jiaxing ("2019嘉興市物業服務市場地位領先企業")	China Index Academy (中國指數研究院)
December 2019	2019 Leading Property Management Service Enterprise in Taixing ("2019泰興市物業服務市場地位領先企業")	China Index Academy (中國指數研究院)
December 2019	2019 Leading Property Management Service Enterprise in Suqian ("2019宿遷市物業服務市場地位領先企業")	China Index Academy (中國指數研究院)

Date	Award or Recognition	Awarding Entity
September 2018	Ranked 33rd in the "2018 Top 50 Property Management Enterprises in Overall Strength" (“中國物業管理企業綜合實力50強”排名33位)	China Real Estate Association and Shanghai Yiju Real Estate Research Institute China Real Estate Evaluation Center (中國房地產業協會、上海易居房地產研究院中國房地產測評中心)
October 2018	2018 Key Enterprise of Service Industry in Jiaxing (“2018嘉興市物業服務業重點”)	Development and Reform Committee of Jiaxing (嘉興市發展和改革委員會)
September 2017	Ranked 35th in the "2017 Top 100 Property Management Enterprises in Overall Strength" (“2017中國物業管理企業綜合實力100強”排名35位)	China Real Estate Association and Shanghai Yiju Real Estate Research Institute China Real Estate Evaluation Center (中國房地產業協會、上海易居房地產研究院中國房地產測評中心)

COMPETITION

According to CIA, the growth of the PRC property management industry is attributable to key drivers such as rising supply and demand and favorable government policies. China's rapid economic development in recent years has resulted in increasing urbanization, the formation of a middle-to high-income class of consumers and continuous growth in the per capita disposable income for the urban population. We expect that the aforementioned middle-to high-income class of consumers will be more willing to pay premiums for quality and increase their discretionary spending on goods and services beyond basic necessities. For example, there may be increasing demand for better living conditions and therefore corresponding desire for higher quality property management services. Rapid urbanization in China has increased the supply of commodity properties to which we may provide property management services and satisfy that demand.

In keeping with these trends, the GFA under management for, and the number of properties managed by, the Top 100 Property Management Companies has increased. Average revenue of the Top 100 Property Management Companies has therefore increased to RMB1,040.2 million in 2019 from RMB540.8 million in 2015, representing a CAGR of 19.6%.

We primarily compete against the Top 100 Property Management Companies, particularly those affiliated with reputable property developers in China. Jiayuan Property Brand's growth provides a strong foundation for our own advancement. However, in recent years our percentage of contracted GFA from Jiayuan Property Brand's property development projects has decreased, while our percentage of contracted GFA from projects developed by third-party property developers has increased. This demonstrates that while we are able to enjoy the support of an affiliate, we are also capable of searching for and taking advantage of market opportunities independently. According to CIA, we ranked 35th among the 2020 Top 100 Property Management Companies in China. Our market share among the Top 100 Property Management Companies based on GFA under management as of December 31, 2019 was 0.25%.

We believe that we are able to continue competing with other industry players due to our competitive strengths. Moreover, new market entrants are faced with entry barriers such as brand value, capital requirements, quality of management and availability of talent and technical expertize, all of which we believe we have and will continue to overcome. See "Industry Overview" and "Risk Factors—Risks Relating to our Business and Industry—We operate a highly competitive business and may not compete successfully against existing and new competitors" in this prospectus for more information on the industry and the markets that we operate in.

OCCUPATIONAL HEALTH AND SAFETY

We are subject to PRC laws in relation to occupational health and safety. During the Track Record Period, we conducted our operations in accordance with standards represented by our GB/T 28001-2011/idt OHSAS 18001: 2007 certification, which we first obtained from the Hangzhou Wantai Certification Company Limited (杭州萬泰認證有限公司) in 2008. Our current certification is valid from November 2019 through March 2021. We train our employees on how to react during selected emergencies. See "—Employees" below for more information. During the Track Record Period and as of the Latest Practicable Date, we did not experience any material accidents involving personal injury or property damage. Our Directors confirm that there were no material labor disputes or labor-related legal proceedings against us during the Track Record Period.

ENVIRONMENTAL PROTECTION

We are committed to environmental protection and have adopted and implemented measures to ensure that we meet the standards represented by our GB/T 24001-2016 idt ISO14001: 2015 certification, which we first obtained from the Hangzhou Wantai Certification Company Limited (杭州萬泰認證有限公司) in 2008. Our current certification is valid from November 2019 to November 2022.

Given the nature of our operations, we do not believe that we are subject to material risks or compliance costs in relation to environmental issues. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material fines or penalties for non-compliance of PRC environmental laws, nor were we subject to any material administrative penalties in relation to violations of PRC environmental laws. Nevertheless, if we are unable to comply with existing or future environmental laws and regulations or are unable to meet public expectations in relation to environmental issues, we may be required to pay fines and penalties, and our reputation may be damaged. See "Risk Factors—Any liability to comply with our environmental responsibilities may subject us to liability" for details of the relevant risk.

EMPLOYEES

We believe that the expertize, experience and professional development of our employees contributes to our growth. Our human resources department manages, trains and hires employees.

As of June 30, 2020, we had a total of 5,517 full-time employees in China. The following table sets forth the number and breakdown of our full-time employees by function:

	Number of employees	% of total
CEO	1	0.0
Center for investment and development	7	0.1
Human resources center	3	0.1
Business development department	17	0.3
Quality control	22	0.4
Management	45	0.8
Office of regional managers	35	0.6
Finance	55	1.0
Residential property business department	4,623	83.8
Non-residential property business department	709	12.9
Total	**5,517**	**100.0**

The following table sets forth a breakdown of our full-time employees by geographic location as of June 30, 2020:

	Number of employees	% of total
Yangtze River Delta Region	4,280	77.6
Northern region	265	4.8
Central southern region	598	10.8
Western region	374	6.8
Total	**5,517**	**100.0**

As of the Latest Practicable Date, our certain employees in Jiaxing, Zhejiang province formed labor unions. We have maintained good working relationships with our employees. During the Track Record Period, no significant labor disputes occurred which materially and adversely affected our business or were likely to have a material adverse effect on our business.

Social Insurance and Housing Provident Fund Contributions

During the Track Record Period, we did not register for and/or make full contributions to social insurance and housing provident funds for certain employees primarily because some of our employees declined to make their social insurance and housing provident fund contributions.

Under the Regulations on Administration of Housing Provident Fund (住房公積金管理條例), (i) for housing provident fund registrations that we fail to complete before the prescribed deadlines, we may be subject to a fine ranging from RMB10,000 to RMB50,000 for each non-compliant subsidiary or branch and (ii) for housing provident fund contributions that we fail to pay within the prescribed deadlines, we may be subject to any order by the relevant people's court to make such payments. According to the Social Insurance Law of the PRC (中華人民共和國社會保險法), for outstanding social insurance fund contributions that we did not fully pay within the prescribed deadlines, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated deadline and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay; if we fail to make such payments, we may be liable to a fine of one to three times the outstanding contribution amount.

We made provisions in the amounts of RMB4.7 million, RMB7.3 million, RMB11.2 million and RMB5.8 million, in respect of such potential liabilities in 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively, for certain of our PRC subsidiaries and branch offices. For the remaining PRC subsidiaries and branch offices we have obtained written and/or oral confirmations from relevant officers at the local social insurance and housing provident fund authorities during the period from February to August 2020, each stating that: (i) the social insurance and housing provident fund contributions was made by relevant subsidiary branch office in compliance with the respective laws, regulations and/or relevant local policies and requirements, we had made full social insurance and housing provident fund contributions or we had no outstanding social insurance and housing provident fund contributions; and (ii) no administrative penalty has been imposed. Our PRC Legal Advisor is of the opinion that the relevant written/oral confirmations are addressed by competent authorities.

Our Directors are of the view that no provision is required to be made in respect of the remaining PRC subsidiaries and branch offices, based on (i) written and/or oral confirmations from local social insurance and housing provident fund authorities as stated above; (ii) their assessment of various factors including the nature and amount of the non-compliance; and (iii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities alleging that we had not fully contributed to the social insurance premiums and housing provident funds and demanding payment of the same before a stipulated deadline. We were also not aware of any employee's complaints or demands for payment of social insurance premiums and housing provident fund contributions, nor had we received any legal documentation from the labor arbitration tribunals or the PRC courts regarding disputes in this regard, which may have a material adverse effect on our business, financial position and results of operations. In view of the above, our PRC Legal Advisor is of the view that the risk of us being penalized by the competent authorities providing above written and/or oral confirmations for our aforementioned historical failure to register for and/or make full contributions to the social insurance and housing provident funds for our employees is remote. Our Directors are of the view that it will not have a material adverse effect on our business operations, nor will such events constitute a material legal obstacle for the Listing.

In addition, as of the Latest Practicable Date, we have established various internal policies and procedures to ensure that we make full contributions in relation to social insurance and housing provident funds. These internal policies and procedures include (i) regularly communicating with government agencies to ensure that our calculation and payment methods are in compliance with the relevant laws and regulations; (ii) regularly consulting outside counsel to understand whether we are at risk of non-compliance with the relevant laws and regulations; (iii) regularly preparing reports regarding our contribution amounts for review by our Board; and (iv) conducting internal trainings for our Directors, members of senior management and certain employees on the relevant laws and regulations.

Recruiting

We are committed to attracting the best and brightest to our talent pool. In addition to experienced professionals, we recruit fresh graduates under our "Yuan Power Program (源動力計劃)." See "—Our Training Program" below for more information.

As part of our efforts to recruit the best of our industry, we have established detailed sets of internal policies and procedures to guide each stage of our efforts. For example, we have guidelines on who are the appropriate interviewers for particular positions, how to conduct our phone interviews, standardized interview procedures and interview questions.

We also evaluate our recruitment procedures and job descriptions regularly. While we have determined the qualifications and traits desirable in ideal candidates for various management levels and positions, we strive to recruit candidates that are compatible with us in terms of work ethic and corporate culture as well. Our recruitment process primarily includes the following stages:

- *Issue job posting.* Departments in need will apply to recruit for their vacancies. Our recruitment personnel in the human resources department will then issue job postings with descriptions of our required qualifications on various internal and external platforms. Such platforms may include online and offline channels such as our own website, our official WeChat account, posters and online job banks. We also have a program for rewarding employees who have successfully referred candidates to us.

- *Review resumes.* Our human resources department and the department(s) in need will review applications and resumes with reference to our internal guidelines.

- *Interviews.* We will select applicants from the pool of resumes for interviews. We conduct a first interview by phone, and interview candidates who progress to the second round in person or video. For important positions such as general manager, the president will interview them in the third round, We provide feedback to our candidates within five days of completing the interview.

- *Internal evaluation.* Once we select our candidates, we set their salaries with a view to our budget and their individual qualifications. We also begin internal review and approval procedures by relevant levels of management for hiring new employees. We will conduct background searches for candidates competing for managerial or higher positions.

- *Hiring.* We will issue offer letters and assist candidates who accept with the necessary paperwork and orientation procedures.

Training and Development

We perceive our employees as key to our service quality and customer experience. As part of our long-term efforts to retain and motivate talent, we offer our employees career advancement prospects and training in professional skills necessary to our business.

Additionally, we provide training programs regularly and across management levels, designing them with a view to our business needs and long-term strategies. Each year we draw up course curriculums for our employees covering key areas in our business operations, including but not limited to our corporate culture and policies, technical knowledge required for certain positions, leadership skills and general knowledge about the nature of our services. We have capitalized on our industry expertize and developed up to 115 courses for our employees, which are provided through on-site training and online platforms such as WeChat and Dingding. Our courses are given by more than 20 lecturers composed of managers and other industry experts under our employment. We also engage third-party lecturers to enhance our training programs from time to time. At the same time, we also send our employees to participate in professional training courses organized by external training institutions according to specific job duties.

Our Training Program

We have a comprehensive training program for different levels of employment and our human resources department typically sets up annual training plan by the end of each year according to specific training requirements under "Yuan Power," orientation training, in-service training, and promotion training programs, the details of which are as follows:

- "Yuan Power" program (源動力計劃). We target our "Yuan Power" program training program toward employees we hired through our campus recruitment programs. We provide introductory courses covering, among other topics, general knowledge about the property management industry, corporate culture, the nuances of customer service, special content for each position of property management, the nature of our services and on-site practical training.

- Orientation training program. We target our orientation training toward new joiners by providing seven to ten days of onboarding training. The topics cover corporate culture, corporate development, organizational structure, management system, job responsibilities, employee rights and responsibilities.

- In-service training program. We target our in-service training program toward employees in managerial positions. The courses we provided cover a variety of topics, including how to improve customer service, enhance customer communication and deal with customer complaints and feedback which would be discussed in greater depth. We also provide courses that are tailored to assist employees in adjusting and succeeding in their managerial positions. This includes courses on how to create clear and effective presentations, execute strategy and improve property management fee collection rates, among others.

- Promotion training program. We offer promotion training program, including pre-promotion and post-promotion training, to prepare the potential candidates to be eligible for promotion to managers. The pre-promotion training program allow employees to grasp the necessary knowledge and skills as well as adapt quickly to the promoted position. The post-promotion training program focuses on the long-term sustainability of employees to help them further broaden consciousness and to handle more duties and responsibilities. The topics of the training mainly cover professional courses for property management, corporate operation and accounting.

We have woven into our training program mentorship, assessment, feedback and evaluation procedures for our employees to facilitate their growth and development. We believe that our comprehensive training programs, combined with on-the-job learning, will facilitate advancement for our employees.

OUR CASH MANAGEMENT POLICY

We have a bank account and cash management system to manage our cash inflows and outflows, applicable to all of our subsidiaries and branch offices in their ordinary course of business. Generally, we encourage our subsidiaries and branch offices to settle their transactions through bank transfers to lower the risks in relation to managing cash. Our employees are expressly forbidden from removing and/or using our cash for private or other purposes not in line with our ordinary course of business.

Cash flow transactions	Cash handling policies and internal control measures
Cash inflow in relation to payments of property management fees, deposits, rent or service fees from our customers	We have cashiers or customer service personnel specifically responsible for cash collection. They will verify that the cash collected is the correct amount prior to issuing receipts. We require that all cash collections be recorded in our business system within the same day upon receipt.
Cash outflow in relation to refunding deposits or service fees to our customers	We collect refund application form from customers. Such customers are required to return the original receipts and our cashiers or customer service personnel will verify the authenticity of materials provided before issuing the refund. Customers who have lost their original receipts may file the loss by completing forms and undergoing identity verification procedures.
	We allow customers to authorize a representative to collect the refund for them if they cannot do so in person. Authorized representatives are required to undergo identity verification procedures. Prior to processing any refund bills our cashiers and customer service personnel must sign and confirm, and record all reasons for making refunds.

Cash flow transactions	Cash handling policies and internal control measures
Cash inventory and deposits	Our subsidiaries and branch offices are not allowed to keep more than RMB20,000 in cash on hand. We require that cash within RMB2,000 to be deposited into the bank accounts of our subsidiaries and branch offices within five days, and cash excess RMB2,000 to be deposited within two days. Our employees are expected to check cash balances in inventory on a daily basis, and we will assign accounting personnel to check cash balances and relevant records from time to time at unexpected moments. At the end of each month, the person in charge of the subsidiary or branch office organizes inspection of cash inventory, and records the inspection results. Our accounting personnel will report, analyze and resolve discrepancies or other issues they discover and record the results of their findings.
Cash transfers to our centralized bank account or the bank accounts of our subsidiaries and branch offices	We receive cash through methods such as checks, credit or debit card payments or bank transfers. Our employees are required to verify that key payment and other details of checks received are in good order. They are also required to timely file all proofs of payment. In cases such as bounced checks, failed credit and debit card payments and unsuccessful bank transfers, our employees are required to follow up on and take steps to resolve such issues immediately.

Cash flow transactions	Cash handling policies and internal control measures
Cash transfers out of our centralized bank account or the bank accounts of our subsidiaries and branch offices	Payment of cash shall be made from cash in stock or withdrawn from banks, and cash shall not be withdrawn directly from operating income. We typically settle the payment through wire transfer and we are not allowed to issue short checks, forward checks or blank checks. Obsolete notes should be stamped with "void" and kept in whole. Seals, e-banking passwords and related plug-ins must be handled by dedicated personnel and kept separately.
Opening of and managing bank accounts of our subsidiaries and branch offices	Our subsidiaries and branch offices must adhere to our internal policies and procedures in relation to the opening of bank accounts according to their relevant needs and responsibilities. They are required to submit an application form before opening any bank accounts. Our subsidiaries and branch offices are required to reconcile and check bank balances on a monthly basis.

INSURANCE

During the Track Record Period, we purchased employee accident insurance and third-party employer liability insurance for all of our employees. We expressly require our subcontractors to form employment relationships with their own employees, and our subcontractors are responsible for compensating their own employees who suffer damages to person or property in the course of providing their services.

We also maintain liability insurance for property damage or personal injury suffered by third parties arising out of or related to our business operations. Consistent with customary practice in China, we do not carry any business interruption insurance or litigation insurance. Our Directors believe that our existing insurance coverage is in line with the industry norm and sufficient for our present operations. However, there is no assurance that the insurance policies we maintain are sufficient to cover all of our operational risks. 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. Based on the legal opinions issued by the PRC Legal Advisor for the purpose of the Listing, our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had obtained all material certificates, licenses and permits from relevant regulatory authorities necessary for our business operations in the PRC. We are required to renew such certificates, licenses and permits from time to time. 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.

PROPERTIES

As of the Latest Practicable Date, we owned 46 parking spaces in Jiaxing city in China with an aggregate GFA of approximately 1,172 sq.m.. During the Track Record Period, we held our parking spaces for our own use. As of the Latest Practicable Date, we had obtained all title certificates for our own properties.

We had no single property with a carrying amount of 15% or more of our total assets. Therefore, we are not required 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).

As of the Latest Practicable Date, we rented three properties for use as office premises in Jiaxing city in China with an aggregate GFA of approximately 925.5 sq.m.. As of the Latest Practicable Date, we had not registered the lease agreements for all of our leased properties with the local housing administration authorities as required under PRC law, primarily due to lack of cooperation from our landlords in registering the relevant lease agreements, which was beyond our control. Our PRC Legal Advisor has advised us that we might be ordered to rectify this failure to register by competent authorities and if we fail to rectify within a prescribed period, a penalty of RMB1,000 to RMB10,000 per agreement may be imposed as a result. As of the Latest Practicable Date, 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 PRC Legal Advisor has also advised us that the failure to register the lease agreements would not affect the validity of the lease agreements, and our Directors are of the view that such non-registration would not have a material adverse effect on our business operations or constitute a material legal obstacle for the Listing. See "Risk Factors—Risks Relating to our Business and Industry—We may be subjected to administrative penalties as we have not registered all of our lease agreements with housing administration authorities" in this prospectus for more information on the risks related to our non-filing.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be involved in legal, arbitration or administrative proceedings in the ordinary course of our business. As of the Latest Practicable Date, there were no legal, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material adverse effect on our financial condition or results of operations.

Compliance

During the Track Record Period and as of the Latest Practicable Date, there were no litigation or arbitration proceedings or administrative proceedings pending or threatened against us or any of our Directors which would have a material adverse effect on our business, financial position or results of operations.

During the Track Record Period, we did not register for and/or make full contributions to social insurance and housing provident funds for certain employees primarily because some of our employees declined to make their social insurance and housing provident fund contributions. See "—Employees—Social Insurance and Housing Provident Fund Contributions."

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. See "Risk Factors" in this prospectus for more information. We have established risk management systems with relevant policies and procedures that we believe are appropriate for our business operations. Our key risk management objectives include: (i) identifying the different risks relevant to our operations; (ii) assessing and prioritizing the identified risks; (iii) developing appropriate risk management strategies for different risks; (iv) monitoring and managing risks and our risk tolerance level; and (v) executing measures to respond to those risks.

Our Board oversees and manages the risks associated with our business. We have established an audit committee to review and supervise our financial reporting process and internal control system. The audit committee consists of three members, namely Mr. Wong Kwok Yin, who serves as chairman of the committee, Ms. Liang Yunxu and Mr. Wang Huimin. See "Directors and Senior Management" in this prospectus for more information on the qualifications and experience of these committee members.

In order to improve our corporate governance, we have adopted, or expect to adopt before Listing, a series of internal control policies, procedures and programs designed to provide reasonable assurance for achieving objectives such as effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of our internal control system include the following:

- Our Directors and senior management attended a training session on June 11, 2020 in relation to the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;

- We have appointed Mr. Chan Yu Hin our chief financial officer and company secretary to ensure our compliance with relevant laws and regulations. See "Directors and Senior Management" in this prospectus for their biographical details;

- We have appointed Rainbow Capital (HK) Limited as our compliance advisor to advise us on compliance with the Listing Rules; and

- We have adopted various policies to ensure compliance with the Listing Rules, including those in relation to risk management, continuing connected transactions and information disclosure.

In preparation for the Listing, we engaged an independent internal control consultant (the "**Internal Control Consultant**") to perform a review over our internal controls over financial reporting in January 2020, covering areas such as entity-level control, revenue and receivables, procurement and payment, fixed asset management, treasury management, payroll management, financial reporting, tax management and information technology. The scope of internal control review performed by the Internal Control Consultant was agreed between us, the Joint Sponsors and the Internal Control Consultant.

Based on the review, the Internal Control Consultant recommended various rectification and improvement measures in our internal control system based on its findings. Accordingly, we implemented rectification and improvement measures in response to these findings and recommendations. The Internal Control Consultant also performed follow-up procedures on the remediation we took in relation to our internal control system, and we did not receive any additional recommendations from the Internal Control Consultant as of the Latest Practicable Date. The internal control review described above was conducted based on information provided by us and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

Taking into consideration of the above and the internal policies when adopted and implemented effectively the Joint Sponsors concur with our Directors' view that our enhanced internal control measures, when adapted and implemented effectively, are adequate and effective for our current business environment.

OVERVIEW

Immediately upon completion of the Capitalization Issue and the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, Chuangyuan Holdings will hold 75% of the issued share capital of our Company. Chuangyuan Holdings is directly wholly-owned by Jiayuan Investment, which is in turn directly wholly-owned by Jiayuan International. Jiayuan International is owned as to approximately 67.96% by Mingyuan Group, which is directly wholly-owned by Mr. Shum, and approximately 1.78% by Mr. Shum in his own personal capacity. Hence, Mr. Shum, Mingyuan Group, Jiayuan International, Jiayuan Investment and Chuangyuan Holdings will be our Controlling Shareholders under the Listing Rules.

Each of Mingyuan Group, Jiayuan Investment and Chuangyuan Holdings is an investment holding company. Jiayuan International and its subsidiaries are principally engaged in property development, property investment and provision of development services in respect of resettlement properties and other public facilities (the "**Retained Business**"). See "– Delineation of Business – The Retained Business" below for details.

Mr. Shum is the ultimate controlling shareholder of Jiayuan International and had over 20 years of experience in property development industry. He is currently serving as the chairman of the board and a non-executive director of Jiayuan International. Mr. Shum, as one of our Controlling Shareholders, has entrusted the management and operations of our Company to our independent, experienced and professional management team in order to allow us to operate our own business independently from our Controlling Shareholders. Therefore, Mr. Shum is currently not a Director or senior management member of our Group.

DELINEATION OF BUSINESS

The Retained Business

Our Directors are of the view that there is clear delineation between the Retained Business and our business which, as a result, none of the Retained Business would compete, or is expected to compete, directly or indirectly, with our business upon Listing.

The table below sets forth the principal business operations of our Group and the Remaining Jiayuan Group as of the Latest Practicable Date:

Name of company	Principal business operations
Our Group	(i) property management services to property developers, property owners and residents primarily comprising cleaning, security, gardening and landscaping, and repair and maintenance services;

Name of company	Principal business operations
	(ii) value-added services to property developers primarily comprising sales management services, preliminary planning and design consultancy services, pre-delivery cleaning and inspection services, car park sales assistance services, and other services customized to meet specific needs of non-property owners on an as-needed basis such as employee catering services and sales of groceries; and
	(iii) community value-added services to property owners and residents primarily comprising home-living services, common area value-added services, car park leasing assistance services and sales of groceries to property owners.
The Remaining Jiayuan Group	(i) property development involving the development and sales of office premises, shopping arcade and residential properties;
	(ii) property investment involving the leasing of office premises, hotel, shopping arcade and car parks; and
	(iii) development services in respect of resettlement properties and other public facilities.

Given the different nature of businesses between our Group and the Remaining Jiayuan Group, there is clear delineation between the businesses of our Group and that of the Remaining Jiayuan Group. Our Directors are therefore of the view that there is no competition between the businesses of our Group and the Retained Business.

Other businesses of our Controlling Shareholders

In addition to the businesses of our Group and the Remaining Jiayuan Group, Mr. Shum also invested in various businesses including property development and property investment operated through the Excluded Group, which are separate and distinct from the Remaining Jiayuan Group and have no competition with the business of our Group.

Subcontracting arrangement for property management services obliged to be provided by companies controlled by Mr. Shum for three non-residential properties

Pursuant to (i) the preliminary property management agreements entered into between Zhejiang Jiayuan Commercial Management Group Co., Ltd. (浙江佳源商貿管理集團有限公司) ("**Jiayuan Commercial**"), an indirect wholly-owned subsidiary of Jiayuan Chuangsheng, and the respective property developers of two non-residential properties; and (ii) the preliminary property management agreement entered into between Lingshan Liufeng Commercial Pedestrian Street Management Company Limited (靈山六峰商業步行街管理有限公司) ("**Lingshan Liufeng**"), a company ultimately owned by Mr. Shum, and the property developer of a non-residential property, each of Jiayuan Commercial and Lingshan Liufeng is obliged to provide property management services, including cleaning, repair and maintenance services, to the property owners of such properties. During the Track Record Period and prior to the Latest Practicable Date, each of Jiayuan Commercial and Lingshan Liufeng did not provide any property management services to the property owners by itself, and each of them had designated Jiayuan Services, our wholly-owned subsidiary, as the property management service provider to provide such services to the property owners. For the risks relating to such subcontracting arrangement, see "Risk Factors – We are exposed to risks associated with failing to detect and prevent fraud, negligence or other misconduct (accidental or otherwise) committed by our employees, sub-contractors or third parties." Given that Jiayuan Services had failed to procure the signing of the property management service agreements between Jiayuan Services and the property owners directly, we had ceased to provide property management services to the property owners as of the Latest Practicable Date. Each of Jiayuan Commercial and Lingshan Liufeng has also undertaken that it will not provide property management services to the property owners.

To ensure that competition will not exist in the future, each of our Controlling Shareholders has entered into the Deed of Non-Competition in favor of our Company 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, see "– Deed of Non-Competition" below for details.

Save as disclosed above, as of the Latest Practicable Date, none of our Controlling Shareholders, our Directors and their respective close associates had any interest in any 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.

OUR BUSINESS RELATIONSHIP WITH THE REMAINING JIAYUAN GROUP AND THE EXCLUDED GROUP

We have a well-established and ongoing business relationship with the Remaining Jiayuan Group and the Excluded Group. Property management services are important to the daily operations of the Remaining Jiayuan Group and the Excluded Group as property developers in the PRC. We have provided our services to the Jiayuan Property Brand since 2005. Our Directors consider that the reliance of our Group on the Remaining Jiayuan Group and the Excluded Group is not significant, having considered that (i) our Group had provided property management and related services to 8, 24, 55 and 65 properties developed by independent property developers, the GFA under management in respect of which represented approximately 6.3%, 16.0%, 30.0% and 31.2% of the total GFA under management of our Group as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively, which shows an increasing trend; (ii) the revenue of our Group generated from Jiayuan Property Brand represented only approximately 14.2%, 17.0%, 16.6% and 12.5% of the total revenue of our Group for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively, which is not substantial. The majority of our Group's customers are homeowners who are Independent Third Parties and they contributed to approximately 85.8%, 82.7%, 83.0% and 86.1% of the total revenue of our Group for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively. Our Group maintains its business sustainability through quality services and stable relationship with the independent homeowners and homeowners' associations; (iii) the GFA of the properties developed by Jiayuan Property Brand under management of our Group represented approximately 93.7%, 84.0%, 70.0% and 68.8% of the total GFA under management of our Group as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively, which shows a decreasing trend; and (iv) our Group generated approximately 89.8%, 82.0%, 84.9% and 85.6% of its revenue from the provision of property management and related services to residential properties for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively, and the initial engagement of our Group to provide preliminary property management services to residential properties was generally procured through a standard tender procedure governed by the relevant PRC laws and regulations, and our Group considers that no preferential treatment has been accorded to it. During the Track Record Period, we reduced reliance on the Remaining Jiayuan Group and the Excluded Group through acquisitions of property management companies and new engagements in respect of properties developed by third-party property developers. For details relating to the acquisitions of property management companies, see "History, Reorganization and Corporate Structure – Our Corporate Developments – Acquisitions during the Track Record Period." Going forward, our reliance on the Remaining Jiayuan Group and the Excluded Group will further be reduced given that we plan to use 50% of the net proceeds from the Global Offering to acquire other property management companies.

As confirmed by CIA, the business relationship between the Remaining Jiayuan Group or the Excluded Group and us is common among PRC residential property management companies and their parent group companies and has been mutually beneficial and complementary. In addition, according to CIA, high-quality property management services enhance the satisfaction of property owners and residents and the market reputation of property developers for their developed properties. Thus, property developers tend to select and work closely with well-resourced property management companies that provide a comprehensive range of services. Benefiting from such a long standing relationship, we consider that we are familiar with the strategies, standards and requirements of the Remaining Jiayuan Group and the Excluded Group and are therefore able to provide tailored services to them in order to meet their specific needs. Despite the vast choices of service providers that provide similar services in the market, we believe that it would not be in the best interest of the Remaining Jiayuan Group and the Excluded Group to select and engage other service providers, considering the amount of time and relevant experience required for such other service providers to provide equally satisfying services that are comparable to that of our Group. Over years of cooperation, our Group on one hand, and the Remaining Jiayuan Group and the Excluded Group on the other hand, have gained thorough understanding of the business operations of each other and hence their relationships have become mutually beneficial and complementary. We believe our close and long-term cooperative relationship with the Remaining Jiayuan Group and the Excluded Group is instrumental to their respective success in establishing a nationally distinguished and well-recognized brand image, while enabling us to reinforce our existing market position and enhance our competitiveness in the PRC property management industry. It is therefore commercially beneficial for both the Remaining Jiayuan Group and the Excluded Group and our Group to maintain a stable business relationship.

The success rate of over 94% of the tender bids submitted by our Group for the properties developed by the Remaining Jiayuan Group and the Excluded Group during the three years ended December 31, 2019 and the six months ended June 30, 2020 is a testament to their trust in our quality services and reputation. Our high retention rate during the Track Record Period also led to the Remaining Jiayuan Group and the Excluded Group relying on our support to promote their brand image by continuously delivering quality property management services to property owners and residents of their developed properties. The majority of the existing property management contracts entered into by our Group with the Remaining Jiayuan Group and the Excluded Group as of June 30, 2020 shall expire only when the homeowners' association is established which shall then enter into a new property management contract. In other cases, these contracts carry a term of more than three years (which, upon Listing, shall be subject to the requirements under Chapter 14A of the Listing Rules that the term of which shall not be more than three years). Considering the above, our Directors are of the view that the relationship of our Group with the Remaining Jiayuan Group and the Excluded Group will unlikely to be terminated or have a material adverse change. Given there is a certain degree of mutuality and complementarity of ongoing business between the Remaining Jiayuan Group or the Excluded Group and our Group, as well as our proven track record in securing property management service engagements from the Remaining Jiayuan Group and the Excluded Group, we consider that we have a competitive advantage that distinguishes us from our competitors and believe we will continue to be able to secure future engagements from them and be able to maintain our revenue from them upon Listing. Our provision of property management and related services to the Remaining Jiayuan Group and the Excluded Group will constitute continuing connected transactions for our Company upon Listing. For details, see "Connected Transactions".

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

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 Listing for the following reasons:

Management Independence

Our Board comprises two executive Directors, two non-executive Directors and three independent non-executive Directors. Save for the two non-executive Directors, namely (i) Mr. Huang Fuqing who is an executive director and vice chairman of the board of Jiayuan

International, as well as a chairman of a member of the Remaining Jiayuan Group; and (ii) Mr. Pang Bo who is a director of two members of the Excluded Group, there is no overlap of directors and senior management members among our Group, the Excluded Group and the Remaining Jiayuan Group.

Each of the Directors is aware of his fiduciary duties as a Director, which require, among other things, that he acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interests. In the event that there is a 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 Director(s) 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. In addition, we have an independent senior management team to carry out the business operation of our Group independently from our Controlling Shareholders.

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 Capitalization Issue and the Spin-Off.

Operational Independence

We have full rights, hold and enjoy the benefit of all relevant licenses, 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 Listing.

At the pre-sale and pre-delivery stages, we generally procure initial property management service engagements for residential and non-residential properties developed by the Remaining Jiayuan Group and the Excluded Group through a standardized tender and bidding process initiated by the Remaining Jiayuan Group and the Excluded Group whereby tenders would be evaluated by a tender evaluation committee established by the Remaining Jiayuan Group and the Excluded Group in accordance with the Interim Measures for the Administration of Tendering and Bidding for Preliminary Property Management (前期物業管理招投標管理暫行辦法). The tender evaluation committee shall consist of an odd number of no less than five members, including at least a two-thirds majority of property management experts which are independent of our Group and the representative members from the Remaining Jiayuan Group and the Excluded Group, and selected on a random basis from a list of experts compiled by the local real estate administrative department. We could choose whether or not to take part in the processes initiated by the Remaining Jiayuan Group and the Excluded Group. Accordingly, our Directors consider that we do not enjoy any preferential treatment in the selection process for properties developed by the Remaining Jiayuan Group and the Excluded Group and are not granted property management contracts simply due to our relationship with the Remaining Jiayuan Group and the Excluded Group.

At the post-delivery stage, the property management services are provided by us directly to the property owners or tenants. The property owners of residential properties may establish a homeowners' association to manage the properties. The homeowners' association, if formed, will be operated by the property owners and will be independent of the Remaining Jiayuan Group and the Excluded Group and may select and engage property management service providers at its own discretion. Our Group needs to provide quality and competitive services to the residents/owners of the properties in order to secure its appointment by the homeowners' association. During the process, the property owners are entitled to conduct their own evaluation procedures in engaging (or dismissing) the residential property management services provider and our Group, the Remaining Jiayuan Group and the Excluded Group do not have any role or influence over the engagement (or dismissal) of the relevant residential property management services provider. For details relating to the renewal rate with respect to the property management agreements with independent property owners or owners' associations upon expiry or termination of the preliminary management agreements with Jiayuan Property Brand and independent property developers, respectively, during the Track Record Period, see "Business – Property Management Services – Property Management Service Agreements – Key Terms of Dealing with Property Developers".

Since 2016, we have been providing property management services to properties developed by Independent Third Parties (the "**External Projects**"). We have set up an investment and development department which is responsible for exploring potential new External Projects through establishing contacts with property developers, homeowners' associations or homeowners by site visits or setting up meetings with them through internal referral by our employees or management. During the site visits and meetings with property developers, homeowners' associations and homeowners, we could typically obtain important information including but not limited to (i) in respect of newly developed properties, the positioning of the properties, expected scale of the projects, details relating to the common area and facilities and regulatory requirements on the pricing of the property management fees; and (ii) in respect of existing properties, the tenure of the existing property management service providers, GFA under management, existing property management fees and whether the homeowners are satisfied with the property management services provided by the existing service providers, as well as the reasons thereof. Our investment and development department has set up a database to store such information in order to assess whether to pursue the potential opportunities and/or take follow-up actions such as setting up further meetings for the purpose of pursuing such potential opportunities. In addition, our investment and development department is responsible for exploring potential acquisition targets through internal referral and external marketing events. Once a potential acquisition target is identified by the investment and development department, it will work with the finance department of our Group to conduct due diligence investigation, commence business negotiations with the sellers of the potential target companies and prepare a proposal for the management of our Group to approve.

As of the Latest Practicable Date, we had been contracted to provide property management services to more than 80 External Projects and our contracted GFA of properties owned or developed by Independent Third Party developers and contracted to be managed by us amounted to approximately 11.0 million sq.m.. As advised by CIA, it is a developing trend in the PRC property management service market for service providers to manage properties developed by independent third party developers, a trend that is becoming increasingly common.

Licenses and IT systems required for operation

We hold and enjoy the benefit of all relevant licenses and permits material to the operation of our business. Save for certain IT systems which are currently shared with Jiayuan Chuangsheng as set out in "Connected Transactions – (A) Continuing Connected Transaction which are Fully Exempted from the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements – 3. Information Technology ("**IT**") Services", we do not share any IT systems or corporate functions with the Remaining Jiayuan Group and the Excluded Group.

Access to customers

We conduct our own sales and marketing primarily through our own sales and marketing team. Our Group has a large and diversified base of customers that are unrelated to our Controlling Shareholders and/or their respective close associates.

Operational facilities

Upon Listing, we will continue to rent office premises for our operations from the Remaining Jiayuan Group and Jiayuan International will provide certain administrative and management support services such as office facilities and equipment support, office administrative support and information system support and office cleaning services to us. Our Directors are of the view that such existing office premises can be easily replaced by other comparable premises with comparable rentals, without any material disruptions to our operations. Further, the administrative and management support services provided to the Remaining Jiayuan Group are limited to non-essential administrative functions and are carried out on an arm's length basis pursuant to an administrative services agreement dated November 21, 2020 on normal commercial terms. For details, see "Connected Transactions – (A) Continuing Connected Transactions which are Fully Exempted from the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements – 2. Sharing of Administrative Services Between our Company and Jiayuan International".

Save as disclosed above, all the properties and facilities necessary for our business operations are independent from our Controlling Shareholders and/or their respective close associates.

Employees

As of the Latest Practicable Date, all of our full-time employees were recruited independently and primarily through recruitment websites (including external recruitment websites and internal corporate website), on-campus recruitment programs, job fair, recruiting firms and internal referrals.

Connected transactions with our Controlling Shareholders

"Connected transactions" sets out the continuing connected transactions between our Group and our Controlling Shareholders or their associates which will continue after Listing. All such transactions are determined after arm's length negotiations and on normal commercial terms. We expect that we will be able to maintain the aggregate amounts of the continuing connected transactions with our Controlling Shareholders or their respective 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

We have established our own finance department with a team of financial staff which is responsible for financial control, accounting, reporting, group credit and internal control of our Group, which is independent from the Remaining Jiayuan Group.

All loans, advances and balances of non-trade nature due to or from members of the Remaining Jiayuan Group and other related parties which were not arising out of the ordinary course of business had been fully settled or waived as of the Latest Practicable Date. All share pledges and guarantees provided by or to members of the Remaining Jiayuan Group on the borrowings of our Group or the Remaining Jiayuan Group will also be fully released immediately before Listing.

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 our Controlling Shareholders has irrevocably and unconditionally undertaken to us in the Deed of Non-Competition that he/it will not, and will procure his/its close associates (other than members of our Group) not to directly or indirectly be involved or engaged in any business (other than our business) that directly or indirectly competes, or may compete, with our business (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 from time to time, or conduct any Restricted Businesses, except where our Controlling Shareholders and their close associates hold less than 10% of the total issued share capital or registered capital of any 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 have right to appoint majority of the composition of the board of directors of such company. The above restrictions do not apply to the business of any of our Controlling Shareholders and his/its close associates that (i) had already been disclosed in this section; (ii) is not the same, similar or in competition with the Restricted Business; or (iii) was a Restricted Business but later no longer a Restricted Business.

Further, each of our Controlling Shareholders has undertaken that if any new business investment/other business opportunity relating to the Restricted Businesses (the "**Competing Business Opportunity**") is identified by/made available to him/it or any of his/its close associates, 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**") within 30 Business Days of identifying the target company (if relevant), 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 who do not have an interest in the Competing Business Opportunity (the "**Independent Board**") 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) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such Competing Business Opportunity). The Independent Board 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 may appoint independent financial advisors and legal advisor to assist in the decision making process in relation to such Competing Business Opportunity. The Independent Board shall, within 30 Business Days of receipt of the written notice referred above, inform our Controlling Shareholders in writing on behalf of our Company its decision whether to pursue or decline the Competing Business Opportunity.

The relevant Controlling Shareholder shall be entitled but not obliged to pursue such Competing Business Opportunity if he/it has received a notice from the Independent Board declining such Competing Business Opportunity or if the Independent Board failed to respond within such 30 Business Days' period mentioned above. If there is any material change in the nature, terms or conditions of such Competing Business Opportunity pursued by the relevant Controlling Shareholder, he/it shall refer 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 our Controlling Shareholders and their respective close associate cease to hold, whether directly or indirectly, 50% or above of our Shares with voting rights or our Shares cease to be listed on the Stock Exchange.

Each of our Controlling Shareholders has further undertaken to us that he/it will provide and procure his/its close associates to provide on best endeavor basis, all information necessary for the annual review by our independent non-executive Directors for the enforcement of the Deed of Non-Competition. They will make an annual declaration in our annual report on the compliance with the Deed of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report.

In 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, at least on an annual basis, the compliance with the Deed of Non-Competition by our Controlling Shareholders;

- we will disclose the decisions on matters reviewed by the independent non-executive Directors (including the reasons for not taking up the Competing Business Opportunity referred to our Company) and the review by our independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-Competition in our annual report or by way of announcement to the public in compliance with the requirements of the Listing Rules; and

- in the event that any of our Directors and/or their respective close associates has material interests in any matter to be deliberated by our Board in relation to the compliance and enforcement of Deed of Non-Competition, he 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 and his/its respective close associates may not compete with us as provided in the Deed of Non-Competition. Each of our Controlling Shareholders has confirmed that he/it fully comprehends his/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 and the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his 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 associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. We have appointed independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. 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 Rainbow Capital (HK) Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance;

(e) as required by the Listing Rules, our independent non-executive Directors shall review any 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; and

(f) on an annual basis, our independent non-executive Directors will review the non-compete undertakings provided by our Controlling Shareholders and their compliance with such undertakings.

OVERVIEW

Pursuant to Chapter 14A of the Listing Rules, the directors, substantial shareholders and chief executive of our Company and our subsidiaries (other than the directors, substantial shareholders and chief executive of our insignificant subsidiaries), any person who was a director of our Group within 12 months preceding the Listing Date and any of their respective associates will become our connected persons of our Company upon Listing.

Our Group has entered into a number of continuing transactions with our connected persons in our ordinary and usual course of business. Upon Listing, the transactions disclosed in this section will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

(A) Continuing Connected Transactions which are Fully Exempted from the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements

1. Trademark Licensing

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a trademark license agreement (the "**Trademark License Agreement**") with Zhejiang Jiayuan Real Estate, pursuant to which Zhejiang Jiayuan Real Estate agreed to irrevocably and unconditionally grant to our Company and our subsidiaries the non-exclusive right to use certain trademarks (the "**PRC Licensed Trademarks**") owned by Zhejiang Jiayuan Real Estate in the PRC for a perpetual term commencing from the date of the Trademark License Agreement, which is subject to the renewal of the PRC Licensed Trademarks, on a royalty-free basis. For details of the PRC Licensed Trademarks, see "Appendix IV – Statutory and General Information – B. Further Information about Our Business – 2. Intellectual property rights of our Group". The Trademark License Agreement is not unilaterally terminable by Zhejiang Jiayuan Real Estate and Zhejiang Jiayuan Real Estate has undertaken to renew and maintain the registration of the PRC Licensed Trademarks upon expiry.

We believe that the entering into of the Trademark License Agreement with a term of more than three years can ensure the stability of our operations, and is beneficial to us and our Shareholders as a whole. The Joint Sponsors are of the view that it is normal business practice for agreement of this type to be of such duration.

Zhejiang Jiayuan Real Estate is indirectly and wholly owned by Mr. Shum, one of our Controlling Shareholders. Zhejiang Jiayuan Real Estate is therefore an associate of Mr. Shum and a connected person of our Company upon Listing. Accordingly, the transactions under the Trademark License Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the PRC Licensed Trademarks is granted to us on a royalty-free basis, the transactions under the Trademark License Agreement 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.

2. Sharing of Administrative Services Between our Company and Jiayuan International

On November 21, 2020, our Company entered into a share of administrative services agreement with Jiayuan International (the "**Share of Administrative Services Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Share of Administrative Services Agreement, Jiayuan International will provide certain administrative support services, including equipment support, office administrative support, information system support and office cleaning services (collectively, the "**Administrative Services**"), to our Company at its office and principal place of business in Hong Kong located at Room 1403, 9 Queen's Road Central, Hong Kong shared with us by Jiayuan International.

Our Directors estimate that the maximum annual service fee payable by our Company to Jiayuan International for the three years ending December 31, 2022 will not exceed RMB103,000, RMB108,000 and RMB113,000, respectively. The annual service fee for the sharing of the Administrative Services was determined on a cost basis with reference to the approximate time and manpower spent and such costs are allocated to our Company and Jiayuan International on a fair and equitable basis. During the Track Record Period, there was no historical transaction amount.

Jiayuan International is one of our Controlling Shareholders and is therefore a connected person of our Company upon Listing. Accordingly, the transaction contemplated under the Share of Administrative Services Agreement will constitute a continuing connected transaction for our Company under Chapter 14A of the Listing Rules upon Listing.

As the Administrative Services shared between our Company and Jiayuan International are on a cost basis, identifiable and are allocated to our Company and Jiayuan International on a fair and equitable basis, the transactions under the Share of Administrative Services Agreement will be within the share of administrative services exemption provided under Rule 14A.98 of the Listing Rules upon Listing and will be fully exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Information Technology ("IT") Services

On May 1, 2020, Jiayuan Services, our wholly-owned subsidiary, entered into a IT services agreement with Jiayuan Chuangsheng (the "**IT Services Agreement**") for a term commencing from May 1, 2020 to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the IT Services Agreement, Jiayuan Chuangsheng shall (i) provide certain IT services to Jiayuan Services, including but not limited to database management services and IT system inspection and maintenance services; and (ii) share with Jiayuan Services certain IT systems, including but not limited to office automation system and financial system (the "**IT Services**").

Our Directors estimate that the maximum amount of service fees payable by Jiayuan Services to Jiayuan Chuangsheng in relation to the IT Services for the three years ending December 31, 2022 will not exceed RMB175,000, RMB300,000 and RMB300,000, respectively. In arriving the above annual caps for the IT Services, our Directors have considered the annual service fee for the IT Services charged by Jiayuan Chuangsheng pursuant to the IT Services Agreement. During the Track Record Period, there was no historical transaction amount.

Jiayuan Chuangsheng is indirectly and wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon Listing. Accordingly, the transactions contemplated under the IT 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 (other than the profit ratio) under the Listing Rules in respect of the annual caps for the IT Services Agreement are expected to less than 0.1% on an annual basis, the transactions under the IT Services Agreement will be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4. Jiayuan Chuangsheng Value Added Services

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a value added services framework agreement with Jiayuan Chuangsheng (for itself and on behalf of its subsidiaries and associates, collectively, the "**Jiayuan Chuangsheng Group**") (the "**Jiayuan Chuangsheng Value Added Services Framework Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Jiayuan Chuangsheng Value Added Services Framework Agreement, our Group will provide catering services for employees of Jiayuan Chuangsheng Group (the "**Jiayuan Chuangsheng Value Added Services**").

The following sets forth the principal terms of the Jiayuan Chuangsheng Value Added Services Framework Agreement:

(i) our Group shall, where we are engaged by the Jiayuan Chuangsheng Group, provide the Jiayuan Chuangsheng Value Added Services according to the individual service agreements to be entered into between members of our Group and members of Jiayuan Chuangsheng Group from time to time;

(ii) the service fees payable by the Jiayuan Chuangsheng Group shall be determined after arm's length negotiations with reference to the rates generally offered by us to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and

(iii) the individual service agreements to be entered into between members of our Group and members of the Jiayuan Chuangsheng Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Value Added Services Framework Agreement.

Historical transaction amounts

For the three years ended December 31, 2019 and the six months ended June 30, 2020, the transaction amounts for the Jiayuan Chuangsheng Value Added Services provided by our Group to the Jiayuan Chuangsheng Group amounted to nil, approximately RMB14,000, RMB0.8 million and RMB0.3 million, respectively.

Annual caps

Our Directors estimate that the maximum amount of service fees payable by Jiayuan Chuangsheng Group to us in relation to the Jiayuan Chuangsheng Value Added Services for the three years ending December 31, 2022 will not exceed RMB1.1 million, RMB2.2 million and RMB2.3 million, respectively.

In arriving the above annual caps for Jiayuan Chuangsheng Value Added Services, our Directors have primarily considered the number of restaurants involved including a new restaurant to be opened in a new area and the historical transaction amount per restaurant.

The increase in the relevant proposed annual caps is mainly due to the expected opening of a new restaurant which will provide catering services to employees of the Jiayuan Chuangsheng Group in a new area.

Implications under the Listing Rules

Jiayuan Chuangsheng is indirectly and wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng and its subsidiaries are therefore associates of Mr. Shum and connected persons of our Company upon Listing. Accordingly, the transactions contemplated under the Jiayuan Chuangsheng Value Added Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since one or more of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps for the Jiayuan Chuangsheng Value Added Services Framework Agreement are expected to be more than 0.1% but all of which are less than 5% on an annual basis and each of the annual caps is less than HK$3 million, the transactions contemplated under the Jiayuan Chuangsheng Value Added Services Framework Agreement will be exempt from the reporting, annual review announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. Hunan Jianhongda Sales Management and Other Services

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a sales management and other services framework agreement with Hunan Jianhongda (for itself and on behalf of its subsidiaries and associates, collectively, the "**Hunan Jianhongda Group**") (the "**Hunan Jianhongda Sales Management and Other Services Framework Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Hunan Jianhongda Sales Management and Other Services Framework Agreement, our Group will provide (a) management of the on-site sales office for the sales of properties, including but not limited to cleaning and security services; and (b) preliminary planning and design consultancy services in the planning, design, construction and completion phases of property development projects for property projects developed by the Hunan Jianhongda Group (the "**Hunan Jianhongda Sales Management and Other Services**").

The following sets forth the principal terms of the Hunan Jianhongda Sales Management and Other Services Framework Agreement:

(i) our Group shall, where we are selected by the Hunan Jianhongda Group following the comparison of the fee quotes provided by different independent service providers, provide the Hunan Jianhongda Sales Management and Other Services according to the fee quotes and individual management agreements to be entered into between members of our Group and members of the Hunan Jianhongda Group from time to time;

(ii) the management fees payable by the Hunan Jianhongda Group shall be determined based on the fee quotes to be submitted by our Group. The fee quotes shall take into amount the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by us to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and

(iii) the individual management agreements to be entered into between members of our Group and members of the Hunan Jianhongda Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Hunan Jianhongda Sales Management and Other Services Framework Agreement.

Historical transaction amounts

For the three years ended December 31, 2019 and the six months ended June 30, 2020, the transaction amounts for the preliminary planning and design consultancy services provided by Hunan Huaguan to the Hunan Jianhongda Group amounted to approximately RMB0.6 million, RMB0.4 million, RMB0.4 million and RMB0.3 million, respectively. During the Track Record Period, Hunan Huaguan did not provide sales management services to the Hunan Jianhongda Group.

Annual caps

Our Directors estimate that the maximum amount of management fees payable by the Hunan Jianhongda Group to us in relation to the Hunan Jianhongda Sales Management and Other Services for the three years ending December 31, 2022 will not exceed RMB1.2 million, RMB1.2 million and RMB1.2 million, respectively.

In arriving the above annual caps for the Hunan Jianhongda Sales Management and Other Services, our Directors have primarily considered, in respect of (a) the sales management services, (i) the estimated number of expected projects; (ii) the estimated duration of the service period of the expected projects; (iii) the estimated number of staff required for the expected projects; and (iv) the estimated service fees for the expected projects; and (v) the estimated property delivery schedule from Hunan Jianhongda for the three years ending December 31, 2022; and (b) the preliminary planning and design consultancy services, the number of staff and the service fee charged per staff based on the existing signed contract.

Implications under the Listing Rules

Hunan Jianhongda owns 35% equity interest in Hunan Huaguan, our non-wholly owned subsidiary, and is therefore a substantial shareholder of a subsidiary of our Company. Hunan Jianhongda, its subsidiaries and associates are therefore connected persons of our Company upon Listing. Accordingly, the transactions contemplated under the Hunan Jianhongda Property Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since one or more of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps for the Hunan Jianhongda Property Management Services Framework Agreement are expected to be more than 0.1% but all of which are less than 5% on an annual basis and each of the annual caps is less than HK$3 million, the transactions contemplated under the Hunan Jianhongda Property Management Services Framework Agreement will be exempt from the reporting, annual review announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders' Approval Requirement

1. Jiayuan International Property Management Services

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a property management services framework agreement with Jiayuan International (for itself and on behalf of its subsidiaries and associates, collectively, the "**Jiayuan International Group**") (the "**Jiayuan International Property Management Services Framework Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Jiayuan International Property Management Services Framework Agreement, our Group will provide (a) property management services for completed property units which are unsold or sold but prior to the delivery date as agreed between the Jiayuan International Group and the purchasers, including security, cleaning, greening, and repair and maintenance services; and (b) management services for completed car parking spaces which are unsold or sold but prior to the delivery date as agreed between the Jiayuan International Group and the purchasers, including cleaning, maintenance and lighting services, for property projects developed by the Jiayuan International Group (the "**Jiayuan International Property Management Services**").

The following sets forth the principal terms of the Jiayuan International Property Management Services Framework Agreement:

(i) our Group shall, where we are selected by Jiayuan International Group following the relevant tender processes or other procedures in accordance with the relevant PRC laws or regulations, provide the Jiayuan International

Property Management Services according to the tender documents and the individual property management agreements to be entered into between members of our Group and members of the Jiayuan International Group from time to time;

(ii) the management fees payable by the Jiayuan International Group shall be determined based on the fee quotes to be submitted by our Group under the relevant tender bids. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by us to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market and applicable rates recommended by the relevant government authorities, if any; and

(iii) the individual property management agreements to be entered into between members of our Group and members of the Jiayuan International Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Property Management Services Framework Agreement.

Historical transaction amounts

For the three years ended December 31, 2019, the transaction amounts for the property management services in respect of completed property units provided by our Group to the Jiayuan International Group amounted to approximately RMB1.5 million, RMB1.8 million and RMB2.1 million, respectively. We did not provide property management services in respect of completed car parking spaces to the Jiayuan International Group for the three years ended December 31, 2019. For the six months ended June 30, 2020, the transaction amounts for the Jiayuan International Property Management Services provided by our Group to the Jiayuan International Group amounted to approximately RMB2.7 million.

Annual caps

Our Directors estimate that the maximum amount of management fees payable by the Jiayuan International Group to us in relation to the Jiayuan International Property Management Services for the three years ending December 31, 2022 will not exceed RMB7.4 million, RMB9.2 million and RMB10.3 million, respectively. The breakdown of the annual caps for the management fees by property units and car parking spaces is as follows:

	For the year ending December 31,		
	2020	**2021**	**2022**
	RMB' million	*RMB' million*	*RMB' million*
Annual Cap			
Property units	2.8	3.7	4.5
Car parking spaces	4.6	5.5	5.8
Total	**7.4**	**9.2**	**10.3**

In arriving the above annual caps for the Jiayuan International Property Management Services, our Directors have primarily considered, in respect of (a) property units, (i) the historical transaction amounts; and (ii) the projected delivered GFA of the Jiayuan International Group based on the property management contracts on hand entered into between the Jiayuan International Group and our Group and the future property development plan of the Jiayuan International Group for the three years ending December 31, 2022; and (b) car parking spaces, (i) the estimated number of car parking spaces based on the existing number of car parking spaces managed by our Group; and (ii) the estimated management fee based on the average management fees charged by us under the existing contracts.

The increase in the relevant proposed annual caps is primarily due to the continuous growth of the expected delivered GFA for the three years ending December 31, 2022 as estimated with reference to the property management contracts on hand entered into between the Jiayuan International Group and our Group and the future property development plan of the Jiayuan International Group. For the years ending December 31, 2020, 2021 and 2022, the estimated GFA of the property projects to be delivered by the Jiayuan International Group and to be managed by our Group amounts to approximately 1.8 million sq.m., 2.0 million sq.m. and 2.2 million sq.m., respectively, which is estimated based on existing contracts on hand as of June 30, 2020 and the delivery schedule of the Jiayuan International Group, as well as the future property development plan of the Jiayuan International Group for the year ending December December 31, 2022. The increase in the relevant proposed annual caps is also in line with the increase in GFA of the properties developed by the Jiayuan International Group under our management during the Track Record Period, which increased by approximately 28.5% from 5.7 million sq.m. for the year ended December 31, 2017 to 7.4 million sq.m. for the year ended December 31, 2018 and further increased by approximately 17.5% to 8.7 million sq.m. for the year ended December 31, 2019. Given the increase in the expected delivered GFA of the Jiayuan International Group as mentioned above, it is expected that the number of car parking spaces developed by the Jiayuan International Group and to be managed by our Group will also increase from approximately 9,000 for the year ending December 31, 2020 based on the sales performance of the Jiayuan International Group in respect of the car parking spaces to approximately 9,400 and 9,900 for the years ending December 31, 2021 and 2022, respectively, based on a year-on-year increase of 5%.

The substantial increase in the proposed annual caps as compared to the historical transaction amounts is primarily due to the provision of property management services by us to completed car parking spaces developed by the Jiayuan International Group which has only been commenced during the year ending December 31, 2020.

Implications under the Listing Rules

Jiayuan International is one of our Controlling Shareholders. Jiayuan International, its subsidiaries and associates are therefore connected persons of our Company upon Listing. Accordingly, the transactions contemplated under the Jiayuan International Property Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since one or more of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps for the Jiayuan International Property Management Services Framework Agreement are expected to be more than 0.1% but all of which are less than 5% on an annual basis, the transactions contemplated under the Jiayuan International Property Management Services Framework Agreement will be subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

2. Jiayuan International Value Added Services

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a value added services framework agreement with Jiayuan International (for itself and on behalf of its subsidiaries and associates) (the "**Jiayuan International Value Added Services Framework Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Jiayuan International Value Added Services Framework Agreement, our Group will provide (a) catering services for employees of Jiayuan International Group; and (b) assistance services for the sales of car parking spaces including marketing and advertising services for the Jiayuan International Group (the "**Jiayuan International Value Added Services**").

The following sets forth the principal terms of the Jiayuan International Value Added Services Framework Agreement:

(i) our Group shall, where we are engaged by the Jiayuan International Group, provide the Jiayuan International Value Added Services according to the individual service agreements to be entered into between members of our Group and members of the Jiayuan International Group from time to time;

(ii) the service fees payable by the Jiayuan International Group shall be determined after arm's length negotiations with reference to the rates generally offered by us to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and

(iii) the individual service agreements to be entered into between members of our Group and members of the Jiayuan International Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Value Added Services Framework Agreement.

Historical transaction amounts

For the three years ended December 31, 2019 and the six months ended June 30, 2020, the transaction amounts for the car parking lots sales assistance services provided by our Group to the Jiayuan International Group amounted to nil, nil, approximately RMB0.6 million and RMB27,000, respectively. The decrease in the total amount of service fees paid by the Jiayuan International Group in relation to the car parking lots sales assistance services for the six months ended June 30, 2020 was primarily due to decrease in the sales of car parking spaces of the Jiayuan International Group. During the three years ended December 31, 2019, we did not provide catering services to the employees of the Jiayuan International Group. We commenced operation of our restaurant in May 2020 and the service fees paid by the Jiayuan International Group to us for our provision of catering services to its employees amounted to approximately RMB33,000 for the six months ended June 30, 2020.

Annual caps

Our Directors estimate that the maximum amount of service fees payable by the Jiayuan International Group to us in relation to the Jiayuan International Value Added Services for the three years ending December 31, 2022 will not exceed RMB1.6 million, RMB1.9 million and RMB3.1 million, respectively. The breakdown of the annual caps for the service fees by catering services and car parking lots sales assistance services is as follows:

	For the year ending December 31,		
	2020	**2021**	**2022**
	RMB' million	*RMB' million*	*RMB ' million*
Annual Cap			
Catering services	0.8	1.1	2.1
Car parking lots sales assistance services	0.8	0.8	1.0
Total	1.6	1.9	3.1

In arriving the above annual caps for the Jiayuan International Value Added Services, our Directors have primarily considered, in respect of (a) catering services, (i) two restaurants including an existing restaurant which opened in May 2020 and a new restaurant to be opened in a new area during the year ending December 31, 2022; and (ii) the average monthly revenue of a restaurant operated by us generated from our provision of the catering services to the employees of the Jiayuan Chuangsheng Group, which amounted to approximately RMB81,000 for the year ended December 31, 2019; and (b) car parking lots sales assistance services, (i) the estimated number of car parking spaces based on the historical number of car parking spaces sold through the assistance of our Group, which amounted to 89 for the year ended December 31, 2019; and (ii) the estimated service fee based on the service fee charged by us under existing contracts.

The increase in the relevant proposed annual caps is mainly due to (a) the expected opening of a new restaurant which will provide catering services to employees of the Jiayuan International Group in a new area during the year ending December 31, 2022; (b) the expected increase in the expected monthly revenue of restaurant generated from the provision of catering services to employees of the Jiayuan International Group from RMB80,000 for the year ending December 31, 2020 to RMB87,500 for each of the years ending December 31, 2021 and 2022 taking into account the expected increase in the number of employees of the Jiayuan International Group due to business expansion; and (c) the continuous increase in the expected number of the car parking spaces to be developed by the Jiayuan International Group and sold through the assistance of our

Group for the three years ending December 31, 2022, which amounts to 100, 110 and 120 for the three years ending December 31, 2020, 2021 and 2022, respectively, and is in line with the increase in the expected delivered GFA of the Jiayuan International Group for the three years ending December 31, 2022 based on its future development plan.

The substantial increase in the proposed annual caps as compared to the historical transaction amounts is primarily due to our assistance services for the sale of car parking spaces to the Jiayuan International Group which has only been commenced in the second half of the year ended December 31, 2019 and the provision of the catering services by us to employees of the Jiayuan International Group which has only been commenced upon the opening of a restaurant in March 2020.

Implications under the Listing Rules

Jiayuan International is one of our Controlling Shareholders. Jiayuan International Group, its subsidiaries and associates are therefore connected persons of our Company upon Listing. Accordingly, the transactions contemplated under the Jiayuan International Property Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since one or more of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps for the Jiayuan International Value Added Services Framework Agreement are expected to be more than 0.1% but all of which are less than 5% on an annual basis, the transactions contemplated under the Jiayuan International Value Added Services Framework Agreement will be 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. Jiayuan Chuangsheng Property Management Services

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a property management services framework agreement with Jiayuan Chuangsheng (for itself and on behalf of its subsidiaries and associates) (the "**Jiayuan Chuangsheng Property Management Services Framework Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Jiayuan Chuangsheng Property Management Services Framework Agreement, our Group will provide (a) property management services for completed property units which are unsold or sold but prior to the delivery date as agreed between the Jiayuan Chuangsheng Group and the purchasers, including security, cleaning, greening, and repair and maintenance services; and (b) management services for completed car parking spaces which are unsold or sold but prior to the delivery date as agreed between the Jiayuan

Chuangsheng Group and the purchasers, including cleaning, maintenance and lighting services, for property projects developed by the Jiayuan Chuangsheng Group (the "**Jiayuan Chuangsheng Property Management Services**").

The following sets forth the principal terms of the Jiayuan Chuangsheng Property Management Services Framework Agreement:

(i) our Group shall, where we are selected by the Jiayuan Chuangsheng Group following the relevant tender processes or other procedures in accordance with the relevant PRC laws and regulations, provide the Jiayuan Chuangsheng Property Management Services according to the tender documents and the individual property management agreements to be entered into between members of our Group and members of the Jiayuan Chuangsheng Group from time to time;

(ii) the management fees payable by the Jiayuan Chuangsheng Group shall be determined based on the fee quotes to be submitted by our Group under the relevant tender bids. The fee quotes shall take into amount the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by us to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market and applicable rates recommended by the relevant government authorities, if any; and

(iii) the individual property management agreements to be entered into between members of our Group and members of the Jiayuan Chuangsheng Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan Chuangsheng Property Management Services Framework Agreement.

Historical transaction amounts

For the three years ended December 31, 2019, the transaction amounts for the property management services in respect of completed property units provided by our Group to the Jiayuan Chuangsheng Group amounted to approximately RMB0.5 million, RMB1.2 million and RMB1.5 million, respectively. We did not provide property management services in respect of completed car parking spaces to the Jiayuan Chuangsheng Group for the three years ended December 31, 2019. For the six months ended June 30, 2020, the transaction amounts for the Jiayuan Chuangsheng Property Management Services provided by our Group to Jiayuan Chuangsheng Group amounted to approximately RMB4.3 million.

Annual caps

Our Directors estimate that the maximum amount of management fees payable by Jiayuan Chuangsheng Group to us in relation to the Jiayuan Chuangsheng Property Management Services for the three years ending December 31, 2022 will not exceed RMB5.5 million, RMB6.5 million and RMB7.2 million, respectively. The breakdown of the annual caps for the management fees by property units and car parking spaces is as follows:

	For the year ending December 31,		
	2020	**2021**	**2022**
	RMB' million	*RMB' million*	*RMB' million*
Annual Cap			
Property units	2.8	3.4	4.0
Car parking spaces	2.7	3.1	3.2
Total	**5.5**	**6.5**	**7.2**

In arriving the above annual caps for Jiayuan Chuangsheng Property Management Services, our Directors have primarily considered, in respect of (a) property units, (i) the historical transaction amounts; and (ii) the projected delivered GFA of the Jiayuan Chuangsheng Group based on the property management contracts on hand entered into between the Jiayuan Chuangsheng Group and our Group and the future property development plan of the Jiayuan Chuangsheng Group for the three years ending December 31, 2022; and (b) car parking spaces, (i) the estimated number of car parking spaces based on the existing number of car parking spaces managed by our Group; and (ii) the estimated management fee based on the average management fees charged by us under the existing contracts.

The increase in the relevant proposed annual caps is primarily due to the continuous growth of the expected delivered GFA for the three years ending December 31, 2022 estimated with reference to the property management contracts on hand entered into between the Jiayuan Chuangsheng Group and our Group and the future property development plan. For the years ending December 31, 2020, 2021 and 2022, the estimated GFA of the property projects to be delivered by the Jiayuan Chuangsheng Group and to be managed by our Group amounts to approximately 1.8 million sq.m., 1.9 million sq.m. and 2.1 million sq.m., respectively, which is estimated based on existing contracts on hand as of June 30, 2020 and the delivery schedule of the Jiayuan Chuangsheng Group, as well as the future property development plan of the Jiayuan Chuangsheng Group for the year ending December 31, 2022. The increase in the relevant proposed annual caps is also in line with the increase in GFA of the properties developed by the Jiayuan

Chuangsheng Group under our management during the Track Record Period, which increased by approximately 18.2% from 7.4 million sq.m. for the year ended December 31, 2017 to 8.8 million sq.m. for the year ended December 31, 2018 and further increased by approximately 10.0% to 9.6 million sq.m. for the year ended December 31, 2019. Given the increase in the expected delivered GFA of the Jiayuan Chuangsheng Group as mentioned above, it is expected that the number of car parking spaces developed by the Jiayuan Chuangsheng Group and to be managed by our Group will also increase from approximately 4,500 for the year ending December 31, 2020 based on the sales performance of the Jiayuan Chuangsheng Group in respect of the car parking spaces to approximately 4,700 and 4,900 for the years ending December 31, 2021 and 2022, respectively, based on a year-on-year increase of 5%.

The substantial increase in the proposed annual caps as compared to the historical transaction amounts is primarily due to the provision of property management services by us to completed car parking spaces developed by the Jiayuan Chuangsheng Group which has only been commenced during the year ending December 31, 2020.

Implications under the Listing Rules

Jiayuan Chuangsheng is indirectly and wholly-owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng, its subsidiaries and associates are therefore associates of Mr. Shum and connected persons of our Company upon Listing. Accordingly, the transactions contemplated under the Jiayuan Chuangsheng Property Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since one or more of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps for the Jiayuan Chuangsheng Property Management Services Framework Agreement are expected to be more than 0.1% but all of which are less than 5% on an annual basis, the transactions contemplated under the Jiayuan Chuangsheng Property Management Services Framework Agreement will be 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. Hunan Jianhongda Property Management Services

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a property management services framework agreement with Hunan Jianhongda (for itself and on behalf of its subsidiaries and associates (the "**Hunan Jianhongda Property Management Services Framework Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Hunan Jianhongda Property Management Services Framework Agreement, our Group will provide property management services for completed property units which are unsold or sold but prior to the delivery date as agreed between the Hunan Jianhongda Group and the purchasers, including security, cleaning, greening, and repair and maintenance services for property projects developed by the Hunan Jianhongda Group (the "**Hunan Jianhongda Property Management Services**").

The following sets forth the principal terms of the Hunan Jianhongda Property Management Services Framework Agreement:

(i) our Group shall, where we are selected by the Hunan Jianhongda Group following the relevant tender processes or other procedures in accordance with the relevant PRC laws and regulations, provide the Hunan Jianhongda Property Management Services according to the tender documents and the individual property management agreements to be entered into between members of our Group and members of the Hunan Jianhongda Group from time to time;

(ii) the management fees payable by the Hunan Jianhongda Group shall be determined based on the fee quotes to be submitted by our Group under the relevant tender bids. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by us to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market and applicable rates recommended by the relevant government authorities, if any; and

(iii) the individual property management agreements to be entered into between members of our Group and members of the Hunan Jianhongda Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Hunan Jianhongda Property Management Services Framework Agreement.

Historical transaction amounts

For the three years ended December 31, 2019 and the six months ended June 30, 2020, the transaction amounts for the Hunan Jianhongda Property Management Services provided by Hunan Huaguan to the Hunan Jianhongda Group amounted to approximately RMB1.3 million, RMB1.3 million, RMB0.6 million and RMB1.4 million, respectively.

Annual caps

Our Directors estimate that the maximum amount of management fees payable by the Hunan Jianhongda Group to us in relation to the Hunan Jianhongda Property Management Services for the three years ending December 31, 2022 will not exceed RMB2.8 million, RMB2.2 million and RMB2.4 million, respectively.

In arriving the above annual caps for the Hunan Jianhongda Property Management Services, our Directors have primarily considered (i) the historical transaction amounts; and (ii) the projected delivered GFA of the Hunan Jianhongda Group, which amounts to approximately 0.2 million sq.m., 0.1 million sq.m. and 0.3 million sq.m., respectively, and is estimated based on the property management contracts on hand entered into between the Hunan Jianhongda Group and our Group as of June 30, 2020 and the future property development plan of the Hunan Jianhongda Group for the year ending December 31, 2022.

Implications under the Listing Rules

Hunan Jianhongda owns 35% equity interest in Hunan Huaguan, our non-wholly owned subsidiary, and is therefore a substantial shareholder of a subsidiary of our Company. Hunan Jianhongda, its subsidiaries and associates are therefore connected persons of our Company upon Listing. Accordingly, the transactions contemplated under the Hunan Jianhongda Property Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since one or more of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps for the Hunan Jianhongda Property Management Services Framework Agreement are expected to be more than 0.1% but all of which are less than 5% on an annual basis, the transactions contemplated under the Hunan Jianhongda Property Management Services Framework Agreement will be 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 which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements

1. Jiayuan International Sales Management and Other Services

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a sales management and other services framework agreement with Jiayuan International (for itself and on behalf of its subsidiaries and associates) (the "**Jiayuan International Sales Management and Other Services Framework Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Jiayuan International Sales Management and Other Services Framework Agreement, our Group will provide (a) management of the on-site sales office for the sales of properties, including but not limited to cleaning and security services; (b) preliminary planning and design consultancy services in the planning, design, construction and completion phases of property development projects; and (c) cleaning services on an one-off basis for the properties before delivery to homeowners, for property projects developed by the Jiayuan International Group (the "**Jiayuan International Sales Management and Other Services**").

The following sets forth the principal terms of the Jiayuan International Sales Management and Other Services Framework Agreement:

(i) our Group shall, where we are selected by the Jiayuan International Group following the comparison of the fee quotes provided by different independent service providers, provide the Jiayuan International Sales Management and Other Services according to the fee quotes and the individual management agreements to be entered into between members of our Group and members of the Jiayuan International Group from time to time;

(ii) the management fees payable by the Jiayuan International Group shall be determined based on the fee quotes to be submitted by our Group. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by us to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and

(iii) the individual management agreements to be entered into between members of our Group and members of the Jiayuan International Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Sales Management and Other Services Framework Agreement.

Historical transaction amounts

For the three years ended December 31, 2019 and the six months ended June 30, 2020, the transaction amounts for the Jiayuan International Sales Management and Other Services provided by our Group to the Jiayuan International Group amounted to approximately RMB14.0 million, RMB26.5 million, RMB30.7 million and RMB14.5 million, respectively.

Annual caps

Our Directors estimate that the maximum amount of management fees payable by the Jiayuan International Group to us in relation to the Jiayuan International Sales Management and Other Services for the three years ending December 31, 2022 will not exceed RMB34.2 million, RMB36.8 million and RMB39.8 million, respectively.

In arriving the above annual caps for the Jiayuan International Sales Management and Other Services, our Directors have primarily considered, in respect of (a) the sales management services, (i) the number of the expected projects which is estimated to be 39 for each of the years ending December 31, 2020, 2021 and 2022. Such number of expected property projects for the year ending December 31, 2020 is estimated with reference to (aa) 34 property projects in respect of which sales management contracts had been entered into; and (bb) five new property projects based on the property development plan of the Jiayuan International Group. As of the Latest Practicable Date, we had entered into sales management contracts with the Jiayuan International Group in respect of these five new property projects; (ii) the estimated duration of the service period of the expected projects based on the average duration of the existing projects; (iii) the estimated number of staff based on the average number of staff assigned to each existing project; and (iv) the estimated service fees based on the average service fee charged per staff for the existing projects; (v) the estimated property delivery schedule from Jiayuan International for the years ending December 31, 2022; and (b) the other services, (i) the estimated GFA of the properties to be delivered based on the existing signed contracts, the delivery schedule of Jiayuan International and the historical delivered GFA; and (ii) the estimated management fees based on the management fees charged under the existing contracts.

The increase in the relevant proposed annual caps is mainly due to (a) the expected year-on-year increase of staff cost for the provision of sales management services by approximately 5% for the years ending December 31, 2021 and 2022, respectively, which is in line with the increase in the average income of PRC citizens by approximately 6.5% in 2018 as advised by CIA; and (b) the continuous growth of the expected delivered GFA of the properties to be completed by the Jiayuan International Group in the three years ending December 31, 2022.

The increase in the proposed annual caps as compared to the historical transaction amounts is primarily due to (i) the increase in the number of expected projects of the Jiayuan International Group to 39 for each of the years ending December 31, 2020, 2021 and 2022 as compared to the number of projects of the Jiayuan International Group to which we provided sales management services for the years ended December 31, 2017, 2018 and 2019, which amounted to 18, 28 and 35, respectively; and (ii) the increase of staff cost per year from approximately RMB87,000 for the year ended December 31, 2019 to approximately RMB101,000 for the year ending December 31, 2020.

Implications under the Listing Rules

Jiayuan International is one of our Controlling Shareholders. Jiayuan International, its subsidiaries and associates are therefore connected persons of our Company upon Listing. Accordingly, the transactions contemplated under the Jiayuan International Sales Management and Others Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since one or more of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps for the Jiayuan International Sales Management and Other Services Framework Agreement are expected to be more than 5% on an annual basis, the transactions contemplated under the Jiayuan International Sales Management and Other Services Framework Agreement will be subject to the reporting, annual review, announcement requirements and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Jiayuan Chuangsheng Sales Management and Other Services

On November 21, 2020, our Company (for ourselves and on behalf of our subsidiaries) entered into a sales management and other services framework agreement with Jiayuan Chuangsheng (for itself and on behalf of its subsidiaries and associates) (the "**Jiayuan Chuangsheng Sales Management And Other Services Framework Agreement**") for a term commencing from the Listing Date to December 31, 2022, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Jiayuan Chuangsheng Sales Management and Other Services Framework Agreement, our Group will provide (a) management of the on-site sales office for the sales of properties, including but not limited to cleaning and security services; (b) preliminary planning and design consultancy services in the planning, design, construction and completion phases of property development projects; and (c) cleaning services for the properties on an one-off basis before delivery to homeowners, for property projects developed by the Jiayuan Chuangsheng Group (the "**Jiayuan Chuangsheng Property Management Services**").

The following sets forth the principal terms of the Jiayuan Chuangsheng Sales Management and Other Services Framework Agreement:

(i) our Group shall, where we are selected by the Jiayuan Chuangsheng Group following the comparison of the fee quotes provided by different independent service providers, provide the Jiayuan Chuangsheng Sales Management And Other Services according to the fee quotes and the individual management agreements to be entered into between members of our Group and members of the Jiayuan Chuangsheng Group from time to time;

(ii) the management fees payable by the Jiayuan Chuangsheng Group shall be determined based on the fee quotes to be submitted by our Group. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by us to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and

(iii) the individual management agreements to be entered into between members of our Group and members of the Jiayuan Chuangsheng Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan Chuangsheng Sales Management and Other Services Framework Agreement.

Historical transaction amounts

For the three years ended December 31, 2019 and the six months ended June 30, 2020, the transaction amounts for the Jiayuan Chuangsheng Sales Management and Other Services provided by our Group to the Jiayuan Chuangsheng Group amounted to approximately RMB13.8 million, RMB27.1 million, RMB34.5 million and RMB15.4 million, respectively.

Annual caps

Our Directors estimate that the maximum amount of management fees payable by the Jiayuan Chuangsheng Group to us in relation to the Jiayuan Chuangsheng Sales Management and Other Services for the three years ending December 31, 2022 will not exceed RMB38.2 million, RMB41.0 million and RMB44.2 million, respectively.

In arriving the above annual caps for the Jiayuan Chuangsheng Sales Management and Other Services, our Directors have primarily considered, in respect of (a) the sales management services, (i) the number of the expected projects which is estimated to be 40 for each of the years ending December 31, 2020, 2021 and 2022. Such number of expected property projects for the year ending December 31, 2020 is estimated with reference to (aa) 33 property projects in respect of which sales management contracts had been entered into; and (bb) seven new property projects based on the property development plan of the Jiayuan Chuangsheng Group. As of the Latest Practicable Date, we had entered into sales management contracts with the Jiayuan Chuangsheng Group in respect of five new property projects; (ii) the estimated duration of the service period of the expected projects based on the average duration of the existing projects; (iii) the estimated number of staff based on the average number of staff assigned to each existing project; and (iv) the estimated service fees based on the average service fee charged per staff for the existing projects; (v) the estimated property delivery schedule from Jiayuan Chuangsheng for the three years ending December 31, 2022; and (b) the other services,

(i) the estimated GFA of the properties to be delivered based on the existing signed contracts, the delivery schedule of Jiayuan Chuangsheng and the historical delivered GFA; and (ii) the estimated management fees based on the management fee charged under the existing contracts.

The increase in the relevant proposed annual caps is mainly due to (a) the expected year-on-year increase of staff cost for the provision of sales management services by approximately 5% for the years ending December 31, 2021 and 2022, respectively, which is in line with the increase in the average income of PRC citizens by approximately 6.5% in 2018 as advised by CIA; and (b) the continuous growth of the expected delivered GFA of the properties to be completed by the Jiayuan Chuangsheng Group in the three years ending December 31, 2022.

The increase in the proposed annual caps as compared to the historical transaction amounts is primarily due to (i) the increase of staff cost per year from approximately RMB90,000 for the year ended December 31, 2019 to approximately RMB105,000 for the year ending December 31, 2020; and (ii) the increase in the number of expected projects of the Jiayuan Chuangsheng Group to 40 for each of the years ending December 31, 2020, 2021 and 2022 as compared to the number of projects of the Jiayuan Chuangsheng Group to which we provided sales management services for the years ended December 31, 2017 and 2018, which amounted to 27 and 28, respectively. The number of expected projects of the Jiayuan Chuangsheng Group for the year ending December 31, 2020 remains stable at 40 and is in line with 41 projects of the Jiayuan Chuangsheng Group to which we provided sales management services for the year ended December 31, 2019.

Implications under the Listing Rules

Jiayuan Chuangsheng is indirectly and wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng, its subsidiaries and associates are therefore associates of Mr. Shum and connected persons of our Company upon Listing. Accordingly, the transactions contemplated under the Jiayuan Chuangsheng Sales Management and Other Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since one or more of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps for the Jiayuan Chuangsheng Sales Management and Other Services Framework Agreement are expected to be more than 5% on an annual basis, the transactions contemplated under the Jiayuan Chuangsheng Sales Management and Other Services Framework Agreement will be subject to the reporting, annual review, announcement requirements and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

APPLICATION FOR WAIVER

The transactions described under "– (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders' Approval Requirement" above constitute our continuing connected transactions under the Listing Rules which are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement of the Listing Rules.

The transactions described under "– (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" above 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, waivers exempting us from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "– (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from Independent Shareholders' Approval Requirement" above 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 "– (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" above, 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).

DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described under "– (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from Independent Shareholders' Approval Requirement" above and "– (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" above have been and will be carried out: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better; and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are of the view that the annual caps of the continuing connected transactions under "– (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders' Approval Requirement" above and "– (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" above are fair and reasonable and are in the interests of our Shareholders as a whole.

JOINT SPONSORS' VIEW

The Joint Sponsors are of the view (i) that the continuing connected transactions described in "– (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders' Approval Requirement" above and "– (C) Continuing Connected Transactions which are subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, 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 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 currently consists of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors. The powers and duties of our Board include convening general meetings and reporting our Board's work at our Shareholders' meetings, determining our business and investment plans, preparing our annual financial budgets and final reports, formulating proposals for profit distributions and exercising other powers, functions and duties as conferred by the Articles. We have entered into service agreements with each of our executive Directors. We have also entered into letters of appointments with each of our non-executive Directors and independent non-executive Directors.

The table below shows certain information in respect of members of our Board and senior management of our Company:

Members of our Board

Name	Age	Existing position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. Zhu Hongge (朱宏戈)	59	Executive Director, chairman of the Board and chief executive officer	April 2, 2016 *(Note)*	June 11, 2020	Responsible for overseeing the overall operational management and strategic planning of our Group
Ms. Mu Liyuan (牟立園)	32	Executive Director and general manager of investment development center	May 16, 2016	June 11, 2020	Responsible for the overall investment management of our Group
Mr. Huang Fuqing (黃福清)	59	Non-executive Director	June 11, 2020	June 11, 2020	Responsible for providing guidance and formulation of business strategies for the overall development of our Group

Name	Age	Existing position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. Pang Bo (龐博)	37	Non-executive Director	June 11, 2020	June 11, 2020	Responsible for providing guidance and formulation of business strategies for the overall development of our Group
Ms. Liang Yunxu (梁蘊旭)	58	Independent non-executive Director	October 21, 2020	October 21, 2020	Responsible for providing independent advice on the operations and management of our Group
Mr. Wang Huimin (王惠敏)	60	Independent non-executive Director	October 21, 2020	October 21, 2020	Responsible for providing independent advice on the operations and management of our Group
Mr. Wong Kwok Yin (王國賢)	41	Independent non-executive Director	October 21, 2020	October 21, 2020	Responsible for providing independent advice on the operations and management of our Group

Note: Mr. Zhu first joined our Group as the general manager of Jiayuan Services in November 2009 and left our Group in January 2011. He then rejoined our Group as the general manager in April 2016.

Members of senior management

Name	Age	Existing position in our Group	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities in our Group
Mr. Chan Yu Hin (陳宇軒)	35	Chief financial officer and company secretary	January 21, 2020	January 21, 2020	Responsible for overseeing the finance, accounting and company secretarial matters of our Group
Ms. Rui Ping (芮萍)	47	General manager of quality operations center	December 31, 2016 *(Note 1)*	January 7, 2018	Responsible for overseeing the quality control and the management of the quality operations center of our Group
Ms. Lu Yuping (陸鈺萍)	42	Deputy general manager of finance center	April 16, 2007	June 28, 2019	Responsible for overseeing financial affairs of our Group
Ms. Zhang Yaqin (張亞琴)	38	Deputy general manager of human resources management center	July 27, 2007	January 1, 2020	Responsible for overseeing human resources affairs of our Group
Mr. Bao Guojun (鮑國軍)	35	General manager of integrated management center	December 31, 2016 *(Note 2)*	January 7, 2018	Responsible for the management and operation of the integrated management center of our Group

Notes:

1. Ms. Rui first joined our Group as a manager of the supervision department of Jiayuan Services in March 2008 and left our Group in March 2012. She then rejoined our Group as a deputy general manager of the operational management center of our Group in December 2016.

2. Mr. Bao first joined our group as a project staff of Jiayuan Services in March 2007 and left the Group in February 2011. He then rejoined our Group as a deputy general manager of the integrated management center of our Group in December 2016.

Executive Directors

Mr. Zhu Hongge (朱宏戈), aged 59, was appointed as our executive Director, chief executive officer and the chairman of our Board on June 11, 2020, and is responsible for the overall operational management and strategic planning of our Group. He served as the general manager of Jiayuan Services from April 2016 to December 2016, where he was primarily responsible for its operations and management. Since December 2016, he has been serving as the president of our Group where he has been primarily responsible for the overall management and strategic planning of our Group. He also holds directorships in various members of our Group.

Mr. Zhu has over 10 years of experience in the property management and property development industry. Mr. Zhu commenced his career in property management and property development industry since 2009. From November 2009 to January 2011, he was the general manager of Jiayuan Services, where he was primarily responsible for its overall operational management. From November 2012 to April 2014, Mr. Zhu left our Group and served as the general manager of Haiyan Jiayuan Real Estate Co., Ltd. (海鹽縣佳源房地產開發有限公司), a property development company indirectly wholly-owned by Mr. Shum, where he was primarily responsible for its daily operation and project development management. From September 2013 to March 2016, he served as the general manager of Pinghu Jiayuan Tourism Development Co., Ltd. (平湖市佳源旅遊開發有限公司), a company principally engaged in property development, where he was primarily responsible for its daily operation management. From March 2016 to December 2016, he served as a president assistant at Zhejiang Jiayuan Medical and Health Management Group Co., Ltd. (浙江佳源醫養健康管理集團有限公司), a company indirectly wholly-owned by Mr. Shum and mainly engaged in health management consultancy, where he was primarily responsible for assisting the president with its daily operation management.

Mr. Zhu obtained a diploma in mathematics from Zhengzhou University (鄭州大學) in the PRC via distance learning in June 1987.

Ms. Mu Liyuan (牟立園), aged 32, was appointed as our executive Director on June 11, 2020 and is primarily responsible for the overall investment management of our Group. She joined our Group in May 2016 and served as a deputy manager of the personnel administration department of Jiayuan Property Management from May 2016 to December 2016, where she was primarily responsible for overseeing its human resources and administrative affairs. From December 2016 to January 2018, she served as a deputy general manager of the development management center of our Group where she was primarily responsible for project development and brand management. Since January 2018, she has been serving as the general manager of the investment development center of our Group where she has been primarily responsible for the overall investment management of our Group.

Ms. Mu has over 10 years of experience in property development and property management industry. Prior to joining our Group, from December 2009 to August 2012, she worked as the administrative manager of human resources and administration department of Zhejiang Jiayuan Real Estate, a property development company indirectly wholly-owned by Mr. Shum, where she was primarily responsible for its administrative management. From June 2013 to October 2013, she served as a management trainee in the sales and marketing department of Haiyan Jiayuan Real Estate Co., Ltd. (海鹽縣佳源房地產開發有限公司), a property development company wholly-owned by Mr. Shum, where she was primarily responsible for project marketing. From October 2013 to April 2016, she worked as a deputy office director at Pinghu Jiayuan Tourism Development Co., Ltd. (平湖市佳源旅遊開發有限公司), a company principally engaged in property development.

Ms. Mu obtained a bachelor's degree via distance learning in business administration from Jiaxing University (嘉興學院) in the PRC in June 2013. Ms. Mu also obtained the second-class certificate of senior level (二級企業人力資源管理師) of human resources management issued by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) in May 2015.

Non-executive Directors

Mr. Huang Fuqing (黃福清), aged 59, was appointed as our non-executive Director on June 11, 2020 and is primarily responsible for providing guidance and formulation of business strategies for the overall development of our Group.

Mr. Huang has over 16 years of experience in the property development industry. From December 2003 to December 2009, he was the general manager of Changzhou Zhongchuang Property Development Co., Ltd. (常州市中創房地產開發有限公司), a property development company, where he was primarily responsible for its overall operation, financial management and government relationship. From January 2010 to December 2010, Mr. Huang served as the general manager of Changzhou Tianyu Property Development Co., Ltd. (常州天宇房地產開發有限公司), a property development company, where he was primarily responsible for its overall operation, financial management and government relationship. From January 2011 to December 2014, he worked at Zhejiang Jiayuan Real Estate, with his last position as the executive general manager, where he was primarily responsible for its daily operation. From September 2013 to December 2014, he worked as the general manager of Changzhou Jinyuan Property Development Co., Ltd. (常州金源房地產開發有限公司), a property development company, where he was primarily responsible for its overall management. From September 2014 to July 2018, he was the general manager of Nanjing Xinhaoning Property Development Co., Ltd. (南京新浩寧房地產開發有限公司), a property development company wholly-owned by Mr. Shum, where he was primarily responsible for its daily operation. Since December 2014, Mr. Huang has been working as the general manager of Hong Kong Jia Yuan Holdings

Limited (香港佳源集團有限公司) ("**Hong Kong Jia Yuan**"), an investment holding company indirectly wholly-owned by Mr. Shum, where he is primarily responsible for its daily management. Since September 2018, Mr. Huang has been working as the president of Ninggang Jiayuan Investment Consulting Group Co., Ltd. (寧港佳源投資諮詢集團有限公司), a company mainly engaged in property development and indirectly wholly-owned by Mr. Shum, where he is primarily responsible for its overall operation. Mr. Huang has also been serving as an executive director and vice chairman of the board of Jiayuan International since July 2015 and August 2016, respectively, where he is primarily responsible for overseeing the day-to-day operation and overall management of Jiayuan International and its real estate development projects located in Jiangsu province of the PRC. He is also a director of certain subsidiaries of Jiayuan International.

Mr. Pang Bo (龐博), aged 37, was appointed as our non-executive Director on June 11, 2020 and is primarily responsible for providing guidance and formulation of business strategies for the overall development of our Group.

Mr. Pang has over 13 years of experience in capital operation and corporate management. From September 2006 to September 2010, he worked as an assistant to the chairman and the representative of securities affairs of the board of Minfeng Special Paper Co., Ltd. (民豐特種紙股份有限公司), a company mainly engaged in research and production of special paper whose shares are listed on the Shanghai Stock Exchange (stock code: 600235), where he was primarily responsible for information disclosure, investor relationship management and securities affairs. From September 2010 to June 2015, Mr. Pang served as the board secretary and party branch secretary of Zhejiang ODM Transmission Technology Co., Ltd. (浙江歐迪恩傳動科技股份有限公司), a company mainly engaged in universal joint and transmission shaft manufacture, where he was primarily responsible for its strategic planning, operational management and legal and internal control affairs. From June 2015 to April 2017, he worked as the board secretary and investment director of Jiangxi Zhanyu New Energy Co., Ltd. (江西展宇新能源股份有限公司), a company mainly engaged in manufacture of solar cell and photovoltaic power system, where he was responsible for its strategic planning, investor relationship management and corporate financing affairs. Since April 2017, he took various positions in Jiayuan Chuangsheng, including the chief officer of listing management, assistant to the general manager, deputy general manager and general manager of the capital operation department, where he was primarily responsible for its capital operation, mergers and acquisitions and equity investment. Since April 2019, he has been serving as a director of Zhejiang Xigu Digital Technology Co., Ltd. (浙江西谷數字技術股份有限公司), a company mainly engaged in the research and sales of smart home products whose shares are listed on the NEEQ (stock code: 836081), where he was primarily responsible for its overall strategic planning. Since October 2019, he has been serving as a director of Qingdao Jiayuan Real Estate Co., Ltd. (青島佳源房地產集團有限公司), a property development company indirectly wholly-owned by Mr. Shum, where he was primarily responsible for the establishment of internal system, overall operation and investment management. Since August 2020, he has been serving as general manager of the investment and development department of Jiayuan International, where he was primarily responsible for managing the investment strategy and plan of Jiayuan International Group.

Mr. Pang obtained a bachelor's degree in economics from Jiaxing University (嘉興學院) in the PRC in June 2006. Mr. Pang obtained the board secretary certificate awarded by the Shanghai Stock Exchange and the board secretary certificate awarded by the Shenzhen Stock Exchange in November 2006 and March 2014, respectively.

Independent non-executive Directors

Ms. Liang Yunxu (梁蘊旭) (also known as **Ms. Liang Yiping (梁一萍)**), aged 58, was appointed as our independent non-executive Director on October 21, 2020 and is responsible for providing independent advice on the operations and management of our Group.

Ms. Liang has over 23 years of experience in financial and banking industry. From June 1996 to November 2017, Ms. Liang held a number of positions at Jiaxing branch of the Bank of Communications Limited (交通銀行股份有限公司), a bank whose shares are listed on the Shanghai Stock Exchange (stock code: 601328), with her last position as the president of the Jiaxing branch. Since November 2018, she has been an independent director and chairman of the risk management committee of the board of the Bank of Jiaxing (嘉興銀行). Since January 2019, she has been serving as the business consultant of the Zhejiang Anji BoCom Rural Bank Co., Ltd. (浙江安吉交銀村鎮銀行).

Ms. Liang obtained a master's degree in business administration from Fudan University (復旦大學) in the PRC in January 2011.

Mr. Wang Huimin (王惠敏), aged 60, was appointed as our independent non-executive Director on October 21, 2020 and is responsible for providing independent advice on the operations and management of our Group.

Mr. Wang has over 28 years of experience in the property development industry. Since January 1992, Mr. Wang has been working at China Real Estate Industrial Association (中國房地產業協會), where he successively served as an assistant to the director of its communication department, deputy director of its publicity and training department, director of its cooperative development department and vice secretary general and is currently serving as its honorary vice president, vice secretary general, director of "Guangsha Prize" (廣廈獎) selection office and director of credit construction office, primarily responsible for organizing the credit ranking and awards to property developers in the PRC.

Mr. Wong Kwok Yin (王國賢), aged 41, was appointed as our independent non-executive Director on October 21, 2020 and is responsible for providing independent advice on the operations and management of our Group.

Mr. Wong has over 14 years of experience in investment banking. From March 2006 to November 2006, he was a business valuer in Vigers Appraisal and Consulting Limited (威格斯資產評估顧問有限公司), a company mainly engaged in appraisal, real estate services and building consultancy, where he was responsible for business valuation. From November 2006 to April 2007, he worked as the executive of Platinum Management Services Limited (百德能

管理服務有限公司), a company mainly engaged in investment and financial advisory service, where he was responsible for merger and acquisition affairs. From April 2007 to June 2017, he successively served as an associate manager and associate director at Investec Capital Asia Limited (天達融資亞洲有限公司), a company mainly engaged in investment banking, where he was responsible for initial public offering and merger and acquisition affairs. Since July 2017, he has been working for VMS Securities Limited (鼎珮證券有限公司), a company mainly engaged in securities brokerage and corporate finance services in Hong Kong and is licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, where he is currently managing director of corporate finance department and is responsible for business development and overseeing the overall operation of the corporate finance department.

Mr. Wong obtained a bachelor's degree of science majoring in applied chemistry from Hong Kong Baptist University in December 2002. He also obtained a master's degree of arts majoring in accounting and information systems from the City University of Hong Kong in November 2005. He was admitted as a fellow of the Association of Chartered Certified Accountants in September 2015. He was a licensed representative and was accredited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO since December 2006 and was accredited as a responsible officer in November 2016 to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He is currently a principal sponsor at VMS Securities Limited (鼎珮證券有限公司).

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 above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no information relating to our Directors that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters concerning any Director that needs to be brought to the attention of our Shareholders as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day operations and management of our business.

Mr. Chan Yu Hin (陳宇軒), aged 35, joined our Group in January 2020 as the general manager of the finance centre of our Group. He was appointed as the chief financial officer of our Group in June 2020 and is primarily responsible for overseeing the finance, accounting and company secretarial matters of our Group.

Mr. Chan has over 12 years of experiences in auditing, accounting, financial management and corporate finance. Prior to joining our Group, from November 2007 to December 2014, he successively served as an accountant, senior accountant and manager at Ernst & Young where he was responsible for audit and assurance matters of listed companies and multinational corporations. From January 2015 to March 2016, he worked as a deputy financial controller in Carrianna Group Holdings Limited (佳寧娜集團控股有限公司), a company mainly engaged in property development, hotel operations and food businesses whose shares are listed on the Main Board of the Stock Exchange (stock code: 126), where he was primarily responsible for financial reporting, management accounting, merger and acquisition matters. From April 2016 to October 2016, he served as the finance manager at NWS Holdings Limited (新創建集團有限公司), a company mainly engaged in (i) the development of, investment in and/or operation of roads, commercial aircraft leasing, construction and insurance; and (ii) the investment in and/or operation of environmental and logistics projects, facilities and transport and whose shares are listed on the Main Board of the Stock Exchange (stock code: 659), where he was primarily responsible for financial reporting. From November 2016 to August 2017, he worked as an accounting manager in Emperor Capital Group Limited (英皇證券集團有限公司), a financial service company whose shares are listed on the Main Board of the Stock Exchange (stock code: 717), where he was primarily responsible for financial reporting and management accounting. From October 2017 to January 2020, he successively served as a finance manager of the finance department and the financial controller of Hong Kong Jia Yuan, where he was primarily responsible for financial reporting, merger and acquisition and corporate matters.

Mr. Chan obtained a bachelor's degree in finance, accounting and management from the University of Nottingham in the United Kingdom in July 2007. He was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants (HKICPA) in May 2011 and a certified public accountant (practising) of the HKICPA in March 2016.

Ms. Rui Ping (芮萍), aged 47, joined our Group in December 2016 as a deputy general manager of the operational management center of our Group and was appointed as a general manager of the quality operations center of our Group in January 2018. She is primarily responsible for quality control and the management of the quality operations center of our Group.

Ms. Rui has over 14 years of experience in property management industry. Prior to joining our Group, Ms. Rui worked at the Tongxiang branch of Zhejiang Jiahang Property Management Company Limited (浙江嘉杭物業管理有限公司) (formerly known as Jiaxing Jiaye Yangguang Property Management Co., Ltd. (嘉興市嘉業陽光物業管理有限公司) in 2006. From March 2008 to March 2012, she successively served as a manager of the supervision department and a manager of the operational and management department of Jiayuan Services where she was primarily responsible for project operation and quality control. From April 2012 to December 2016, she left our Group and worked at Zhejiang Wanbohui Investment Management Co., Ltd. (浙江萬博匯投資管理有限公司), a company indirectly and wholly-owned by Mr. Shum and was mainly engaged in commercial operation and property management of commercial properties, with her last position as a manager of its operational and management department, where she was primarily responsible for its daily operation.

Ms, Rui obtained a diploma in administrative management from The Open University of China (國家開放大學) (formerly known as China Central Radio and TV University) (中央廣播電視大學)) in the PRC in January 2008.

Ms. Lu Yuping (陸鈺萍), aged 42, joined our Group in April 2007 and was appointed as the deputy general manager of the finance center of our Group in January 2020. She is primarily responsible for overseeing the financial affairs of our Group.

Ms. Lu has over 21 years of experience in accounting and property management matters. Prior to joining our Group, from October 1998 to July 2006, she worked as an accountant at Zhejiang Donglin Co., Ltd. (浙江東菱股份有限公司), a company mainly engaged in supermarket operation, where she was primarily responsible for accounting matters. From July 2006 to April 2007, Ms. Lu worked as an accountant at Dongming Industrial (Jiaxing) Co., Ltd. (東明實業(嘉興)有限公司), a company mainly engaged in manufacture and sales of stainless steel fasteners, where she was primarily responsible for accounting matters.

Ms, Lu obtained a diploma in accounting from Zhejiang Institute of Economics and Trade (浙江經貿職業技術學院) in the PRC in June 2008.

Ms. Zhang Yaqin (張亞琴), aged 38, joined our Group in July 2007 as a staff in the human resources and administrative department of our Group and served as an assistant manager of the human resource and administrative department in August 2016, where she was primarily responsible for overseeing the administrative affairs of our Group. From January 2017 to December 2019, she served as the administrative secretary in the integrated management center of our Group, where she was primarily responsible for administrative management and establishment of internal system. In January 2020, she was appointed as a deputy general manager of the human resources management center of our Group and is primarily responsible for the overall management of human resources of our Group.

Prior to joining our Group, from October 2006 to March 2007, Ms. Zhang worked at Jiaxing Yihe Import and Export Trading Co., Ltd. (嘉興市億禾進出口貿易有限公司), a company mainly engaged in commodity distribution and import and export of technology.

Ms, Zhang obtained a bachelor's degree in art designing from Zhejiang Sci-Tech University (浙江理工大學) in the PRC in June 2004.

Mr. Bao Guojun (鮑國軍), aged 35, joined our Group in December 2016 as a deputy general manager of the integrated management center of our Group and was appointed as the general manager of the integrated management center in January 2018. He is primarily responsible for the management of the integrated management center of our Group.

Mr. Bao has over 13 years of experience in property management and property development industry. From March 2007 to February 2011, he worked at Jiayuan Services with his last position as the branch manager, where he was primarily responsible for project management. From March 2011 to June 2016, he left our Group and worked at Lujiang

Guangyuan Real Estate Development Co., Ltd. (廬江縣廣源置業發展有限公司), a company indirectly and wholly-owned by Mr. Shum and was mainly engaged in property development, with his last position as an office director, where he was primarily responsible for human resources, administration and property management. From July 2016 to December 2016, he worked at Lujiang Jiangyuan Real Estate Development Co., Ltd. (廬江縣佳源房地產開發有限公司), a company indirectly wholly-owned by Mr. Shum and was mainly engaged in property development, with his last position as an office director and assistant to the general manager, where he was primarily responsible for providing assistance to the general manager.

Mr. Bao obtained a bachelor's degree in public affairs management from Jiaxing University (嘉興學院) in the PRC in June 2007.

COMPANY SECRETARY

Mr. Chan Yu Hin (陳宇軒), aged 35, was appointed as our company secretary on June 11, 2020. For details of his background, see "– Senior Management" above.

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 the Audit Committee on October 21, 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three members, namely, Mr. Wong Kwok Yin, Ms. Liang Yunxu and Mr. Wang Huimin, all of whom are our independent non-executive Directors. Mr. Wong Kwok Yin is the chairman of the Audit Committee and the independent non-executive Director with the appropriate professional qualifications.

The primary duties of the Audit Committee include, but not limited 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; and (iii) perform other duties and responsibilities as may be assigned by the Board.

Remuneration Committee

Our Group has established the Remuneration Committee on October 21, 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 three members, namely, Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Pang Bo. Ms. Liang Yunxu is the chairman 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 the Nomination Committee on October 21, 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 three members, namely Mr. Zhu Hongge, Mr. Wong Kwok Yin and Ms. Liang Yunxu. Mr. Zhu Hongge is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, but not limited 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) assess the independence of our independent non-executive Directors; and (iv) 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.

CORPORATE GOVERNANCE

Our Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability.

According to paragraph A.2.1 of the CG Code as set out in Appendix 14 to the Listing Rules, the role of the chairman and chief executive officer of our Company should be separate and should not be performed by the same individual.

Under the leadership of Mr. Zhu Hongge, our Board works efficiently and performs its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions are made in consultation with members of our Board and relevant Board committee, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board from time to time in light of prevailing circumstances, to maintain a high standard of corporate governance practices of our Company.

Save as disclosed above, we will comply with the code provisions stated in the CG Code as set forth in Appendix 14 to the Listing Rules after the Listing. Our Company is committed to the view that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on our Board, which can effectively exercise independent judgment.

BOARD DIVERSITY

Our Company recognizes the benefits of having a diversified Board. Our Company has adopted a board diversity policy with the aim of achieving an appropriate level of diversity among Board members according to the circumstances of our Group from time to time. In summary, our board diversity policy sets out that when considering the nomination and appointment of a Director, with the assistance of our Nomination Committee, our Board would consider a range of diversity of perspectives, including but not limited to the skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender and the potential contributions that the candidate is expected to bring to our Board, in order to better serve the needs and development of our Company. All Board appointments will be based on merits and candidates will be considered against objective criteria, having due regard to the benefits of diversity to our Board.

After Listing, our Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness and we will disclose the policy or a summary thereof in our corporate governance report on an annual basis.

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, housing allowance and contributions to a retirement benefit scheme. The aggregate remuneration (including salaries, other allowances, discretionary bonuses, pension costs, housing funds, medical insurances and other social insurances) paid to our Directors for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020 was approximately RMB0.9 million, RMB0.9 million, RMB1.6 million and RMB0.9 million, respectively. Save as disclosed above, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The aggregate amount of salaries, other bonuses, pension costs, housing funds, medical insurances and other social insurances paid to our five highest paid individuals in respect of each of the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020 was approximately RMB1.4 million, RMB1.7 million, RMB2.6 million and RMB1.4 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, other allowances, discretionary bonuses, pension costs, housing funds, medical insurances and other social insurances) of our Directors for the year ending December 31, 2020 is estimated to be around RMB2.7 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.

COMPLIANCE ADVISOR

In compliance with Rule 3A.19 of the Listing Rules, we have appointed Rainbow Capital (HK) Limited as our compliance advisor to provide advisory services to our Company. It is expected that the compliance advisor will, amongst other things, advise our Company with due care and skill in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including shares issues and share repurchases;
- where we propose to use the proceeds from the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the Capitalization Issue and the Global Offering (without taking into account any Shares which may be issued 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 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 our Company:

Name of Shareholder	Nature of interest	Shares held immediately prior to the completion of the Capitalization Issue and the Global Offering(1)		Shares held immediately following the completion of the Capitalization Issue and Global Offering(1)	
		Number	Approximate Percentage	Number	Approximate Percentage
Chuangyuan Holdings	Beneficial owner	100 (L)	100%	450,000,000 (L)	75%
Jiayuan Investment(2)	Interest in controlled corporation	100 (L)	100%	450,000,000 (L)	75%
Jiayuan International(2)	Interest in controlled corporation	100 (L)	100%	450,000,000 (L)	75%
Mingyuan Group(2)	Interest in controlled corporation	100 (L)	100%	450,000,000 (L)	75%
Mr. Shum(2)	Interest in controlled corporation	100 (L)	100%	450,000,000 (L)	75%
Ms. Wang Xinmei(3)	Interest of spouse	100 (L)	100%	450,000,000 (L)	75%

Notes:

(1) The letter "L" denotes the person's long position in our Shares.

(2) Chuangyuan Holdings is wholly-owned by Jiayuan Investment, which is in turn wholly-owned by Jiayuan International. Jiayuan International is owned as to approximately 67.96% by Mingyuan Group, which is directly wholly-owned by Mr. Shum, and approximately 1.78% by Mr. Shum in his own personal capacity. By virtue of the SFO, each of Jiayuan Investment, Jiayuan International, Mingyuan Group and Mr. Shum is deemed to be interested in the Shares in which Chuangyuan Holdings is interested.

(3) Ms. Wang Xinmei is the spouse of Mr. Shum. By virtue of the SFO, Ms. Wang Xinmei is deemed to be interested in the Shares in which Mr. Shum is interested.

If the Over-allotment Option is fully exercised, the beneficial interest of each of Chuangyuan Holdings, Jiayuan Investment, Jiayuan International, Mingyuan Group, Mr. Shum and Ms. Wang Xinmei will be approximately 72.29%, 72.29%, 72.29%, 72.29%, 72.29% and 72.29%.

Save as disclosed above and in "Appendix IV – Statutory and General Information – C. Further Information about our Directors and Substantial Shareholders", our Directors are not aware of any person who will, immediately following the completion of the Capitalization Issue and the Global Offering (without taking into account any Shares which may be issued pursuant to the 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 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 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 (without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option):

		Nominal value *(HK$)*
Authorized share capital:		
2,000,000,000	Shares of HK$0.01 each	20,000,000.00
Issued and to be issued, fully paid or credited as fully paid:		
100	Shares in issue as of the date of this prospectus	1.00
449,999,900	Shares to be issued pursuant to the Capitalization Issue	4,499,999.00
150,000,000	Shares to be issued under the Global Offering	1,500,000.00
600,000,000	**Total**	6,000,000.00

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the issue of Shares pursuant to the Capitalization Issue and the Global Offering are made. It takes no account of any Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option or any Shares which may be issued or bought back by us pursuant to the general mandates granted to our Directors to issue or buyback 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 MANDATE TO ISSUE AND ALLOT NEW SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to issue, allot and deal with Shares in the share capital of our Company with a total number of issued shares of not more than the sum of:

(1) 20% of the total number of Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (excluding Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option); and

(2) the total number of Shares bought back by our Company (if any) pursuant to the general mandate to buyback Shares granted to our Directors referred to below.

Our Directors may, in addition to the Shares which they are authorized to issue under this general mandate, issue, allot or deal with Shares under a rights issue, scrip dividend scheme or similar arrangement.

This general mandate will remain in effect until the earliest of:

(i) the conclusion of the next annual general meeting of our Company; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; or

(iii) the date on which such general mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Further information on this general mandate is set out in "Appendix IV – Statutory and General Information – A. Further Information about Our Company – 4. Written resolutions of our sole Shareholder passed on October 21, 2020".

GENERAL MANDATE TO BUYBACK SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to exercise all the powers of our Company to buy back Shares with a total number of Shares of not more than 10% of the total number of Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (excluding Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option).

This mandate only relates to buybacks made on the Stock Exchange or any other stock exchange on which the Shares are listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in "Appendix IV – Statutory and General Information – A. Further Information about Our Company – 6. Buyback by our Company of its own securities".

This general mandate will remain in effect until the earliest of:

(i) the conclusion of the next annual general meeting of our Company; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; or

(iii) the date on which such general mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Further information on this general mandate is set out in "Appendix IV – Statutory and General Information – A. Further Information about Our Company – 4. Written resolutions of our sole Shareholder passed on October 21, 2020".

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 rights as the other shares.

As a matter of the Cayman 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 under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed under the Articles, a summary of which is set out in "Summary of the Constitution of the Company and Cayman Companies Law" in Appendix III to this prospectus.

You should read the following discussion and analysis in conjunction with our consolidated financial information set forth in the Accountant's Report included as Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with HKFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the 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" in this prospectus for more information.

OVERVIEW

We are a leading comprehensive property management service provider in Zhejiang province with a proven track record of robust growth. Headquartered in Jiaxing and deeply rooted in the Yangtze River Delta Region, through over 15 years of operations, we have grown from a leading regional property management provider to an established comprehensive property management service provider with national presence. According to CIA, in 2019, among the Top 100 Property Management Companies in China headquartered in Zhejiang province and the Yangtze River Delta Region, we were ranked fifth and 14th, respectively, in terms of GFA under management. Leveraging our success in the Yangtze River Delta Region, we have spearheaded our nationwide expansion strategy and successfully grown from a regional property management service provider to an established comprehensive property management service provider with national presence. As of June 30, 2020, we had a total contracted GFA of approximately 40.3 million sq.m., covering 42 cities and 16 provinces in China; and had a total of 154 projects under management, with a total GFA under our management of approximately 27.6 million sq.m., covering 28 cities and ten provinces in China. We were ranked 35th among the 2020 Top 100 Property Management Companies in China (2020中國物業服務百強企業) and 13th among the 2020 Top 100 Property Management Companies in China by Growth (2020中國物業服務百強企業成長性領先企業) according to CIA.

Throughout the course of our development, we have adhered to our vision of "Build a Beautiful Life with Heartfelt Services" (用心服務,共築美好) in conducting our business. As a result of our efficient operation and quality services, we experienced rapid growth during the Track Record Period. Our revenue increased at a CAGR of 47.2% from RMB209.8 million in 2017 to RMB454.9 million in 2019, and increased by 33.0% from RMB210.7 million in the six months ended June 30, 2019 to RMB280.3 million in the six months ended June 30, 2020. Our gross profit increased at a CAGR of 54.1% from RMB45.8 million in 2017 to RMB108.7 million in 2019, and increased by 63.8% from RMB52.4 million in the six months ended June

30, 2019 to RMB85.9 million in the six months ended June 30, 2020. Our net profit increased at a CAGR of 65.4% from RMB18.3 million in 2017 to RMB50.2 million in 2019, and increased by 27.0% from RMB28.5 million in the six months ended June 30, 2019 to RMB36.3 million in the six months ended June 30, 2020. The aggregate GFA of the properties we were contracted to manage increased from 26.1 million sq.m. as of December 31, 2017 to 32.9 million sq.m. as of December 31, 2018 and further to 38.8 million sq.m. as of December 31, 2019, representing a CAGR of 21.8%. The aggregate GFA of the properties we were contracted to manage increased to 40.3 million sq.m. as of June 30, 2020. The aggregate GFA of the properties under our management increased from 14.0 million sq.m. as of December 31, 2017 to 19.2 million sq.m. as of December 31, 2018 and further to 26.1 million sq.m. as of December 31, 2019, representing a CAGR of 36.5%. The aggregate GFA of the properties under our management increased to 27.6 million sq.m. as of June 30, 2020.

BASIS OF PRESENTATION

Our Company was incorporated in Cayman Islands with limited liability on March 5, 2020. In preparation for the Global Offering, we underwent the Reorganization, as detailed in "History, Reorganization and Corporate Structure". See "Appendix I—Accountant's Report" for more information on the basis of preparation of our financial information included herein.

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 entitled "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 principally affected by our ability to obtain new service engagements from property developers for their new property development projects as well as our ability to renew or retain our existing engagements with our customers. 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, particularly in the regions where we operate, 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—A significant portion of our operations are concentrated in the Yangtze River Delta Region, and we are susceptible to any adverse development in government policies or business environment in this region" and "Risk Factors—Risks Relating to Doing Business in China."

The PRC Government has issued a series of favorable laws and policies to incentivize the development of the property management industry. Such 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—Market Drivers—Favorable Policies." However, we cannot guarantee you that the PRC Government will continue to issue such favorable laws, regulations and policies. Moreover, we cannot guarantee you that the PRC Government will not suspend or terminate the current favorable laws, regulations and policies, or that the PRC Government will introduce laws and 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 80.8%, 78.2%, 80.4% and 84.4% of our total revenue in 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively. Accordingly, our 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 property management service agreements. During the Track Record Period, we experienced fast growth in our GFA under management, which was approximately 14.0 million sq.m., 19.2 million sq.m., 26.1 million sq.m. and 27.6 million sq.m., as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively.

During the Track Record Period, a large portion of the properties we managed were developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group. As of December 31, 2017, 2018 and 2019 and June 30, 2020, GFA under our management from the projects developed by Jiayuan Property Brand accounted for 93.7%, 84.0%, 70.0% and 68.8%, respectively, of our total GFA under management. We have made continuous efforts to expand our customer base to include third-party property developers, with a view to building additional revenue sources and diversifying our property management portfolio. As of December 31, 2017, 2018 and 2019 and June 30, 2020, the aggregate GFA under our management from projects developed by third-party property developers as the percentage of the total GFA under our management increased from 6.3% as of December 31, 2017 to 16.0% as of December 31, 2018, 30.0% as of December 31, 2019 and further to 31.2% as of June 30, 2020. The rapid increase in the GFA under our management from the projects developed by third-party property developers was primarily attributable to our strategic acquisitions of Hunan Huaguan, Jiaxing Xingzhou, Hangzhou Minan and Chongqing Zhongnong during the Track Record Period.

Our 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 and increase the fee rates we charge for our services. We regard our brand as our important asset, which can have an impact on our pricing ability. We generally price our services by taking into account factors such as characteristics and locations of the properties, our budget, target profit margins, property owner and resident profiles, the scope and quality of our services and the prices charged by our competitors for comparable properties. We must also balance multiple considerations, including competitiveness, profitability as well as our ability to shape and preserve our image as a quality property management service provider. Failure to effectively balance the aforementioned considerations may materially and adversely affect our business operations, financial condition and results of operations.

For illustration purposes only, we set out below a sensitivity analysis of our revenue and profit and total comprehensive income for the year indicated with reference to the fluctuation of average property management fees during the Track Record Period. The following table demonstrates the impact of the hypothetical decrease in average property management fees on our revenue and profit, while all other factors remain unchanged:

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
			(RMB'000)		
				(unaudited)	
Profit and total comprehensive income for the year	18,349	35,776	50,214	28,540	36,259
Assuming 5% decrease in our average property management fees					
Impact on revenue from our property management service business	(8,479)	(12,952)	(18,282)	(8,539)	(11,833)
Impact on profit and total comprehensive income for the year(1)	(6,359)	(9,714)	(13,711)	(6,404)	(8,874)
Assuming 10% decrease in our average property management fees					
Impact on revenue from our property management service business	(16,958)	(25,904)	(36,564)	(17,078)	(23,665)
Impact on profit and total comprehensive income for the year(1)	(12,719)	(19,428)	(27,423)	(12,809)	(17,749)

(1) Impact on profit and total comprehensive income for the year was calculated assuming EIT of 25.0%.

Business Mix

During the Track Record Period, our business and results of operations were affected by our business mix. Our profit margins varied across our three business lines, namely, property management services, value-added services to non-property owners and community value-added services. Our profit margins of different business lines generally depend on types of services provided, fee received and costs borne by us under different contractual arrangement. 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 following table sets forth the revenue, gross profit and gross profit margin by business line for the periods indicated:

	Year ended December 31,												Six months ended June 30,							
	2017				2018				2019				2019				2020			
	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	169,581	80.8	35,684	21.0	259,035	78.2	59,316	22.9	365,635	80.4	83,775	22.9	170,780	81.1	40,893	23.9	236,650	84.4	70,609	29.8
Value-added services to non-property owners	30,329	14.5	7,111	23.4	56,558	17.1	14,428	25.5	67,499	14.8	17,289	25.6	31,307	14.9	8,344	26.7	30,450	10.9	9,968	32.7
Community value-added services . .	9,894	4.7	2,985	30.2	15,665	4.7	5,154	32.9	21,757	4.8	7,630	35.1	8,578	4.0	3,200	37.3	13,154	4.7	5,320	40.4
Total	**209,804**	**100.0**	**45,780**	**21.8**	**331,258**	**100.0**	**78,898**	**23.8**	**454,891**	**100.0**	**108,694**	**23.9**	**210,665**	**100.0**	**52,437**	**24.9**	**280,254**	**100.0**	**85,897**	**30.6**

Our overall gross profit margin increased throughout the Track Record Period, primarily attributable to an increase in average property management fee of our properties under management, the expansion of our value-added services to non-property owners, steady growth of our community value-added services and our successful implementation of cost-control measures. Our overall gross profit increased from 24.9% for the six months ended June 30, 2019 to 30.6% for the six months ended June 30, 2020, mainly due to (i) the reduction in or exemption of payment of social insurance contributions as a result of regulatory supportive policies issued by the local governments in response to the outbreak of COVID-19, pursuant to the *Notice on the Temporary Reduction and Exemption of Social Insurance Premiums Payable by Enterprises* (關於階段性減免企業社會保險費的通知) and *Notice on Extending the Implementation Period of the Temporary Reduction and Exemption of Social Insurance Premiums Payable by Enterprises and other issues* (關於延長階段性減免企業社會保險費政策實施期限等問題的通知) issued by the Ministry of Human Resources and Social Security, the Ministry of Finance and the State Taxation Administration and (ii) the relatively slow increases in our employee, repair and maintenance, and utility expenses, mainly as a result of our effective cost control and our limited provision of daily services in early 2020 because of temporary lockdown measures implemented by PRC government due to the outbreak of COVID-19. In general, the gross profit margins generated from our community value-added services are higher than those generated from our property management services and value-added services to non-property owners. The relatively high gross profit margins for our community value-added services during the Track Record Period were primarily because the other two business lines are more labor-intensive than community value-added services. See "Business—Our Business Model" in this prospectus and "—Description of Certain Consolidated Statements of Comprehensive Income Items—Gross Profit and Gross Profit Margin" in this section for further discussions.

Ability to Mitigate the Impact of Rising Employee Benefit Expenses

Since property management is labor-intensive, employee benefit expenses constitute a substantial portion of our total expenses, which include cost of services, selling and marketing expenses and administrative expenses. During the Track Record Period, our employee benefit expenses increased considerably as a result of the expansion of our business, increases in headcount and increases in the market price for labor in China. In 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, our employee benefit expenses recognized under our total expenses amounted to RMB125.3 million, RMB188.0 million, RMB273.7 million, RMB125.2 million and RMB154.4 million, respectively, accounting for 70.0%, 67.9%, 71.5%, 73.0% and 67.6% of the aggregate amount of our total expenses, respectively. During the Track Record Period, our employee benefit expenses under our cost of services amounted to RMB122.0 million, RMB181.6 million, RMB259.9 million and RMB149.0 million, respectively, accounting for 74.4%, 72.0%, 75.1% and 76.7%, respectively, of our cost of services. The increases in our cost of services during the Track Record Period were mainly due to the continuous expansion of our managed properties and value-added services.

To cope with rising employee benefit expenses, we strive to implement a number of cost-saving measures, such as applications of automated tools to reduce our reliance on manual labor, application of advanced technology, standardization of procedures and smart management as well as provision of professional training to our employees, to improve operational efficiency effectively manage our employee benefit expenses while ensuring consistent service quality. See "Business—Standardized Operation, Digitalization and Information Technology."

For illustrative purposes only, we set out below a sensitivity analysis of our cost of services, as well as profit and total comprehensive income for the year indicated with reference to the fluctuation of our 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 services and profit for the year or period, while all other factors remain unchanged:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
			(RMB'000)		
				(unaudited)	
Profit and total comprehensive income for the year/period	18,349	35,776	50,214	28,540	36,259
Assuming 5% increase in our employee benefit expenses					
Impact on cost of services	(6,099)	(9,080)	(12,996)	(6,080)	(7,452)
Impact on profit and total comprehensive income for the year/period[1]	(4,574)	(6,810)	(9,747)	(4,560)	(5,589)
Assuming 10% increase in our employee benefit expenses					
Impact on cost of services	(12,197)	(18,159)	(25,991)	(12,159)	(14,905)
Impact on profit and total comprehensive income for the year/period[1]	(9,148)	(13,619)	(19,493)	(9,119)	(11,179)

(1) Impact on profit and total comprehensive income for the year was calculated assuming EIT of 25.0%.

Ability to Implement our Acquisition Strategy

During the Track Record Period, we acquired several property management companies which contributed to our business growth and results of operations for these periods. For example, we acquired Hunan Huaguan in 2019 through which we acquired 17 projects with a total GFA under our management of 2.7 million sq.m. and expanded our business into Hunan province. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019. However, we may not be able to achieve desired strategic objectives or the expected return on investment from such acquisitions. See "Risk Factors—Risks Relating to Our

Business and Industry—Our future acquisitions may not be successful" in this prospectus. We plan to continue to make strategic acquisitions in the future. See "Business—Business Strategies—Expand Business Scale and Grow Market Share through Strategic Acquisitions and Investments." To implement our acquisition strategy, we need to allocate additional capital and human resources. However, we may not be able to identify suitable opportunities and complete acquisitions in a timely manner on terms that allow us to achieve reasonable return, or at all. In addition, the acquisitions may not achieve the anticipated synergy and improve our results of operations as expected. See "Risk Factors—Risks Relating to Our Business and Industry—Our future acquisitions may not be successful."

Competition

Our industry is highly competitive and fragmented, and we compete with other property management service providers on a number of aspects, including business scale, brand recognition, profitability, financial resources and adequacy of financing, price, diversity of services and service quality. See "Business—Competition" and "Industry Overview—Competition Landscape" in this prospectus.

We primarily compete against the other Top 100 Property Management Companies, particularly those affiliated with property developers in China. According to CIA, Jiayuan Property Brand's growth provides a strong foundation for our own advancement. In recent years, the percentage of our GFA under management from projects developed by Jiayuan Property Brand has decreased, while the percentage of our GFA under management from projects developed by third-party property developers has increased. This demonstrates that while we are able to enjoy the support of an affiliate, we are also capable of searching for, and taking advantage of, market opportunities independently.

Our ability to compete effectively against our competitors and maintain or improve our market position depends on our ability to hone our competitive strengths. If we fail to compete effectively and grow our GFA under management, we may lose our existing market position and experience loss of revenue and decreased profitability.

CRITICAL SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND JUDGMENTS

Significant Accounting Policies

We have identified certain accounting policies and critical accounting judgments and estimates that we believe are significant to the preparation of our consolidated financial statements. Our significant accounting policies, critical accounting judgments and estimates, which are important for understanding our financial position and results of operations, are set forth in details in note 2 and note 4 to the Accountant's Report in Appendix I to this prospectus. In applying our accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Our significant accounting policies and some of our key sources of estimation uncertainty include, among others:

Revenue Recognition

We mainly provide property management services, value-added services to non-property owners and community value-added services. Revenue is recognized in the accounting period in which the services are rendered or goods are delivered, and the collectability of related consideration is reasonably assured.

When either party to a contract has performed their obligations, we present the contract in the consolidated statement of financial position 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 the Group has transferred to a customer. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets under "contract assets" and subsequently amortised when the related revenue is recognised.

If a customer pays consideration or we have a right to an amount of consideration that is unconditional, before the services are provided to the customer, we present the amount as a contract liability when the payment is received or a receivable is recorded (whichever is earlier).

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.

(a) Property management services

We bill a fixed amount for services provided on a regular basis and recognize the amount to which we have a right to invoice and that corresponds directly with the value of performance completed.

For property management services income from properties managed under a lump-sum basis, where we act as principal and are primary responsible for providing the property management services to customers, we recognize the fee received or receivable from customers as our revenue.

For property management services income from properties managed under commission basis, our Group recognizes the commission, which is calculated by pre-determined percentage of the total property management fee or amounts received or receivable from customers, as its revenue for arranging and monitoring the services.

(b) Value-added services to non-property owners

Value-added services to non-property owners mainly includes consultancy services to property developers and cleaning, greening, repair and maintenance services to property developers at the property pre-delivery stage. We agree the price for each service with the customers upfront and issue the monthly bill to the customers which varies based on the actual level of service completed in that month.

(c) Community value-added services

Such business segment includes home living services, community area services provided and such as catering services provided and sales of goods (mainly groceries and home appliances) to customers. For provision of home living services, revenue is recognized when the related services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered. For provision of community area services such as sales of good and catering, revenue is recognized when our Group has delivered the goods and catering to the purchaser.

Intangible Assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(b) Property management contracts

Property management contracts acquired in business combinations are recognized at fair value at the acquisition date. The property management contracts have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected useful lives of the contracts. Our Group determined the property management contracts to have useful lives of six years based on the historical renewal pattern and the best estimation of our Group.

Trade and Other Receivables

Trade receivables are amounts due from customers for services provided 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 if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. We hold the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost. See Note 22 for further information about our Group's trade and other receivables and Note 3.1.2 for a description of our Group's impairment policies.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost.

Property and Equipment

Property and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statements of comprehensive income during the financial period in which they are incurred.

Depreciation on property and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives as follows:

	Useful lives
Buildings	20 years
Office equipment	3-5 years
Motor vehicles	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized within "other gains and losses" in the consolidated statements of comprehensive income.

Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by our Group. 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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by our Group under residual value guarantees;
- the exercise price of a purchase option if our Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects our Group exercising that option.

Payments associated with short-term leases of equipment and vehicles and leases of low value assets are recognized on a straight-line basis as an expense in consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in our Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Our Group's right-of-use assets consist of various leases for properties.

Right-of-use assets resulted from lease payments are stated at cost less accumulated depreciation and accumulated impairment losses. Cost represents consideration paid for the rights to use the land and other direct related costs from the date when the respective rights were granted. Depreciation of lease payments is calculated on a straight-line basis over the lease terms as stated in the relevant land certificates granted for usage by our Group in the PRC and is charged to profit or loss in the consolidated statements of comprehensive income.

Financial Assets

(i) Classification

Our 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 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 our 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.

Our Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which our Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and our Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, our 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 consolidated statements of comprehensive income.

Debt Instruments

Subsequent measurement of debt instruments depends on our Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which our Group classifies the debt instruments:

- Amortized cost: 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 consolidated statements 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.

- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the consolidated statements of comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated statement of comprehensive income and recognized in "Other gains and losses." Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in "Other gains and losses" in the period in which it arises.

Equity Instruments

Our Group subsequently measures all equity investments at fair value. Our Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated statements of comprehensive income. Dividends from such investments continue to be recognized in "other income" when our Group's right to receive payments is established.

(iv) Impairment

Our Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through OCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, our Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see note 3.1.2 to the Accountant's Report in Appendix I to this prospectus for further details.

Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization 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 purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impact of Adoption of New and Amendments to Certain Accounting Policies

We adopted a full retrospective application of HKFRS 15 "Revenue from Contracts with Customers" (which replaces the previous revenue standards HKAS 18 "Revenue" and HKAS 11 "Construction Contracts", and the related interpretation on revenue recognition) and HKFRS 9 "Financial Instruments" (which replaces the whole of HKAS 39 "Financial Instruments: recognition and measurement"), which have been applied on a consistent basis throughout the Track Record Period. Taking into account the impact disclosed above, we consider that the adoption of HKFRS 9 and HKFRS 15 as compared to the requirements of HKAS 18 and HKAS 39 did not have a significant impact on our financial position and performance during the Track Record Period. With respect to HKFRS 16 "Leases" adopted by our Group throughout the Track Record Period, there was no material impact of the adoption of HKFRS 16 on our Group's key financial ratios and financial position and performance for the Track Record Period.

DESCRIPTION OF CERTAIN CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ITEMS

The following table sets forth a summary of our consolidated statements of comprehensive income for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
			(RMB'000)		
				(unaudited)	
Revenue	209,804	331,258	454,891	210,665	280,254
Cost of services	(164,024)	(252,360)	(346,197)	(158,228)	(194,357)
Gross profit	**45,780**	**78,898**	**108,694**	**52,437**	**85,897**
Other income and expenses, net	1,853	1,849	1,715	867	2,636
Impairment losses on financial assets	(5,456)	(7,496)	(4,942)	(2,350)	(4,004)
Selling and marketing expenses	(1,636)	(3,069)	(7,400)	(2,716)	(3,495)
Administrative expenses	(13,204)	(21,626)	(29,313)	(10,414)	(30,453)
Finance costs	(2,228)	(14)	(19)	(9)	(49)
Share of results of investments accounted for using the equity method	–	–	(431)	51	1,596
Profit before taxation	**25,109**	**48,542**	**68,304**	**37,866**	**52,128**
Income tax expenses	(6,760)	(12,766)	(18,090)	(9,326)	(15,869)
Profit and total comprehensive income for the year/period	**18,349**	**35,776**	**50,214**	**28,540**	**36,259**
Attributable to:					
– Owners of our Company	18,349	35,776	50,214	28,540	35,653
– Non-controlling interests	–	–	–	–	606

Revenue

During the Track Record Period, we derived our revenue primarily from three business lines, namely, property management services, value-added services to non-property owners and community value-added services.

The following table sets forth a breakdown of our revenue by business line and type of property developer or customer 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	**169,581**	**80.8**	**259,035**	**78.2**	**365,635**	**80.4**	**170,780**	**81.1**	**236,650**	**84.4**
Jiayuan Property Brand(1)	163,367	77.9	235,105	71.0	290,141	63.8	136,692	64.9	166,113	59.2
– Jiayuan International	66,494	31.7	97,670	29.5	126,069	27.7	58,326	27.7	71,677	25.6
– Jiayuan Chuangsheng(2)	96,873	46.2	137,435	41.5	164,072	36.1	78,366	37.2	94,435	33.6
Third-party property developer	6,214	2.9	23,930	7.2	75,494	16.6	34,088	16.2	70,537	25.2
– Projects solely developed by independent third-party property developers(3)	6,214	2.9	23,621	7.1	71,967	15.8	32,679	15.5	67,968	24.3
Jointly developed projects(4)	–	–	309	0.1	3,527	0.8	1,409	0.7	2,569	0.9
Value-added services to non-property owners	**30,329**	**14.5**	**56,558**	**17.1**	**67,499**	**14.8**	**31,307**	**14.9**	**30,450**	**10.9**
– Jiayuan Property Brand(5)	27,798	13.3	53,211	16.1	65,568	14.4	30,550	14.5	28,272	10.1
– Third party(5)(6)	2,531	1.2	3,347	1.0	1,931	0.4	757	0.4	2,178	0.8
Community value-added services	**9,894**	**4.7**	**15,665**	**4.7**	**21,757**	**4.8**	**8,578**	**4.0**	**13,154**	**4.7**
– Jiayuan Property Brand(5)	–	–	–	–	–	–	–	–	–	–
– Third party(5)	9,894	4.7	15,665	4.7	21,757	4.8	8,578	4.0	13,154	4.7
Total	**209,804**	**100.0**	**331,258**	**100.0**	**454,891**	**100.0**	**210,665**	**100.0**	**280,254**	**100.0**

(1) Includes (i) properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and (ii) properties that Jiayuan Property Brand jointly developed with other property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of more than 50%. During the Track Record Period, there was one relevant project with a GFA of approximately 0.3 million sq.m. under our management developed by its project company, a joint venture of Jiayuan International, in which Jiayuan International held an equity interest

of 51.0%. In 2018 and 2019, we generated revenue of approximately RMB0.1 million and RMB0.8 million, respectively, from this project which was under our management from October 2018 to April 2019. None of the jointly developed projects were developed by associates of Jiayuan Property Brand.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon the Listing.

(3) Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of a 65% equity interest in it in December 2019.

(4) Include properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. During the Track Record Period, all of the three relevant projects were developed by the joint ventures of Jiayuan Property Brand and Jiayuan Property Brand held an equity interest of 36.0%, 42.0% and 49.0%, respectively, in each project company. None of such projects were developed by associates of Jiayuan Property Brand.

(5) Refer to the type of our customers from whom we generated revenue during the Track Record Period.

(6) Included two joint ventures of Jiayuan International Group.

Revenue from Property Management Services

During the Track Record Period, we generated a majority of our revenue from our property management services, which contributed 80.8%, 78.2%, 80.4% and 84.4%, respectively, of our total revenue in 2017, 2018 and 2019 and the six months ended June 30, 2020.

Revenue from property management services generally increased during the Track Record Period, primarily driven by (i) an increase in our total GFA under management as a result of our business expansion through organic growth as well as acquisitions and (ii) the increase in our average property management fee. During the Track Record Period, we experienced fast growth in our GFA under management, which was 14.0 million sq.m., 19.2 million sq.m., 26.1 million sq.m. and 27.6 million sq.m. as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. The average property management fee was calculated by dividing annualized revenue from property management services by the GFA under our management as of the end of the same year, excluding the GFA contribution of approximately 2.7 million sq.m. as of December 31, 2019 from Hunan Huaguan from which no revenue was combined with our Group in 2017, 2018 and 2019. Our average property management fee increased by 15.4% from RMB1.05 per sq.m. per month in 2017 to RMB1.21 per sq.m. per month in 2018, by 9.5% to RMB1.32 per sq.m. per month in 2019 and further by 8.3% to RMB1.43 per sq.m per month in the six months ended June 30, 2020, mainly driven by the increase in average property management fee for residential properties.

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

	As of or for the year ended December 31,									As of or for the six months ended June 30,					
	2017			2018			2019			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA[(1)]	Revenue[(1)]		GFA	Revenue		GFA	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
											(unaudited)				
Residential properties	12,462	152,469	89.9	17,034	212,296	82.0	23,224	310,558	84.9	20,827	144,263	84.5	24,657	202,480	85.6
Non-residential properties	1,567	17,112	10.1	2,175	46,739	18.0	2,920	55,077	15.1	2,577	26,517	15.5	2,990	34,170	14.4
Total	**14,029**	**169,581**	**100.0**	**19,209**	**259,035**	**100.0**	**26,144**	**365,635**	**100.0**	**23,404**	**170,780**	**100.0**	**27,647**	**236,650**	**100.0**

(1) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

During the Track Record Period, a majority of our revenue from property management services was derived from residential properties, which accounted for 89.9%, 82.0%, 84.9% and 85.6%, respectively, of our total revenue from property management services in 2017, 2018 and 2019 and the six months ended June 30, 2020. As of December 31, 2017, 2018 and 2019 and June 30, 2020, the GFA of residential properties under our management was 12.5 million sq.m., 17.0 million sq.m., 23.2 million sq.m. and 24.7 million sq.m. respectively. The increase in GFA of residential properties under our management during the Track Record Period was mainly due to our business expansion through organic growth and strategic acquisitions of Hunan Huaguan and Jiaxing Xingzhou in 2019, Hangzhou Minan in 2018 and Chongqing Zhongnong in 2017. We obtained 16 residential properties through acquisition of Hunan Huaguan in December 2019 with a total GFA under management of 2.7 million sq.m. as of December 31, 2019. We combined no revenue from Hunan Huaguan in 2017, 2018 and 2019 as the acquisition was completed only by the end of 2019.

The following table sets forth a breakdown of the average property management fee by type of property for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	(RMB per sq.m. per month)				
Residential properties	1.06	1.12	1.26	1.15	1.38
Non-residential properties	0.93	1.89	1.84	1.71	1.92
Overall	**1.05**	**1.21**	**1.32**	**1.22**	**1.43**

Our average property management fee for residential properties increased by 5.7% from RMB1.06 per sq.m. per month in 2017 to RMB1.12 per sq.m. per month in 2018, by 12.5% to RMB1.26 per sq.m. per month in 2019, and further by 9.5% to RMB1.38 per sq. m. per month in the six months ended June 30, 2020, mainly due to an increase in average property management fee we charged for the new projects delivered to us for management. Our average property management fee for non-residential properties increased significantly from RMB0.93 per sq.m. per month in 2017 to RMB1.89 per sq.m. per month in 2018, mainly because we provided more services and derived more revenue from certain shopping malls under our management in 2018 and we commenced to manage a school in Chongqing in 2018 which had relatively high average property management fee. Our average property management fee for non-residential properties decreased slightly from RMB1.89 per sq.m. per month in 2018 to RMB1.84 per sq.m. per month in 2019, mainly because we ceased to provide property management services to a school in Chongqing in 2019 which had relatively high average property management fee. Our average property management fee for non-residential properties increased to RMB1.92 per sq.m. per month in the six months ended June 30, 2020, primarily because the non-residential properties developed by Jiayuan Property Brand gradually matured and had higher occupancy rate, and thus, higher average property management fee. Our average property management fee for non-residential properties was typically higher than average property management fee for residential properties, mainly due to pricing guidance on residential properties under PRC laws. In 2017, our average property management fee for non-residential properties was lower than average property management fee for residential properties, mainly because we were contracted before 2017 to manage certain shopping malls the average property management fee of which was lower as a result of their low occupancy rate.

Headquartered in Jiaxing, Zhejiang province, we have established a leading market position in Zhejiang province and are well recognized in the Yangtze Delta Region through over 15 years of development. Leveraging our success in the Yangtze River Delta Region, we have spearheaded our nationwide expansion strategy and successfully expanded into other regions in China. The following table sets forth a breakdown of our total GFA under management as of the dates indicated and the total revenue generated from property management services for the periods indicated 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				2019				2020			
	GFA		Revenue		GFA		Revenue		GFA[5]		Revenue[5]		GFA		Revenue		GFA		Revenue	
	(sq.m.'000)	(%)	(RMB'000)	(%)	(sq.m.'000)	(%)	(RMB'000)	(%)	(sq.m.'000)	(%)	(RMB'000)	(%)	(sq.m.'000)	(%)	(RMB'000) (unaudited)	(%)	(sq.m.'000)	(%)	(RMB'000)	(%)
Yangtze River Delta region[1]	12,921	92.1	161,986	95.6	17,789	92.6	241,627	93.3	22,036	84.3	343,823	94.0	21,685	92.7	159,705	93.5	23,366	84.5	195,171	82.5
Western region[2]	508	3.6	2,107	1.2	755	3.9	10,450	4.0	1,039	4.0	15,860	4.3	1,039	4.4	8,029	4.7	1,084	3.9	11,731	5.0
Central southern region[3]	468	3.4	3,789	2.2	533	2.8	4,792	1.9	2,923[5]	11.1[5]	3,118[5]	0.9[5]	534	2.3	1,914	1.1	2,951	10.7	27,059	11.4
Northern region[4]	132	0.9	1,699	1.0	132	0.7	2,166	0.8	146	0.6	2,834	0.8	146	0.6	1,132	0.7	246	0.9	2,689	1.1
Total	**14,029**	**100.0**	**169,581**	**100.0**	**19,209**	**100.0**	**259,035**	**100.0**	**26,144**	**100.0**	**365,635**	**100.0**	**23,404**	**100.0**	**170,780**	**100.0**	**27,647**	**100.0**	**236,650**	**100.0**

(1) Cities in the Yangtze River Delta Region in which we provided property management services include but is not limited to Shanghai, Hangzhou, Nanjing, Huzhou, Hefei, Wenzhou, Yangzhou, Changzhou, Jiaxing, Taizhou (Zhejiang province), Taizhou (Jiangsu province), Suqian, Suzhou, Nantong, Shaoxing, Zhenjiang, Bengbu, Jinhua, Ma'anshan, Bozhou, Lu'an, Huainan, Yancheng, Ningbo and Chuzhou.

(2) Cities in the western region in which we provided property management services include but is not limited to Chongqing, Qinzhou and Baise.

(3) Cities in the central southern region in which we provided property management services include but is not limited to Changsha, Nanchang, Shaoyang, Guiyang, Shenzhen, Huizhou, Jiangmen and Dongfang.

(4) Cities in the northern region in which we provided property management services include but is not limited to Tianjin, Fushun, Qingdao, Weihai, Siping and Urumqi.

(5) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

The following table sets forth a breakdown of our total GFA under management and the number of projects that were in operation as of the dates indicated and revenue from property management services for the periods indicated by type of property developer and type of property:

	As of or for the year ended December 31,														
	2017					2018					2019				
	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects	GFA under management[5]		Revenue[5]		Number of projects
	(sq.m.'000)	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*	
Jiayuan Property Brand[1]	**13,141**	**93.7**	**163,367**	**96.3**	**61**	**16,133**	**84.0**	**235,105**	**90.8**	**75**	**18,299**	**70.0**	**290,141**	**79.4**	**86**
– Jiayuan International Group	5,733	40.9	66,494	39.2	25	7,367	38.4	97,670	37.7	32	8,655	33.1	126,069	34.5	40
Residential properties	*5,129*	*36.6*	*61,636*	*36.3*	*21*	*6,576*	*34.2*	*80,756*	*31.2*	*26*	*7,421*	*28.4*	*102,669*	*28.1*	*31*
Non-residential properties	*604*	*4.3*	*4,858*	*2.9*	*4*	*791*	*4.2*	*16,914*	*6.5*	*6*	*1,234*	*4.7*	*23,400*	*6.4*	*9*
– Jiayuan Chuangsheng Group[2]	7,408	52.8	96,873	57.1	36	8,766	45.6	137,435	53.1	43	9,644	36.9	164,072	44.9	46
Residential properties	*6,641*	*47.3*	*86,660*	*51.1*	*28*	*7,448*	*38.8*	*108,688*	*42.0*	*31*	*8,414*	*32.2*	*136,165*	*37.2*	*36*
Non-residential properties	*767*	*5.5*	*10,213*	*6.0*	*8*	*1,318*	*6.8*	*28,747*	*11.1*	*12*	*1,230*	*4.7*	*27,907*	*7.7*	*10*
Third-party property developers	**888**	**6.3**	**6,214**	**3.7**	**8**	**3,076**	**16.0**	**23,930**	**9.2**	**24**	**7,845**	**30.0**	**75,494**	**20.6**	**55**
– Projects solely developed by third-party property[3] developers	888	6.3	6,214	3.7	8	3,011	15.7	23,621	9.1	23	7,510	28.7	71,967	19.7	53
Residential properties	*692*	*4.9*	*4,173*	*2.5*	*5*	*2,945*	*15.4*	*22,543*	*8.7*	*20*	*7,139*	*27.3*	*70,187*	*19.2*	*48*
Non-residential properties	*196*	*1.4*	*2,041*	*1.2*	*3*	*66*	*0.3*	*1,078*	*0.4*	*3*	*371*	*1.4*	*1,780*	*0.5*	*5*
– Jointly developed projects[4]	–	–	–	–	–	65	0.3	309	0.1	1	335	1.3	3,527	0.9	2
Residential properties	–	–	–	–	–	*65*	*0.3*	*309*	*0.1*	*1*	*250*	*1.0*	*1,537*	*0.4*	*1*
Non-residential properties	–	–	–	–	–	–	–	–	–	–	*85*	*0.3*	*1,990*	*0.5*	*1*
Total	**14,029**	**100.0**	**169,581**	**100.0**	**69**	**19,209**	**100.0**	**259,035**	**100.0**	**99**	**26,144**	**100.0**	**365,635**	**100.0**	**141**

	As of or for the six months ended June 30,									
	2019					2020				
	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects
	(sq.m.'000)	*(%)*	*(RMB'000) (unaudited)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*	
Jiayuan Property Brand[1]	**18,559**	**79.3**	**136,692**	**80.0**	**86**	**19,021**	**68.8**	**166,113**	**70.2**	**89**
– Jiayuan International Group	8,616	36.8	58,326	34.2	39	8,722	31.5	71,677	30.3	41
Residential properties	*7,421*	*31.7*	*47,015*	*27.5*	*31*	*7,488*	*27.0*	*58,252*	*24.6*	*32*
Non-residential properties	*1,195*	*5.1*	*11,311*	*6.7*	*8*	*1,234*	*4.5*	*13,425*	*5.7*	*9*
– Jiayuan Chuangsheng Group[2]	9,943	42.5	78,366	45.9	47	10,299	37.3	94,435	39.9	48
Residential properties	*8,712*	*37.2*	*64,623*	*37.8*	*37*	*9,069*	*32.8*	*80,453*	*34.0*	*38*
Non-residential properties	*1,231*	*5.3*	*13,743*	*8.1*	*10*	*1,231*	*4.5*	*13,982*	*5.9*	*10*
Third-party property developers	**4,845**	**20.7**	**34,088**	**20.0**	**37**	**8,626**	**31.2**	**70,537**	**29.9**	**65**
– Projects solely developed by third-party property[3] developers	4,510	19.3	32,679	19.1	35	8,263	29.9	67,968	28.8	62
Residential properties	*4,444*	*19.0*	*32,109*	*18.8*	*32*	*7,822*	*28.3*	*62,914*	*26.7*	*56*
Non-residential properties	*66*	*0.3*	*570*	*0.3*	*3*	*441*	*1.6*	*5,054*	*2.1*	*6*
– Jointly developed projects[4]	335	1.4	1,409	0.9	2	363	1.3	2,569	1.1	3
Residential properties	*250*	*1.1*	*516*	*0.3*	*1*	*278*	*1.0*	*860*	*0.4*	*2*
Non-residential properties	*85*	*0.4*	*893*	*0.6*	*1*	*85*	*0.3*	*1,709*	*0.7*	*1*
Total	**23,404**	**100**	**170,780**	**100.0**	**123**	**27,647**	**100.0**	**236,650**	**100.0**	**154**

(1) Includes (i) properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and (ii) properties that Jiayuan Property Brand jointly developed with third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of over 50%. During the Track Record Period, there was one relevant project with a GFA of approximately 0.3 million sq.m. under our management developed by its project company, a joint venture of Jiayuan International, in which Jiayuan International held an equity interest of 51.0%. In 2018 and 2019, we generated revenue of approximately RMB0.1 million and RMB0.8 million, respectively, from this project which was under our management from October 2018 to April 2019. None of the jointly developed projects were developed by associates of Jiayuan Property Brand.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon Listing.

(3) Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of a 65% equity interest in it in December 2019.

(4) Include properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. During the Track Record Period, all of the three relevant projects were developed by the joint ventures of Jiayuan Property Brand and Jiayuan Property Brand held an equity interest of 36.0%, 42.0% and 49.0%, respectively, in each project company. None of such projects were developed by associates of Jiayuan Property Brand.

(5) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

During the Track Record Period, we derived a majority of our revenue from managing properties developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group. In 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, revenue from providing property management services to properties developed by Jiayuan Property Brand amounted to RMB163.4 million, RMB235.1 million, RMB290.1 million, RMB136.7 million and RMB166.1 million, respectively, accounting for 96.3%, 90.8%, 79.4%, 80.0% and 70.2%, respectively, of our total revenue derived from property management services for the same periods. In general, the decrease in our percentage of total revenue from providing property management services to properties developed by Jiayuan Property Brand during the Track Record Period reflected our continuous efforts to expand our customer base and to manage more projects developed by third-party property developers.

The following table sets forth our average property management fee by type of property developer for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	(RMB per sq.m. per month)				
Jiayuan Property Brand[(1)]	1.04	1.23	1.33	1.23	1.46
– Jiayuan International Group	0.97	1.13	1.22	1.13	1.37
– Jiayuan Chuangsheng Group[(2)]	1.09	1.31	1.42	1.31	1.53
Third-party property developers[(3)]	1.21	1.12	1.32	1.17	1.40
Overall	**1.05**	**1.21**	**1.32**	**1.22**	**1.43**

(1) Includes properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and properties that Jiayuan Property Brand jointly developed with other property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of more than 50%.

(2) Jiayuan Chuangsheng is indirectly wholly owned by Mr. Shum, one of our Controlling Shareholders. Jiayuan Chuangsheng is therefore an associate of Mr. Shum and connected person of our Company upon Listing.

(3) Include properties solely developed by independent third-party property developers, and properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%. Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of a 65% equity interest in it in December 2019.

During the Track Record Period, the average property management fee charged on properties developed by Jiayuan Property Brand was generally comparable to that of independent third-party property developers in respect of comparable services, standards, types of properties, years of completion and locations.

In 2017, 2018 and 2019 and the six months ended June 30, 2020, the average property management fee charged on projects developed by Jiayuan Property Brand was RMB1.04 per sq.m. per month, RMB1.23 per sq.m. per month, RMB1.33 per sq.m. per month and RMB1.46 per sq.m. per month, respectively, and the average property management fee charged on projects developed by third-party property developers was RMB1.21 per sq.m. per month, RMB1.12 per sq.m. per month, RMB1.32 per sq.m. per month and RMB1.40 per sq.m. per month, respectively. The general increases in the average property management fee charged on projects developed by Jiayuan Property Brand were mainly because we were able to charge higher property management fees for our services to certain new properties delivered for our management given our proven track record and enhanced brand name, as well as the increase in occupancy rate of existing projects under our management on which we generated higher revenue from providing property management services during the respective periods. The average property management fees of properties developed by Jiayuan Property Brand were lower than those of properties developed by third-party property developers in 2017, mainly because we only managed eight properties developed by third-party property developers, among which certain residential properties were more high-end in nature, including single-family villa, and therefore relatively high average property management fee was charged. The relatively low average property management fee we charged on projects developed by third-party property developers in 2018 was mainly because (i) the newly delivered projects to us for management in 2018 were mainly residential projects developed by third-party property developers which had relatively low property management fee; and (ii) some of the projects developed by third-party property developers which we newly obtained through acquisition of Hangzhou Minan in 2018 had lower property management fees than those of properties developed by Jiayuan Property Brand.

During the Track Record Period, we charged property management fees under the lump-sum basis for substantially all of the properties we managed, with the remainder charged on the commission basis. The following table sets forth a breakdown of our total GFA under management as of the dates and revenue from property management services by revenue model 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			2019			2020		
	GFA	Revenue		GFA	Revenue		GFA[(1)]	Revenue[(1)]		GFA	Revenue		GFA	Revenue	
	(sq.m.'000)	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*	*(sq.m.'000)*	*(RMB'000)* *(unaudited)*	*(%)*	*(sq.m.'000)*	*(RMB'000)*	*(%)*
Lump-sum basis	13,905	169,254	99.8	19,161	258,173	99.7	26,096	364,227	99.6	23,356	170,400	99.8	27,599	235,978	99.7
Commission basis	124	327	0.2	48	862	0.3	48	1,408	0.4	48	380	0.2	48	672	0.3
Total	**14,029**	**169,581**	**100.0**	**19,209**	**259,035**	**100.0**	**26,144**	**365,635**	**100.0**	**23,404**	**170,780**	**100.0**	**27,647**	**236,650**	**100.0**

(1) In 2019, we had 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 with a total GFA under our management of 2.7 million sq.m. as of December 31, 2019. The revenue from these properties was not combined with our Group in 2017, 2018 and 2019.

Revenue from Value-Added Services to Non-Property Owners

We provide value-added services to non-property owners, which consisted of property developers during the Track Record Period. Such services primarily include sales management services, preliminary planning and design consultancy services, pre-delivery cleaning and inspection services, car park sales assistance services and other services such as employee catering services and sales of groceries. Our revenue from value-added services to non-property owners increased by 86.5% from RMB30.3 million in 2017 to RMB56.6 million in 2018, and further by 19.3% to RMB67.5 million in 2019. Such increases were mainly attributable to the increases in revenue from sales management services, which were in turn due to the increase in contracted sales of Jiayuan Property Brand and number of properties they delivered to which we provided sales management services, generally in line with the increased business scale of Jiayuan Property Brand. Our revenue from value-added services to non-property owners decreased slightly from RMB31.3 million in the six months ended June 30, 2019 to RMB30.5 million in the six months ended in June 30, 2020. The slight decrease was mainly attributable to the impact from the outbreak of COVID-19 in early 2020, as a result of which on-site sales activities of the property developers reduced, and thus, fewer services from us for sales management, while we expect to make up for the decrease in the services income in the second half of 2020 after the relevant development activities of the property developers gradually resume.

The following table sets forth a breakdown of our revenue from value-added services to non-property owners 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Sales management services	30,329	100.0	56,544	99.9	62,321	92.3	29,983	95.8	28,243	92.8
Preliminary planning and design consultancy services	–	–	–	–	2,854	4.2	704	2.2	1,784	5.9
Pre-delivery cleaning and inspection services	–	–	–	–	854	1.3	129	0.4	48	0.2
Car park sales assistance services	–	–	–	–	603	0.9	152	0.5	27	0.1
Others[(1)]	–	–	14	0.1	867	1.3	339	1.1	348	1.0
Total	**30,329**	**100.0**	**56,558**	**100.0**	**67,499**	**100.0**	**31,307**	**100.0**	**30,450**	**100.0**

(1) Mainly includes additional tailored value-added services we provided to property developers such as employee catering services and sales of groceries.

Revenue from Community Value-Added Services

We also provide community value-added services to property owners and residents, which primarily comprise home-living services, common area value-added services, car park leasing assistance services and sales of groceries to property owners. Our revenue from community value-added services experienced rapid growth during the Track Record Period. The following table sets forth a breakdown of our revenue from community value-added services 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)*	*(%)*
							(unaudited)			
Home-living services	6,445	65.2	10,554	67.3	14,253	65.5	5,995	69.9	7,561	57.5
Common area value-added services	2,942	29.7	4,350	27.8	5,081	23.4	1,782	20.8	2,813	21.4
Sales of groceries	3	0.0	25	0.2	1,269	5.8	343	4.0	899	6.8
Car park leasing assistance services	295	3.0	185	1.2	351	1.6	87	1.0	1	0.0
Others[(1)]	209	2.1	551	3.5	803	3.7	371	4.3	1,880	14.3
Total	**9,894**	**100.0**	**15,665**	**100.0**	**21,757**	**100.0**	**8,578**	**100.0**	**13,154**	**100.0**

(1) Mainly include other tailored value-added services such as sales assistance services we rendered to property owners.

Cost of Services

Our cost of services consist of (i) employee benefit expenses, (ii) maintenance expenses, (iii) expenses for utilities, (iv) cleaning and security expenses, (v) greening and gardening expenses, (vi) taxes and surcharges; (vii) office and communication expenses; and (viii) other expenses, which mainly comprise housekeeping and catering expenses, cost of inventories consumed, parking spaces expenses and depreciation and amortizaton. The general increase in cost of services during the Track Record Period was primarily attributable to the increase in our GFA under management resulting mainly from the expansion of our property management services business. The slower increase in cost of services in the first half of 2020 as compared to the past three years was mainly attributable to (i) the deduction 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 outbreak and (ii) the relatively slow increases in our employee, repair and maintenance, and utility expenses, mainly as a result of our effective cost control and the reduced demands of our daily services in early 2020 because of temporary lockdown measures implemented by PRC government due to the outbreak of COVID-19.

The following table sets forth the components of our total cost of services 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Employee benefit expenses	121,974	74.4	181,593	72.0	259,910	75.1	121,591	76.9	149,048	76.7
Maintenance expenses	12,607	7.7	26,806	10.6	30,644	8.9	11,440	7.2	12,810	6.6
Utilities expenses	12,585	7.7	17,989	7.1	21,787	6.3	11,474	7.3	12,369	6.4
Cleaning and security expenses	7,375	4.5	11,548	4.6	16,648	4.8	5,444	3.4	12,471	6.4
Greening and gardening expenses	3,657	2.2	5,276	2.1	5,526	1.6	2,747	1.7	1,724	0.9
Taxes and surcharges	1,629	1.0	2,962	1.2	3,480	1.0	1,640	1.0	1,817	0.9
Office and communication expenses	1,064	0.6	1,985	0.8	1,656	0.5	784	0.5	919	0.5
Other expenses[1]	3,133	1.9	4,201	1.6	6,546	1.8	3,108	2.0	3,199	1.6
Total	**164,024**	**100.0**	**252,360**	**100.0**	**346,197**	**100.0**	**158,228**	**100.0**	**194,357**	**100.0**

(1) Mainly include housekeeping and catering expenses, cost of inventories consumed, parking spaces expenses and depreciation and amortizaton.

During the Track Record Period, the main component of our cost of services was employee benefit expenses. The increase in employee benefit expenses during the Track Record Period was mainly due to the increase in the number of employees as a result of our business expansion and the increase in the average employee salary. See "—Key Factors Affecting Our Results of Operations-Ability to Mitigate the Impact of Rising Employee Benefit Expenses" and "Business—Business Strategies—Increase Investment in Intelligent Operational and Internal Management Systems to Enhance Service Quality and Customer Experience" for further discussion on our cost-saving measures.

Subcontracting costs mainly include the fees paid for the services outsourced to subcontractors, such as maintenance of elevator and fire extinguishing systems, gardening and waste cleaning. In 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, subcontracting costs amounted to approximately RMB14.4 million, RMB23.5 million, RMB33.9 million, RMB9.1 million and RMB17.1 million, respectively, accounting for approximately 8.8%, 9.3%, 9.8%, 5.7% and 8.8% of our total cost of services, respectively. The increase in subcontracting costs during the Track Record Period was mainly due 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 services by business line 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	133,898	81.6	199,719	79.1	281,859	81.4	129,887	82.1	166,041	85.5
Value-added services to non-property owners	23,218	14.2	42,130	16.7	50,210	14.5	22,963	14.5	20,482	10.5
Community value-added services	6,908	4.2	10,511	4.2	14,128	4.1	5,378	3.4	7,834	4.0
Total	**164,024**	**100.0**	**252,360**	**100.0**	**346,197**	**100.0**	**158,228**	**100.0**	**194,357**	**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)	16,782	10.2	24,175	9.6	29,989	8.7	15,366	9.7	16,487	8.5
Variable costs(2)	147,242	89.8	228,185	90.4	316,208	91.3	142,862	90.3	177,870	91.5
Total	**164,024**	**100.0**	**252,360**	**100.0**	**346,197**	**100.0**	**158,228**	**100.0**	**194,357**	**100.0**

(1) Our fixed costs consist of (i) expenses for utilities; (ii) office and communication expenses; and (iii) other expenses, which mainly comprised housekeeping and catering expenses, cost of inventories consumed, parking spaces expenses and depreciation and amortization.

(2) Our variable costs mainly consist of (i) employee benefit expenses; (ii) maintenance expenses; (iii) cleaning and security expenses; (iv) greening and gardening expenses; and (v) taxes and surcharges.

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	21.8	23.8	23.9	24.9	30.6
Assuming 10% increase in fixed costs					
Decrease in gross profit margin for the year/period	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)
Assuming 10% decrease in fixed costs					
Increase in gross profit margin for the year/period	0.8	0.7	0.7	0.7	0.6
Assuming 10% increase in variable costs					
Decrease in gross profit margin for the year/period	(7.0)	(6.9)	(7.0)	(6.8)	(6.3)
Assuming 10% decrease in variable costs					
Increase in gross profit margin for the year/period	7.0	6.9	7.0	6.8	6.3

Gross Profit and Gross Profit Margin

Our overall gross profit margin in 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 was 21.8%, 23.8%, 23.9%, 24.9% and 30.6%, respectively. Our overall gross profit margins are affected by gross profit margins for each of our business lines as well as fluctuations in our business mix. The gross profit margins for our value-added services to non-property owners and for our community value-added services were relatively high than that of the property management services, which were relatively more labor-intensive in nature. The upward trend of the overall gross profit margins during the Track Record Period primarily reflected the increase in our business scale, our implementation of cost effective measures and business expansion.

Our overall gross profit margin for the first half of 2020 was relatively high than our full-year overall gross profit margin in the past three years. The increases, other than the reasons described above, were 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 outbreak.

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

	Year ended December 31,						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	35,684	21.0	59,316	22.9	83,775	22.9	40,893	23.9	70,609	29.8
Value-added services to non-property owners . . .	7,111	23.4	14,428	25.5	17,289	25.6	8,344	26.7	9,968	32.7
Community value-added services	2,985	30.2	5,154	32.9	7,630	35.1	3,200	37.3	5,320	40.4
Total	**45,780**	**21.8**	**78,898**	**23.8**	**108,694**	**23.9**	**52,437**	**24.9**	**85,897**	**30.6**

Property Management Services

Gross profit margin for our property management services is largely affected by the consolidated effect of the average fee per sq.m. per month we charge for our property management services and our cost of services per sq.m. per month for providing such services. The average property management fees that we charge for property management services amounted to RMB1.05 per sq.m. per month, RMB1.21 per sq.m. per month, RMB1.32 per sq.m. per month and RMB1.43 per sq.m. per month in 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively. Our gross profit margin for property management services increased from 21.0% in 2017 to 22.9% in 2018, primarily due to (i) the increase in the average property management fees charged for the residential properties from RMB1.06 per sq.m. per month in 2017 to RMB1.12 per sq.m. per month in 2018; (ii) economies of scale as a result of our business expansion; and (iii) our implementation of cost-saving measures, such as application of automated tools, advanced technology and standardization of procedures. Our gross profit margin for property management services remained stable at 22.9% in 2018 and 2019, respectively. Our gross profit margin for property management services increased from 23.9% in the six months ended June 30, 2019 to 29.8% in the six months ended June 30, 2020, primarily due to (i) the reduction in or exemption of payment of social insurance contributions as a result of regulatory supportive policies issued by the local governments in response to the outbreak of COVID-19 and (ii) the relatively slow increases in our employee, repair and maintenance, and utility expenses, mainly as a result of our effective cost control and our limited provision of daily services in early 2020 because of temporary lockdown measures implemented by PRC government due to the outbreak of COVID-19.

The following table sets forth our gross profit and gross profit margin from property management services by type of property developer for the periods indicated:

	Year ended December 31,						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)*	*(%)*
Jiayuan Property Brand[1]	**34,355**	**21.0**	**54,238**	**23.1**	**67,193**	**23.2**	**32,864**	**24.0**	**50,027**	**30.1**
– Jiayuan International Group	13,143	19.8	22,454	23.0	29,011	23.0	14,013	24.0	21,455	29.9
– Jiayuan Chuangsheng Group	21,212	21.9	31,784	23.1	38,182	23.3	18,851	24.1	28,572	30.3
Third-party property developers[2]	**1,329**	**21.4**	**5,078**	**21.2**	**16,582**	**22.0**	**8,029**	**23.6**	**20,582**	**29.2**
– Projects solely developed by third-party property developers	1,329	21.4	5,010	21.2	15,786	21.9	7,692	23.5	19,823	29.2
– Jointly developed projects[3]	–	–	68	22.1	796	22.6	337	23.9	759	29.5
Total	**35,684**	**21.0**	**59,316**	**22.9**	**83,775**	**22.9**	**40,893**	**23.9**	**70,609**	**29.8**

(1) Includes properties solely developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and properties that Jiayuan Property Brand jointly developed with other third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand held an equity interest of over 50%.

(2) Such third-party property developers include the substantial shareholders of Hunan Huaguan, which were independent of our Company, until our acquisition of 65% equity interest in it in December 2019.

(3) Include properties jointly developed by Jiayuan Property Brand and independent third-party property developers. Each jointly developed project was developed by one project company, in which Jiayuan Property Brand did not hold an equity interest of more than 50%.

The gross profit margins of property management services relating to properties developed by Jiayuan Property Brand, which comprises Jiayuan International Group and Jiayuan Chuangsheng Group, and properties developed by third parties during the Track Record Period were relatively comparable, and the slight higher gross profit margin relating to the properties developed by Jiayuan Property Brand than those relating to properties developed by third-party property developers in 2018, 2019 and the first half of 2020, primarily because, as compared to the properties developed by third-party property developers, a relatively high percentage of our managed properties developed by Jiayuan Property Brand managed by us during such period were located in first- and second-tier cities and/or prime locations of second-tier cities, and thus our gross profit margins relating to such properties developed by Jiayuan Property Brand were relatively high.

The following table sets forth our gross profit and gross profit margin from property management services by property type for the periods indicated:

	Year ended December 31,						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)*	*(%)*
Residential properties	32,243	21.1	48,268	22.7	71,047	22.9	34,475	23.9	60,294	29.8
Non-residential properties	3,441	20.1	11,048	23.6	12,728	23.1	6,418	24.2	10,315	30.2
Total	**35,684**	**21.0**	**59,316**	**22.9**	**83,775**	**22.9**	**40,893**	**23.9**	**70,609**	**29.8**

Value-Added Services to Non-Property Owners

Gross profit for value-added services to non-property owners increased significantly to RMB14.4 million in 2018 from RMB7.1 million in 2017, and further by 19.8% to RMB17.3 million in 2019. Such increases were primarily due to our overall business growth. Gross profit for value-added services to non-property owners increased by 19.5% from RMB8.3 million in the six months ended June 30, 2019 to RMB10.0 million in the six months ended in June 30, 2020, primarily because we increased our fee charged for sales management services in the six months ended June 30, 2020, in particular, with respect to Jiayuan Property Brand, given our proven track record and quality services. Our gross profit margin from value-added services to non-property owners increased from 23.4% in 2017 to 25.5% in 2018, primarily attributable to an increasing number of projects under development for property developers in 2018 and our enhanced efforts to improve operational efficiency. Gross profit margin from value-added services to non-property owners remained relatively stable at 25.5% and 25.6% in 2018 and 2019, respectively. Our gross profit margin from value-added services to non-property owners increased from 26.7% in the six months ended June 30, 2019 to 32.7% in the six months ended June 30, 2020, primarily because we increased our fee charged for sales management services in the six months ended June 30, 2020, in particular, with respect to Jiayuan Property Brand, given our proven track record and quality services; and, to a lesser extent, attributable to the deduction 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 outbreak. Our gross profit margin for value-added services to non-property owners for the first half of 2020 was relatively high than our relevant full-year gross profit margin in the past three years. The increase, other than the reasons described above, was also attributable to the deduction 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 outbreak.

Community Value-Added Services

Gross profit of our community value-added services increased by 72.7% to RMB5.2 million in 2018 from RMB3.0 million in 2017, and further by 48.0% to RMB7.6 million in 2019. Gross profit of our community value-added services increased by 66.3% from RMB3.2 million in the six months ended June 30, 2019 to RMB5.3 million in the six months ended in June 30, 2020. Such increases were generally corresponding to our overall business growth. Gross profit margin for our community value-added services was 30.2%, 32.9%, 35.1%, 37.3% and 40.4%, respectively, in 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020. The gross profit margin for our community value-added services experienced an upward trend during the Track Record Period, primarily reflecting (i) the economies of scale achieved as we provided value-added services to an increasing number of projects; (ii) our optimization of labor force through adoption of various technological initiatives and standardized procedures; (iii) our continued efforts to diversify our service offerings; and (iv) in the first half of 2020 the deduction 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 outbreak. Our gross profit margin for community value-added services for the first half of 2020 was relatively high than our relevant full-year gross profit margin in the past three years. The increase, other than the reasons described above, was also attributable to the deduction 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 outbreak.

The gross profit margins for our community value-added services were higher than those for the other two business lines during the Track Record Period, primarily because community value-added services, such as home-living services and common area value-added services, were generally less labor-intensive than property management services and value-added services to non-property owners and therefore had lower costs.

Other Income and Expenses, Net

The following table sets forth the components of our net other income and expenses for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
			(RMB'000)		
				(unaudited)	
Car park handling fee	–	2,546	1,454	672	96
Value-added tax refund	14	17	1,134	251	1,249
Government grant	509	246	592	407	2,253
Compensation income	–	1,103	–	–	–
Interest income					
– on advances to a third party	–	–	1,192	626	–
– on amounts due from related parties	2,213	–	124	62	51
– on bank deposits	60	53	48	21	42
Late fees	(1,202)	(2,087)	(3,023)	(1,321)	(1,440)
Others[(1)]	259	(29)	194	149	385
Total	**1,853**	**1,849**	**1,715**	**867**	**2,636**

(1) Others mainly include donation and sundry income and/or losses such as receipts from insurance claims and sales of wastages.

Car park handling fee represents income we recognized for operating certain car parks of Jiayuan Chuangsheng Group. We leased carparks from Jiayuan Chuangsheng Group in Hangzhou and subleased such carparks to users for rents. We collected and recognized a portion of rents as our service fee income and carpark users bear the cost of maintaining the car parks. The income from such services generally decreased during the Track Record Period, mainly as we did not intend to continue such services which is not our core business.

Value-added tax refund is mainly as a result of the newly issued tax regulations on value-added tax deductions in April 2019 which allows the taxpayers in the home-living service industries to enjoy additional 10% input value-added tax deduction.

Compensation income from a property developer, Jiayuan International Group, to us for provision of special after-delivery repair and maintenance services in 2018.

Government grant which mainly comprised government subsidies to support local corporate and economic development and to encourage our effort of stabilizing employment and providing high standard property management services. Our government grant increased significantly from RMB0.4 million to RMB2.3 million, primarily due to the government subsidies for staff retention and property management industry as a result of regulatory supportive policies issued by the local governments in response to the outbreak of COVID-19.

Interest income on amounts due from related parties of RMB2.2 million recorded in 2017 was in relation to our advance to Taizhou Heyuan in 2016 with a principal amount of RMB94.0 million and an annual interest rate of 7.5% which was due and fully settled in April 2017. We entered into a working capital financing agreement (the "**Trust Financing Arrangement**") with Bank Of Communications Trustee Limited, an independent third-party trust company, in April 2016 for the purpose of providing financing to Taizhou Heyuan as part of Jiayuan International's internal cash allocation plan with a principal amount of RMB94.0 million and a fixed annual interest rate of 7.5%. The amount was guaranteed by Jiaxing Longma Plastic Steel Product Co., Ltd. (嘉興龍馬塑鋼製品有限公司), a related party of us. We advanced the entire amount to our related party, Taizhou Heyuan, in April 2016 to support its business operations with the same principal amount and at the same interest rate as the Trust Financing Arrangement, and accordingly, recorded interest expense of RMB2.2 million in 2017. Such advance was made after taking into account the then overall capital management within our Group and the financial resources available to us. Taizhou Heyuan had fully repaid the outstanding amount to us in April 2017. The Trust Financing Arrangement ended upon our full repayment in 2017. The interest income on amounts due from related parties of RMB0.1 million recorded in 2019 was in relation to the advance to our Director, Mr. Zhu, in December 2017 with a principal amount of RMB2.6 million which we started to charge an annual interest rate of 4.75% beginning on January 1, 2019 and was fully settled as of June 30, 2020. Our Group does not intend to have financing arrangement with related parties in the future. See "—Selected Items of The Statements of Financial Position—Other Receivables" and "—Related Party Transactions and Balances" for further details on amounts due to related parties.

Interest income arises from advances to a third party recorded in 2019 in relation to our one-off advance to a third-party supplier of Jiayuan International Group, our controlling shareholder, to maintain their business relationship with a principal amount of approximately RMB37.3 million and an annual interest rate of 4.35% using our own working capital, and such advance was fully settled in January 2020.

Pursuant to Article 61 of the General Lending Provisions (貸款通則) issued by the PBOC financing arrangements or lending transactions between non-financial institutions are prohibited. Further, pursuant to Article 73 of the General Lending Provisions, the PBOC may impose on the non-compliant lender a fine of one to five times the income received by the lender from such loans. However, according to our PRC Legal Advisers, our advances to Taizhou Heyuan in 2016 and advance to a third party in 2019 were legally binding on the related parties or third parties although they were not fully in compliance with the General Lending Provisions. According to the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (最高人民法院關於審理民間借貸案件適用法律若干問題的規定) (the "**Judicial Interpretations on Private Lending Cases**") which came into effect on September 1, 2015 and was amended on August 20, 2020, the Supreme People's Court recognizes the validity and legality of financing arrangements and lending transactions between non-financial institutions so long as certain requirements, such as the interest rates not exceeding four times of the relevant one-year benchmark rate, are satisfied. The PRC courts will also support a company's claim for interest charged on such a loan made for the purposes of supporting production or business operations. For illustration purposes, in a case that the General Lending Provisions prevail given it is a regulation and its legal hierarchy is higher than the Judicial Interpretations on Private Lending Cases, the potential maximum penalty that may be imposed on us under the General Lending Provisions would be approximately RMB11.0 million for 2017, RMB6.5 million for 2019, and RMB0.5 million for the six months ended June 30, 2020, being five times the interest income we received from the above-mentioned advance to Taizhou Heyuan in 2016 and advances to a third party in 2019. Nonetheless, considering that (i) the above-mentioned advance to Taizhou Heyuan in 2016 by us was made for the purposes of supporting its business operations with the same principal amount and at the same interest rate as the Trust Financing Arrangement, and Taizhou Heyuan had fully repaid the outstanding amount to us in April 2017; (ii) the above-mentioned advances to a third party, which was a supplier of Jiayuan International Group, our controlling shareholder, was made for the purpose of maintaining their business relationship and such advance was fully settled in January 2020; (iii) we did not intend to benefit from making such advances; (iv) according to the on-site consultation with relevant competent authorities, Jiaxing branches of China Banking Regulatory Committee (the "**CBRC**") and the PBOC, the CBRC will not impose administrative penalties on non-financial institutions like us and the PBOC interprets the validity and legality of financing arrangements and lending transactions pursuant to the Judicial Interpretations on Private Lending Cases; (v) up to the Latest Practicable Date, we did not receive any penalties, investigation or notice from relevant competent authorities in relation to such borrowings; and (vi) our Directors confirm that our Group will not enter into similar financing arrangement with related parties and/or non-financing institutional third parties in the future, our PRC Legal Advisor is of the view that (i) such loans were legally binding on the related parties or third parties; and (ii) the risk of us being penalized pursuant to the General Lending Provisions for the above mentioned borrowings is low. As such, no provision for the above-mentioned incident was made.

Late fees relate to underpaid income tax. See "Income Tax Expenses" for further details.

Others mainly represent donation, sundry income and/or losses such as receipts from insurance claims and sales of wastages.

Impairment Losses on Financial Assets

Our impairment losses on financial assets primarily are provisions for losses arising from potential bad debts in respect of our trade receivables and other receivables in the ordinary course of business. In 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, we recorded impairment losses on financial assets of RMB5.5 million, RMB7.5 million, RMB4.9 million, RMB2.4 million and RMB4.0 million, respectively, mainly relating to the changes in allowance for impairment of trade receivables due from third parties for property management services.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (i) advertising expenses, which was mainly incurred for holding marketing events and activities, such as exhibitions, sport games, talent shows and booths, to facilitate our brand promotion and business expansion; (ii) employee benefit expenses; (iii) maintenance and business development expenses; (iv) office expense mainly relating to postal expenses; and (v) expenses for utilities mainly relating to water and electricity charges. The increase in our selling and marketing expenses from 2017 to 2019 was mainly a result of our increased advertising expenses and employee benefit expenses, in line with our overall business expansion.

The following table sets forth the components of our selling and marketing expenses 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Advertising expenses	816	49.9	1,695	55.2	3,777	51.0	1,500	55.2	1,916	54.8
Employee benefit expenses	425	26.0	804	26.2	2,227	30.1	845	31.1	1,225	35.0
Maintenance and business development expenses	67	4.1	83	2.7	132	1.8	55	2.0	107	3.1
Office expenses	181	11.1	59	1.9	774	10.5	197	7.3	137	3.9
Utilities	74	4.5	181	5.9	168	2.3	67	2.5	41	1.2
Others[(1)]	73	4.4	247	8.1	322	4.3	52	1.9	69	2.0
Total	**1,636**	**100.0**	**3,069**	**100.0**	**7,400**	**100.0**	**2,716**	**100.0**	**3,495**	**100.0**

(1) Others mainly include amortization of intangible assets and miscellaneous expenses incurred for procurement of consumables and providing sales of grocery services.

Administrative Expenses

Our administrative expenses mainly consist of (i) listing expense; (ii) depreciation and amortization; (iii) employee benefit expenses for our management and administrative staff; (iv) office expenses such as rental, communication and utility expenses; (v) maintenance and business development expenses such as traveling expenses, transportation expenses, catering expenses and other expenses incurred for repair and maintenance; (vi) bank charges; and (vii) cleaning and security expenses. The general increase in administrative expenses during the Track Record Period was in line with our business expansion.

The following table sets forth a breakdown of our administrative expenses 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Listing expense	–	–	–	–	–	–	–	–	13,451	44.2
Depreciation and amortization	1,792	13.6	2,480	11.5	2,908	9.9	1,517	14.6	4,667	15.3
Employee benefit expenses	2,880	21.8	5,592	25.9	11,610	39.6	2,726	26.2	4,153	13.6
Office expenses	3,606	27.3	6,435	29.8	5,805	19.8	2,620	25.2	3,595	11.8
Maintenance and business development expenses	3,019	22.9	4,346	20.1	5,775	19.7	2,447	23.5	3,169	10.4
Bank charges	618	4.7	935	4.3	1,245	4.3	603	5.8	874	2.9
Cleaning and security expenses	739	5.6	878	4.1	733	2.5	354	3.4	469	1.5
Others(1)	550	4.1	960	4.3	1,237	4.2	147	1.3	75	0.3
Total	**13,204**	**100.0**	**21,626**	**100.0**	**29,313**	**100.0**	**10,414**	**100.0**	**30,453**	**100.0**

(1) Others mainly include other miscellaneous expenses such as expenses for housekeeping and catering.

Finance Costs

Our finance costs mainly consist of interest expense on bank borrowings and interest expense on lease liabilities due to the of adoption of HKFRS 16. We have only recorded interest expense on bank borrowings of RMB2.2 million in 2017 with an annual interest rate of 7.5%. The principal and relevant interest payable of such bank borrowings were fully repaid in April 2017.

The following table sets forth the components of our finance 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)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Interest expense on lease liabilities	15	0.7	14	100.0	19	100.0	9	100.0	49	100.0
Interest expense on bank borrowings	2,213	99.3	–	–	–	–	–	–	–	–
Total	**2,228**	**100.0**	**14**	**100.0**	**19**	**100.0**	**9**	**100.0**	**49**	**100.0**

Share of Results of Investments Accounted for Using the Equity Method

In 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, our share of results of investments accounted for using the equity method amounted to nil, nil, RMB0.4 million, RMB0.1 million and RMB1.6 million, respectively. Our share of results of investments accounted for using the equity method during the Track Record Period was related to (i) our investment in two joint ventures, namely, Chongqing Jiabao Property Services Company Limited (重慶佳寶物業服務有限公司) ("**Chongqing Jiabao**") and Zhejiang Xingjia Property Services Company Limited (浙江星佳物業服務有限公司) ("**Zhejiang Xingjia**"), in each of which we held a 51% equity interest as of June 30, 2020. According to the articles of association of Chongqing Jiabao and Zhejiang Xingjia, all significant and relevant matters of the entities require unanimous consent by all shareholders, and our Group was therefore not deemed to have control over Chongqing Jiabao and Zhejiang Xingjia, and thus, Chongqing Jiabao and Zhejiang Xingjia, are accounted for as joint ventures of our Group; and (ii) our investment in an associate, namely, Hunan Beileide Property Service Company Limited (湖南貝雷德物業管理有限公司), which we held 8% equity interest as of June 30, 2020. See note 19 to the Accountant's Report in Appendix I to this prospectus for more details.

Income Tax Expense

Our income tax mainly comprises PRC EIT at a tax rate of 25% on taxable profits of our subsidiaries incorporated in the PRC. Some subsidiaries of our Group are qualified as small low-profit enterprises and thus subject to a preferential tax rate of 5% or 10% during the Track Record Period.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, we were not subject to any income tax in Cayman Islands and the BVI during the Track Record Period. In addition, the income tax rate applicable to entities incorporated in Hong Kong is 16.5%. No provision for Hong Kong profits tax was made because we did not have any income arising in or derived from Hong Kong during the Track Record Period.

Income tax comprises current tax and movements in deferred tax assets and liabilities. Current tax represents the estimated tax payable on the taxable income for the reporting period, using tax rates enacted as of the end of such reporting period, plus any adjustment to tax payable in respect of previous reporting periods. See note 13 and note 28 to the Accountant's Report in Appendix I to this prospectus for more information on the deferred tax assets and liabilities.

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
			(RMB'000)		
				(unaudited)	
Current income tax	9,311	16,884	21,721	11,058	18,436
Deferred income tax	(2,551)	(4,118)	(3,631)	(1,732)	(2,567)
Total	**6,760**	**12,766**	**18,090**	**9,326**	**15,869**

In 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, our effective income tax rate, calculated as income tax expenses divided by profit before taxation, was 26.9%, 26.3%, 26.5%, 24.6% and 30.4%, respectively, generally in line with the PRC statutory corporate income tax rate of 25%. The increase in the effective income tax rate in the six months ended June 30, 2020 was mainly due to the listing expenses which is not tax-deductible.

We make our annual tax filings in accordance with the EIT Law requirement, which provides that the annual tax filings for a year (the "**EIT Annual Tax Filing**") shall be made and any final tax payment shall be settled within five months after the relevant year end. We recorded current income tax expenses of RMB9.3 million, RMB16.9 million, RMB21.7 million, RMB11.1 million and RMB18.4 million, respectively, for 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020. We paid income tax of RMB5.3 million, RMB6.2 million, RMB16.4 million, RMB11.6 million and RMB34.6 million, respectively, in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020. See "Appendix I—Accountant's Report—I. Historical Financial Information—Consolidated Statements of Cash Flows" for more details on our income tax paid. The differences between the tax payments and the current income tax expenses were mainly due to the tax adjustments in relation to the timing difference in tax computation for the years from 2014 to 2019.

Before the adoption of the Accrual Basis (as defined below) for tax computation in the preparation of our EIT Annual Tax Filing for 2019 as discussed below, we calculated taxes based on the amounts of property management fees we received and relevant expenses that we paid (the "**Cash Basis**") in the relevant year. We originally adopted the Cash Basis, rather than the Accrual Basis (as defined below), mainly because the personnel responsible for preparing our tax filings mistakenly believed that tax filings should be prepared based on the revenue earned under the Cash Basis which was consistent with how the relevant subsidiaries kept their books in the past. Pursuant to the relevant PRC requirements, accounts to be filed for income tax computation purpose should, in principle, be determined based on when the revenue from the delivery of goods or rendering of services to customer is earned (the "**Accrual Basis**"), regardless of the timing of payment or collections; and for value-added tax computation purpose, it should be determined on the basis of the occurrence of the taxable activities and the earlier of payments being received by us or us having achieved the basis upon which we would be entitled to such payments. Upon identification of this issue when preparing our consolidated financial statement for the Listing, we took the initiative to inform the local tax authorities and adopted the Accrual Basis in preparing our EIT Annual Tax Filing for 2019. We also applied such change to adopt the Accrual Basis retrospectively, refiled our tax returns to the PRC tax authorities for the years from 2016 to 2019 (as instructed by the local tax authorities, adjustments and payment of underpaid income tax and corresponding late fee for 2014 and 2015 were made under EIT Annual Tax Filing for 2016) and paid the underpaid income tax and corresponding late fee in an aggregate amount of approximately RMB21.1 million for the years from 2014 to 2019 (where applicable) for all of our relevant PRC subsidiaries and branch companies to rectify such differences, except for one of our branch companies (the "**Remaining Branch Company**") with respect to which, to the best of our Directors knowledge and belief having made all reasonable enquiries, we were unable to refile tax returns and to pay the additional tax payable and late fee in an aggregate amount of approximately RMB0.02 million due to the technical issue of the tax payment systems of the local tax authority. We plan to settle such taxes and late fee as soon as the technical issue is resolved.

Save for the abovementioned Remaining Branch Company, our Directors confirmed that we had no tax payment or late fee outstanding for the Track Record Period and as of the date of this prospectus. 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 since the identification of the issue in relation to the Cash Basis; (iii) we have re-filed the tax filings adopting the Accrual Basis, paid the underpaid income tax and corresponding late fee and no tax payment or late fee was outstanding, save for the outstanding amount for the Remaining Branch Company; (iv) income tax expenses have been properly provided for in accordance with the Accrual Basis and late fee paid has been properly recorded as other expenses; and (v) we have obtained the confirmation letters from the relevant tax authorities in respect of each of the relevant PRC subsidiaries which re-filed the tax filings, which, as advised by our PRC tax advisor, Beijing Yingke Law Firm (Shanghai Office), are the competent authorities to issue such confirmation letters, confirming that in respect of the relevant PRC subsidiaries, no tax payment or late fee was outstanding during the Track Record Period or that no administrative penalty would be imposed on us in relation to the abovementioned tax filing matters, our PRC tax advisor, Beijing Yingke Law Firm (Shanghai Office), is of the view that we had fully settled the abovementioned tax payment and late fee according to the relevant PRC laws and regulations except for the amount of additional tax payable and late fee in respect of the Remaining Branch Company as mentioned above, and the risk of the relevant PRC tax authorities imposing criminal and administrative penalty on us due to the abovementioned tax filing matters is remote. As such, our Directors are of the view that the tax filing matters discussed above would not have any material and adverse impact on our business, financial performance and results of operations.

To prevent the recurrence of similar incidents, we have implemented the following enhanced internal control measures in the second quarter of 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.

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.

RESULTS OF OPERATIONS

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2019

Revenue

Our revenue increased by 33.0% from RMB210.7 million in the six months ended June 30, 2019 to RMB280.3 million in the six months ended June 30, 2020, primarily attributable to our overall business growth.

- ***Revenue from property management services.*** Revenue from property management services increased by 38.6% from RMB170.8 million in the six months ended June 30, 2019 to RMB236.7 million in the six months ended June 30, 2020, primarily attributable to (i) the rapid growth of our GFA under management mainly from our managed properties obtained through the strategic acquisition of Hunan Huaguan in late 2019, and (ii) the increase in the average property management fee mainly because we were able to charge higher property management fees for our services to certain new properties delivered for our management given our proven track record and enhanced brand name, as well as the increase in occupancy rate of existing projects under our management on which we generated higher revenue from providing property management services during the respective period.

- ***Revenue from value-added services to non-property owners.*** Revenue from value-added services to non-property owners decreased slightly from RMB31.3 million in the six months ended June 30, 2019 to RMB30.5 million in the six months ended June 30, 2020. This decrease was primarily attributable to the decrease in our revenue from sales management services, mainly attributable to the impact from the outbreak of COVID-19 which had reduced on-site sales activities of the property developers which therefore required fewer services from us for sales management, while we expect to make up for the decrease in the services income in the second half of 2020 after the relevant development activities of the property developers gradually resume.

- ***Revenue from community value-added services.*** Revenue from community value-added services increased by 53.3% from RMB8.6 million in the six months ended June 30, 2019 to RMB13.2 million in the six months ended June 30, 2020. This increase mainly reflected the increases in revenue generated from provision of home-living services, common area value-added services and sales assistance services we rendered to property owners, which were primarily driven by the growth in properties under our management and the increased number of residents to whom we provided community value-added services. In addition, the increase in revenue from common area value-added services were also due to the increased revenue from assisting property owners with (i) rental of common area resulting from the increased GFA from our managed properties which were obtained through our acquisition of Hunan Huaguan and (ii) advertising in common areas at our managed properties resulting from the increased GFA in Jiaxing newly delivered to us for management. The increase in revenue from sales assistance services we rendered to property owners mainly reflected our increased provision of such services in Hefei.

Cost of Services

Our cost of services increased by 22.8% to RMB194.4 million in the six months ended June 30, 2020 from RMB158.2 million in the six months ended June 30, 2019, primarily as a result of (i) our increased employee benefit expenses, mainly driven by our increased number of employees, and (ii) our increased cleaning and security expenses, mainly resulting from the increase number of properties under management, driven by our increased business scale. The growth rate of our employee benefit expenses to RMB149.0 million in the six months ended June 30, 2020 from RMB121.6 million in the six months ended June 30, 2019 was slower than the growth rate of our revenue during the same period, mainly attributable to the deduction 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 outbreak.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 63.8% from RMB52.4 million in the six months ended June 30, 2019 to RMB85.9 million in the six months ended June 30, 2020.

- ***Property management services.*** Our gross profit from property management services increased by 72.7% from RMB40.9 million in the six months ended June 30, 2019 to RMB70.6 million in the six months ended June 30, 2020, and gross profit margin from property management services increased from 23.9% in the six months ended June 30, 2019 to 29.8% in the six months ended June 30, 2020, primarily due to (i) the reduction in or exemption of payment of social insurance contributions as a result of regulatory supportive policies issued by the local governments in response to the outbreak of COVID-19; and (ii) the relatively slow increases in our employee, repair and maintenance, and utility expenses, mainly as a result of our effective cost control and our limited provision of daily services because of lockdown measures implemented by PRC government due to the outbreak of COVID-19.

- ***Value-added services to non-property owners.*** Our gross profit from value-added services to non-property owners increased by 19.5% from RMB8.3 million in the six months ended June 30, 2019 to RMB10.0 million in the six months ended June 30, 2020. Gross profit margin from value-added services to non-property owners increased from 26.7% in the six months ended June 30, 2019 to 32.7% in the six months ended June 30, 2020, primarily because we increased our fee charged for sales management services in the six months ended June 30, 2020, in particular, with respect to Jiayuan Property Brand, given our proven track record and quality services; and, to a lesser extent, attributable to the deduction 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 outbreak.

- ***Community value-added services.*** Our gross profit from community valued-added services increased by 66.3% from RMB3.2 million in the six months ended June 30, 2019 to RMB5.3 million in the six months ended June 30, 2020 and gross profit margin from community value-added services increased from 37.3% in the six months ended June 30, 2019 to 40.4% in the six months ended June 30, 2020, mainly (i) because we provided value-added services to an increasing number of property management projects as a result of our enhanced efforts to diversify our services offerings and greater economies of scale; and, to a lesser extent, (ii) attributable to the deduction 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 outbreak.

Other Income and Expenses, Net

Our net other income increased from RMB0.9 million in the six months ended June 30, 2019 to RMB2.6 million in the six months ended June 30, 2020, mainly due to the increases in (i) government grants mainly due to the government subsidies for staff retention and property management industry because of regulatory supportive policies issued by the local governments in response to the outbreak of COVID-19, and (ii) value-added tax refund mainly as a result of the tax regulations on value-added tax deductions issued in April 2019 which allows the taxpayers in the home-living service industries to enjoy additional 10% input value-added tax deduction.

Impairment Losses on Financial Assets

In the six months ended June 30, 2019 and 2020, we recorded impairment losses on financial assets of RMB2.4 million and RMB4.0 million.

Selling and Marketing Expenses

Our selling and marketing expenses increased from RMB2.7 million in the six months ended June 30, 2019 to RMB3.5 million in the six months ended June 30, 2020, mainly as a result of our increased advertising expenses and employee benefit expenses, corresponding to our overall business expansion.

Administrative Expenses

Our administrative expenses increased significantly to RMB30.5 million in the six months ended June 30, 2020 from RMB10.4 million in the six months ended June 30, 2019, primarily due to (i) listing expenses of RMB13.5 million, (ii) the increase in depreciation and amortization; and (iii) employee benefit expenses for our administrative staff. The increase in our employee benefit expenses was mainly due to the combined effect of (i) an increase in the headcount of reserve management staff for our further business expansion, and (ii) an growth in average salary of senior management.

Finance Costs

We recognized finance costs of RMB9,000 and RMB49,000 in the six months ended June 30, 2019 and 2020, respectively, which related to interest expenses incurred on lease liabilities.

Share of Results of Investments Accounted for Using the Equity Method

In the six months ended June 30, 2019 and 2020, our share of results of investments accounted for using the equity method amounted to RMB0.1 million and RMB1.6 million, respectively, mainly relating to our investment in Chongqing Jiabao a joint venture that we held 51% equity interests as of June 30, 2020. See note 19 to the Accountant's Report in Appendix I to this prospectus for more details.

Income Tax Expenses

Our income tax expense increased by 70.2% from RMB9.3 million in the six months ended June 30, 2019 to RMB15.9 million in the six months ended June 30, 2020, primarily due to increase in our profit before taxation. Our effective tax rate increased from 24.5% for the six months ended June 30, 2019 to 30.1% for the six months ended June 30, 2020, primarily due to non-deductible listing expense incurred in the six months ended June 30, 2020.

Profit and Total Comprehensive Income for the Period

As a result of the foregoing, our profit and total comprehensive income for the year increased by 27.0% from RMB28.5 million in the six months ended June 30, 2019 to RMB36.3 million in the six months ended June 30, 2020.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Revenue

Our revenue increased by 37.3% from RMB331.3 million in 2018 to RMB454.9 million in 2019, primarily attributable to our overall business growth.

- ***Revenue from property management services.*** Revenue from property management services increased by 41.2% from RMB259.0 million in 2018 to RMB365.6 million in 2019, primarily attributable to (i) an increase in our total GFA under our management to 26.1 million sq.m. as of December 31, 2019 from 19.2 million sq.m. as of December 31, 2018. The increase in the total GFA under management was primarily as a result of our business expansion through organic growth and strategic acquisitions, as well as our strengthened market outreach capabilities to engage more properties under management developed by third-party developers to diversify our project portfolio. The number of projects under management increased from 99 projects as of December 31, 2018 to 124 projects as of December 31, 2019, excluding the 17 properties managed by Hunan Huaguan, the 65% interest of which was acquired by us in December 2019 as the revenue from these properties was not combined with our Group in 2019. The increase was primarily attributable to (a) 11 projects developed by Jiayuan Property Brand, (b) 12 projects developed by third-party property developers secured directly by us, and (c) two newly delivered projects in Zhejiang province contributed by Jiaxing Xingzhou upon our acquisition of it in January 2019; and (ii) the increase in our average property management fee from RMB1.21 per sq.m. per month in 2018 to RMB1.32 per sq.m. per month in 2019, which was primarily due to higher average property management fees charged for the residential properties from RMB1.12 per sq.m. per month in 2018 to RMB1.26 per sq.m. per month in 2019, mainly relating to newly delivered projects in Jiangsu and Zhejiang provinces to us for management.

- ***Revenue from value-added services to non-property owners.*** Revenue from value-added services to non-property owners increased by 19.3% from RMB56.6 million in 2018 to RMB67.5 million in 2019. This increase was primarily attributable to our overall business expansion, in particular the growth in our revenue from sales management services due to our expanded project portfolio under management and the increase in projects, including pre-sale display units and sales offices, delivered to us for management in 2019. The increase was also a result of our continued efforts to diversify the services we provided to our customers, including sales management services, preliminary planning and design consultancy services, pre-delivery cleaning and inspection services and car park sales assistance services in 2019.

- ***Revenue from community value-added services.*** Revenue from community value-added services increased by 38.9% from RMB15.7 million in 2018 to RMB21.8 million in 2019. This increase was primarily driven by our overall business expansion, particularly the increases in revenue generated from provision of home-living services, common area value-added services, car park leasing assistance services and sales of groceries, resulting from the growth in properties under our management and the increased number of residents to whom we provided community value-added services, as well as the enhanced efforts to diversify our service offerings to address evolving customers' demands. In addition, the increase in revenue from common area value-added services was also due to the increased revenue from assisting property owners with rental of common area resulting from the increased GFA through our acquisition of Hangzhou Minan. The increase in revenue from sales of groceries mainly reflected our enhanced efforts to expand such services to our managed properties in Jiaxing, Hefei and Taixing.

Cost of Services

Our cost of services increased by 37.2% to RMB346.2 million in 2019 from RMB252.4 million in 2018, primarily due to (i) an increase in labor costs as a result of an increase of our employee number, generally in line with our overall business growth, and an increase in average salary; and (ii) the increases in utilities costs, maintenance costs, and cleaning and security expenses which were in line with the increase in properties under our management.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 37.8% from RMB78.9 million in 2018 to RMB108.7 million in 2019. Our overall gross profit margin remained relatively stable at 23.8% and 23.9% in 2018 and 2019, respectively.

- ***Property management services.*** Our gross profit from property management services increased by 41.3% from RMB59.3 million in 2018 to RMB83.8 million in 2019, and gross profit margin from property management services remained stable at 22.9% in 2018 and 2019.

- ***Value-added services to non-property owners.*** Our gross profit from value-added services to non-property owners increased by 23.4% from RMB14.4 million in 2018 to RMB17.3 million in 2019 and gross profit margin from value-added services to non-property owners remained relatively stable at 25.5% and 25.6% in 2018 and 2019, respectively.

- ***Community value-added services***. Our gross profit from community valued-added services increased by 46.2% from RMB5.2 million in 2018 to RMB7.6 million in 2019 and gross profit margin from community value-added services increased from 32.9% in 2018 to 35.1% in 2019, as a result of our enhanced efforts to diversify our service offerings and greater economies of scale.

Other Income and Expenses, Net

We recognized net other income of RMB1.8 million in 2018, primarily relating to (i) our car park handling fee income of RMB2.5 million in 2018 we recognized for operating car parks of Jiayuan Chuangsheng Group and (ii) a non-recurring compensation income of RMB1.1 million from a property developer, Jiayuan International Group, for our provision of certain repair and maintenance services after delivery in 2018, partially offset by the late fees of RMB2.1 million we recognized for underpaid income tax.

We recognized net other income of RMB1.7 million in 2019, mainly relating to the late fees of RMB3.0 million we recognized for underpaid income tax, partially offset by (i) our car park handling fee income of RMB1.5 million; (ii) the value-added tax refund of RMB1.1 million mainly as a result of the newly issued tax regulations on value-added tax deductions in April 2019 which allows the taxpayers in the home-living service industries to enjoy additional 10% input value-added tax deduction; and (iii) the one-off interest income of RMB1.2 million on advance to a third-party supplier of Jiayuan International Group with a principal amount of approximately RMB37.3 million and an annual interest rate of 4.35% using our own working capital, and such advance was fully settled in January 2020.

See "—Description of Certain Consolidated Statements of Comprehensive Income Items—Income Tax Expenses" for further details.

Impairment Losses on Financial Assets

In 2018 and 2019, we recorded impairment losses on financial assets of RMB7.5 million and RMB4.9 million, respectively, representing a decrease of approximately RMB2.6 million. Such decrease was primarily due to the decrease in allowance for impairment of trade receivables due from third parties for our property management services as of December 31, 2019.

Selling and Marketing Expenses

Our selling and marketing expenses increased significantly from RMB3.1 million in 2018 to RMB7.4 million in 2019, mainly as a result of our increased advertising expenses and employee benefit expenses, corresponding to our overall business expansion. The significant increase in advertising expenses in 2019 was mainly due to the increase in our marketing activities, such as promotions in exhibitions, media and industry association.

Administrative Expenses

Our administrative expenses increased by 35.5% to RMB29.3 million in 2019 from RMB21.6 million in 2018, primarily due to the increases in (i) employee benefit expenses for our administrative staff, and (ii) maintenance and business development expenses incurred for daily operations, generally in line with our business growth. The increase in our employee benefit expenses from approximately RMB5.6 million to approximately RMB11.6 million was mainly due to the combined effect of (i) an increase in the headcount of management and administrative staff as a result of our increased property management projects and in view of our further business expansion, (ii) an increase in employee benefit expenses of senior management in 2019 and (iii) the growth in average salary of administrative staff in 2019.

Finance Costs

We recognized finance costs of RMB14,000 and RMB19,000 in 2018 and 2019, respectively, which related to interest expenses incurred on lease liabilities.

Share of Results of Investments Accounted for Using the Equity Method

In 2018 and 2019, our share of results of investments accounted for using the equity method amounted to nil and RMB0.4 million, respectively, mainly relating to (i) our investment in two joint ventures, namely, Chongqing Jiabao and Zhejiang Xingjia, in each of which we held 51% equity interests as of December 31, 2019, and (ii) our investment in an associate, namely, Hunan Beileide Property Service Company Limited (湖南貝雷德物業管理有限公司), which we held 8% equity interest as of December 31, 2019. See note 19 to the Accountant's Report in Appendix I to this prospectus for more details.

Income Tax Expenses

Our income tax expense increased by 41.7% from RMB12.8 million in 2018 to RMB18.1 million in 2019, primarily due to an increase in our profit before taxation.

Profit and Total Comprehensive Income for the Year

As a result of the foregoing, our profit and total comprehensive income for the year increased by 40.4% from RMB35.8 million in 2018 to RMB50.2 million in 2019.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Revenue

Our revenue increased by 57.9% from RMB209.8 million in 2017 to RMB331.3 million in 2018, primarily due to an increase in our revenue from property management services by RMB89.5 million and value-added services to non-property owners by RMB26.2 million, and to a lesser extent, an increase in revenue from community value-added services by RMB5.8 million.

- ***Revenue from property management services.*** Revenue from property management services increased by 52.8% from RMB169.6 million in 2017 to RMB259.0 million in 2018, primarily attributable to (i) an increase in our total GFA under management to 19.2 million sq.m. as of December 31, 2018 from 14.0 million sq.m. as of December 31, 2017. The increase in the total GFA under our management was primarily as a result of our business expansion through organic growth and strategic acquisition, as well as our strengthened market outreach capabilities to engage more properties under management developed by third-party developers to diversify our project portfolio. The number of projects under management increased from 69 projects as of December 31, 2017 to 99 projects as of December 31, 2018. The increase was primarily attributable to (a) 14 projects developed by Jiayuan Property Brand, (b) eight projects developed by third-party property developers secured directly by us, and (c) eight newly delivered projects in Zhejiang province contributed by Hangzhou Minan upon our acquisition of it in November 2018; and (ii) the increase in our average property management fee by 15.4% from RMB1.05 per sq.m. per month in 2017 to RMB1.21 per sq.m. per month in 2018, which was primarily due to higher average property management fees charged for the residential properties from RMB1.12 per sq.m. per month in 2017 to RMB1.26 per sq.m. per month in 2018, mainly relating to newly delivered projects in Jiangsu and Zhejiang provinces to us for management.

- ***Revenue from value-added services to non-property owners.*** Revenue from value-added services to non-property owners increased by 86.5% from RMB30.3 million in 2017 to RMB56.6 million in 2018, because of the increase in sales management services we provided to property developers. Such increase was primarily attributable to our overall business expansion and the increase in projects delivered to us from Jiayuan Property Brand for management.

- ***Revenue from community value-added services.*** Revenue from community value-added services increased by 58.3% from RMB9.9 million in 2017 to RMB15.7 million in 2018, primarily attributable to the increase in revenue generated from provision of home-living services and common area value-added services. The increase in revenue from home-living services was mainly attributable to (i) the growth in properties under our management and the increased number of residents to whom we provided community value-added services, as well as (ii) the enhanced efforts to diversify our service offerings to address evolving customers' demands, such as by introducing our "Jiajiabang" (佳家邦) services to offer residents door-to-door cleaning services for home appliances and fixtures, interior repairs and home cleaning services. The increase in revenue from common area value-added services was mainly attributable to (i) the growth in the properties under our management and therefore the common area available for our management resulting from newly delivered projects and projects obtained through acquisitions, and (ii) our enhanced efforts to diversify our service offerings to address evolving customers' demands, such as by introducing management services for transmission tower and base station, as well as express lockers at our managed properties to property owners. The relatively high revenue from car park leasing assistance services in 2017 as compared to 2018 was mainly due to an one-off large transaction we completed in 2017.

Cost of Services

Our cost of services increased by 53.9% to RMB252.4 million in 2018 from RMB164.0 million in 2017, primarily due to the increases in labor, maintenance and utilities costs, which were generally in line with our business expansion.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 72.3% from RMB45.8 million in 2017 to RMB78.9 million in 2018. Our overall gross profit margin increased from 21.8% in 2017 to 23.8% in 2018.

- ***Property management services.*** Our gross profit from property management services increased by 66.2% from RMB35.7 million in 2017 to RMB59.3 million in 2018, and gross profit margin from property management services increased from 21.0% in 2017 to 22.9% in 2018, primarily due to the increase in our GFA under management as we managed more properties from 2017 to 2018 and the higher average property management fees we charged for the residential properties from RMB1.06 per sq.m. per month in 2017 to RMB1.12 per sq.m. per month in 2018.

- ***Value-added services to non-property owners.*** Our gross profit from value-added services to non-property owners increased significantly from RMB7.1 million in 2017 to RMB14.4 million in 2018, and gross profit margin from value-added services to non-property owners increased from 23.4% in 2017 to 25.5% in 2018, primarily attributable to an increasing number of projects under development for property developers in 2018 and our enhanced efforts to improve operational efficiency.

- ***Community value-added services***. Our gross profit from community value-added services increased by 72.7% from RMB3.0 million in 2017 to RMB5.2 million in 2018, and gross profit margin from community value-added services increased from 30.2% in 2017 to 32.9% in 2018, primarily because we provided value-added services to an increasing number of property management projects in 2018 as a result of our enhanced efforts to diversify our services offerings and greater economies of scale.

Other Income and Expenses, Net

Our net other income decreased slightly from RMB1.9 million in 2017 to RMB1.8 million in 2018, primarily due to (i) an increase in the late fees of RMB0.9 million we recognized for underpaid income tax. See "—Description of Certain Consolidated Statements of Comprehensive Income Items—Income Tax Expenses" for further details; and (ii) the interest income on amounts due from related parties of RMB2.2 million recorded in 2017 while no such interest income was recorded in 2018 after the related party fully settled the amount with us in 2017. See "—Related Party Transactions and Balances" for more details, which was partially offset by (i) the net income from car park handling fee of RMB2.5 million from providing leasing assistance services for car park spaces in Hangzhou starting from 2018; and (ii) the compensation income we received in 2018 of RMB1.1 million from a property developer, Jiayuan International Group, for our provision of certain repair and maintenance services after delivery.

Impairment Losses on Financial Assets

In 2017 and 2018, we recorded impairment losses on financial assets of RMB5.5 million and RMB7.5 million, respectively. Such increase was primarily due to the increase in allowance for impairment of trade receivables due from third parties for our property management services as of December 31, 2018.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 87.6% from RMB1.6 million in 2017 to RMB3.1 million in 2018, mainly as a result of our increased advertising expenses and employment benefit expenses, corresponding to our overall business expansion.

Administrative Expenses

Our administrative expenses increased by 63.8% to RMB21.6 million in 2018 from RMB13.2 million in 2017, primarily due to the increases in office expenses incurred for daily operations and repair and maintenance, employee benefit expenses, as well as maintenance and business development expenses, generally in line with our business growth.

Finance Costs

We incurred finance costs of RMB2.2 million and RMB14,000 in 2017 and 2018, respectively. The significant decrease in finance costs from 2017 to 2018 was mainly because in 2017 we repaid a bank loan with a principal amount of RMB94.0 million, which carried annualized interest rates of 7.5% and was due in April 2017, while we had no bank borrowings in 2018.

Income Tax Expense

Our income tax expense increased by 88.8% from RMB6.8 million in 2017 to RMB12.8 million in 2018, primarily due to an increase in our profit before taxation.

Profit and Total Comprehensive Income for the Year

As a result of the foregoing, our profit and total comprehensive income for the year increased significantly from RMB18.3 million in 2017 to RMB35.8 million in 2018.

SELECTED ITEMS OF THE STATEMENTS OF FINANCIAL POSITION

Property and Equipment

Our property and equipment increased by 12.8% from RMB7.0 million as of December 31, 2017 to RMB7.9 million as of December 31, 2018, RMB14.6 million as of December 31, 2019 and further to RMB14.7 million as of June 30, 2020, mainly in relation to our purchase of office buildings, equipment and motor vehicles for business operations, generally in line with our business expansion.

Intangible Assets

We recorded intangible assets, net of accumulated amortization, in the amount of nil, RMB0.7 million, RMB35.7 million and RMB33.9 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. During the Track Record Period, our intangible assets comprise property management contracts and goodwill and were in connection with our acquisitions of Hangzhou Minan in November 2018, Jiaxing Xingzhou in January 2019 and Hunan Huaguan in December 2019 (the "**Acquired Companies**").

The goodwill primarily arose from the expected future development of the Acquired Companies' business, improvement on market coverage, enrichment of the service portfolio, integration of value-added services, and improvement on management efficiency. None of the goodwill recognized is expected to be deductible for income tax purposes. Pursuant to our accounting policy, we perform impairment testing of our goodwill on an annual basis typically before the year end. For the purpose of impairment testing, our goodwill related to the acquisitions of subsidiaries acquired prior to 2020 were regarded as different cash-generating units ("**CGUs**"). The recoverable amounts of these CGUs have been determined based on a value-in-use calculation using cash flow projection based on financial forecasts covering certain years prepared by management, and the pre-tax discount rates applied to the above cash flow projection is 27.3% and 27.2% as of December 31, 2019 and June 30, 2020, respectively. See note 18 of the Accountant's Report in Appendix I to this prospectus.

Hunan Huaguan

Goodwill of RMB14,859,000 arising from the acquisition of Hunan Huaguan has been allocated to the CGU of Hunan Huaguan for impairment testing. Management performed an impairment assessment on the goodwill prior to every period end. The recoverable amounts of this subsidiary are determined based on value-in-use calculations.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	As of December 31, 2019	As of June 30, 2020
Revenue growth rates during the projection period	1.4%-20.0%	1.0%-23.8%
Gross profit margins during the projection period	20.3%-21.3%	21.8%-23.2%
Terminal growth rate	3.0%	3.0%
Pre-tax discount rate	27.3%	27.2%

Based on management's assessment on the recoverable amounts of Hunan Huaguan, given the acquisition was completed close to year end date, no impairment provision was considered necessary as of December 31, 2019 and June 30, 2020. As of December 31, 2019 and June 30, 2020, the recoverable amount calculated based on value-in-use calculation exceeded the carrying value by nil and approximately RMB0.9 million, respectively. Hunan Huaguan was acquired on December 31, 2019 and the recoverable amount approximates to its carrying value as of December 31, 2019. Our management believes that any reasonably possible change in key assumptions of the value-in-use calculation would not cause the carrying amount to exceed the recoverable amount of the CGU of Hunan Huaguan.

The following table sets out the sensitivity analysis of the negative impact of variation in each of the key assumptions for goodwill impairment:

	Impairment amount as of December 31, 2019	Impairment amount as of June 30, 2020
	(RMB'000)	*(RMB'000)*
Revenue growth rates during the projection period		
Decreased by 3%	1,601	–
Decreased by 6%	3,589	81
Gross profit margins during the projection period		
Decreased by 1%	279	–
Decreased by 3%	1,688	1,797
Terminal growth rate		
Decreased by 20%	834	–
Decreased by 30%	1,458	329
Pre-tax discount rate		
Increased by 1%	738	–
Increased by 2%	1,458	282

Investments Accounted for Using the Equity Method

We recognized investments accounted for using the equity method in an amount of RMB8.1 million as of June 30, 2020. Our investments accounted for using the equity method related to (i) our investment in two joint venture, namely, Chongqing Jiabao and Zhejiang Xingjia, in each of which we held 51% equity interests as of June 30, 2020, and (ii) our investment in an associate, namely, Hunan Beileide Property Service Company Limited (湖南貝雷德物業管理有限公司), which we held 8% equity interest as of June 30, 2020.

Deferred Income Tax Assets

Our deferred income tax assets increased significantly from RMB3.6 million as of December 31, 2017 to RMB7.7 million as of December 31, 2018, RMB11.3 million as of December 31, 2019 and further to RMB13.4 million as of June 30, 2020, primarily due to the increase of the deferred income tax credited to profit or loss during the respective period, which mainly comprised the accrued expenses and allowance for impairment of receivables.

Trade Receivables

Trade receivables mainly arise from provision of property management services, value-added services to non-property owners and community value-added services. Our trade receivables, before net of allowance for impairment, decreased slightly from RMB75.0 million as of December 31, 2017 to RMB72.3 million as of December 31, 2018 and then increased significantly to RMB146.3 million as of December 31, 2019 and RMB177.4 million as of June 30, 2020. Our trade receivables due from Independent Third Parties increased by 74.7% from RMB40.9 million as of December 31, 2017 to RMB71.5 million as of December 31, 2018, RMB109.3 million as of December 31, 2019 and further to RMB123.5 million as of June 30, 2020, primarily due to the increasing number of our property management projects and an increase in the overall average property management fees we charged. Our trade receivables due from related parties decreased significantly to RMB0.8 million as of December 31, 2018 from RMB34.1 million as of December 31, 2017 because Jiayuan International Group gradually settled its outstanding balances with us before we became a wholly-owned subsidiary of Jiayuan International Group in January 2019.

The following table sets forth a break of our trade receivables as of the dates indicated below:

	As of December 31,						As of June 30,	
	2017		2018		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Trade receivables	74,970	112.6	72,287	127.8	146,279	116.4	177,357	116.1
– due from third parties	*40,908*	*61.4*	*71,471*	*126.4*	*109,349*	*87.0*	*123,540*	*80.9*
– due from related parties	*34,062*	*51.2*	*816*	*1.4*	*36,930*	*29.4*	*53,817*	*35.2*
Less: allowance for impairment	(8,379)	(12.6)	(15,732)	(27.8)	(20,648)	(16.4)	(24,652)	(16.1)
– third parties	(8,379)	(12.6)	(15,732)	(27.8)	(20,648)	(16.4)	(24,652)	(16.1)
– related parties	–	–	–	–	–	–	–	–
Net trade receivables	**66,591**	**100.0**	**56,555**	**100.0**	**125,631**	**100.0**	**152,705**	**100.0**

The following is an aging analysis of trade receivables as of the dates indicated, based on the invoice date:

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Within 60 days	8,437	8,914	37,120	35,333
– third parties	2,152	8,828	21,175	23,122
– related parties	6,285	86	15,945	12,211
61 to 180 days	9,150	5,549	22,623	70,925
– third parties	3,733	5,333	11,269	47,614
– related parties	5,417	216	11,354	23,311
181 to 365 days	31,649	36,614	62,470	38,523
– third parties	24,207	36,306	53,353	27,001
– related parties	7,442	308	9,117	11,522
One year to three years	20,243	16,206	17,687	24,848
– third parties	8,414	16,000	17,173	18,075
– related parties	11,829	206	514	6,773
Three to five years	1,993	4,570	5,066	6,728
– third parties	1,993	4,570	5,066	6,728
– related parties	–	–	–	–
Over five years	3,498	434	1,313	1,000
– third parties	409	434	1,313	1,000
– related parties	3,089	–	–	–
Total trade receivables	**74,970**	**72,287**	**146,279**	**177,357**

We generally have no credit term for trade receivables from property owners, residents and property developers in relation to provision of property management services, value-added services to non-property owners and community value-added services.

The movements in provision for expected credit losses of trade receivables due from third parties are as follows:

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
As of the beginning of the year/period	2,923	8,379	15,732	20,648
Charged for the year/period	5,456	7,496	4,942	4,004
Receivables written off as uncollectable	–	(143)	(26)	–
As of the end of the year/period	**8,379**	**15,732**	**20,648**	**24,652**

Allowance for impairment of trade receivables was RMB8.4 million, RMB15.7 million, RMB20.6 million and RMB24.7 million, respectively, as of December 31, 2017, 2018 and 2019 and June 30, 2020. In determining the impairment for trade receivables, we primarily take into account the aging of trade receivables, subsequent settlement status and historical collection rate. We adopt various measures to expedite the recovery of trade receivables, such as establishing an internal collection system and constantly updating the payment status. See "Business—Property Management Services—Payment and Credit Terms" for more information on measures that we adopt to expedite the recovery of our trade receivables.

We use a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on our historical observed default rates. We will calibrate the matrix to adjust the historical credit loss experience with forward-looking estimates, such as forecast economic conditions. As of December 31, 2017, 2018 and 2019 and June 30, 2020, we have assessed that the expected loss rate for trade receivables from related parties was immaterial considering the good finance position and credit history of the entities. Thus, no loss allowance provision for trade receivables from related parties was recognized during the Track Record Period.

The following table sets out the expected loss rates adopted and movement of the gross carrying amount of and loss allowance provision for our trade receivables from third parties, respectively, as of the dates indicated:

	As of December 31, 2017								
	0-60 days	**61-180 days**	**181-365 days**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**	**Total**
Expected loss rate	5.3%	5.3%	5.3%	32.4%	85.3%	97.7%	99.2%	100.0%	
Gross carrying amount (RMB'000)	2,152	3,733	24,207	5,212	3,202	1,480	513	409	**40,908**
Loss allowance provision (RMB'000)	114	198	1,283	1,689	2,731	1,446	509	409	**8,379**

	As of December 31, 2018								
	0-60 days	**61-180 days**	**181-365 days**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
Expected loss rate	5.5%	5.5%	5.5%	33.0%	87.5%	98.0%	99.3%	100.0%	
Gross carrying amount (RMB'000)	8,828	5,333	36,306	10,961	5,039	3,188	1,382	434	**71,471**
Loss allowance provision (RMB'000)	486	293	1,997	3,617	4,409	3,124	1,372	434	**15,732**

	As of December 31, 2019								
	0-60 days	**61-180 days**	**181-365 days**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
Expected loss rate	5.8%	5.8%	5.8%	33.3%	88.9%	98.2%	99.4%	100.0%	
Gross carrying amount (RMB'000)	21,175	11,269	53,353	10,615	6,558	3,363	1,703	1,313	**109,349**
Loss allowance provision (RMB'000)	1,228	654	3,094	3,535	5,829	3,302	1,693	1,313	**20,648**

	As of June 30, 2020								
	0-60 days	61-180 days	181-365 days	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected loss rate	6.90%	6.90%	6.90%	33.5%	89.9%	98.4%	99.4%	100%	
Gross carrying amount (RMB'000)	23,122	47,614	27,001	10,614	7,461	4,126	2,602	1,000	**123,540**
Loss allowance provision (RMB'000)	1,595	3,285	1,863	3,556	6,707	4,060	2,586	1,000	**24,652**

See note 22 and note 3.1.2(a) of the Accountant's Report in Appendix I to this prospectus for further details.

The following table sets forth the average turnover days of our trade receivables for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2017	2018	2019	2020
	(days)			
Average turnover days of trade receivables[(1)]	**78**	**81**	**88**	**105**
– Related parties	210	112	89	212
– Independent third parties.	57	75	88	88

(1) Average turnover days of trade receivables for a period equals average trade receivables divided by revenue for the period and multiplied by 365 for a 12-month period or 182 for a six-month period. Average trade receivables are calculated as trade receivables as of the beginning of the period plus trade receivables as of the end of the period, divided by two.

Average trade receivables turnover days indicate the average time required for us to collect cash payments from provision of services. During the Track Record Period, our trade receivable turnover days were 78 days, 81 days, 88 days and 105 days, respectively. The increase in the average turnover days of our overall trade receivables from 88 days in 2019 to 105 days in the six months ended June 30, 2020 was primarily due to the increase in the average turnover days of our trade receivables due from related parties, primarily because of the prolonged suspension of business operations in the PRC and therefore the prolonged settlement of trade receivables by related parties which were mainly property developers and encountered longer delays in property constructions as a result of the outbreak of COVID-19, while the average turnover days of our trade receivables due from independent third parties which mainly consisted of property owners and residents and whose settlement patterns were less affected by the COVID-19 pandemic remained stable at 88 days in 2019 and the six months ended June 30, 2020. The increase in the average turnover days of our overall trade receivables from 81 days in 2018 to 88 days in 2019, was primarily due to continuous increase in our trade receivables balance as a result of our business expansion. The decrease in the average turnover days of our trade receivables due from related parties from 210 days in 2017 to 112 days in 2018 and further to 89 days in 2019, were primarily due to our faster settlement of the trade receivables due from related parties. During the Track Record Period, our trade receivable turnover days of related parties were longer than those of third parties, primarily because of our long-term business relationship with Jiayuan Property Brand and in light of Jiayuan Property Brand's good credit history, we consider credit risk related to trade receivables due from related parties is low.

We did not experience any significant difficulty in collecting management fees during the Track Record Period as evidenced by the collection rates we maintained throughout the Track Record Period. The collection rate is calculated as the percentage of actually collected property management service fees attributable to a period out of total revenue from property management services for the same period. As of December 31, 2017, 2018 and 2019 and June 30, 2020, our collection rates with respect to the property management fees from related parties were 82.1%, 57.3%, 52.9% and 51.5%, respectively, while our collection rates with respect to the property management fees from independent third parties were 90.6%, 96.1%, 88.6% and 64.0%, respectively. We estimate the recoverable amount of property management fees for each property we manage and take into account collection history, subsequently settlement status and aging of trade receivables. We adopt various measures to expedite the recovery of trade receivables, and maintain strict credit control over our outstanding trade receivables to facilitate timely collection of property management fees. For example, we intend to set collection rate as performance indicator and establish a special team to monitor the collection status, conduct regular assessment and analysis, and closely follow up on collection of outstanding amounts of trade receivables. In particular, we will designate special personnel to track the progress of collecting property management fees 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 for more information on our collection efforts to strengthen our credit controls.

As of September 30, 2020, approximately RMB12.6 million, or 23.3%, of our trade receivables due from related parties as of June 30, 2020 were subsequently settled, and approximately RMB30.8 million, or 24.9%, of our trade receivables due from independent third parties as of June 30, 2020 were subsequently settled.

Other Receivables

The following table sets forth a breakdown of our other receivables as of the date below:

	As of December 31,						As of June 30,	
	2017		2018		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Amount due from related parties	55,312	79.3	519,059	96.4	544,009	90.0	550,207	96.3
Advances to a third party	–	–	–	–	38,542	6.4	–	–
Deposits and payments made on behalf of customers	10,301	14.8	16,872	3.1	19,370	3.2	18,986	3.3
Others	4,144	5.9	2,240	0.5	2,531	0.4	2,345	0.4
Total other receivables	**69,757**	**100.0**	**538,171**	**100.0**	**604,452**	**100.0**	**571,538**	**100.0**

Our advances due from related parties increased significantly to RMB519.1 million as of December 31, 2018 from RMB55.3 million as of December 31, 2017, primarily due to (i) our interest-free advances of RMB216.5 million to Jiayuan Chuangsheng Group as related party financing arrangement for its business development. Such advances were fully settled in 2018 and (ii) the unpaid capital contribution of RMB300.0 million due from Chuangyuan Holdings, the original shareholder of our subsidiary Chuangyuan Development before the Reorganization. Our advances due from related parties amounted to RMB544.0 million as of December 31, 2019 primarily relating to (i) our interest-free advances of RMB217.6 million to Jiayuan International Group as part of Jiayuan International's internal cash allocation plan for its business development; (ii) the unpaid capital contribution of RMB300.0 million due from Chuangyuan Holdings, the original shareholder of our subsidiary Chuangyuan Development before the Reorganization; and (iii) the amounts due from a shareholder of Hunan Huaguan of RMB23.7 million from whom we acquired the equity interests in Hunan Huaguan in 2019 and such receivables were pledged by such shareholder's 35% equity interests in Hunan Huaguan. We charged no interest for such receivables during the Track Record Period and the outstanding amounts due from such shareholder will bear an annual interest rate of 10% on overdue amount starting from the fourth year for the following two years. Our advances due from related parties increased to RMB550.2 million as of June 30, 2020 from RMB544.0 million as of December 31, 2019, primarily due to the combined effect of (i) our interest-free advances of RMB226.5 million to a subsidiary of Jiayuan International Group for its business development; and (ii) the settlement of our interest-free advances of RMB217.6 million to Jiayuan International Group in June 2020. See "—Related Party Transactions and Balances" for more details.

We recognized advances to a third party, which was a supplier of Jiayuan International Group, our controlling shareholder, to maintain their business relationship, with a principal amount of RMB37.3 million and an annual interest rate of 4.35% using our own working capital, and such advances were fully settled in January 2020.

Deposits and payments on behalf of property owners such as security deposits with local authorities for providing property management services per local law requirements and biding deposits in relation to the public biddings, and payments for the utility bills on behalf of our residents. The significant increase in 2018 was mainly attributable to the increase in the total GFA under management as a result of business expansion and the increased number of projects delivered to us for management. As of September 30, 2020, approximately RMB1.4 million, or 7.4%, of our deposits and payments made on behalf of customers as of June 30, 2020 were subsequently settled.

Others which mainly related to car park inventories in Hangzhou, as well as advances to employee for catering, employee pension insurance, housing provident fund and medical insurance. Historically, we entered into various transfer agreements with certain project companies of Jiayuan International Group to obtain the right to use of a number of such car parks, some of which pending the obtaining of the property ownership certificates. We recorded the right to use of the car parks with or without valid property ownership certificates as other receivables. The decrease in 2018 was mainly due to the decrease in car park inventories.

Prepayments

Prepayments we made during the Track Record Period mainly represent prepayments to suppliers for utilities, telecommunication, repair and maintenance such as elevator inspections and materials used for our services and prepayments for the right to use of certain car parks in Hangzhou.

Our prepayments decreased by 11.6% from RMB6.6 million as of December 31, 2017 to RMB5.9 million as of December 31, 2018, due to the decrease in prepayments to suppliers for repair and maintenance and increased to RMB8.4 million as of December 31, 2019 and further by 16.4% to RMB9.7 million as of June 30, 2020, mainly as a result of the increase in the number of property projects under our management.

Trade Payables

Our trade payables primarily represent our obligations to pay for goods and services we acquired in the ordinary course of business from sub-contractors. Our trade payables increased by 91.8% from RMB7.1 million as of December 31, 2017 to RMB13.7 million of December 31, 2018, to RMB16.0 million as of December 31, 2019 and further to RMB19.8 million as of June 30, 2020, primarily due to an increase in sub-contracting costs as a result of the increase in property projects under our management during the Track Record Period. Trade payables due to third parties increased significantly from RMB4.7 million as of December 31, 2017 to

RMB13.5 million and further increased by 16.6% to RMB15.7 million, which was in line with our business expansion. Trade payables due to related parties decreased to RMB0.2 million as of December 31, 2018 from RMB2.4 million as of December 31, 2017 as we settled the balance gradually before we became a wholly-owned subsidiary of Jiayuan International Group in January 2019.

The following table sets forth a break of our trade payables as of the dates indicated below:

	As of December 31,						As of June 30,	
	2017		2018		2019		2020	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Trade payables								
– due to third parties .	4,702	65.8	13,494	98.5	15,739	98.5	19,838	99.9
– due to related parties	2,442	34.2	207	1.5	242	1.5	10	0.1
Total trade payables . .	**7,144**	**100.0**	**13,701**	**100.0**	**15,981**	**100.0**	**19,848**	**100.0**

The following table sets forth the average turnover days of our trade payables for the periods indicated:

	Year ended December 31,			Six Months ended June 30,
	2017	2018	2019	2020
		(days)		
Average turnover days of trade payables(1)	10	15	16	17

(1) Average turnover days of trade payables for a period equals average trade payables divided by cost of services for the period and multiplied by 365 for a 12-month period or 182 for a six-month period. Average trade payables are calculated as trade payables at the beginning of the period plus trade payables at the end of the period, divided by two.

Our average turnover days of trade payables increased during the Track Record Period primarily reflecting an increase in the amount of our procurement as a result of our business expansion.

The following is an aging analysis of our trade 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)			
Within 60 days	4,267	12,075	10,722	12,454
61-180 days	204	446	2,142	4,615
181-365 days	274	252	662	1,502
Over one years	2,399	928	2,455	1,277
Total trade payables	**7,144**	**13,701**	**15,981**	**19,848**

As of September 30, 2020, approximately RMB7.7 million, or 38.7%, of our trade payables as of June 30, 2020 were subsequently settled.

Other Payables

Our other payables mainly represent (i) amounts due to related parties mainly relating to (a) the amount of RMB300.0 million payable to the then shareholders of Jiayuan Services in 2018, which was fully settled by Mr. Shum, our ultimate controlling shareholder, in 2019 and the amount of RMB300.0 million payable to Mr. Shum in 2019 for the acquisition of 100% equity interest in Jiayuan Services, which was fully settled as of the Latest Practicable Date; (b) the interest-free advances of RMB6.8 million from Jiayuan International Group and Jiayuan Chuangsheng Group under our centralized fund management which we do not intend to continue in the future; and (c) the dividend payable to an original shareholder of Hunan Huaguan; (ii) payroll payable; (iii) deposits received such as performance bond, retention deposits from property owners, decoration deposits and tender bond; (iv) utility and other payables which represent the receipts from residents and related parties which we collected on their behalf and were payable to relevant suppliers, for example, to settle utility and waste cleaning charges, or to relevant government authorities for application of house owner's certificate; (v) owners' maintenance fund which represent the receipts from residents which we collected on behalf of property developers for the maintenance of common area; (vi) consideration payable for business combinations relating to our acquisitions of Hangzhou Minan in 2018 and Jiaxing Xingzhou and Hunan Huaguan in 2019. See note 31 of the Accountant's Report set out in the Appendix I to this prospectus; (vii) other tax payables, mainly relating to value-added tax and tax surcharges; and (viii) others such as late fee for underpaid tax and accruals for other expenses. The following table sets forth a breakdown of our other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
Amounts due to related parties	6,833	300,000	304,200	304,200
Payroll payable	21,684	46,748	69,150	66,533
Deposits received	30,676	34,525	58,302	62,135
Utility and other payables	53,848	45,124	43,960	44,151
Owners' maintenance fund	15,517	26,167	32,764	36,720
Consideration payable for business combinations	–	2,016	27,753	394
Other tax payables	4,547	6,804	9,474	9,479
Others	5,471	11,172	14,981	20,847
Total	**138,576**	**472,556**	**560,584**	**544,459**

Utility and other payables decreased by 16.2% from RMB53.8 million in 2017 to RMB45.1 million in 2018 and further decreased slightly to RMB44.0 million in 2019, mainly due to the decrease in temporary receipts from property owners which we collected on their behalf and were payable to relevant government authorities for application of property ownership certificate as we gradually reduced our provision of such services to property owners. Our utility and other payables remained relatively stable at RMB44.2 million as of June 30, 2020.

Our other payables increased significantly from RMB138.6 million as of December 31, 2017 to RMB472.6 million of December 31, 2018, 18.6% to RMB560.6 million as of December 31, 2019, primarily due to (i) the increase in amounts due to related parties in 2018 relating to the amount of RMB300.0 million payable to the then shareholders of Jiayuan Services for the acquisition of 100% equity interest in Jiayuan Services; (ii) the increases in payroll payable and deposits received as a result of our business expansion during the Track Record Period, and (iii) an increase in consideration payable for business combinations relating to our acquisitions in 2018 and 2019. Our other payables decreased slightly to RMB544.5 million in the six months ended June 30, 2020, mainly reflecting the decreased consideration payable for business combinations relating to our acquisitions in 2018 and 2019 upon settlement.

As of September 30, 2020, approximately RMB42.2 million, or 7.7%, of our other payables as of June 30, 2020 were subsequently settled.

Contract Liabilities

Our contract liabilities mainly arise from property management fees received upfront as of the beginning of a billing cycle but not recognized as revenue. Our contract liabilities increased by 77.6% from RMB24.9 million as of December 31, 2017 to RMB44.2 million as of December 31, 2018, by 75.0% to RMB77.3 million as of December 31, 2019 and further by 4.3% to RMB80.7 million as of June 30, 2020, primarily due to the increase in the number of properties we managed as a result of our overall business growth.

The following table is an aging analysis of contract liabilities as of the dates indicated, based on the date of advance payment made:

	As of December 31,			As of June 30,
	2017	**2018**	**2019**	**2020**
Within one year	24,871	44,182	77,326	80,653
Contract liabilities	**24,871**	**44,182**	**77,326**	**80,653**

As of September 30, 2020, approximately RMB61.7 million, or 76.5%, of our contract liabilities as of June 30, 2020 were subsequently settled.

CURRENT ASSETS AND CURRENT LIABILITIES

The following table sets out current assets and current liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2017	**2018**	**2019**	**2020**	**2020**
			(RMB'000)		
Current assets					
Inventories	160	144	880	530	695
Trade and other receivables	142,992	600,597	738,439	733,966	784,144
Restricted bank deposits	50	1,351	1,559	1,112	1,112
Cash and cash equivalents	21,744	33,367	37,644	47,508	14,002
Total current assets	164,946	635,459	778,522	783,116	799,953

	As of December 31,			As of June 30,	As of September 30,
	2017	2018	2019	2020	2020
			(RMB'000)		
Current liabilities					
Contract liabilities	24,871	44,182	77,326	80,653	59,395
Trade and other payables	145,720	486,257	576,565	564,307	576,350
Lease liabilities	386	396	1,336	1,710	1,624
Current income tax liabilities	9,009	20,266	26,552	10,422	16,603
Total current liabilities	179,986	551,101	681,779	657,092	653,972
Net current assets/ (liabilities)	**(15,040)**	**84,358**	**96,743**	**126,024**	**145,981**

As of December 31, 2017, we recorded net current liabilities of RMB15.0 million, primarily because we paid RMB75.0 million in 2017 to acquire the 75% equity interest in Dongyuan Investment. See "Risk Factors—Risks Relating to Our Business and Industry—We had negative operating cash flow in 2017, and net current liabilities and net liabilities as of December 31, 2017, which could expose us to liquidity risks."

Our net current liabilities improved from RMB15.0 million as of December 31, 2017 to net current assets of RMB84.4 million as of December 31, 2018, mainly due to (i) an increase in trade and other receivables by RMB457.6 million including unpaid capital contribution of RMB300.0 million due from Chuangyuan Holdings, and an advance of RMB216.5 million to Jiayuan Chuangsheng Group; and (ii) an increase in cash and cash equivalents of RMB11.6 million, partially offset by (i) an increase in trade and other payables of RMB340.5 million mainly due to the amount of RMB300.0 million payable to the then shareholders of Jiayuan Services for the acquisition of 100% equity interest in Jiayuan Services in 2018; (ii) an increase in contract liabilities of RMB19.3 million; and (iii) an increase in current income tax liabilities of RMB11.3 million.

Our net current assets increased from RMB84.4 million as of December 31, 2018 to RMB96.7 million as of December 31, 2019, mainly due to an increase in trade and other receivables by RMB137.8 million due to (i) increase in trade receivables by RMB74.0 million, (ii) an increase in amount due from a shareholder of Hunan Huaguan of RMB23.7 million, and (iii) the advance made to a third party with an amount of RMB37.3 million. See "—Selected Items of the Statements of Financial Position—Other Receivables" for further discussions, partially offset by (i) an increase in trade and other payables of RMB90.3 million due to (a) the consideration payable for business combinations of RMB27.7 million relating to our acquisition of Hangzhou Minan in 2018 and Jiaxing Xingzhou and Hunan Huaguan in 2019,

(b) an increase in deposit received of RMB23.8 million and (c) an increase in payroll payable of RMB22.4 million. See "—Selected Items of the Statements of Financial Position—Other Payables" for further discussions; and (ii) an increase in contract liabilities of RMB33.1 million.

Our net current assets increased from RMB96.7 million as of December 31, 2019 to RMB126.0 million as of June 30, 2020, mainly due to (i) a decrease in current income tax liabilities of RMB16.1 million, as we settled part of the income tax liabilities in the six months ended June 30, 2020; (ii) a decrease in trade and other payables of RMB12.3 million, mainly due to the settlement of certain consideration payable for business combinations; and (iii) an increase of cash and cash equivalents of RMB9.9 million.

Our net current assets increased from RMB126.0 million as of June 30, 2020 to RMB146.0 million as of September 30, 2020, mainly due to (i) an increase in trade and other receivables of RMB50.2 million due to the combined effect of (a) an increase in trade receivables of RMB35.8 million and (b) an increase in interest-free advances of RMB17.6 million to a subsidiary of Jiayuan International Group, partially offset by a decrease in amount due from a shareholder of Hunan Huaguan of RMB4.2 million, and (ii) a decrease in contract liabilities of RMB21.3 million, partially offset by (i) a decrease in cash and cash equivalents of RMB33.5 million and (ii) an increase in trade and other payables of RMB12.0 million mainly due to an increase in payroll payable of RMB8.3 million relating to the monthly accrued bonus.

LIQUIDITY AND CAPITAL RESOURCES

Our principal use of cash has been for working capital. Our main source of liquidity has been generated from mainly from cash flow from operations. In the foreseeable future, we expect cash flow from operations to continue to be our principal source 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:

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019**	**2020**
			(RMB'000)		
Operating cashflow before changes in working capital	32,312	58,479	75,240	40,982	59,160
– Changes in working capital	(30,398)	63,425	(7,082)	(6,964)	(11,207)
– PRC corporate income tax paid	(5,313)	(6,177)	(16,428)	(11,560)	(34,566)
Net cash (used in)/generated from operating activities	(3,399)	115,727	51,730	22,458	13,387
Net cash generated from/(used in) investing activities	174,915	(80,571)	(47,051)	(34,276)	2,909
Net cash used in financing activities	(168,669)	(23,533)	(402)	(259)	(6,432)
Net increase/(decrease) in cash and cash equivalents	**2,847**	**11,623**	**4,277**	**(12,077)**	**9,864**
Cash and cash equivalents as of the beginning of year/period	18,897	21,744	33,367	33,367	37,644
Cash and cash equivalents as of the end of the year/period	**21,744**	**33,367**	**37,644**	**21,290**	**47,508**

Net Cash (Used in)/Generated from Operating Activities

Cash flow from operating activities reflects (i) profit before taxation adjusted for non-cash and non-operating items, (ii) the effects of movements in working capital, and (iii) income tax paid.

We had negative cash flow from operating activities of approximately RMB3.4 million in 2017, primarily as a result of the increase in our trade and other receivables mainly because of our business growth and the advances to related parties. See "—Selected Items of the Statements of Financial Position—Other Receivables" for further discussions.

In 2017, we had net cash flows used in operating activities of RMB3.4 million, which was the result of cash generated from operating activities of RMB1.9 million and income tax paid of RMB5.3 million. We had operating cash inflows, before movements in working capital, of RMB32.3 million. The decrease of RMB30.4 million in the working capital, excluding the effects of acquisition of subsidiaries, was primarily due to an increase of trade and other receivables of RMB37.5 million which was in line with our business expansion, and mainly relating to our centralized fund management mechanism which we do not intend to continue in the future.

In 2018, we had net cash flows from operating activities of RMB115.7 million, which was the result of cash generated from operating activities of RMB121.9 million and income tax paid of RMB6.2 million. We had operating cash inflows, before movements in working capital, of RMB58.5 million. The changes of RMB63.4 million in the working capital, excluding the effects of acquisition of subsidiaries, was primarily due to (i) an increase in trade and other payables of RMB43.8 million, due to increase in the number of employees as a result of our business expansion and the increase in the average employee salary; and (ii) an increase in contract liabilities of RMB19.3 million, due to the increase in the number of properties we managed which resulted from our overall business growth.

In 2019, we had net cash flows from operating activities of RMB51.7 million, which was the result of cash generated from operating activities of RMB68.2 million and income tax paid of RMB16.4 million. We had operating cash inflow, before movements in working capital, of RMB75.2 million. The decrease of RMB7.1 million in the working capital, excluding the effects of acquisition of subsidiaries, was primarily due to an increase of trade and other receivables of RMB68.2 million, mainly relating to (i) our increased trade receivables primarily due to the increase in the number of properties we managed as a result of our overall business growth, and (ii) an one-off advances of RMB37.3 million to a third-party company, which was partially offset by the combined effect of (i) increase in contract liabilities of RMB18.5 million; and (ii) increase in trade and other payables of RMB43.5 million.

In the six months ended June 30, 2020, we had net cash flows from operating activities of RMB13.4 million, which was the result of cash generated from operating activities of RMB48.0 million and income tax paid of RMB34.6 million. We had operating cash inflow, before movements in working capital, of RMB59.2 million. The decrease of RMB11.2 million in the working capital, excluding the effects of acquisition of subsidiaries, was primarily due to an increase in trade and other receivables of RMB30.4 million, mainly relating to our increased trade receivables primarily due to the increase in the number of properties we managed as a result of our overall business growth, which was partially offset by the increase in trade and other payables of RMB15.1 million mainly as a result of the settlement of certain consideration payable for business combinations relating to Hunan Huaguan.

Net Cash Generated from/(Used in) Investing Activities

In 2017, net cash generated from investing activities was RMB174.9 million, primarily due to repayments from related parties in the amount of RMB179.9 million, partially offset by the purchases of property and equipment in the amount of RMB4.2 million.

In 2018, net cash used in investing activities was RMB80.6 million, primarily due to advances to related parties in the amount of RMB90.7 million, partially offset by repayments from related parties in the amount of RMB12.8 million. Such advances to related parties and repayment from related parties were mainly interest-free related-party financing arrangement made from time to time during the Track Record Period which were repayable on demand. Our Group does not intend to have such internal financing arrangement with related parties in the future.

In 2019, net cash used in investing activities was RMB47.1 million, primarily due to advances to related parties in the amount of RMB217.6 million relating to our interest-free advances to Jiayuan International Group and advances to an independent third party of RMB38.5 million, partially offset by repayments from related parties in the amount of RMB216.5 million from Jiayuan Chuangsheng Group as related-party financing arrangement for its business development. See "—Selected Items of the Statements of Financial Position—Other Receivables" for further details.

In the six months ended June 30, 2020, we had net cash flows from investing activities of RMB2.9 million, primarily due to (i) repayments from related parties in the amount of RMB220.3 million from Jiayuan Chuangsheng Group; and (ii) repayments from a third party in the amount of RMB38.5 million, partially offset by the advances to related parties in the amount of RMB226.5 million relating to our interest-free advances to a subsidiary of Jiayuan International Group.

Net Cash Generated from/(Used in) Financing Activities

In 2017, net cash used in financing activities was RMB168.7 million primarily reflecting (i) repayments of bank borrowings of RMB94.0 million; (ii) consideration paid for the acquisition of Jiaxing Dongyuan Investment Company Limited (the "**Dongyuan Investment**") in the amount of RMB75.0 million. See note 1.2 and note 25 to the Accountant's Report set out in the Appendix I to this prospectus for details; and (iii) repayments to related parties of RMB42.2 million, partially offset by capital injection from the then shareholder of us of RMB45.0 million.

In 2018, net cash used in financing activities was RMB23.5 million primarily reflecting dividends paid to the then shareholder of our subsidiary of RMB16.2 million and repayments to related parties of RMB6.8 million.

In 2019, our net cash used in financing activities was RMB0.4 million, primarily due to (i) amount to acquire Jiayuan Services of RMB300.0 million paid in the same amount of advances from Mr. Shum during 2019; and (ii) the payments on leases of RMB0.4 million.

In the six months ended June 30, 2020, we had net cash flows used in financing activities of RMB6.4 million, primarily due to dividends paid to non-controlling interest of RMB3.5 million, payments on leases of RMB1.5 million and listing expenses paid of RMB1.4 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 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 AND CONTINGENT LIABILITIES

As of December 31, 2017, 2018 and 2019, June 30, 2020 and September 30, 2020, we did not have any bank borrowings balance.

As of December 31, 2017, 2018 and 2019, June 30, 2020 and September 30, 2020, the amounts due to related parties were RMB6.8 million, RMB300.0 million, RMB304.2 million, RMB304.2 million and RMB300.0 million, respectively, and the consideration payable for business combinations were nil, RMB2.0 million, RMB27.8 million, RMB0.4 million and RMB0.3 million, respectively. See "—Selected Items of the Statements of Financial Position—Other Payables" for more discussions on amounts due to related parties and consideration payable for business combinations.

Lease Liabilities

We lease properties in the PRC mainly as our offices and employee dormitories. The following table sets forth the breakdown of our lease liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2017	2018	2019	2020	2020
			(RMB'000)		
Non-current lease liabilities . . .	229	105	1,187	198	147
Current lease liabilities.	386	396	1,336	1,710	1,624
	615	**501**	**2,523**	**1,908**	**1,771**

Our lease liabilities decreased by 18.5% from RMB0.6 million as of December 31, 2017 to RMB0.5 million as of December 31, 2018, mainly reflecting the expiry of certain rental agreements. Our lease liabilities increased significantly from RMB0.5 million as of December 31, 2018 to RMB2.5 million as of December 31, 2019, mainly attributable to our acquisition of Hunan Huaguan in 2019. Our lease liabilities decreased by 24.4% from RMB2.5 million as of December 31, 2019 to RMB1.9 million as of June 30, 2020, mainly because certain lease agreements for properties used as our employee dormitories were about to expire. Our lease liabilities decreased to RMB1.8 million as of September 30, 2020.

Contingent Liabilities

As of December 31, 2017, 2018 and 2019, June 30, 2020 and as of September 30, 2020, we did not have any outstanding material contingent liabilities.

Financial Guarantee

As of December 31, 2017, 2018 and 2019, we did not have any outstanding guarantees.

As of June 30, 2020 and September 30, 2020, we and our subsidiaries Chuangyuan Development and Jiayuan HK agreed to provide guarantees (the "**Guarantees**") for a term loan of up to US$70.0 million granted to Jiayuan International, and our Shares held by Chuangyuan Holdings and the shares of our subsidiaries, Chuangyuan Development, Jiayuan HK and Zhejiang Heyuan, have been pledged to secure the loan (the "**Share Pledges**"), pursuant to a facility agreement dated June 14, 2020, by and among, Jiayuan International as borrower, Mr. Shum, Chuangyuan Holdings, us, Chuangyuan Development and Jiayuan HK, as guarantors and The Hongkong and Shanghai Banking Corporation Limited, as mandated lead arranger and bookrunner, facility agent and security agent, and other lenders. The Guarantees and the Share Pledges will be released, and we, Chuangyuan Development and Jiayuan HK will cease to be parties to the facility agreement, prior to the Listing. The loan will be repaid by Jiayuan International shortly after the Listing.

Except as disclosed herein and apart from intra-group liabilities, we did not have any outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness issued and outstanding or agreed to be issued, hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities outstanding 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 September 30, 2020, the latest date for liquidity disclosure, and up to the Latest Practicable Date.

COMMITMENTS

Operating Lease Commitment

As of December 31, 2017, 2018 and 2019 and June 30, 2020, the total future minimum lease payables under non-cancellable operating leases are payable as follow:

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	(RMB'000)			
No later than one year	227	280	261	209

Capital Expenditures

Our capital expenditures represent additions to property and equipment. Our total capital expenditures decreased by 31.4% from RMB4.2 million in 2017 to RMB2.9 million in 2018, primarily due to our adequate procurement of property and equipment in 2017 and the adoption of effective cost control in 2018. In 2019, our capital expenditure increased significantly to RMB9.4 million, primarily due to our increased purchase of motor vehicles driven by the expansion of our business. In the six months ended June 30, 2020, our capital expenditure increased to RMB2.6 million, primarily due to our increased purchase of equipment for provision of property management services driven by the increased GFA under our management.

The following table sets forth the amount of capital expenditure incurred during the Track Record Period:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	(RMB'000)				
Property and equipment . .	4,166	2,857	9,420	1,928	2,588

The total estimated capital expenditure to be incurred for 2020 is RMB8.0 million, attributable to our purchase of information technology systems, office buildings, equipment and motor vehicles. Our principal sources of funds for the capital expenditure for 2020 is our operating cash flow.

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 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)	0.9	1.2	1.1	1.2
Quick ratio(2) (times)	0.9	1.2	1.1	1.2
Return on total assets(3) (%)	7.5	8.6	6.7	8.5(5)
Return on equity(4) (times)	10.4	0.7	0.4	0.4(5)

(1) Current ratio is calculated based on our total current assets divided by our total current liabilities as of the respective dates.

(2) Quick ratio was calculated based on current assets less inventories and divided by current liabilities as of the same date.

(3) Return on total assets is calculated based on our profit from continuing operations for the period divided by the average balance of our total assets at the beginning and end of the year and multiplied by 100%.

(4) Return on equity is calculated based on our profit and total comprehensive income for the year attributable to owners of our Company divided by the average balance of total equity attributable to owners of our Company as of the beginning and end of the year and multiplied by 100%.

(5) These figures have been annualized to be comparable to prior years but are not indicative of the actual results.

Current Ratio and Quick Ratio

Our current ratio and quick ratio were relatively stable at 0.9 time, 1.2 times, 1.1 times and 1.2 times as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively.

Return on Total Assets

Our return on total assets increased from 7.5% in 2017 to 8.6% in 2018, which was mainly due to the continuous improvement of our profitability and the expansion of our business scale.

Our return on total assets decreased slightly from 8.6% in 2018 to 6.7% in 2019, which was mainly due to the larger assets bases as a result of the acquisition of Jiaxing Xingzhou and Hunan Huaguan in 2019.

Our return on total assets increased from 6.7% in 2019 to 8.5% in six months ended June 30, 2020, which was mainly due to the increase in our net profit as we continued to improve our profitability during the Track Record Period.

Return on Equity

Our return on equity decreased from 10.4 times in 2017 to 0.7 time in 2018, and to 0.4 time in 2019, which was mainly due to the negative equity we recognized in 2017 mainly as a result of the consideration of RMB75.0 million paid for acquisition of Dongyuan Investment in 2017 which was changed to equity and a faster growth rate of total equity as compared to net profit during the Track Record Period resulting from the accumulation of retained earnings. Our return on equity remained at 0.4 times in the six months ended June 30, 2020.

QUANTITATIVE AND QUALITATIVE ANALYSIS ABOUT MARKET RISK

Our major financial instruments include trade and other receivables, restricted bank deposits and cash and cash equivalents. The risks associated with these financial instruments include credit risk and liquidity risk. Our directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit Risk

We are exposed to credit risk in relation to its trade and other receivables, restricted bank deposits and cash and cash equivalents. The carrying amounts of trade and other receivables, restricted bank deposits and cash and cash equivalents represent our Group's maximum exposure to credit risk in relation to financial assets.

We expect that there is no significant credit risk associated with restricted bank deposits and cash and cash equivalents since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

For trade receivables from customer other than related parties, our Group has large number of customers and there was no concentration of credit risk. Our Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

We expect that there is no significant credit risk associated with trade and other receivables due from related parties since the internal credit rating of trade and other receivables from related parties were performing. Our Group has assessed that the expected credit loss rate for these receivables is immaterial under 12 months expected losses method. Thus no loss allowance provision for trade and other receivables due from related parties was recognized during the Track Record Period.

We expect that there is no significant credit risk associated with other receivables due from independent parties since they are mainly deposits, loans and payments made on behalf of residents with short aging and low historical default risk.

Our 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 our Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. We consider available forwarding-looking information.

Liquidity risk

To manage the liquidity risk, our Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance our Group's operations and mitigate the effects of fluctuations in cash flows.

RELATED PARTY TRANSACTIONS AND BALANCES

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 32 to the Accountant's Report in Appendix I to this prospectus for a detailed discussion of related party transactions.

The following table sets forth the significant related party transactions for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
			(RMB'000)		
				(unaudited)	
Entities controlled by Mr. Shum					
Provision of property management services	1,980	3,632	10,775	5,084	7,047
Provision of value-added services to non-property owners	27,798	53,211	65,568	30,550	28,272
Interest received	2,213	–	–	–	–
Compensation income	–	1,103	–	–	–
Cleaning and security services fee paid	2,050	4,730	–	–	–
Entities jointly controlled by Mr. Shum					
Provision of value-added services to non-property owners	–	476	1,155	577	2,030
Key management of our Group					
Interest received	–	–	124	62	51
Entity having significant influence over a subsidiary of our Company					
– Provision of value-added services to property developer	–	–	–	–	291
– Provision of property management services	–	–	–	–	1,383

The following table 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)			
Entities controlled by Mr. Shum				
Trade in nature and included in:				
– Trade receivables	34,062	816	35,910	51,071
– Deposits and payments made on behalf of Customers	2,959	2,066	2,502	3,735
– Prepayments	–	–	1,218	–
– Trade payables	2,442	207	242	10
– Utility and other payables	6,667	233	244	1,704
– Contract liabilities	1,366	2,640	1,233	2,071
Non-trade in nature and included in:				
– Amounts due from related parties	52,712	516,459	517,625	526,547
– Amount due to related parties	6,833	300,000	300,000	300,000
Entities jointly controlled by Mr. Shum				
Trade in nature and included in:				
– Trade receivables	–	–	1,020	2,270
Key management of our Group				
Non-trade in nature and included in:				
– Amounts due from related parties	2,600	2,600	2,724	–
Entity jointly controlled by our Company				
Trade in nature and included in:				
– Deposits and payment on behalf of Customers	–	–	1,045	1,052
– Utility and other payables	–	–	2,792	2,794
Entity having significant influence over a subsidiary of our Company				
Trade in nature and included in:				
– Trade receivables	–	–	–	476
Non-trade in nature and included in:				
– Amounts due from related parties	–	–	23,660	23,660
– Amounts due to related parties	–	–	31,178	4,200

During the Track Record Period, we mainly provided property management services and value-added services to non-property owners to related parties. In 2017, 2018 and 2019 and the six months ended June 30, 2020, we recorded revenue from providing property management services to related parties in the amount of RMB2.0 million, RMB3.6 million, RMB10.8 million and RMB7.0 million, respectively, and our revenue from providing related parties with value-added services to non-property owners amounted to RMB27.8 million, RMB53.7 million, RMB66.7 million and RMB30.6 million, respectively. The increases in 2017, 2018 and 2019 generally corresponded to our business growth. See "Connected Transactions—(B) Continuing Connected Transactions Subject to the Reporting, Annual Review and Announcement Requirements but Exempted from the Independent Shareholders' Approval Requirement" for more details.

As of December 31, 2017, 2018 and 2019 and June 30, 2020, our non-trade amounts due from related parties amounted to RMB55.3 million, RMB519.1 million, RMB544.0 million and RMB550.2 million, respectively. As of December 31, 2017, 2018 and 2019 and June 30, 2020, our non-trade amounts due to related parties amounted to RMB6.8 million, RMB300.0 million, RMB331.2 million and RMB304.2 million, respectively. These amounts due to related parties were all interest-free and repayable on demand. See "—Description of Certain Consolidated Statements of Comprehensive Income Items—Other Income and expenses, Net," "—Selected Items of the Statements of Financial Positions—Other Receivables" and "—Selected Items of the Statements of Financial Positions—Other Payables" for more discussions on non-trade amounts due to and due from related parties. Our non-trade amounts due to and due from related parties arose when Jiayuan International Group, ultimately controlled by Mr. Shum, was the parent company of our business prior to the Reorganization. At that time, Jiayuan International Group and Mr. Shum centralized all the funding needs of the 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, the centralized fund management mechanism is discontinued.

Our Directors confirm that the related party transactions were conducted on normal commercial terms and were fair and reasonable as a whole. Our Directors confirm that all other related party balance which are non-trade in nature had been fully settled as of the Latest Practicable Date.

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

During the six months ended June 30, 2020, a dividend of RMB10.0 million was declared by Hunan Huaguan, a 65% owned subsidiary of our Group, to its shareholders. See note 15 in the Accountant's Report set out in the Appendix I to this prospectus for details. On October 20, 2020, we declared a dividend in an amount of RMB170.0 million, which was settled by cash as of the Latest Practicable Date.

Save for the above, we have no plan for future dividend payments. Our Board has absolute discretion as to whether to declare any dividend for any year, and in what amount. We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including HKFRS. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends.

As of June 30, 2020, the distributable reserves of our Group, being the retained earnings, amounted to RMB109.7 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 underwriting commissions) for the Listing of the Shares are estimated to be approximately HK$62.8 million, representing approximately 11.6% of the gross proceeds from the Global Offering (assuming an Offer Price of HK$3.60 per Share, being the mid-point of the indicative Offer Price Range), among which, approximately HK$33.5 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$29.3 million will be charged to our consolidated statements of comprehensive income for the year ending December 31, 2020. RMB13.5 million was charged to the consolidated statement of comprehensive income for the six months ended June 30, 2020. The listing expenses above are the latest practicable estimates and are provided for reference only and actual amounts may differ. Our Directors expect such expenses to have an impact on our financial results for the year ending December 31, 2020.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets prepared in accordance with Rule of the Listing Rules are set out to illustrate the effect of the Global Offering on the consolidated net tangible assets of our Group attributable to the owners of our Company as of June 30, 2020 as if the Global Offering had taken place on that date.

The unaudited pro forma adjusted consolidated net tangible assets have been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of our Group had the Global Offering been completed as of June 30, 2020 or at any future dates. It is prepared based on the consolidated net assets of our Group as of June 30, 2020 as set out in the Accountant's Report of our Group, the text of which is set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma statement of adjusted consolidated net tangible assets does not form part of the Accountant's Report.

	Audited consolidated net tangible assets of our Group attributable to the owners of our Company as of June 30, 2020[(1)]	Estimated net proceeds from the Global Offering[(2)]	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of our Company as of June 30, 2020	Unaudited pro forma adjusted consolidated net tangible assets per Share[(3)]	
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB)*	*(HK$)*
Based on an Offer Price of HK$3.15 per Share . . .	152,877	363,645	516,522	0.86	1.01
Based on an Offer Price of HK$4.05 per Share	152,877	473,029	625,906	1.04	1.23

(1) The audited consolidated net tangible assets of our Group attributable to the owners of our Company as of June 30, 2020 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of our Group attributable to the owners of our Company as of June 30, 2020 of approximately RMB186,801,000, with adjustment for intangible assets as of June 30, 2020 of approximately RMB33,924,000.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK$3.15 and HK$4.05 per share, being the low and high end of the indicative Offer Price range, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB13,451,000 which have been accounted for in the consolidated statements of comprehensive income of the Group prior to 30 June 2020) paid/payable by our Company, and takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by our Company pursuant to the general mandates given to the Directors for issue and allotment of Shares as described in "Share Capital".

(3) The unaudited pro forma consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraph and on the basis that 600,000,000 Shares were in issue, assuming that the Global Offering and Capitalization Issue have been completed on June 30, 2020 but takes no account of any Shares which may be issued or repurchased by our Company pursuant to the general mandates given to the Directors for issue and allotment of Shares as described in "Share Capital".

(4) No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to June 30, 2020.

(5) The unaudited pro forma adjusted consolidated net tangible assets of our Group has not taken into account the declaration of a dividend of RMB170.0 million which was approved by the Board of Directors on October 20, 2020. The unaudited pro forma adjusted consolidated net tangible assets per Share would have been HK$0.68 and HK$0.90 per Share based on the Offer Price of HK$3.15 and HK$4.05 respectively if the effect of such dividend had been accounted for.

DIRECTORS' CONFIRMATION ON NO MATERIAL ADVERSE CHANGE

After due and careful consideration, save for "Business—Effects of the COVID-19 outbreak", presenting, among others, certain extreme situations for illustrative purpose only, which may or may not occur, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since June 30, 2020 (being the date to which our Company's latest consolidated audited financial results were prepared), and there has been no event since June 30, 2020 which would materially affect the information shown in the Accountant's Report, the text of which is set out in Appendix I to this prospectus.

FUTURE PLANS

See "Business—Business Strategies" in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of HK$477.2 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering, assuming an Offer Price of HK$3.60 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)*		
Pursue selective strategic investment and acquisition opportunities and to further develop strategic cooperation	70%	238.6	(i) Acquire other property management companies to enter new markets.	We plan to acquire other property management companies with established market position and growth potentials in regions we plan to enter, as well as a diversified portfolio of properties under management, including residential properties and non-residential properties such as commercial complexes, office buildings, industrial parks, hospitals and educational institutions. We believe expansion through acquisitions, investments and strategic cooperation with existing players (such as by establishing joint ventures) in new markets help reduce our costs, time and risks compared to organically expanding into new markets due to the targets' existing local connections, brand image and experience with local policies, customs and market conditions.	50%	71.6	71.6	95.4

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
		47.7	(ii) Acquire professional service companies.	We plan to acquire professional service companies that engage in cleaning, security, home living services, as well as community retail, advertising and elderly care services, among others, which may create further synergies with our existing services to enhance our competitiveness.	10%	14.3	14.3	19.1
		47.7	(iii) Cooperate with local city investment companies or local property developers	We plan to continue to explore cooperation opportunities with local city investment companies or local property developers to provide property management services for more redevelopment projects and to provide municipal sanitation services to existing project.	10%	14.3	14.3	19.1

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
Enrich and expand our service offerings	8%	38.2	Introduce more value-added services to non-property owners and community value-added services	We plan to expand our community value-added services which are tailored to address community and customer needs. We also plan to explore and expand our offering of customized travel planning, wealth management consultancy and immigration and overseas study consulting services by cooperating with experienced third-party service providers with relevant qualifications and licenses. See "Business—Community Value-added Services" for details. Specifically, we primarily plan to serve as a customer acquisition channel for such third-party service providers leveraging our established relationship with property owners who may have needs for such services. We also plan to expand our value-added services ranging from preliminary and construction consultancy to sales management services to strengthen our business relationships with Jiayuan Property Brand and third-party property developers and enhance our brand awareness.	8%	15.2	11.5	11.5

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
				Specifically, we plan to provide more early-stage services to property developers such as by advising on property design from the perspective of post-delivery operations and property owners' daily needs even before a new property development project's overall plan is submitted to the property developer's assessment committee for approval. We plan to become more thoroughly involved in property developers' business operations than we have currently achieved through our preliminary planning and design consultancy services. We also plan to provide sales management services to an increasing number of property developers.				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	2022	2023
		(HK$ in millions)					*(HK$ in millions)*	
				We believe we have sufficient experienced management and expertise, as well as human resources to manage these additional value-added services. We believe that our core personnel in our sales and marketing team are young and energetic with strong communications skills, which contribute to their capabilities to obtain new business opportunities in value-added services. More than half of such core personnel have earned a bachelor degree or above, and have multiple years of experience in industries such as catering, retail, trading, home furnishing, among others. We believe the educational background as well as professional experience of our staff equip them with the necessary expertise and experience to manage our planned additional value-added service businesses.				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
Invest in intelligent operational and internal management system to enhance service quality and customer experience	12%	14.3	i. Upgrade our online service system	We plan to upgrade our "Jiayou Life" online service system to better utilize the first-hand information collected during our interactions with residents, and better address their needs by offering customized value-added services.	3%	5.7	4.3	4.3
		28.7	ii. Introduce intelligent devices and facilities at our managed properties	We plan to introduce intelligent devices and facilities such as intelligent carpark system, contactless payment system, license plate recognition technology and shared vehicle charging stations at our managed properties to provide more convenient and reliable services to property owners and residents	6%	11.5	8.6	8.6
		14.3	iii. Develop and upgrade our internal management systems	We plan to develop and upgrade our internal management systems such as our internal resource planning and management system, procurement system, financial system, human resource system and contract management system with technologies such as Internet of Things, cloud computing, big data	3%	5.7	4.3	4.3

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe 2021	2022	2023
		(HK$ in millions)					*(HK$ in millions)*	
				We plan to incur spending on our (i) external online platform, including our WeChat mini program, "Jiayou Life+" (佳優生活+), and a mobile application, for which we have entered into a purchase agreement on September 3, 2020 with a related party, where property owners can request services from and interact with us; (ii) intelligence hardware to automate and enhance our management of common facilities and further standardize our operations, with functions such as license plate identification, exit and entrance facial recognition, intelligent sensors, and security surveillance; (iii) internal management system where we implement more precise management of contracts, invoices, trade receivables, and enable further internal sharing of business information and better collaborations. We believe by implementing these systems, we are able to connect customers' service requests with our automated service system and internal management system, which will enable us to respond to customer requests more promptly, to assign our staff resources more efficiently, and to reduce our operating costs more effectively. We will also gain the capabilities to better understand customers' consumption behaviors based on which we can improve our service offerings and quality.				
				We plan to purchase a total of 26 sets of intelligent operational and internal management hardware and software sets consisting of more than 9,000 units, covering each of the above-mentioned three types of systems.				

Major Categories	% of Total Proceeds	Amount	Sub-categories	Specific Plans	% of Total Proceeds	Timeframe		
						2021	2022	2023
		(HK$ in millions)				*(HK$ in millions)*		
Working capital	10%	47.7	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%	19.1	14.3	14.3
Total	100.0%	477.2				157.4	143.2	176.6

Plans for Strategic Acquisitions and Investments

As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of net proceeds from the Global Offering. When determining the amount of proceeds allocated to potential acquisitions of HK$334.0 million, or 70% of the total proceeds, assuming an Offer Price of HK$3.60 per Share (being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus), we consider (i) our goal to increase revenue and net profit by approximately RMB250 million and RMB25 million, respectively, per year through the acquisition of 100% equity interests in no more than ten potential targets, with each potential target contributing an increase in revenue and net profit by approximately RMB25 million and RMB2.5 million, respectively, at a price-earning ratio of approximately 12.0 times; and (ii) 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.

Although our Directors had not identified any suitable targets as of the Latest Practicable Date, we have determined the criteria for evaluating potential targets. These efforts are based on our experience in acquisition during the Track Record Period, as well as the results of research, financial due diligence and preliminary assessments and feasibility studies undertaken during the Track Record Period and up to the date of this prospectus.

Criteria for Strategic Acquisitions and Investments

We plan to select target cities based on a number of factors, including city size, population, per capita disposable income, competition in the local property market and average level of property management fee. In addition to the above, we may also take into account regional market share, customer satisfaction, staff competence, local labor costs, service offering, geographic coverage, financial stability, growth potential, brand image, competitiveness, qualifications in service areas that we consider profitable or compatible with our expansion strategy, such as property management companies that engage in the management of high-end business, or property management companies with specialty management experiences in management of non-residential properties such as commercial complexes, office buildings, industrial parks, hospitals and educational institutions. For acquisitions of property management service companies, the key criteria for our assessment of potential targets include, among others, (i) a total GFA under management of over 1.2 million sq.m., (ii) a total annual operating revenue of over RMB20.0 million in the most recent fiscal year, (iii) a total net profit of over RMB2.0 million in the most recent fiscal year and (iv) an average net profit margin of above 10.0% in the most recent fiscal year. As such, our Directors believe that there are sufficient number of suitable targets companies available in the market for our abovementioned plan.

We also plan to acquire property management companies with specialty service offerings such as cleaning, security, maintenance, housekeeping, elderly care, community retail and advertisement, among others. Such companies shall have no less than five years of experience in the relevant specialty service business, possess the necessary qualifications, have a leading local market share and mainly operate in the Yangtze River Delta Region with the ability to cover broader areas.

We may also consider collaborating with property developers with experience in urban redevelopment projects to set up joint ventures dedicated to providing property management services and community value added services to property owners and residents of the redevelopment projects. In selecting local property developers or local city investment companies for cooperation, key criteria include potential targets' past redevelopment history, relationships with local governments, reputation, and operating revenue and profit, among others.

Based on the above-mentioned criteria, we plan to acquire no more than ten potential targets, about two to three in 2021 and about two to three in 2022, with an average investment payback period of approximately six years. Our target region and provinces of expansions include but are not limited to Zhejiang, Anhui, Jiangsu, Shandong, Hu'nan, Guizhou and Qinghai provinces, Chongqing and Xinjiang autonomous region. We expect the gross profit margins for potential targets in the above target regions and provinces to be no less than 20.0%.

Implementation of Acquisition Plan

We plan to acquire or invest in quality property management service providers operating in cities with high growth potentials, large populations and high level of consumption in China. For more criteria for potential targets, please refer to "– 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—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. We believe that there should be a rich variety of potential targets available for our consideration in such fragmented property management service industry.

In addition, during the Track Record Period, we acquired 65% equity interest in Hunan Huaguan and deepened our penetration into southern and western regions. Furthermore, we have a business development team which is in charge of (i) exploring cooperation opportunities with property developers or acquisition targets through internal referrals and external marketing events; (ii) identify potential acquisition targets or projects developed by third-party property developers through establishing contacts with property developers, property owners' associations or property owners by site visits or setting up meetings with them by internal referrals; and (iii) allocating personnel to review publicly available information such as newspapers and online resources from time to time to obtain up-to-date public tender information and other key information about newly developed or existing properties, through which we can compile preliminary assessment and feasibility studies on potential targets, and analyze, among other data, corporate information, geographic presence, financial results, results of on-site due diligence and market research, to assess the potential opportunities and take follow-up actions in a timely manner. Our subsidiaries and branch offices are also responsible for implementing the sales and marketing strategies devised by our investment management and development department.

Leveraging our proven track record of historical strategic acquisitions, the trend of industry consolidation, our established market position and extensive industrial experience, as well as efforts of our professional business development teams, we believe that we will be able to implement our acquisition strategies successfully.

Valuation Basis

We determine the amount of consideration for a potential target primarily by referring to its price-earnings ratio of comparable companies and its net profit in the most recent fiscal year. Our final price range may be determined on the basis of, or adjusted depending on, among others, the target's size, the qualifications that it possesses, quality of properties managed by it (including the cities and locations), occupancy rate, collection rate of property management fees and our evaluation of its potential. As of the Latest Practicable Date, we had not identified or committed to any acquisition targets. In the event that we do identify suitable targets, and the net proceeds raised from the Global Offering are less than the capital expenditure needed, we intend to initiate the acquisition with our internal funds. Based on the market research on comparable companies conducted by our business development team, in determining the amount of proceeds to be used for the acquisition of property management service providers, we primarily have taken into account: (i) the GFA under management of the target companies; (ii) net profit in the most recent fiscal year; and (iii) price-earning ratio of other comparable property management companies. 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 ratio ranging from 11.0 to 15.0 times.

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 expenditure 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 consolidated financial statements of our Group for the Track Record Period;
- our operations including our future plans will not be interrupted by any *force majeure*, unforeseeable factors, extraordinary items or economic changes in respect of inflation, interest rate and tax rate in the PRC;
- 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 entitled "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 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 Offer Price is fixed at HK$4.05 per Offer Share (being the high end of the Offer Price Range stated in this prospectus), we will receive net proceeds of approximately HK$541.6 million, after deduction of underwriting fees and commissions and estimated expenses in connection with the Global Offering.

If the Offer Price is fixed at HK$3.15 per Offer Share (being the low end of the Offer Price Range stated in this prospectus), the net proceeds we receive will be approximately HK$412.7 million, after deduction of underwriting fees and commissions and estimated expenses in connection with the Global Offering.

We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

CORNERSTONE INVESTMENT

As part of the International Offering, our Company, the Joint Sponsors and the Joint Representatives have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to invest an aggregate of US$10.0 million, for the subscription of 21,536,000 International Offer Shares in total assuming that the Offer Price is HK$3.6 per Share (being the mid-point of the indicative Offer Price range). The aggregate amount of the investment contributed by the Cornerstone Investors does not include brokerage, SFC transaction levy, and Hong Kong Stock Exchange trading fee which the Cornerstone Investors will pay in respect of the International Offer Shares to be subscribed by them.

NUMBER OF INTERNATIONAL OFFER SHARES TO BE SUBSCRIBED BY THE CORNERSTONE INVESTORS

The information about the number of Offer Shares to be subscribed for by all of the Cornerstone Investors based on the total subscription price payable by all of the Cornerstone Investors (subject to the rounding down to the nearest full board lot of 1,000 Shares) and the relevant assumption of the Offer Price, is set out below:

	Assuming that the Offer Price of HK$3.15 (being the low-end of the indicative range of the Offer Price)							
			Percentage to the initial number of our International Offer Shares		Percentage to the initial number of our Offer Shares		Percentage to the enlarged number of our Shares in issue immediately upon completion of the Global Offering and the Capitalization Issue	
Name of the Cornerstone Investors	Amount of Investment(Note)	Number of Shares agreed to be subscribed for	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
	(US$ million)		*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*
Domking Investment II, L.P.	5	12,306,000	9.12%	7.81%	8.20%	7.13%	2.05%	1.98%
Harvest Global Capital Investments Limited	5	12,306,000	9.12%	7.81%	8.20%	7.13%	2.05%	1.98%
Total	10	24,612,000	18.24%	15.62%	16.40%	14.26%	4.10%	3.96%

Assuming that the Offer Price of HK$3.60 (being the mid-point of the indicative range of the Offer Price)

Name of the Cornerstone Investors	Amount of Investment(Note)	Number of Shares agreed to be subscribed for	Percentage to the initial number of our International Offer Shares: Assuming the Over-allotment Option is not exercised	Percentage to the initial number of our International Offer Shares: Assuming the Over-allotment Option is exercised in full	Percentage to the initial number of our Offer Shares: Assuming the Over-allotment Option is not exercised	Percentage to the initial number of our Offer Shares: Assuming the Over-allotment Option is exercised in full	Percentage to the enlarged number of our Shares in issue immediately upon completion of the Global Offering and the Capitalization Issue: Assuming the Over-allotment Option is not exercised	Percentage to the enlarged number of our Shares in issue immediately upon completion of the Global Offering and the Capitalization Issue: Assuming the Over-allotment Option is exercised in full
	(US$ million)		*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*
Domking Investment II, L.P.	5	10,768,000	7.98%	6.84%	7.18%	6.24%	1.79%	1.73%
Harvest Global Capital Investments Limited	5	10,768,000	7.98%	6.84%	7.18%	6.24%	1.79%	1.73%
Total	10	21,536,000	15.96%	13.68%	14.36%	12.48%	3.58%	3.46%

Assuming that the Offer Price of HK$4.05 (being the high-end of the indicative range of the Offer Price)

Name of the Cornerstone Investors	Amount of Investment(Note)	Number of Shares agreed to be subscribed for	Percentage to the initial number of our International Offer Shares: Assuming the Over-allotment Option is not exercised	Percentage to the initial number of our International Offer Shares: Assuming the Over-allotment Option is exercised in full	Percentage to the initial number of our Offer Shares: Assuming the Over-allotment Option is not exercised	Percentage to the initial number of our Offer Shares: Assuming the Over-allotment Option is exercised in full	Percentage to the enlarged number of our Shares in issue immediately upon completion of the Global Offering and the Capitalization Issue: Assuming the Over-allotment Option is not exercised	Percentage to the enlarged number of our Shares in issue immediately upon completion of the Global Offering and the Capitalization Issue: Assuming the Over-allotment Option is exercised in full
	(US$ million)		*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*
Domking Investment II, L.P.	5	9,571,000	7.09%	6.08%	6.38%	5.55%	1.60%	1.54%
Harvest Global Capital Investments Limited	5	9,571,000	7.09%	6.08%	6.38%	5.55%	1.60%	1.54%
Total	10	19,142,000	14.18%	12.16%	12.76%	11.10%	3.20%	3.08%

Note: Calculated based on the exchange rate as disclosed in this prospectus for reference only. The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate as provided in the relevant Cornerstone Investment Agreement.

The actual number of our International Offer Shares to be allocated to each of the Cornerstone Investors may be affected by clawback, further information on which is set forth in the section headed "Structure and Conditions of Global Offering – The Hong Kong Public Offering – Reallocation" in this prospectus, and will be disclosed in our announcement of results of allocations of our Offer Shares under the Global Offering on or around Tuesday, December 8, 2020.

Our Company is of the view that the cornerstone investments signify the confidence of the Cornerstone Investors in its business and prospects. It also ensures a reasonable size of solid commitment at the beginning of the marketing period of the Global Offering which helps to raise the profile of our Company.

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, each of the Cornerstone Investors and their respective ultimate beneficial owners is Independent Third Party, is not our connected person (as defined under the Listing Rules) or existing Shareholder, is not a close associate of any of our existing shareholders, and is independent of our connected persons and their respective close associates. In addition, our Company confirms that (i) save for the Cornerstone Investment Agreements, none of the Cornerstone Investors nor 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; (ii) the Cornerstone Investors are not accustomed to take and have not taken any instructions in relation to the acquisition, disposal, voting or any other disposition of the Offer Shares from our Company, our subsidiaries, directors and chief executive of our Company, our Controlling Shareholders, our substantial Shareholders or existing Shareholders, or any of their respective close associates; (iii) the subscription of Offer Shares by the Cornerstone Investors is not financed by our Company, our subsidiaries, directors and chief executive of our Company, our Controlling Shareholders, our substantial Shareholders or existing Shareholders, or any of their respective close associates; and (iv) the Cornerstone Investors are independent from each another.

None of the Cornerstone Investors will subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. Immediately following completion of the Global Offering and the Capitalization Issue, the Cornerstone Investors will not have any representation on the Board, nor will any of the Cornerstone Investors become a substantial shareholder (as defined under the Listing Rules) of our Company. The Cornerstone Investors do not have any preferential rights under the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price. There will be no delayed delivery of the Offer Shares and no deferred settlement arrangement for all of the Cornerstone Investors under the Cornerstone Investment Agreements. Each of the Cornerstone Investors undertakes to settle the payment pursuant to their respective Cornerstone Investment Agreement before the Listing becomes unconditional.

The investment contributed by the Cornerstone Investors will form part of the International Offering. The International Offer Shares to be subscribed for by the Cornerstone Investors (i) will rank pari passu in all respects with the other fully paid Shares in issue upon completion of the Global Offering and the Capitalization issue and (ii) will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules.

INFORMATION ON THE CORNERSTONE INVESTORS

We set forth below a brief description of the Cornerstone Investors, which has been provided by the respective Cornerstone Investors:

Domking Investment II, L.P.

Domking Investment II, L.P. ("**Domking Investment**") is an exempted limited partnership established in the Cayman Islands in June 2019, principally engaged in investment activities which are currently focused on the property management industry, with assets of approximately HK$60 million. Eastar Capital Management Ltd is the general partner of Domking Investment. Domking Investment and Eastar Capital Management Ltd are ultimately wholly owned by Mr. Shi Shilin, who is a professional investor with experience in the property management and healthcare sector, and has recently participated in the investment of JD Health International Inc.

Domking Investment confirmed that it will finance and settle its payment of the investment amount with its internal funding.

Harvest Global Capital Investments Limited

Harvest Global Capital Investments Limited ("**HGCI**") is a company incorporated in Hong Kong in 2011 and a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO in Hong Kong. It is principally engaged in merger and acquisitions, equity investment and investment advisory business. HGCI is a wholly-owned subsidiary of Harvest Global Investments Limited ("**HGI**"). HGI was incorporated in Hong Kong in 2008, which has had over 10 years of experience managing assets from global institutional investors and provides the gateway for global investors to access the Chinese capital markets and the opportunity to participate in its rapid growth. HGI is a wholly-owned subsidiary of Harvest Fund Management Co., Ltd ("**HFM**"), one of the largest Chinese institutional asset managers by assets under management, serving institutional clients and 80 million retail clients. As of the end of 2019, the scale of assets under management of HFM exceeded RMB1 trillion.

As of the signing date of the relevant Cornerstone Investment Agreement, based on information publicly available, HFM was owned as to (i) 40% by a private company established in the PRC in 1995 with a registered capital over RMB2.0 billion and ultimately controlled by state-owned enterprises, whose principal activities were trust management, fund management, investments and loan financing. As at the end of 2019, the scale of its managed trust assets exceeded RMB200 billion; (ii) 30% by a private company established in the PRC in 2001 with a registered capital of RMB300 million, which was an investment company mainly focused on the investment of technology companies; and (iii) 30% by a private company incorporated in Singapore which was a subsidiary of an asset manager with more than 60 years of experience in Germany and across Europe principally engaged in investment management and advisory services to individuals and institutions, serving clients globally. As of 30 June 2020, there were more than 700 billion European dollars of assets under the management of such asset manager.

HGCI confirmed that it will participate the cornerstone investment through its discretionary client's account, and it will finance and settle its payment of the investment amount with its client's funding.

CONDITIONS PRECEDENT

The obligations of the Cornerstone Investors to subscribe for the International Offering Shares under the Cornerstone Investment Agreements are subject to, among other things, the following conditions precedent:

(a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither of the Hong Kong Underwriting Agreement and the International Underwriting Agreement having been terminated;

(b) the Offer Price having been agreed upon between the Company and the Joint Representatives (on behalf of the Underwriters);

(c) the Listing Committee having granted the approval for the listing of, and permission to deal in, our Shares and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Hong Kong Stock Exchange;

(d) no Laws (as defined therein) shall have been enacted or promulgated by any Governmental Authority (as defined therein) which prohibits the consummation of the transactions contemplated in the Global Offering or therein and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(e) the respective representations, warranties, undertakings, and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of the Cornerstone Investor.

RESTRICTIONS ON DISPOSAL BY THE CORNERSTONE INVESTOR

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of any of the Offer Shares they have purchased pursuant to the relevant cornerstone investor agreements, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

HONG KONG UNDERWRITERS

Haitong International Securities Company Limited
Guotai Junan Securities (Hong Kong) Limited
CCB International Capital Limited
SPDB International Capital Limited
Valuable Capital Limited
Harmonia Capital Limited
BOCOM International Securities Limited
ABCI Securities Company Limited
Zhongrong PT Securities Limited
CMBC Securities Company Limited
CSFG International Securities Limited
Soochow Securities International Brokerage Limited
Glory Sun Securities Limited
Zhongtai International Securities Limited
CRIC Securities Company Limited
Futu Securities International (Hong Kong) Limited
Fortune (HK) Securities Limited
Seazen Resources Securities Limited
Vision Capital International Holdings Limited
SBI China Capital Financial Services Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering 15,000,000 Hong Kong Offer Shares for subscription by the public in Hong Kong on, and subject to, the terms and conditions set out in this prospectus and the Application Forms.

Subject to:

(a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in our Shares in issue and to be issued pursuant to the Global Offering or otherwise described in this prospectus and such approval for the listing of and permission to deal in our Shares not subsequently being revoked; and

(b) certain other conditions set out in the Hong Kong Underwriting Agreement (including but not limited to the Offer Price being agreed upon between us and the Joint Representatives (for themselves and on behalf of the other Underwriters)), the Hong Kong Underwriters have agreed severally to subscribe for, or procure subscribers for, the Hong Kong Offer Shares which are being offered but 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. If, for any reason, the Offer Price is not agreed between us and the Joint Representatives (for themselves and on behalf of the other Hong Kong Underwriters), the Global Offering will not proceed and will lapse.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares will be subject to termination by notice in writing to our Company from the Joint Representatives (for themselves and on behalf of the other Hong Kong Underwriters) with immediate effect if any of the following events occur at or prior to 8:00 a.m. on the Listing Date:

(a) there has developed, occurred, existed or come into force that:

(i) any statement contained in any of this prospectus, the Application Forms any other relevant documents used in connection with the Global Offering (the "**Offer Documents**") considered by the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) in their sole and absolute opinion to be material in the context of the Global Offering, was, when it was issued, or has become, untrue, incorrect or misleading in any material respect or that any forecast, expression of opinion, intention or expectation expressed in any Offer Documents is not, in the reasonable opinion of the Joint Representatives, in all material respects, fair and honest and based on reasonable assumptions, when taken as a whole; or

(ii) any matter has arisen or has been discovered which would or might, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission therefrom considered by the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) in their sole and absolute opinion to be material in the context of the Global Offering; or

(iii) any material breach of any of the obligations or undertakings imposed upon any party to any of the Underwriting Agreements (in each case, other than on the part of any of the Underwriters); or

(iv) any breach of, or any event or circumstance rendering, any of the Warranties, untrue or incorrect, in any material respect; or

(v) any material adverse change in the condition, business, assets and liabilities, properties, results of operations, in the financial or trading position or prospect of any member of the Group; or

(vi) the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares is refused or not granted, other than subject to customary conditions, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(vii) our Company withdraws any of the Offer Documents (and/or any other documents used in connection with the contemplated subscription of the Offer Shares) or the Global Offering; or

(viii) any person (other than the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in any of the Offer Documents or to the issue of any of the Offer Documents; or

(b) there shall develop, occur, exist or come into effect:

(i) any material change or any event or series of events resulting or representing any material change in local, national, regional or international financial, political, military, industrial, legal, economic, currency market, fiscal or regulatory or market matters or conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a devaluation of the Renminbi against any foreign currencies) in or affecting China, Hong Kong, the Cayman Islands, the BVI, the United States, the United Kingdom, the European Union (or any member thereof) or any other jurisdiction relevant to our Group or the Global Offering (each a "**Relevant Jurisdiction**"); or

(ii) any new law or regulation or any material change or development in any existing law or regulation, or any material change in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or

(iii) any event or series of events in the nature of force majeure (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, riot, public disorder, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, outbreak of infectious disease (excluding such diseases subsisting as of the date of the Hong Kong Underwriting Agreement which have not materially escalated thereafter), in or affecting any of the Relevant Jurisdictions; or

(iv) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(v) (A) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the Nasdaq National Market, the London Stock Exchange, or (B) a general moratorium on commercial banking activities in any of the Relevant Jurisdictions declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions; or

(vi) any material adverse change in taxation or exchange controls (or the implementation of any exchange control), currency exchange rates or foreign investment regulations in any of the Relevant Jurisdictions; or

(vii) any imposition of economic sanctions, in whatever form, directly or indirectly, by any of the Relevant Jurisdictions on our Company or any of our subsidiaries; or

(viii) any material adverse change in our Group's condition, business, financial, earnings, trading position or prospects; or

(ix) the commencement by any judicial or regulatory body or organization of any public action against an executive Director or an announcement by any judicial or regulatory body or organization that it intends to take any such action; or

(x) other than with the approval of the Joint Representatives, the issue or requirement to issue by our Company of a supplementary prospectus or offering document pursuant to the Companies (WUMP) Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the reasonable opinion of the Joint Representatives, materially adverse to the marketing for or implementation of the Global Offering; or

(xi) a petition is presented for the winding up or liquidation of our Company or any of our subsidiaries, or our Company or any of our subsidiaries make any compromise or arrangement with our Company's creditors or enter into a scheme of arrangement or any resolution is passed for the winding-up of our Company or any of our subsidiaries or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or any of our subsidiaries or anything analogous thereto occurs in respect of our Company or any of our subsidiaries; or

(xii) a valid demand by any creditor for repayment or payment of any of our Company's indebtedness or those of any of our subsidiaries or in respect of which our Company or any of our subsidiaries are liable prior to its stated maturity; or

(xiii) any material litigation or claim being threatened or instigated against our Company or any of our subsidiaries; or

(xiv) a contravention by any member of our Group or any executive Director of the Listing Rules, the Companies Ordinance or any other laws applicable to the Global Offering in any material respect; or

(xv) a prohibition on our Company by any laws or regulations for whatever reason from allotting, issuing or selling the Offer Shares pursuant to the terms of the Global Offering; or

(xvi) a non-compliance of the Offer Documents or any aspect of the Global Offering with the Listing Rules or any other laws applicable to the Global Offering in any material respect,

and which, in any of the above cases and in the sole and absolute opinion of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters):

(a) is or may or will be or is likely to be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of our Company or our subsidiaries as a whole; or

(b) has or may have or will have or is likely to have a material adverse effect on the success of the Global Offering and/or make it impracticable or inadvisable for any part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or

(c) makes or may make or will or is likely to make it inadvisable, impracticable or incapable to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus.

Undertakings given to the Stock Exchange pursuant to the Listing Rules

By our Company

In accordance with Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that, no further Shares or securities convertible into our equity securities of our Company (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities of our Company will be completed within six months from the Listing Date), except pursuant to the Capitalization Issue, the Global Offering, the exercise of the Over-allotment Option and/or under the circumstances prescribed by Rule 10.08 of the Listing Rules.

By our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to us and to 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, he/it shall not:

(a) in the period commencing on the date of 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 our Shares or securities of our Company that he/it is shown to be beneficial owners (the "**Relevant Shares**"); or

(b) in the period of a further six months commencing on the date on which the period referred to in paragraph (a) 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 Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it will cease to be a controlling shareholder (as defined in the Listing Rules) of our Company.

In accordance with Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has further undertaken to us and the Stock Exchange that, within the period commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date, he/it will:

(a) when he/it pledges or charges any Shares or securities in our Company beneficially owned by him/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 us in writing of such pledge or charge together with the number of our Shares or securities so pledged or charged; and

(b) when he/it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by him/it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of our Controlling Shareholders and (if any) disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings given to the Hong Kong Underwriters

Undertakings by our Company

Our Company has undertaken to each of the Joint Sponsors, the Joint Representatives and the Hong Kong Underwriters that except pursuant to the Global Offering, the Capitalization Issue, the exercise of the Over-allotment Option or pursuant to any transaction or arrangement contemplated in this prospectus or with the prior written consent of the Joint Sponsors and the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) (such consent not to be unreasonably withheld or delayed) and unless in compliance with the requirements of the Listing Rules, we will not, at any time within the period commencing from the date of the Hong Kong Underwriting Agreement and ending on the date which is six months from the Listing Date (the "**First Six-Month Period**"):

(a) offer, accept subscription for, pledge, allot, issue, sell, lend, mortgage, assign, charge, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase any of its share capital or other securities of the Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or any interest therein); 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 of any such share capital or securities or any interest therein; or

(c) enter into any transaction with the same economic effect as any transactions specified in (a) or (b) above; or

(d) offer to or agree to do any of the foregoing or announce any intention to do so, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise, and in the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the period of six months immediately following the expiry of the First Six-month Period (the "**Second Six-month Period**"), our Company will take all reasonable steps to ensure that any such act will not create a disorderly or false market for the Shares or other securities of our Company.

By our Controlling Shareholders

Each of our Controlling Shareholders has undertaken to each of our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the Global Offering, the Capitalization Issue, the exercise of the Over-allotment Option and/or if applicable, the Stock Borrowing Agreement and/or pursuant to any transaction or arrangement contemplated in this prospectus, at any time during the First Six-month Period, he/it will not, and will procure none of his/its associates will, without the prior written consent of our Company, the Joint Sponsors and the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters):

(a) offer, pledge, charge (other than any pledge or charge of the issued share capital of our Company 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), sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend, make any short sale or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, any of the share capital or other securities of our Company or any interest therein (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such capital or securities or any interest therein) whether now owned or hereinafter acquired, directly or indirectly, by any of our Controlling Shareholders (including holding as a custodian) or with respect to which any of our Controlling Shareholders has beneficial interest; 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 of any such capital or securities or any interest therein; or

(c) enter into any transaction with the same economic effect as any transaction described in paragraph (a) or (b) above; or

(d) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraph (a) or (b) or (c) above, whether any such transaction described in paragraph (a) or (b) or (c) above is to be settled by delivery of Shares or such other securities, in cash or otherwise.

In addition, during the Second Six-Month Period, each of our Controlling Shareholders will not, and will procure other Controlling Shareholders not to, enter into any of the foregoing transactions described in (a), (b), (c) or (d) above or agree or contract to or publicly announce any intention to enter into any such transaction if, immediately following such transaction, he/it will cease to be a Controlling Shareholder or would together with the other Controlling Shareholders cease to be "controlling shareholder" (as defined in the Listing Rules) of our Company.

Until the expiry of the Second Six-month Period, in the event that any of our Controlling Shareholders enters into any of the foregoing transactions described in (a), (b), (c) or (d) above or agrees or contracts to, or publicly announces any intention to enter into any such transactions, he/it will take all reasonable steps to ensure that he/it will not create a disorderly or false market in the securities of our Company.

Each of the Controlling Shareholders has further undertaken to each of our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, he/it will and will procure other Controlling Shareholders to, from the date of the Hong Kong Underwriting Agreement up to and including the expiry of the Second Six-month Period:

(a) upon any pledge or charge in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any share capital or other securities of our Company or any interests therein in respect of which it is the beneficial owner, immediately inform our Company and the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) in writing of such pledge or charge together with the number of Shares or other securities so pledged or charged; and

(b) upon any indication received by he/it, either verbal or written, from any pledgee or chargee that any of the pledged or charged shares or securities or interests in the Shares or other securities of our Company will be disposed of, immediately inform our Company and the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) in writing of such indications.

Our Company will inform the Stock Exchange, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers in writing as soon as it has been informed of any of the matters referred to above (if any) by our Controlling Shareholders and disclose such matters by way of a press announcement to be published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Underwriters' interests in our Group

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement or as otherwise disclosed in this prospectus, as of the Latest Practicable Date, none of the Underwriters was interested directly or indirectly in any of our Shares or securities or any shares or securities of any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any of our Shares or securities or any shares or securities of any other member of our Group.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of our Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and International Underwriting Agreement.

The Joint Sponsors' Independence

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The International Offering

In connection with the International Offering, we expect to enter into the International Underwriting Agreement on the Price Determination Date with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally agree to subscribe or procure subscribers for the International Offer Shares being offered pursuant to the International Offering. Please refer to "Structure and Conditions of the Global Offering – The International Offering".

Our Company is expected to grant to the Joint Representatives the Over-allotment Option, exercisable by the Joint Representatives (on behalf of the International Underwriters), at any time from the date of the International Underwriting Agreement until 30 days from the date of the last day for the lodging of applications under the Hong Kong Public Offering to require us to issue and allot up to an aggregate of 22,500,000 additional new Shares, representing 15% of the initial Offer Shares in aggregate, at the same price per Share under the International Offering to cover, among other things, any over-allocations (if any) in the International Offering.

Total Commission and Expenses

The Underwriters will receive an underwriting commission of no more than 3.5% on the aggregate Offer Price of all the Offer Shares, out of which any sub-underwriting commission will be paid. Our Company may, at our sole and absolute discretion, pay to the Joint Representatives an incentive fee of up to 1% of the aggregate Offer Price in respect of all of the Offer Shares from the Global Offering (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

The underwriting commissions (including the incentive fee), listing fees, Stock Exchange trading fee and transaction levy, legal and printing and other professional fees and other expenses relating to the Global Offering which are estimated to be approximately HK$62.8 million in aggregate (assuming (i) an Offer Price of HK$3.60 per Offer Share (being the mid-point of the indicative Offer Price range stated in this prospectus); (ii) the Over-allotment Option is not exercised), are payable and borne by our Company in respect of the new Shares.

Activities by Syndicate Members

Set out below is a variety of activities that the Underwriters of the Hong Kong Public Offering and the International Offering, together referred to as "Syndicate Members", may each individually undertake, and which do not form part of the underwriting or the stabilizing process. It should be noted that when engaging in any these activities the Syndicate Members are subject to restrictions, including the following:

(a) under the agreement among the Syndicate Members, none of the Underwriters (except for the Joint Representatives, their affiliate(s) or any person(s) acting for it for the purpose of taking any stabilizing action) will, and each of the Underwriters will procure that none of its respective affiliates and agents will, in connection with the distribution of the Offer Shares, effect, cause or authorize any other person to effect any transactions including, but not limited to issuing options or derivatives on the underlying Shares (whether in the open market or otherwise and whether in Hong Kong or elsewhere) with a view to stabilizing or maintaining the market price of any of the Shares at a level higher than that which might otherwise prevail in the open market or any action which is designed to or which constitutes or which might be expected to, cause or result in the stabilization or manipulation, in violation of applicable laws, of the price of any security of the Company; and

(b) none of the Underwriters (other than the Joint Representatives or their affiliate(s) or any other person(s) acting for it for the purpose of taking any stabilizing action), will, during the period which begins on the commencement of trading of the Shares on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering, issue any warrant, option or derivative on the underlying Shares (whether in the open market or otherwise), except with the prior written consent of the Joint Representatives.

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 relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares and entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling 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 or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant 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 of these activities may occur both during and after the end of the stabilizing period described in "Structure and Conditions of the Global Offering – Over-allotment Option" and "Structure and Conditions of the Global Offering – Stabilization" in this prospectus. These activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares, and the volatility of the Shares and their share price, and the extent to which this occurs from day to day cannot be estimated.

Indemnity

Our Company has agreed to indemnify the Hong Kong Underwriters against certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- the Hong Kong Public Offering of initially 15,000,000 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described below in the paragraph headed "The Hong Kong Public Offering"; and

- the International Offering of initially 135,000,000 Offer Shares (subject to reallocation and the Over-allotment Option as described below) outside the United States (including to professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for the Offer Shares in Hong Kong) in offshore transactions in reliance on Regulation S.

Of the 135,000,000 Offer Shares initially being offered under the International Offering, 15,000,000 Offer Shares will be offered under the Preferential Offering to the Qualifying Jiayuan Shareholders as an Assured Entitlement as described in "– The Preferential Offering" below.

Investors may either:

- apply for the Hong Kong Offer Shares under the Hong Kong Public Offering; or

- apply for or indicate an interest for the International Offer Shares under the International Offering,

but may not do both (except that Qualifying Jiayuan Shareholders who are eligible to apply for the Reserved Shares in the Preferential Offering may also either (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering, if eligible; or (ii) indicate an interest for International Offer Shares under the International Offering, if qualified to do so).

The 150,000,000 Offer Shares in the Global Offering will represent 25% of our enlarged share capital immediately after the completion of the Global Offering and the Capitalization Issue, without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 27.7% of our enlarged share capital immediately following the completion of the Global Offering and the Capitalization Issue.

References to applications, application forms, application monies or procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

We are initially offering for subscription by the public in Hong Kong 15,000,000 Offer Shares, representing 10% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares offered under the Hong Kong Public Offering will represent approximately 2.5% of our enlarged issued share capital immediately after completion of the Global Offering and the Capitalization Issue, 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 as set forth below in "Conditions of the Global Offering".

Allocation

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based 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. We may, if necessary, allocate the Hong Kong Offer Shares on the basis of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Offer Shares available under the Hong Kong Public Offering is to be divided equally into two pools:

- ***Pool A***: The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of HK$5 million or less (excluding brokerage, SFC transaction levy and Stock Exchange trading fee payable); and

- ***Pool B***: The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million and up to the value of pool B (excluding brokerage, SFC transaction levy and Stock Exchange trading fee payable).

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly. For the purpose of this subsection only, the "subscription price" for the 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 but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 7,500,000 Hong Kong Offer Shares will be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation at the sole and absolute discretion of the Joint Representatives, subject to Paragraph 4.2 of Practice Note 18 of the Listing Rules and the Stock Exchange's Guidance Letter HKEX-GL91-18 that requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached as further described below:

(a) where the International Offer Shares are fully subscribed or oversubscribed:

   (i) if the Hong Kong Offer Shares are undersubscribed, the Joint Representatives have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Joint Representatives deem appropriate;

   (ii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents less than 15 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then up to 15,000,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 30,000,000 Offer Shares, representing 20% of the total number of the Offer Shares initially available under the Global Offering;

   (iii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (1) 15 times or more but less than 50 times, (2) 50 times or more but less than 100 times, and (3) 100 times or more of the number of Offer Shares initially available under the Hong Kong Public Offering, the Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering in accordance with the clawback requirements set forth in paragraph 4.2 of Practice Note 18 of the Listing Rules, so that the total number of Hong Kong Offer Shares will be increased to 45,000,000 Offer Shares (in the case of (1)), 60,000,000 Offer Shares (in the case of (2)) and 75,000,000 Offer Shares (in the case of (3)), representing approximately 30%, 40% and 50% of the Offer Shares initially available under the Global Offering, respectively;

(b) where the International Offer Shares are undersubscribed:

(i) if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless fully underwritten by the Underwriters; and

(ii) if the Hong Kong Offer Shares are fully subscribed or oversubscribed (irrespective of the extent of over-subscription), then up to 15,000,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 30,000,000 Offer Shares, representing 20% of the total number of the Offer Shares initially available under the Global Offering.

In the event of reallocation of Offer Shares from the International Offering to the Hong Kong Public Offering in the circumstances described in paragraph (a)(ii) or (b)(ii) above, the final Offer Price shall be fixed at the bottom end of the Offer Price Range (i.e. HK$3.15 per Offer Share) according to HKEX Guidance Letter HKEX-GL91-18 issued by the Stock Exchange.

In the event of a reallocation of Offer Shares from the International Offering to the Hong Kong Public Offering in circumstances under paragraph (a)(ii), (a)(iii) and (b)(ii) above, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B in equal proportion 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 discretion, after consultation with our Company, reallocate International Offer Shares as they deem appropriate from the International Offering to the Hong Kong Public Offering to satisfy in whole or in part excess valid applications under the Hong Kong Public Offering. The above clawback mechanism complies with paragraph 4.2 of Practice Note 18 of the Listing Rules and the Stock Exchange's Guidance Letter HKEX-GL91-18.

The Reserved Shares which are offered under the Preferential Offering to Qualifying Jiayuan 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 the Reserved Shares applied for pursuant to the Preferential Offering), and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it 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, maximum price of HK$4.05 per Offer Share in addition to brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% on each Offer Share, amounting to a total of HK$4,090.81 for one board lot of 1,000 Shares. If the Offer Price, as finally determined on the Price Determination Date in the manner as described below in the paragraph headed "Pricing and Allocation", is less than the maximum price of HK$4.05 per Offer Share, appropriate refund payments (including brokerage, SFC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. For further details, see "How to Apply for Hong Kong Offer Shares and Reserved Shares" in this prospectus.

THE PREFERENTIAL OFFERING

Basis of the Assured Entitlement

In order to enable Jiayuan 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 Jiayuan Shareholders are being invited to apply for an aggregate of 15,000,000 Reserved Shares in the Preferential Offering, representing approximately 11.1% and 10.0% of the Offer Shares initially available under the International Offering and the Global Offering (assuming that the Over-allotment Option is not exercised), respectively, as an Assured Entitlement. The Reserved Shares are being offered out of the International Offer Shares under the International Offering and are not subject to reallocation as described in "– The 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 82 Jiayuan Shares held by Qualifying Jiayuan Shareholders as at 4:30 p.m. on the Record Date.

Qualifying Jiayuan Shareholders should note that their Assured Entitlement to the Reserved Shares may not represent a full board lot of 1,000 Shares. Further, the Reserved Shares allocated to the Qualifying Jiayuan Shareholders will be rounded down to the closest whole number if required and dealings in odd lots of the Shares may be at a price below the prevailing market price for full board lots.

Assured Entitlement of Qualifying Jiayuan Shareholders to Reserved Shares are not transferrable. There will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Jiayuan Shareholders who hold less than 82 Jiayuan 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 Jiayuan 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 Jiayuan 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 and assuming the conditions of the Preferential Offering are satisfied.

Where a Qualifying Jiayuan Shareholder applies for a number of Reserved Shares which is greater than the Qualifying Jiayuan Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full, subject as mentioned above, but the excess portion of such application will only be satisfied to the extent that there are sufficient Available Reserved Shares as described below.

Where a Qualifying Jiayuan 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 Jiayuan 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 calculate the correct amount payable on application by using the formula set out in the **BLUE** Application Form.

To the extent that excess applications for the Reserved Shares are:

(a) less than the Assured Entitlement not taken up by the Qualifying Jiayuan 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 if there are any Reserved Shares remaining after satisfying the excess applications, such Reserved Shares will be reallocated, 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 of excess Reserved Shares.

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.

Beneficial Jiayuan Shareholders whose Jiayuan Shares are held by a nominee company should note that our Company will regard the nominee company as a single Jiayuan Shareholder according to the register of members of Jiayuan International. Accordingly, such Beneficial Jiayuan Shareholders whose Jiayuan Shares are held by a nominee company should note that the arrangement under paragraph (c) above will not apply to them individually. Any Beneficial Jiayuan Shareholders whose Jiayuan 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 Jiayuan Shares in the name of the beneficial owner prior to the Record Date.

Applications by Qualifying Jiayuan Shareholders for Hong Kong Offer Shares

In addition to any application for Reserved Shares made on the **BLUE** Application Form, Qualifying Jiayuan Shareholders will be entitled to make one application for Hong Kong Offer Shares on **WHITE** or **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC via CCASS or by applying through the **HK eIPO White Form** service. Qualifying Jiayuan Shareholders will receive no preference as to entitlement or allocation in respect of applications for Hong Kong Offer Shares made on **WHITE** or **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service under the Hong Kong Public Offering.

Beneficial Jiayuan Shareholders who hold Jiayuan 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》), China Securities Depository and Clearing Corporation Limited does not provide services relating to the subscription of newly issued shares. Accordingly, Beneficial Jiayuan Shareholders who hold Jiayuan 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.

Qualifying Jiayuan Shareholders

Only Jiayuan Shareholders whose names appeared on the register of members of Jiayuan International on the Record Date are entitled to subscribe for the Reserved Shares under the Preferential Offering.

According to the register of members of Jiayuan International on the Record Date, there was no Jiayuan Shareholders with registered addresses in, or who are otherwise known by Jiayuan International to be residents of, jurisdictions outside Hong Kong, in respect of whom the directors of Jiayuan International 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 Jiayuan Shareholder is resident or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

Distribution of this Prospectus and the BLUE Application Forms

BLUE Application Forms have been despatched to all Qualifying Jiayuan Shareholders. Qualifying Jiayuan 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 Global Coordinators 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 "How to Apply for Hong Kong Offer Shares and Reserved Shares" 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

We will be initially offering for subscription under the International Offering 135,000,000 Offer Shares, representing 90% of the Offer Shares under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares offered under the International Offering will represent approximately 22.5% of our enlarged issued share capital immediately after completion of the Global Offering and the Capitalization Issue, assuming the Over-allotment Option is not exercised. The Reserved Shares being offered pursuant to the Preferential Offering are being offered out of the International Offer Shares.

Allocation

The International Offer Shares will conditionally be offered to selected professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Prospective professional, institutional and other investors will be required to specify the number of the International 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 the Price Determination Date.

Allocation of the International Offer Shares pursuant to the International Offering will be determined by the Joint Representatives and will be based on a number of factors including the level and timing of demand, 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, and/or hold or sell its Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the International Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Joint Representatives (for themselves and 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 applications of Hong Kong Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement as described above in the paragraph headed "The Hong Kong Public Offering – Reallocation" or the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, it is expected that we will grant the Over-allotment Option to the International Underwriters.

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable at the discretion of the Joint Representatives (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to 22,500,000 Shares, representing 15% of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Shares to be issued pursuant thereto will represent approximately 3.61% of our enlarged issued share capital immediately following the completion of the Global Offering and the Capitalization Issue. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of our Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager or any persons acting for it to conduct any such stabilizing action. Such stabilizing action, if taken, will be conducted at the absolute discretion of the Stabilizing Manager or any person acting for it and may be discontinued at any time, and is required to be brought to an end on January 1, 2021, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong under the Securities and Futures (Price Stabilizing) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our Shares, (ii) selling or agreeing to sell our Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of our Shares, (iii) purchasing, or agreeing to purchase, our Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of our Shares for the sole purpose of preventing or minimising any reduction in the market price of our Shares, (v) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases, and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in Shares should note that:

- the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the Shares;

- 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;

- 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;

- no stabilizing action can be taken to support the price of the Shares for longer than the stabilizing period which will begin on the Listing Date and is expected to end on January 1, 2021, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further action may be taken to support the price of the Shares, demand for the Shares, and therefore the price of the Shares, could fall;

- the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price, which means that stabilizing bids or transactions effected may be made at a price below the price paid by applicants for, or investors in, the Offer Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

OVER-ALLOCATION

Following any over-allocation of Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by (among other methods) exercising the Over-allotment Option in full or in part, 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 arrangement as detailed below or a combination of these means.

STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilizing Manager may choose to enter into an agreement with Chuangyuan Holdings, a Controlling Shareholder of our Company, to borrow, whether on its own or through its affiliates, up to 22,500,000 Shares, representing 15% of the total number of the Offer Shares initially available for the Global Offering. The stock borrowing arrangement under such an agreement, if entered into, will not be subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set forth in Rule 10.07(3) of the Listing Rules are complied with as follows:

- such stock borrowing arrangement is fully described in this prospectus and must be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option;

- the maximum number of Shares to be borrowed from Chuangyuan Holdings by the Stabilizing Manager (or any person acting for it) is the maximum number of Shares that may be issued upon full exercise of the Over-allotment Option;

- the same number of Shares so borrowed must be returned to Chuangyuan Holdings or its nominee(s) within three business days following the earlier of (a) the last day on which the Over-allotment Option may be exercised, and (b) the day on which the Over-allotment Option is exercised in full;

- the stock borrowing arrangement will be effected in compliance with all applicable listing rules, laws and other regulatory requirements; and

- no payment will be made to Chuangyuan Holdings by the Stabilizing Manager (or any person acting for it) in relation to such stock borrowing arrangement.

PRICING AND ALLOCATION

Our Company and the Joint Representatives (for themselves and on behalf of the Underwriters) will determine the Offer Price and sign an agreement on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or around December 2, 2020, and in any event, not later than December 4, 2020.

The Offer Price will not be more than HK$4.05 per Offer Share and is expected to be not less than HK$3.15 per Offer Share, unless otherwise announced, as further explained below. If you apply for the Offer Shares under the Hong Kong Public Offering, you must pay the maximum price of HK$4.05 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% fee, amounting to a total of HK$4,090.81 for one board lot of 1,000 Shares.

If the Offer Price, as finally determined in the manner described below, is lower than HK$4.05, we will refund the respective difference, including brokerage, SFC transaction levy and Stock Exchange trading fee attributable to the surplus application monies. We will not pay interest on any refunded amounts. For more details, see “How to Apply for Hong Kong Offer Shares and Reserved Shares” in this prospectus.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Joint Representatives (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price Range below that stated in this prospectus prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we 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 publish a notice on our website at **jy-fw.cn** and the website of the Stock Exchange at **www.hkexnews.hk** (the contents of the website do not form a part of this prospectus). Upon issue of such a notice, the revised number of Offer Shares and/or offer price range will be final and conclusive and the Offer Price, if agreed upon by us, will be fixed within such revised offer price range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price Range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also confirm or revise, as appropriate, the working capital statement, the Global Offering statistics as currently set out in "Summary" in this prospectus, and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the Offer Price, if agreed upon with the Company and the Joint Representatives (for themselves and on behalf of the Underwriters) will under no circumstances be set outside the Offer Price Range as stated in this prospectus.

If you have already submitted an application for the Hong Kong Offer Shares before the last day for lodging applications under the Hong Kong Public Offering, you will not be allowed to subsequently withdraw your application. However, if the number of Offer Shares and/or the Offer Price Range is reduced, applicants 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.

In the event of a reduction in the number of Offer Shares, the Joint Representatives may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering (assuming the Over-allotment Option is not exercised).

The final Offer Price, the level of indication of interest in the International Offering, the basis of allotment of Offer Shares available under the Hong Kong Public Offering and the Preferential Offering 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 are expected to be made available in a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares and Reserved Shares – E. Publication of Results" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares is conditional on, among others:

- the Listing Committee granting approval for the listing of, and permission to deal in, our Shares in issue and to be issued as described in this prospectus (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option);

- the Offer Price having been agreed between us and the Joint Representatives (on behalf the Underwriters);

- the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

- 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 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 Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the case may be (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 the 30th day after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between us and the Joint Representatives (for themselves and on behalf of the Underwriters) on or before Friday, December 4, 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, each other offering becoming unconditional and not having been terminated in accordance with its respective terms. If the above conditions are not fulfilled or waived prior to the times and dates 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 our website at **jy-fw.cn** and the website of the Stock Exchange at **www.hkexnews.hk** on the next day following such lapse. In such an event, 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 – G. Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares are expected to be issued on Tuesday, December 8, 2020 but will only become valid certificates of title at 8:00 a.m. on Wednesday, December 9, 2020 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in "Underwriting – Grounds for Termination" in this prospectus has not been exercised at or before that time.

UNDERWRITING AGREEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to, among other conditions, us and the Joint Representatives (for themselves and on behalf of the Underwriters) agreeing on the Offer Price on the Price Determination Date.

We expect to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

Certain terms of the underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in “Underwriting”.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling our Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, our Shares and our Company complies with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second 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.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, December 9, 2020, it is expected that dealings in our Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, December 9, 2020.

The Shares will be traded in board lots of 1,000 Shares each.

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 via the **HK eIPO White Form** service at **www.hkeipo.hk** or by the **IPO App**; or
- electronically cause HKSCC Nominees to apply for the Hong Kong Offer Shares on your behalf.

None of you or your joint applicant(s) may make more than one application (whether individually or jointly), except where (i) you are a nominee and provide the required information in your application; and (ii) if you are a Qualifying Jiayuan Shareholder, you may also apply for Reserved Shares by using a **BLUE** Application Form.

Our Company, the Joint Representatives, the **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the 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, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

You can also or alternatively apply for Reserved Shares on a **BLUE** Application Form if you are also a Qualifying Jiayuan Shareholder.

If you apply online through the **HK eIPO White Form** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) 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 through an authorized attorney, the Company and the Joint Representatives may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO White Form** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in the Company and/or any its subsidiaries;
- a Director or chief executive officer of the Company and/or any of its subsidiaries;
- a close associate (as defined in the Listing Rules) of any of the above persons;
- a core connected person (as defined in the Listing Rules) of the Company or will become a core connected person of the Company immediately upon completion of the Global Offering; or
- have been allocated or have applied for any International Offer Shares or otherwise indicated an interest in the International Offering (except in respect of Reserved Shares applied for pursuant to the Preferential Offering).

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through the **HK eIPO White Form** service at www.hkeipo.hk or the **IPO App**.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, November 27, 2020 until 12:00 noon on Wednesday, December 2, 2020 from:

(i) any of the following offices of the Joint Global Coordinators:

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

Guotai Junan Securities (Hong Kong) Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

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

SPDB International Capital Limited
33/F, SPD Bank Tower
One Hennessy, 1 Hennessy Road
Hong Kong

Valuable Capital Limited
Room 2808, 28th Floor
China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Harmonia Capital Limited
Unit 2505, 25/F, Cosco Tower
183 Queen's Road Central
Hong Kong

(ii) the following designated branches of the receiving bank:

Bank of China (Hong Kong) Limited

District	Branch	Address
Hong Kong Islands	Johnston Road Branch	152-158 Johnston Road, Wan Chai, Hong Kong
Kowloon	Kwun Tong Plaza Branch	G1 Kwun Tong Plaza, 68 Hoi Yuen Road, Kwun Tong, Kowloon
	Kowloon Plaza Branch	Unit 1, Kowloon Plaza, 485 Castle Peak Road, Kowloon
New Territories	Shatin Branch	Shop 20, Level 1, Lucky Plaza, 1-15 Wang Pok Street, Sha Tin, New Territories

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, November 27, 2020 until 12:00 noon on Wednesday, December 2, 2020 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from 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 – JIAYUAN SERVICES PUBLIC OFFER**" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving banks listed above, at the following times:

- Friday, November 27, 2020 – 9:00 a.m. to 5:00 p.m.
- Saturday, November 28, 2020 – 9:00 a.m. to 1:00 p.m.
- Monday, November 30, 2020 – 9:00 a.m. to 5:00 p.m.
- Tuesday, December 1, 2020 – 9:00 a.m. to 5:00 p.m.
- Wednesday, December 2, 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 Wednesday, December 2, 2020, the last application day or such later time as described in "Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the **WHITE** or **YELLOW** Application Form carefully; otherwise, your application may be rejected.

By submitting a **WHITE** or **YELLOW** Application Form or applying through the **HK eIPO White Form** service, among other things, you:

(i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Joint Representatives (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) agree to comply with the Companies Ordinance, the Companies (WUMP) Ordinance and the Articles of Association;

(iii) 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;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;

(vi) agree that none of our Company, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) 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 Offer Shares under the International Offering nor participated in the International Offering (except in respect of Reserved Shares applied for pursuant to the Preferential Offering);

(viii) agree to disclose to our Company, our Hong Kong Branch Share Registrar, receiving banks, the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) 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 none of our Company, the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Underwriters nor any of their respective officers or advisers will breach any law 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 contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorize our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to send any Share certificate(s) and/or any e-Auto Refund system payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the Share certificate(s) and/or refund cheque(s) in person;

(xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying (except in respect of the Reserved Shares applied for pursuant to the Preferential Offering);

(xvii) understand that our Company and the Joint Representatives will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (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 to the **HK eIPO White Form** Service Provider by you or by any one as your agent or by any other person; and

(xix) (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 their agent.

Additional Instructions for Yellow Application Form

You may refer to the **Yellow** Application Form for details.

5. APPLYING THROUGH HK EIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in "Who can apply" section, may apply through the **HK eIPO White Form** service for the Offer Shares to be allotted and registered in their own names through the designated website at **www.hkeipo.hk** or the **IPO App**.

Detailed instructions for application through the **HK eIPO White Form** service are on the designated website or in the **IPO App**. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website or the **IPO App**, you authorize the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

Time for Submitting Applications under the HK eIPO White Form service

You may submit your application to the **HK eIPO White Form** Service Provider at **www.hkeipo.hk** or in the **IPO App** (24 hours daily, except on the last application day) from 9:00 a.m. on Friday, November 27, 2020 until 11:30 a.m. on Wednesday, December 2, 2020 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, December 2, 2020 or such later time under the "Effects of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists" in this section.

No Multiple Applications

If you apply by means of **HK eIPO White Form** service, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **HK eIPO White Form** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means (except where you applied as or for a Qualifying Jiayuan Shareholder under the Preferential Offering), all of your applications are liable to be rejected.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, our 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 (WUMP) Ordinance (as applied by section 342E of the Companies (WUMP) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 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 Center
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 this 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 our Company, the Joint Representatives and our Hong Kong Branch 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:

(i) 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;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Offer Shares to be allotted shall be issued 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, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering (except in respect of Reserved Shares applied for under 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 their agent;

- confirm that you understand that our Company, the Directors and the Joint Representatives will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;

- authorize our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send Share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

- agree that none of our Company, the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to our Company, our Hong Kong Branch Share Registrar, receiving banks, the Joint Representatives, the Underwriters and/or its respective advisers and agents;

- 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 before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day 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 before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Hong Kong Public Offering results;

- 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 the giving **electronic application instructions** to apply for Hong Kong Offer Shares;

- agree with our 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 itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Ordinance, the Companies (WUMP) Ordinance and the Articles of Association; and

- agree that your application, any acceptance of it and the resulting contract will be governed by 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 shall 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 the 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 per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the 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 1,000 Hong Kong Offer Shares. Instructions for more than 1,000 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:

- Friday, November 27, 2020 – 9:00 a.m. to 8:30 p.m.
- Monday, November 30, 2020 – 8:00 a.m. to 8:30 p.m.
- Tuesday, December 1, 2020 – 8:00 a.m. to 8:30 p.m.
- Wednesday, December 2, 2020 – 8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, November 27, 2020 until 12:00 noon on Wednesday, December 2, 2020 (24 hours daily, except on Wednesday, December 2, 2020, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, December 2, 2020, the last application day or such later time as described in "Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists" in this section.

(1) These times in this sub-section are subject to changes 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 shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, our 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 (WUMP) Ordinance (as applied by section 342E of the Companies (WUMP) Ordinance).

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by our Company, the Hong Kong Branch Share Registrar, the receiving bankers, the Joint Representatives, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **HK eIPO White Form** service is also only a facility provided by the **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, the Directors, the Joint Bookrunners, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, **HK eIPO White Form** Service Provider and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, December 2, 2020.

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 Jiayuan Shareholder applying for Reserved Shares under the Preferential Offering on the **BLUE** Application Form you may also make one application for the 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 **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** or the **IPO App**. However, in respect of any application for Hong Kong Offer Shares using the above methods, you will not enjoy the preferential treatment accorded to you under the Preferential Offering as described in "Structure and Conditions of the Global Offering – The Preferential Offering" in this prospectus.

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 **HK eIPO White Form** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

B. APPLICATIONS FOR RESERVED SHARES

1. WHO CAN APPLY

Only Jiayuan Shareholders whose names appeared on the register of members of Jiayuan International at 4:30 p.m. on the Record Date are entitled to subscribe for the Reserved Shares under the Preferential Offering.

Qualifying Jiayuan Shareholders are entitled to apply on the basis of an Assured Entitlement of one Reserved Share for every 82 Jiayuan Shares held by them at 4:30 p.m. on the Record Date.

Qualifying Jiayuan Shareholders who hold less than 82 Jiayuan Shares at 4:30 p.m. 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, our Company and the Joint Representatives, as our Company's agents, may accept it at their discretion, and on any conditions they think fit, including requiring evidence of the attorney's authority. Our Company and the Joint Representatives, as our 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 our Company and/or any of its subsidiaries;
- a Director or chief executive of our Company and/or any of its subsidiaries;
- a close associate (as defined in the Listing Rules) of any of the above persons; or
- a core connected person (as defined in the Listing Rules) of our Company or a person who will become a core connected person of our Company immediately upon completion of the Global Offering.

2. HOW TO APPLY

An application for Reserved Shares under the Preferential Offering may only be made by Qualifying Jiayuan Shareholders using **BLUE** Application Forms which have been despatched to Qualifying Jiayuan Shareholders by our Company.

Qualifying Jiayuan 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 Jiayuan Shareholders who hold less than 82 Jiayuan Shares at 4:30 p.m. 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 Jiayuan 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 assuming the conditions of the Preferential Offering are satisfied.

Where a Qualifying Jiayuan Shareholder applies for a number of Reserved Shares which is greater than the Qualifying Jiayuan 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 Jiayuan 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 Jiayuan 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 calculate the correct amount payable on application by using the formula set out in the **BLUE** Application Form.

To the extent that excess applications for the Reserved Shares are:

(a) less than the Available Reserved Shares, the Available Reserved Shares will first be allocated to satisfy such excess applications for the Reserved Shares in full and if there are any Reserved Shares remaining after satisfying the excess applications, such Reserved Shares will be reallocated, 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 of excess Reserved Shares.

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 Jiayuan Shareholders who have applied for Reserved Shares under the Preferential Offering 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 **HK eIPO White Form** service for the Hong Kong Offer Shares in the Hong Kong Public Offering. However, Qualifying Jiayuan Shareholders will receive no preference as to entitlement or allocation in respect of applications for Hong Kong Offer Shares made on **WHITE** or **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service under the Hong Kong Public Offering.

Persons who held their Jiayuan Shares as of 4:30 p.m. 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 Jiayuan Shares as of 4:30 p.m. on the Record Date in CCASS directly as a CCASS Investor Participant, and wish to participate in the Preferential Offering, should give their instruction to HKSCC via the CCASS Phone System or CCASS Internet System by no later than the deadline set by HKSCC or HKSCC Nominees.

3. DISTRIBUTION OF THIS PROSPECTUS AND THE BLUE APPLICATION FORMS

BLUE Application Forms have been despatched to all Qualifying Jiayuan Shareholders, save for certain core connected persons of our Company who will not participate in the Preferential Offering, to their address recorded on the register of members of Jiayuan Holdings on the Record Date.

Qualifying Jiayuan 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 Global Coordinators 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 Jiayuan Shareholders who require a replacement **BLUE** Application Form should contact Tricor Investor Services Limited at Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong or on its hotline 2980 1333.

Distribution of this prospectus and/or the **BLUE** Application Forms into any jurisdiction other than Hong Kong may be restricted by law. Persons who come into possession of this prospectus and/or the **BLUE** Application Forms (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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.

4. APPLYING BY USING BLUE APPLICATION FORMS

(a) You may choose one of the four options on the **BLUE** Application From when applying for Reserved Shares:

(i) Option 1: apply for a number of Reserved Shares that is equal to your Assured Entitlement.

(ii) Option 2: apply for a number of Reserved Shares up to your Assured Entitlement and excess Reserved Shares.

(iii) Option 3: apply for a number of Reserved Shares that is less than your Assured Entitlement.

(iv) Option 4: Apply for a number of excess Reserved Shares only (e.g. if you hold less than 82 Jiayuan Shares on the Record Date and therefore do not have an Assured Entitlement are still entitled to participate in the Preferential Offering by applying for excess Reserved Shares).

(b) The **BLUE** Application Form will be rejected by our Company if:

- the **BLUE** Application Form is not completed in accordance with the instructions as stated in the **BLUE** Application Form;

- the **BLUE** Application Form has not been duly signed (only written signatures are acceptable) (or in the case of a joint application, not all applicants have signed);

- in respect of applicants who are corporate entities, the **BLUE** Application Form has not been duly signed (only written signature is acceptable) by an authorized officer or affixed with a company chop;

- the cheque/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 cheque/banker's cashier order or is accompanied by more than one cheque/banker's cashier order for each of the application for Assured Entitlement and excess application for Reserved Shares;

- the account name on the cheque/banker's cashier order is not pre-printed or certified by the issuing bank;

- the banker's cashier order was not issued by a licensed bank in Hong Kong, or did not have the applicant's name certified on the back by a person authorized by the bank;

- the cheque/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 cheque/banker's cashier order is not "**BANK OF CHINA (HONG KONG) NOMINEES LIMITED – JIAYUAN SERVICES PREFERENTIAL OFFER**" or the cheque has not been crossed "Account Payee Only;"

- the cheque was post-dated;

- the applicant's payment is not made correctly or if the applicant pays by check or banker's cashier order the check or banker's cashier order is dishonored on its first presentation;

- the applicant's name/the first applicant's name on the joint application is not the same as the name pre-printed or certified/endorsed by the drawee bank on the check/banker's cashier order;

- any alteration(s) to the application details on the **BLUE** Application Form has or have not been authorized by the signature(s) of the applicant(s);

- the application is completed by pencil;

- the applicant does not fill in all the boxes in the option he/she/it chooses;

- the applicant chooses more than one of the options on the **BLUE** Application Form;

- our Company believes that by accepting the application, our 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;

- our 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; or

- the application is for more than 15,000,000 Reserved Shares (except HKSCC Nominees Limited) under the Preferential Offering.

(c) If you are applying for a number of Reserved Shares which is equal to your Assured Entitlement (**Option 1**):

- Your application will be rejected by our Company if the amount on your cheque/banker's cashier order does not match with the amount payable in Box B set out in the **BLUE** Application Form.

(d) If you are applying for a number of Reserved Shares up to your Assured Entitlement and excess Reserved Shares (**Option 2**):

- Your application will be rejected if the amount on the cheque/banker's cashier order does not match and is less than the amount payable in relation to your Assured Entitlement applied for in your **BLUE** Application Form.

- Your application for your Assured Entitlement (if any) will be accepted in full but your application for excess Reserved Shares will be rejected if the amount on the cheque/banker's cashier order does not match and is more than the amount payable in relation to your Assured Entitlement applied for but is less than the total amount payable in relation to both your Assured Entitlement applied for and the excess Reserved Shares applied for in your **BLUE** Application Form.

- Your application will be accepted in full if the amount on the cheque/banker's cashier order does not match and is more than the total amount payable in relation to both your Assured Entitlement applied for and the excess Reserved Shares applied for in your **BLUE** Application Form.

(e) If you are applying for a number of Reserved Shares which is less than your Assured Entitlement (**Option 3**):

- You are recommended to apply for Reserved Shares in one of the numbers set out in the table in the **BLUE** Application Form. When the number of Reserved Shares applied for is in one of the numbers set out in the table in the **BLUE** Application Form, your application will be rejected by our Company if the amount on your cheque/banker's cashier order does not match with the corresponding amount payable as set out in the table in the **BLUE** Application Form. When the number of Reserved Shares applied for is not in one of the numbers set out in the table in the **BLUE** Application Form, your application will be rejected by our Company if the amount on your cheque/banker's cashier order does not match with the amount payable calculated by using the formula set out in the **BLUE** Application Form.

(f) If you are applying for a number of excess Reserved Shares only (**Option 4**):

- You are recommended to apply for Reserved Shares in one of the numbers set out in the table in the **BLUE** Application Form. When the number of Reserved Shares applied for is in one of the numbers set out in the table in the **BLUE** Application Form, your application will be rejected by our Company if the amount on your cheque/banker's cashier order does not match with the corresponding amount payable as set out in the table in the **BLUE** Application Form. When the number of Reserved Shares applied for is not in one of the numbers set out in the table in the **BLUE** Application Form, your application will be rejected by our Company if the amount on your cheque/banker's cashier order does not match with the amount payable calculated by using the formula set out in the **BLUE** Application Form.

5. WHEN MAY APPLICATIONS BE MADE

(a) 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 – JIAYUAN SERVICES PREFERENTIAL OFFER**" for the payment, should be deposited in the special collection boxes provided at Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong at the following times:

- Friday, November 27, 2020 – 9:00 a.m. to 5:00 p.m.
- Monday, November 30, 2020 – 9:00 a.m. to 5:00 p.m.
- Tuesday, December 1, 2020 – 9:00 a.m. to 5:00 p.m.
- Wednesday, December 2, 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 Wednesday, December 2, 2020, the last day for applications, or such later time as described in "– D. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists" below.

(b) Application Lists

The application lists will be open from 11:45 a.m. to 12:00 noon on Wednesday, December 2, 2020, the last day for applications, or such later time as described in "– D. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists" below.

6. 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.

7. ADDITIONAL TERMS AND CONDITIONS AND INSTRUCTIONS

You should refer to the **BLUE** Application Form for details of the additional terms and conditions and instructions which apply to applications for Reserved Shares.

C. HOW MUCH ARE THE HONG KONG OFFER SHARES AND THE RESERVED SHARES

The Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 1,000 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 1,000 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.hkeipo.hk** or in the **IPO App**.

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 calculate the correct amount payable on application by using the formula set out in the **BLUE** Application Form.

If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules), and the SFC transaction levy and the Stock Exchange trading fee are 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".

D. EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if:

- a tropical cyclone warming signal number 8 or above; or
- a "black" rainstorm warning; and/or
- Extreme Conditions;

is/are in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, December 2, 2020. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Wednesday, December 2, 2020 or if a tropical cyclone warning signal number 8 or above or Extreme Conditions or a "black" rainstorm warning signal is/are in force in Hong Kong that may affect the dates mentioned in "Expected Timetable", an announcement will be made in such event.

E. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication 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 on Tuesday, December 8, 2020 on the Company's website at **jy-fw.cn** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering and the Preferential Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company's website at **jy-fw.cn** and the Stock Exchange's website at **www.hkexnews.hk** by no later than Tuesday, December 8, 2020;
- from the designated results of allocations website at **www.tricor.com.hk/ipo/result** and **www.hkeipo.hk/IPOResult** or from the "Allotment Result" function in the **IPO App** with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Tuesday, December 8, 2020 to 12:00 midnight on Monday, December 14, 2020;

- by telephone enquiry line by calling 3691 8488 between 9:00 a.m. and 6:00 p.m. from Tuesday, December 8, 2020 to Friday, December 11, 2020 (excluding Saturday, Sunday and public holiday in Hong Kong);

- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, December 8, 2020 to Thursday, December 10, 2020 at all the receiving bank designated branches.

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 the 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 contained 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.

F. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED HONG KONG OFFER SHARES AND/OR RESERVED SHARES

You should note the following situations in which the Hong Kong Offer Shares and/or the Reserved Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance (as applied by section 342E of the Companies (WUMP) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, 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.

(ii) If the Company or its agents exercise their discretion to reject your application:

Our Company, the Joint Representatives, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares and/or Reserved Shares is void:

The allotment of Hong Kong Offer Shares and/or Reserved Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications (if any) (other than an application (if any) made on the **BLUE** Application Form in your capacity as a Qualifying Jiayuan Shareholder);
- you or the person for whose benefit you are applying 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 Application Form is not completed in accordance with the stated instructions;
- your electronic application instructions through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions on the designated website or in the **IPO App**;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;

- the Company or the Joint Representatives believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or

- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

G. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK$4.05 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with "Structure and Conditions of the Global Offering – Conditions of the Global Offering" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the 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 Tuesday, December 8, 2020.

H. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted 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 Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE**, **YELLOW** or **BLUE** Application Form, 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:

- Share certificate(s) for all the Hong Kong Offer Shares and/or Reserved Shares allotted to you (for **YELLOW** Application Forms, Share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favour 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 per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee 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(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of Share certificates and refund monies as mentioned below, any refund cheques and Share certificates are expected to be posted on or around Tuesday, December 8, 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's order(s).

Share certificates will only become valid at 8:00 a.m. on the Listing Date on Wednesday, December 9, 2020 provided that the Global Offering has become unconditional and the right of termination described in the "Underwriting" section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) 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) from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, December 8, 2020 or such other date as notified by us.

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 which is eligible for personal collection, your authorized representative must bear a letter of authorisation 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 Branch Share Registrar.

If you do not collect your refund cheque(s) and/or Share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post 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) will be sent to the address on the relevant Application Form on Tuesday, December 8, 2020, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Tuesday, December 8, 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 the designated CCASS Participant's stock account as stated in your Application Form on Tuesday, December 8, 2020, or upon 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 CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS investor participant*

  The Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "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 8, 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 CCASS Internet System.

(iii) If you apply through the HK eIPO White Form service

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, December 8, 2020, or such other date as notified by the Company as the date of despatch/collection of Share certificates/e-Auto Refund system payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Tuesday, December 8, 2020 by ordinary post 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-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

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 8, 2020, or, on any other date determined by HKSCC or HKSCC Nominees.

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "Publication of Results" above on Tuesday, December 8, 2020. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, December 8, 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 allotted 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 allotted 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 8, 2020. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of 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 the 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 8, 2020.

I. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply 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 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 arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling 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 JIAYUAN SERVICES HOLDINGS LIMITED, HAITONG INTERNATIONAL CAPITAL LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Jiayuan Services Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-63, which comprises the consolidated statements of financial position of the Group as at December 31, 2017, 2018 and 2019 and June 30, 2020, the statement of financial position of the Company as at June 30, 2020, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group 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-63 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated November 27, 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.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "*Accountants' Reports on Historical Financial Information in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at June 30, 2020 and the consolidated financial position of the Group as at December 31, 2017, 2018 and 2019 and June 30, 2020 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group 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 15 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. No dividends have been paid by the Company since its date of incorporation 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 27, 2020

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated 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.

Consolidated 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*	209,804	331,258	454,891	210,665	280,254
Cost of services	*9*	(164,024)	(252,360)	(346,197)	(158,228)	(194,357)
Gross profit		45,780	78,898	108,694	52,437	85,897
Other income and expenses, net	*8*	1,853	1,849	1,715	867	2,636
Impairment losses on financial assets	*3.1*	(5,456)	(7,496)	(4,942)	(2,350)	(4,004)
Selling and marketing expenses	*9*	(1,636)	(3,069)	(7,400)	(2,716)	(3,495)
Administrative expenses	*9*	(13,204)	(21,626)	(29,313)	(10,414)	(30,453)
Finance costs	*12*	(2,228)	(14)	(19)	(9)	(49)
Share of results of investments accounted for using the equity method	*19*	–	–	(431)	51	1,596
Profit before taxation		25,109	48,542	68,304	37,866	52,128
Income tax expense	*13*	(6,760)	(12,766)	(18,090)	(9,326)	(15,869)
Profit and total comprehensive income for the year/period		18,349	35,776	50,214	28,540	36,259
Profit and total comprehensive income attributable to:						
– Owners of the Company		18,349	35,776	50,214	28,540	35,653
– Non controlling interests		–	–	–	–	606
Profit and total comprehensive income for the year/period		18,349	35,776	50,214	28,540	36,259
Earnings per share attributable to owners of the Company (expressed in RMB'000 per share)						
– Basic and diluted	*14*	183	358	502	285	357

Consolidated statements of financial position

	Note	As at December 31, 2017 RMB'000	2018 RMB'000	2019 RMB'000	As at June 30, 2020 RMB'000
ASSETS					
Non-current assets					
Property and equipment	16	7,029	7,930	14,633	14,732
Right-of-use assets	17	606	499	2,831	2,817
Intangible assets	18	–	746	35,683	33,924
Investments accounted for using the equity method	19	–	–	6,524	8,120
Deferred income tax assets	28	3,578	7,692	11,285	13,412
		11,213	16,867	70,956	73,005
Current assets					
Inventories	21	160	144	880	530
Trade and other receivables	22	142,992	600,597	738,439	733,966
Restricted bank deposits	23	50	1,351	1,559	1,112
Cash and cash equivalents	23	21,744	33,367	37,644	47,508
		164,946	635,459	778,522	783,116
Total assets		176,159	652,326	849,478	856,121
EQUITY					
Equity attributable to owners of the Company					
Share capital	24	–	–	–	–
Reserves	25	(4,056)	100,934	151,148	186,801
		(4,056)	100,934	151,148	186,801
Non-controlling interests	26, 31	–	–	10,157	7,263
Total equity		(4,056)	100,934	161,305	194,064
LIABILITIES					
Non-current liabilities					
Lease liabilities		229	105	1,187	198
Deferred income tax liabilities	28	–	186	5,207	4,767
		229	291	6,394	4,965
Current liabilities					
Contract liabilities	7	24,871	44,182	77,326	80,653
Trade and other payables	27	145,720	486,257	576,565	564,307
Lease liabilities		386	396	1,336	1,710
Current income tax liabilities		9,009	20,266	26,552	10,422
		179,986	551,101	681,779	657,092
Total liabilities		180,215	551,392	688,173	662,057
Total equity and liabilities		176,159	652,326	849,478	856,121

Statement of financial position of the Company

	Note	**As at June 30, 2020** *RMB'000*
ASSETS		
Non-current asset		
Investments in subsidiaries	*33(a)*	100,934
Current assets		
Other receivables	*33(b)*	4,463
Total assets		105,397
EQUITY		
Share capital	*24*	–
Reserves	*33(d)*	87,483
Total equity		87,483
LIABILITIES		
Current liabilities		
Other payables	*33(c)*	17,914
Total liabilities		17,914
Total equity and liabilities		105,397

Consolidated statements of changes in equity

	Note	Attributable to owners of the Company				
		Share capital RMB'000	Reserves RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at January 1, 2017		–	7,595	7,595	–	7,595
Comprehensive income						
Profit for the year		–	18,349	18,349	–	18,349
Total comprehensive income for the year		–	18,349	18,349	–	18,349
Transactions with owners in their capacity as owners:						
Deemed distribution to Mr. Shum	*25*	–	(75,000)	(75,000)	–	(75,000)
Capital injection from the then shareholder	*25*	–	45,000	45,000	–	45,000
Total transactions with owners		–	(30,000)	(30,000)	–	(30,000)
Balance at December 31, 2017		–	(4,056)	(4,056)	–	(4,056)
Balance at January 1, 2018		–	(4,056)	(4,056)	–	(4,056)
Comprehensive income						
Profit for the year		–	35,776	35,776	–	35,776
Total comprehensive income for the year		–	35,776	35,776	–	35,776
Transactions with owners in their capacity as owners:						
Deemed contribution from Mr. Shum	*25*	–	87,214	87,214	–	87,214
Dividends distributed to the then shareholder	*15*	–	(18,000)	(18,000)	–	(18,000)
Contribution from the intermediate holding company	*1.2*	–	300,000	300,000	–	300,000
Business combination under common control	*1.2*	–	(300,000)	(300,000)	–	(300,000)
Total transactions with owners		–	69,214	69,214	–	69,214
Balance at December 31, 2018		–	100,934	100,934	–	100,934
Balance at January 1, 2019		–	100,934	100,934	–	100,934
Comprehensive income						
Profit for the year		–	50,214	50,214	–	50,214
Total comprehensive income for the year		–	50,214	50,214	–	50,214
Transactions with owners in their capacity as owners:						
Acquisition of a subsidiary	*31*	–	–	–	10,157	10,157
Balance at December 31, 2019		–	151,148	151,148	10,157	161,305

	Note	Attributable to owners of the Company				
		Share capital RMB'000	Reserves RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at January 1, 2019		–	100,934	100,934	–	100,934
Comprehensive income						
Profit for the period		–	28,540	28,540	–	28,540
Total comprehensive income for the period		–	28,540	28,540	–	28,540
Balance at June 30, 2019 (Unaudited)		–	129,474	129,474	–	129,474
Balance at January 1, 2020		–	151,148	151,148	10,157	161,305
Comprehensive income						
Profit for the period		–	35,653	35,653	606	36,259
Total comprehensive income for the period		–	35,653	35,653	606	36,259
Transactions with owners in their capacity as owners:						
Dividends paid to non-controlling interests	*15*	–	–	–	(3,500)	(3,500)
Balance at June 30, 2020		–	186,801	186,801	7,263	194,064

Consolidated statements of cash flows

	Note	Year ended December 31, 2017 RMB'000	2018 RMB'000	2019 RMB'000	Six months ended June 30, 2019 RMB'000 (Unaudited)	2020 RMB'000
Cash flows from operating activities						
Cash generated from operations	29	1,914	121,904	68,158	34,018	47,953
Income tax paid		(5,313)	(6,177)	(16,428)	(11,560)	(34,566)
Net cash (used in)/generated from operating activities		(3,399)	115,727	51,730	22,458	13,387
Cash flows from investing activities						
Purchases of property and equipment		(4,166)	(2,857)	(9,420)	(1,929)	(2,577)
Acquisition of subsidiaries, net of cash acquired	31	(499)	66	6,431	592	(27,359)
Proceeds from disposal of property and equipment	29(b)	13	–	953	145	408
Repayments from related parties		179,894	12,820	216,459	4,773	220,225
Advances to related parties		(2,600)	(90,653)	(217,625)	–	(226,547)
Payments for investments in joint ventures		–	–	(5,355)	(5,100)	–
Advances to a third party		–	–	(38,542)	(32,778)	–
Interest received		2,273	53	48	21	217
Repayments from a third party		–	–	–	–	38,542
Net cash generated from/(used in) investing activities		174,915	(80,571)	(47,051)	(34,276)	2,909
Cash flows from financing activities						
Payments on leases		(234)	(500)	(402)	(259)	(1,489)
Repayments to related parties		(42,222)	(6,833)	–	–	–
Advances from related parties		–	–	300,000	–	–
Repayments of bank borrowings		(94,000)	–	–	–	–
Dividends paid to the then shareholder	15	–	(16,200)	–	–	–
Listing expenses paid		–	–	–	–	(1,443)
Interest paid		(2,213)	–	–	–	–
Acquisition of Jiayuan Services	1.2	–	–	(300,000)	–	–
Capital injection from the then shareholder	25	45,000	–	–	–	–
Acquisition of Dongyuan Investment	1.2, 25	(75,000)	–	–	–	–
Dividends paid to non-controlling interests	15	–	–	–	–	(3,500)
Net cash used in financing activities		(168,669)	(23,533)	(402)	(259)	(6,432)
Net increase/(decrease) in cash and cash equivalents		2,847	11,623	4,277	(12,077)	9,864
Cash and cash equivalents at beginning of the year/period		18,897	21,744	33,367	33,367	37,644
Cash and cash equivalents at end of the year/period	23	21,744	33,367	37,644	21,290	47,508

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION AND REORGANIZATION

1.1 General information

The Company was incorporated in the Cayman Islands on March 5, 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 at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in the provision of property management services, value-added services to property developers and community value-added services in the People's Republic of China (the "PRC") (the "Listing Business").

The intermediate holding company of the Company is Jiayuan International Group Limited ("Jiayuan International"), an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Jiayuan International is ultimately controlled by Mr. Shum Tin Ching ("Mr. Shum").

1.2 History and reorganization of the Group

History of the Group

Prior to the incorporation of the Company and the completion of the reorganization as described below, the Listing Business was operated through Zhejiang Jiayuan Property Services Group Company Limited ("Jiayuan Services") and its subsidiaries in the PRC during the Track Record Period.

Jiayuan Services was 90% owned by its then immediate holding company Jiayuan Chuangsheng Holding Group Company Limited ("Jiayuan Chuangsheng") and 10% owned by Zhejiang Jiayuan Real Estate Group Company Limited ("Zhejiang Jiayuan Real Estate"). Both Jiayuan Chuangsheng and Zhejiang Jiayuan Real Estate are owned by Mr. Shum. Jiayuan Services and its subsidiaries were engaged in the provision of the Listing Business and the sales of system equipment and provision of software installation services (the "IT Business"). The IT Business was operated separately by Jiaxing Dongyuan Investment Company Limited ("Dongyuan Investment") and its subsidiaries of which 75% equity interest was acquired by Jiayuan Services at a cash consideration of RMB75,000,000 on November 7, 2017, from a company controlled by Mr. Shum.

On December 29, 2017, Chuangyuan Development Limited ("Chuangyuan Development") was incorporated in the British Virgin Islands ("BVI"). Chuangyuan Development was then a direct wholly-owned subsidiary of Chuangyuan Holdings Limited ("Chuangyuan Holdings"), a company incorporated in the BVI and was wholly-owned by Mr. Shum.

On June 20, 2018, Jiayuan Property Management Limited ("Jiayuan HK") was incorporated in Hong Kong as a direct wholly-owned subsidiary of Chuangyuan Development.

On November 26, 2018, Zhejiang Heyuan Property Services Co., Ltd ("Zhejiang Heyuan") was established by Jiayuan HK as its wholly-owned foreign enterprise in the PRC.

On September 19, 2018, Jiayuan International entered into a sale and purchase agreement with Mr. Shum, pursuant to which Jiayuan International conditionally agreed to acquire and Mr. Shum conditionally agreed to transfer the Listing Business (the "Acquisition") in exchange of 50,180,189 newly issued ordinary shares of Jiayuan International. As a condition of the Acquisition, Jiayuan Services transferred its 75% equity interest in Dongyuan Investment to Jiaxing Xiangyuan Investment Management Co., Ltd. ("Jiaxing Xiangyuan"), a company controlled by Mr. Shum at a consideration of RMB77,000,000 which was settled through balances with related parties.

On December 3, 2018, Zhejiang Jiayuan Real Estate and Jiayuan Chuangsheng entered into a sale and purchase agreement with Zhejiang Heyuan, pursuant to which Zhejiang Jiayuan Real Estate and Jiayuan Chuangsheng transferred 100% equity interest in Jiayuan Services to Zhejiang Heyuan at a consideration of

RMB300,000,000. In 2019, Mr. Shum advanced RMB300,000,000 to Zhejiang Heyuan to settle the consideration. Mr. Shum in December 2018 agreed to inject RMB300,000,000 into Chuangyuan Holdings which in turn will inject the same amount into Chuangyuan Development.

On January 21, 2019, Jiayuan International completed the acquisition of the entire issued share capital of Chuangyuan Holdings in consideration of 50,180,189 newly issued ordinary shares of Jiayuan International to Mr. Shum. Based on the market value of HKD4.4 per ordinary share of Jiayuan International on the completion date, the fair value of the consideration for the acquisition is HKD220,793,000 (equivalent to RMB188,866,000).

As a result of the above transactions, the Listing Business was controlled by Jiayuan International.

Reorganization

In preparation for the initial listing of the Company's shares on the Stock Exchange (the "Listing"), a reorganization (the "Reorganization") was undertaken pursuant to which Chuangyuan Development and its subsidiaries, engaged in the Listing Business, were transferred to the Company. The Reorganization mainly involved the following:

(1) On March 5, 2020, the Company was incorporated in the Cayman Islands with an authorized share capital of Hong Kong Dollar ("HKD") 390,000 divided into 39,000,000 ordinary shares of HKD0.01 each. Upon its incorporation, one fully-paid ordinary share was issued to the initial subscriber at par and was transferred to Chuangyuan Holdings at par on the same day. Upon completion of such transfer, the Company was wholly-owned by Chuangyuan Holdings.

(2) On April 9, 2020, the Company acquired the entire equity interest in Chuangyuan Development from Chuangyuan Holdings, at a consideration of allotment and issue of 99 ordinary shares of the Company at HKD0.01 each to Chuangyuan Holdings. Upon completion of the shares allotment and issue, Chuangyuan Development became wholly-owned by the Company.

Upon completion of the Reorganization, the Company became the holding company of Chuangyuan Development and the companies now comprising the Group.

Upon the completion of the Reorganization and as at the date of this report, the Company had direct or indirect interests in the following subsidiaries:

			Attributable equity interest					
			As at December 31,			As at	As at the date	
Name of subsidiary	**Place and date of incorporation**	**Registered/ issued capital**	**2017**	**2018**	**2019**	**June 30, 2020**	**of this report**	**Principal activities/ Place of operations**
Directly held by the Company:								
Chuangyuan Development (創源發展有限公司) *(Notes (1), (2), (4) and (8))*	BVI, December 29, 2017	US$1	100%	100%	100%	100%	100%	Investment holding in Hong Kong
Indirectly held by the Company:								
Jiayuan HK (佳源物業管理有限公司) *(Notes (1), (2), (4) and (8))*	Hong Kong, June 20, 2018	HK$1	N/A	100%	100%	100%	100%	Investment holding in Hong Kong
Zhejiang Heyuan (浙江禾源物業服務有限公司) *(Notes (1), (2) and (4))*	PRC, November 26, 2018	US$43,592,200	N/A	100%	100%	100%	100%	Investment holding in PRC

Name of subsidiary	Place and date of incorporation	Registered/ issued capital	Attributable equity interest As at December 31, 2017	2018	2019	As at June 30, 2020	As at the date of this report	Principal activities/ Place of operations
Jiayuan Services (浙江佳源物業服務集團有限公司) *(Notes (1), (2) and (4))*	PRC, April 26, 2004	RMB50,000,000	100%	100%	100%	100%	100%	Property management in PRC
Anhui Chongyuan Property Management Company Limited (安徽崇源物業管理有限公司) *(Notes (1), (2) and (4))*	PRC, March 26, 2018	RMB5,000,000	N/A	100%	100%	100%	100%	Property management in PRC
Zhejiang Meiyuan Family Services Company Limited (浙江美源家庭服務有限公司) *(Notes (1), (2) and (4))*	PRC, May 17, 2017	RMB10,000,000	100%	100%	100%	100%	100%	Community value-added services in PRC
Chongqing Zhongnong Guoxin Property Management Company Limited (重慶中農國信物業管理有限公司) *(Notes (1), (2) and (4))*	PRC, March 29, 2010	RMB5,000,000	100%	100%	100%	100%	100%	Property management in PRC
Xinjiang Jiayuan City Property Services Company Limited (新疆佳源都市物業服務有限公司) *(Notes (1), (2) and (4))*	PRC, June 25, 2018	RMB5,000,000	N/A	100%	100%	100%	100%	Property management in PRC
Hangzhou Minan Property Management Company Limited ("Hangzhou Minan") (杭州民安物業管理有限公司) *(Notes (1), (2) and (4))*	PRC, March 30, 2000	RMB3,000,000	N/A	100%	100%	100%	100%	Property management in PRC
Yangzhou Shengyuan Property Services Company Limited (揚州盛源物業服務有限公司) *(Notes (1), (2) and (4))*	PRC, April 15, 2019	RMB1,000,000	N/A	N/A	100%	100%	100%	Property management in PRC
Anhui Jiayuan Property Services Company Limited (安徽佳源物業服務有限公司) *(Notes (1), (2) and (4))*	PRC, April 17, 2019	RMB5,000,000	N/A	N/A	100%	100%	100%	Property management in PRC
Hangzhou Jiayuan Property Services Company Limited (杭州佳源物業服務有限公司) *(Notes (1), (2) and (4))*	PRC, June 18, 2019	RMB1,000,000	N/A	N/A	100%	100%	100%	Property management in PRC

Name of subsidiary	Place and date of incorporation	Registered/ issued capital	Attributable equity interest As at December 31, 2017	2018	2019	As at June 30, 2020	As at the date of this report	Principal activities/ Place of operations
Jiaxing Jiayuan Zhixiang Property Services Company Limited (嘉興佳源智想物業服務有限公司) *(Notes (1), (2) and (4))*	PRC, August 7, 2019	RMB1,000,000	N/A	N/A	100%	100%	100%	Property management in PRC
Jiaxing Xingzhou Property Management Company Limited ("Jiaxing Xingzhou") (嘉興星洲物業管理有限公司) *(Notes (1), (2) and (4))*	PRC, July 11, 2003	RMB500,000	N/A	N/A	100%	100%	100%	Property management in PRC
Hunan Huaguan Property Services Company Limited ("Hunan Huaguan") (湖南華冠物業服務有限公司) *(Notes (1), (2) and (5))*	PRC, May 17, 2010	RMB5,000,000	N/A	N/A	65%	65%	65%	Property management in PRC
Hunan Huaze Property Services Company Limited ("Hunan Huaze") (湖南華澤物業服務有限公司) *(Notes (1), (2), (4) and (6))*	PRC, August 21, 2019	RMB5,000,000	N/A	N/A	41%	41%	41%	Property management in PRC
Hunan Jiayuan Property Services Company Limited (湖南佳源物業服務有限公司) *(Notes (1), (2) and (4))*	PRC, February 26, 2020	RMB5,000,000	N/A	N/A	N/A	100%	100%	Property management in PRC
Guizhou Huahong Property Services Company Limited ("Guizhou Huahong") (貴州華泓物業服務有限公司) *(Notes (1), (2), (4) and (7))*	PRC, April 20, 2020	RMB5,000,000	N/A	N/A	N/A	46%	46%	Property management in PRC
Jilin Jiayuan Central North Property Services Company Limited (吉林佳源中北物業服務有限公司) *(Notes (1), (2) and (4))*	PRC, June 12, 2020	RMB5,000,000	N/A	N/A	N/A	57%	57%	Property management in PRC

Notes:

(1) All subsidiaries are limited liability company.

(2) The English names of the subsidiaries represent the best efforts made by the management of the Company in translating their Chinese names when they do not have official English names.

(3) Details of the Company's joint ventures with equity interest over 50% are disclosed in Note 19.

(4) No audited financial statements have been issued for those companies for the years ended December 31, 2017, 2018 and 2019.

(5) The statutory financial statements of this company for the year ended December 31, 2019 were audited by Hunan Yuanyang Certified Public Accountants Company Limited (湖南遠揚會計師事務所有限公司).

(6) Hunan Huaze is 63% owned by Hunan Huaguan.

(7) Guizhou Huahong is 70% owned by Hunan Huaguan.

(8) Refer to Note 34 for details of pledge of shares of the Company and certain subsidiaries.

1.3 Basis of presentation

Immediately prior to and after the Reorganization, the Listing Business is mainly conducted through Jiayuan Services and its subsidiaries and controlled by Mr. Shum. Pursuant to the Reorganization, the Listing Business is transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganization and do not meet the definition of a business. The Reorganization is merely a reorganization of the Listing Business with no change in management of such business and the ultimate owner of the Listing Business remains the same.

Accordingly, the Group resulting from the Reorganization is regarded as a continuation of the Listing Business conducted through Jiayuan Services and its subsidiaries. For the purpose of this report, the Historical Financial Information has been prepared and presented as a continuation of the Listing Business, with the assets and liabilities of the Group recognized and measured at the carrying amounts of the Listing Business for all periods presented.

The Historical Financial Information has not included the financial information of the IT Business during the Track Record Period as it is not part of the Listing Business.

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. The Historical Financial Information is for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") which include all HKFRS, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the 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 judgments in the process of applying the Group's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

2.1.1 New and revised standards adopted

(a) New and amended standards adopted by the Company

The Group has applied new and amended standards effective for the financial period beginning on January 1, 2020 consistently throughout the Track Record Period.

(b) New or revised standards and amendments to existing standards that have been issued but are not effective for the Track Record Period and have not been early adopted

Up to the date of issuance of this report, the HKICPA has issued the following new standards and amendments to existing standards which are not yet effective and have not been early adopted by the Group:

		Effective for the financial year beginning on or after
Amendments to HKFRS 16	COVID-19 Related Rent Concessions	June 1, 2020
Amendments to HKFRS 3	Reference to the Conceptual Framework	January 1, 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current	January 1, 2022
Amendments to HKAS 16	Proceeds before Intended Use	January 1, 2022
Amendments to HKAS 37	Cost of Fulfilling a Contract	January 1, 2022
Annual improvements project	Annual Improvements 2018-2020 Cycle	January 1, 2022
HKFRS 17	Insurance Contract	January 1, 2023
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors of the Company, 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

A subsidiary is an entity (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.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Inter-company transactions, balances and 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 consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

2.2.2 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

2.2.3 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting after initially being recognized at cost.

2.2.4 Equity method

Under the equity method of accounting, interests in joint ventures and associates are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture and associates equals or exceeds its interests in the joint ventures and associates (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures and associates), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures and associates. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture and associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and associates and its carrying value and recognizes the amount adjacent to 'share of results of investment accounted for the equity method' in consolidated statement of comprehensive income.

Unrealised gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interests in the joint ventures and associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.5 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.2.6 Disposals of interest in subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in the consolidated statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS.

2.3 Business combinations

2.3.1 Non-common control business combinations

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in consolidated statements of comprehensive income as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred income tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated statements of comprehensive income as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

2.3.2 Merger accounting for business combination involving businesses under common control

The Historical Financial Information incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognized in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the Historical Financial Information are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter. The Historical Financial Information includes the entities that were managed by management of the Listing Business during the years presented. These activities were combined with all intra-group balances and transactions eliminated within the Group.

2.3.3 Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognizes the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets/financial liabilities at the respective fair value, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also 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 dividends 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 Historical Financial Information 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. The chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions. The Group's customers include property owners, property developers, residents and tenants (collectively "Customers") and they are all located in the PRC. No geographical segment of Customers is disclosed.

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"). The Historical Financial Information is presented in RMB, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive income.

Foreign exchange gains and losses are presented in the consolidated statements of comprehensive income within 'other gains and losses'.

(c) Group companies

The results and financial position of all 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 for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position

- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognized in other comprehensive income.

2.7 Leases

The Group as a lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. 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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Payments associated with short-term leases of equipment and vehicles and leases of low value assets are recognized on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group's right-of-use assets consist of various leases for properties.

Right-of-use assets resulted from lease payments are stated at cost less accumulated depreciation and accumulated impairment losses. Cost represents consideration paid for the rights to use the land and other direct related costs from the date when the respective rights were granted. Depreciation of lease payments is calculated on a straight-line basis over the lease terms as stated in the relevant land certificates granted for usage by the Group in the PRC and is charged to the consolidated statements of comprehensive income.

2.8 Property and equipment

Property and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statements of comprehensive income during the financial period in which they are incurred.

Depreciation on property and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Office equipment	3-5 years
Motor vehicles	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized within 'Other gains and losses' in the consolidated statements of comprehensive income.

2.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(b) Property management contracts

Property management contracts acquired in business combinations are recognized at fair value at the acquisition date. The property management contracts have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected useful lives of the contracts. The Group determined the property management contracts to have useful lives of 6 years based on the historical renewal pattern and the best estimation of the Group.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization 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 purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, 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 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.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, 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 the consolidated statements of comprehensive income.

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. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: 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 consolidated statements of comprehensive income when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the consolidated statements of comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated statement of comprehensive income and recognized in 'Other gains and losses'. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in consolidated statements of comprehensive income and presented net in 'Other gains and losses' in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. The Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statements of comprehensive income. Dividends from such investments continue to be recognized in 'other income' when the Group's right to receive payments is established.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortized cost and fair value through OCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 3.1.2 for further details.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized 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.

2.13 Inventories

Inventories comprise goods and consumables which are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for services provided 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 if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 22 for further information about the Group's accounting for trade receivables and other receivables and Note 3.1.2 for a description of the Group's impairment policies.

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and at banks, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.16 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.

2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.18 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statements of comprehensive income over the period of the borrowings using the effective interest method.

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 end of the reporting period.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the consolidated statements of comprehensive income in the period in which they are incurred.

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred income tax is recognized in the consolidated 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.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in China where the Company and its 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.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the companies are able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.21 Employee benefits

(a) Pension obligations

The Group only operate 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 organized 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 insurances. 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) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

2.22 Provisions

Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been 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 the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognized as interest expense.

2.23 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the Historical Financial Information. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognized as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent asset is not recognized but is disclosed in the notes to the Historical Financial Information when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

2.24 Revenue recognition

The Group provides property management services, value-added services to property developers and community value-added services. Revenue is recognized in the accounting period in which the services are rendered or goods are delivered, and the collectability of related consideration is reasonably assured.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position 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. Incremental costs incurred to obtain a contact, if recoverable, are capitalised and presented as assets under "contract assets" and subsequently amortized when the related revenue is recognized.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the services are provided to the customer, the Group presents the amount as a contract liability when the payment is received or a receivable is recorded (whichever is earlier).

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.

(a) Property management services

The Group bills a fixed amount for services provided on a regular basis and recognizes as revenue the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is primary responsible for providing the property management services to customers, the Group recognizes the fee received or receivable from customers as its revenue. For property management services income from properties managed under commission basis, the Group recognizes the commission, which is calculated by pre-determined percentage of the total property management fee or amounts received or receivable from customers, as its revenue as an agent for arranging and monitoring the services.

(b) Value-added services to property developers

Value-added services to property developers mainly includes consultancy services to property developers and cleaning, greening, repair and maintenance services to property developers at the property pre-delivery stage. The Group agrees the price for each service with the customers upfront and issue the monthly bill to the customers which varies based on the actual level of service completed in that month.

(c) Community value-added services

These include home living services, community area services such as catering services and sales of goods (mainly groceries and home appliances) to customers. For provision of home living services, revenue is recognized when the related services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered. For provision of community area services such as sales of goods and catering, revenue is recognized when the Group has delivered the goods and catering to the purchaser.

2.25 Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

2.26 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statements of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

2.27 Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate 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.

3.1.1 Market risk

(i) Foreign exchange risk

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. As at December 31, 2017, 2018 and 2019 and June 30, 2020, the Group had no significant foreign currency denominated monetary assets and monetary liabilities with respect to their respective functional currencies, therefore the directors of the Company consider that the Group has no significant exposure to foreign exchange risk.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to bank borrowings and other receivables from related parties and from a third party. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises. The directors of the Company consider that the fair value rate risk and cash flow interest rate risk are insignificant.

3.1.2 Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, financial guarantee, restricted bank deposits and cash and cash equivalents. The carrying amounts of trade and other receivables, restricted bank deposits and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group expects that there is no significant credit risk associated with restricted bank deposits and cash and cash equivalents since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. The credit rating of these banks is high. Management does not expect that there will be any significant losses from non-performance by these counterparties.

For the financial guarantee, the Group expects that there is no significant credit risk assoicated with the financial guarantee as the possibility of default of payment by Jiayuan International is remote. No loss allowance provision for financial guarantee liabilities was recognized.

For trade receivables from customers other than related parties, the Group has large number of customers and there was no concentration of credit risk. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The Group expects that there is no significant credit risk associated with trade and other receivables due from related parties since the internal credit rating of trade and other receivables from related parties were performing. The Group has assessed that the ECL rate for these receivables is immaterial under 12 months expected losses method. Thus no loss allowance provision for trade and other receivables due from related parties was recognized during the Track Record Period.

The Group expects that there is no significant credit risk associated with other receivables due from independent parties since they are mainly deposits, loans and payments made on behalf of property owners with short aging and low historical default risk.

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 a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available 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 individual property developers' and customers' ability to meet its obligations
- actual or expected significant changes in the operating results of individual property developers
- significant changes in the expected performance and behavior of customers

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	**Group definition of category**	**Basis for recognition of ECL provision**
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are past due	Lifetime expected losses
Write-off	Interest and/or principal repayments are past due and there is no reasonable expectation of recovery	Asset is written off

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessments.

			Gross carrying amount			
			As at December 31,			**As at June 30,**
	Internal credit rating	**12-month or lifetime ECL**	**2017** *RMB'000*	**2018** *RMB'000*	**2019** *RMB'000*	**2020** *RMB'000*
Financial assets at amortised cost						
Restricted bank deposits	Performing	12-month ECL	50	1,351	1,559	1,112
Cash and cash equivalents	Performing	12-month ECL	21,744	33,367	37,644	47,508
Trade receivables	Performing	Lifetime ECL	74,970	72,287	146,279	177,357
Other receivables	Performing	12-month ECL	69,757	538,171	604,452	571,538
Financial guarantee contracts	Performing	12-month ECL	–	–	–	496,055

(i) For restricted bank deposits and cash and cash equivalents, the Group determines the ECL by referring to external credit rating of the related banks.

(ii) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix.

(iii) For other receivables, for the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

(iv) For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the facility agreement disclosed in Note 34.

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.

(a) Trade receivables

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 receivables.

Trade receivables are categorised below:

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Due from independent third parties	40,908	71,471	109,349	123,540
Due from related parties *(Note 32)*	34,062	816	36,930	53,817
	74,970	72,287	146,279	177,357

Trade receivable due from independent third parties

The loss allowance provision for the trade receivable balances due from independent third parties was determined as follows:

	As at December 31, 2017								
	0-60 days	**61-180 days**	**181-365 days**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**	**Total**
Expected loss rate	5.3%	5.3%	5.3%	32.4%	85.3%	97.7%	99.2%	100.0%	
Gross carrying amount (RMB'000)	2,152	3,733	24,207	5,212	3,202	1,480	513	409	40,908
Loss allowance provision (RMB'000)	114	198	1,283	1,689	2,731	1,446	509	409	8,379

	As at December 31, 2018								
	0-60 days	61-180 days	181-365 days	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected loss rate	5.5%	5.5%	5.5%	33.0%	87.5%	98.0%	99.3%	100.0%	
Gross carrying amount (RMB'000)	8,828	5,333	36,306	10,961	5,039	3,188	1,382	434	71,471
Loss allowance provision (RMB'000)	486	293	1,997	3,617	4,409	3,124	1,372	434	15,732

	As at December 31, 2019								
	0-60 days	61-180 days	181-365 days	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected loss rate	5.8%	5.8%	5.8%	33.3%	88.9%	98.2%	99.4%	100.0%	
Gross carrying amount (RMB'000)	21,175	11,269	53,353	10,615	6,558	3,363	1,703	1,313	109,349
Loss allowance provision (RMB'000)	1,228	654	3,094	3,535	5,829	3,302	1,693	1,313	20,648

	As at June 30, 2020								
	0-60 days	61-180 days	181-365 days	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected loss rate	6.9%	6.9%	6.9%	33.5%	89.9%	98.4%	99.4%	100%	
Gross carrying amount (RMB'000)	23,122	47,614	27,001	10,614	7,461	4,126	2,602	1,000	123,540
Loss allowance provision (RMB'000)	1,595	3,285	1,863	3,556	6,707	4,060	2,586	1,000	24,652

Trade receivable due from related parties

The ECL from trade receivables due from related parties were assessed to be low, thus the identified impairment loss was immaterial for these receivables as at December 31, 2017, 2018 and 2019 and June 30, 2020.

The movements of loss allowances for trade receivables are as follows:

	Year ended December 31,			Six months ended June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	2,923	8,379	15,732	20,648
Provision for loss allowance recognized	5,456	7,496	4,942	4,004
Receivables written off as uncollectable	–	(143)	(26)	–
At the end of the year/period	8,379	15,732	20,648	24,652

As at December 31, 2017, 2018 and 2019 and June 30, 2020, the gross carrying amount of trade receivables was RMB74,970,000, RMB72,287,000, RMB146,279,000 and RMB177,357,000 and thus the maximum exposure loss was RMB66,591,000, RMB56,555,000, RMB125,631,000 and RMB152,705,000 respectively.

(b) Other receivables

Other receivables mainly included amounts due from related parties, advances to a third party, deposits and payments made on behalf of Customers. As at December 31, 2017, 2018 and 2019 and June 30, 2020, these were neither significant increase of credit risk nor credit impaired for the balance of other receivables. Management considered these receivables to be low credit risk since the related parties have strong financial capacity to meet their contractual cash flow obligations in the near term and majority of the deposits are placed with government and utility authorities. The credit risk of the advances to a third party is considered very low and the amounts have been fully repaid in January 2020.

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 to the contractual maturity date.

	On demand or less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total undiscounted cash flows**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2017					
Trade and other payables (excluding payroll and taxes payable)	119,489	–	–	119,489	119,489
Lease liabilities	386	220	36	642	615
	119,875	220	36	120,131	120,104
As at December 31, 2018					
Trade and other payables (excluding payroll and taxes payable)	432,705	–	–	432,705	432,705
Lease liabilities	396	122	–	518	501
	433,101	122	–	433,223	433,206
As at December 31, 2019					
Trade and other payables (excluding payroll and taxes payable)	497,941	–	–	497,941	497,941
Lease liabilities	1,336	1,279	–	2,615	2,523
	499,277	1,279	–	500,556	500,464

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total undiscounted cash flows	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at June 30, 2020					
Trade and other payables (excluding payroll and taxes payable)	488,295	–	–	488,295	488,295
Lease liabilities	1,710	223	–	1,933	1,908
	490,005	223	–	490,228	490,203
Financial guarantee	496,055	–	–	–	496,055

The amount included above for a financial guarantee (Note 34) is the maximum amount the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. In the opinion of the directors of the Company, the fair value of the financial guarantee is insignificant at initial recognition and as at June 30, 2020, as the directors of the Company consider that the possibility of default by Jiayuan International is remote.

3.2 Fair value estimation

The carrying amounts of the Group's financial assets and liabilities approximate their fair values due to the short maturities of these assets and liabilities.

3.3 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 shareholder 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 shareholder, issue new shares, or request contributions from owners.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and cash equivalents and restricted bank deposits. Total capital is calculated as 'Total equity' shown in the consolidated statement of financial position plus net debt.

As at December 31, 2017, 2018 and 2019 and June 30, 2020, the Group has a net cash position.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 amount of assets and liabilities within the next financial year are discussed below.

(a) ECL on receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgement 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 the related loss allowances in the period in which such estimate is changed. For details of the key assumptions and inputs used, see Note 3.1.2 above.

(b) Fair value of the identified property management contracts arising from business combinations

Significant judgements and estimates were involved in the determination of fair value of the identified property management contracts. These judgements and estimates include the adoption of appropriate valuation methodologies and the use of key assumptions in the valuation. See Note 18 for more details.

(c) Goodwill impairment

For the purposes of goodwill impairment assessment, management considered each of the acquired property management companies a separate group of CGU and goodwill has been allocated to each of the acquired property management companies. Management assessed the impairment of goodwill by determining the recoverable amounts of the CGU to which goodwill has been allocated based on value-in-use calculation. Significant judgements and estimates involved in the goodwill impairment assessment include the adoption of valuation method and the use of key assumptions in the valuation. See Note 18 for more details.

(d) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgment 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 income tax provisions in the period in which such determination is made.

Deferred income 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.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by 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, value-added services to property developers and community value-added services in the PRC. CODM reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The major operating entities of the Group is domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC during the Track Record Period.

As at December 31, 2017, 2018 and 2019 and June 30, 2020, all of the non-current assets were located in the PRC.

6 REVENUE

	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*
Types of services					
Property management services	169,581	259,035	365,635	170,780	236,650
Value-added services to property developers	30,329	56,558	67,499	31,307	30,450
Community value-added services	9,894	15,665	21,757	8,578	13,154
	209,804	331,258	454,891	210,665	280,254
Revenue is recognized:					
– Over time	208,288	326,875	447,204	207,424	275,705
– At a point in time	1,516	4,383	7,687	3,241	4,549
	209,804	331,258	454,891	210,665	280,254

For the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, revenue from the companies controlled by Mr. Shum contributed 14%, 17%, 17%, 17% and 13% of the Group's revenue, respectively. Other than these companies, none of the Group's Customers contributed 10% or more of the Group's revenue during the Track Record Period.

7 CONTRACTS WITH CUSTOMERS

(a) Contract liabilities

The Group has recognized 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	24,871	44,182	77,326	80,653

Contract liabilities of the Group mainly arise from the advance payments made by Customers while the underlying services are yet to be provided. Such liabilities increased as a result of the growth of the Group's business.

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year:					
Property management services	16,210	24,871	44,182	40,740	73,879

(b) Unsatisfied performance obligations

For property management services, the Group recognizes 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 regular basis. 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 service contracts do not have a fixed term. The term of the contracts for value-added services to property developers is generally set to expire when the conterparties notify the Group that the services are no long required.

For other value-added services, they are rendered in a short period of time and there is no material unsatisfied performance obligation at the end of respective periods.

(c) Assets recognized from incremental costs to obtain a contract

During the Track Record Period, there were no significant incremental costs incurred to obtain contracts.

8 OTHER INCOME AND EXPENSES, NET

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Car park handling fees	–	2,546	1,454	672	96
Value-added tax refund	14	17	1,134	251	1,249
Government grant	509	246	592	407	2,253
Compensation income	–	1,103	–	–	–
Interest income					
– on amounts due from related parties	2,213	–	124	62	51
– on bank deposits	60	53	48	21	42
– on advances to a third party	–	–	1,192	626	–
Late fees	(1,202)	(2,087)	(3,023)	(1,321)	(1,440)
Others	259	(29)	194	149	385
	1,853	1,849	1,715	867	2,636

9 EXPENSES BY NATURE

	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 10)*	125,279	187,989	273,747	125,162	154,426
Maintenance expenses	12,786	26,885	30,833	11,448	12,819
Utilities expenses	12,754	18,277	22,219	11,663	12,571
Office and communication expenses	3,805	7,089	7,584	3,574	4,361
Cleaning and security expenses	8,114	12,434	17,403	5,805	12,942
Greening and gardening expenses	3,657	5,276	5,526	2,747	1,724
Housekeeping and catering	743	1,128	1,689	700	811
Cost of inventories consumed	1,707	2,195	3,758	1,707	1,652
Taxes and surcharges	1,629	2,962	3,480	1,640	1,817
Travelling and entertainment expenses	2,000	3,598	4,525	1,990	2,455
Depreciation and amortization charges	1,792	2,480	2,908	1,517	4,668
Professional service fees	1,415	1,820	1,119	246	543
Listing expense	–	–	–	–	13,451
Advertising and promotion expenses	816	1,695	3,777	1,500	1,916
Bank charges	618	935	1,245	603	874
Short-term lease expenses	442	215	463	166	398
Other expenses	1,307	2,077	2,634	890	877
Total cost of services, selling and marketing expenses and administrative expenses	178,864	277,055	382,910	171,358	228,305

10 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*
Wages, salaries and bonuses	95,067	143,059	216,729	98,216	135,037
Social insurance and housing provident fund contributions	18,731	27,902	39,869	19,003	12,401
Other benefits	11,481	17,028	17,149	7,943	6,988
	125,279	187,989	273,747	125,162	154,426

All local employees of the subsidiaries in the PRC participate in employee social insurance plans established in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. Except for the contributions made to these social insurance plans, the Group has no other material commitments owing to the employees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social insurance plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are expensed as incurred.

During the six months ended June 30, 2020, a government policy was published to deduct or exempt the payment of social insurance contribution as a result of regulatory supportive policies for COVID-19.

11 DIRECTORS' EMOLUMENTS

(a) Directors' emoluments

The remuneration of each director and chief executive officer of the Company is set out below:

Year ended December 31, 2017	Salaries and other allowances	Discretionary bonuses	Social insurance and housing provident fund contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors				
Mr. Zhu Hongge	596	50	40	686
Ms. Mu Liyuan	138	17	20	175
Non-executive directors				
Mr. Huang Fuqing	–	–	–	–
Mr. Pang Bo	–	–	–	–
Independent non-executive directors				
Ms. Liang Yunxu	–	–	–	–
Mr. Wang Huimin	–	–	–	–
Mr. Wong Kwok Yin	–	–	–	–
	734	67	60	861

Year ended December 31, 2018	Salaries and other allowances	Discretionary bonuses	Social insurance and housing provident fund contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors				
Mr. Zhu Hongge	623	52	40	715
Ms. Mu Liyuan	179	30	21	230
Non-executive directors				
Mr. Huang Fuqing	–	–	–	–
Mr. Pang Bo	–	–	–	–
Independent non-executive directors				
Ms. Liang Yunxu	–	–	–	–
Mr. Wang Huimin	–	–	–	–
Mr. Wong Kwok Yin	–	–	–	–
	802	82	61	945

Year ended December 31, 2019	Salaries and other allowances *RMB'000*	Discretionary bonuses *RMB'000*	Social insurance and housing provident fund contributions *RMB'000*	Total *RMB'000*
Executive directors				
Mr. Zhu Hongge	822	383	44	1,249
Ms. Mu Liyuan	225	69	22	316
Non-executive directors				
Mr. Huang Fuqing	–	–	–	–
Mr. Pang Bo	–	–	–	–
Independent non-executive directors				
Ms. Liang Yunxu	–	–	–	–
Mr. Wang Huimin	–	–	–	–
Mr. Wong Kwok Yin	–	–	–	–
	1,047	452	66	1,565

Six months ended June 30, 2019 (Unaudited)	Salaries and other allowances *RMB'000*	Discretionary bonuses *RMB'000*	Social insurance and housing provident fund contributions *RMB'000*	Total *RMB'000*
Executive directors				
Mr. Zhu Hongge	411	191	16	618
Ms. Mu Liyuan	105	34	16	155
Non-executive directors				
Mr. Huang Fuqing	–	–	–	–
Mr. Pang Bo	–	–	–	–
Independent non-executive directors				
Ms. Liang Yunxu	–	–	–	–
Mr. Wang Huimin	–	–	–	–
Mr. Wong Kwok Yin	–	–	–	–
	516	225	32	773

Six months ended June 30, 2020	Salaries and other allowances *RMB'000*	Discretionary bonuses *RMB'000*	Social insurance and housing provident fund contributions *RMB'000*	Total *RMB'000*
Executive directors				
Mr. Zhu Hongge	515	157	18	690
Ms. Mu Liyuan	126	36	18	180
Non-executive directors				
Mr. Huang Fuqing	–	–	–	–
Mr. Pang Bo	–	–	–	–
Independent non-executive directors				
Ms. Liang Yunxu	–	–	–	–
Mr. Wang Huimin	–	–	–	–
Mr. Wong Kwok Yin	–	–	–	–
	641	193	36	870

(i) Mr. Zhu Hongge and Ms. Mu Liyuan were appointed as executive directors of the Company on June 11, 2020.

(ii) Mr. Huang Fuqing and Mr. Pang Bo were appointed as non-executive directors of the Company on June 11, 2020. During the Track Record Period, they received emoluments from the companies controlled by Mr. Shum for services provided to the Group. No apportionment has been made for the Track Record Period as the directors of the Company are of the opinion that it is impracticable to apportion the amounts between their services to the companies controlled by Mr. Shum and the Group.

(iii) Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin were appointed as independent non-executive directors of the Company on October 21, 2020.

(iv) Mr. Zhu Hongge is also the chief executive officer of the Company.

(b) Directors' retirement benefits 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.

None of the directors of the Company waived any emoluments during the Track Record Period.

(c) Consideration provided to third parties for making available director's services

During the Track Record Period, the Group did not provide consideration to any third parties for making available director's services.

(d) Information about loans, quasi-loans and other dealings in favour of the director, controlled bodies corporate by and controlled entities with such director

Save as disclosed in Note 32, 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.

(e) Director's material interests in transactions, arrangements or contracts

Save as disclosed in Note 32, 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 years or at any time during the Track Record Period.

(f) Five highest paid individuals

The five individuals with the highest emoluments in the Group include 2 directors during the Track Record Period. The emoluments payable to the remaining 3 individuals for the Track Record Period, 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*
Employees					
– Salaries and other allowances	436	576	687	303	373
– Discretionary bonuses	53	97	221	98	98
– Housing funds, medical insurances and social insurances	61	81	99	49	53
	550	754	1,007	450	524

The emoluments of those individuals fell within the following bands:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
				(Unaudited)	
	Number of individuals				
Nil to HK$1,000,000	3	3	3	3	3

12 FINANCE COSTS

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Interest expense on bank borrowings	2,213	–	–	–	–
Interest expense on lease liabilities	15	14	19	9	49
	2,228	14	19	9	49

13 INCOME TAX EXPENSE

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Current income tax	9,311	16,884	21,721	11,058	18,436
Deferred income tax	(2,551)	(4,118)	(3,631)	(1,732)	(2,567)
	6,760	12,766	18,090	9,326	15,869

(a) Corporate income tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate (i.e. ranging from 5% to 25%) on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof.

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit generated in Hong Kong for the Track Record Period.

The Company is 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.

(b) The income tax expense for the Track Record Period can be reconciled to the profit before tax 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	25,109	48,542	68,304	37,866	52,128
Tax calculated at applicable corporate income tax rate of 25%	6,277	12,136	17,076	9,467	13,032
Effects of different tax rates applicable to different subsidiaries of the Group	–	(94)	(195)	(565)	(573)
Tax losses not recognized	24	–	–	–	–
Utilisation of tax losses previously not recognized	–	(24)	–	–	–
Effects of share of post-tax results of joint ventures and an associate	–	–	108	(13)	(399)
Expenses not deductible for taxation purposes	459	748	1,101	437	3,809
	6,760	12,766	18,090	9,326	15,869

14 EARNINGS PER SHARE – BASIC AND DILUTED

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years/periods. In determining the weighted average number of shares in issue during the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, the 100 shares issued as at June 30, 2020 were deemed to have been issued on 1 January 2017 as if the Company had been incorporated by then.

	Year ended December 31,			Six months ended June 30,	
	2017	**2018**	**2019**	**2019** *(Unaudited)*	**2020**
Profit attributable to owners of the Company (RMB'000)	18,349	35,776	50,214	28,540	35,653
Weighted average number of ordinary shares in issue	100	100	100	100	100
Basic earnings per share (RMB'000)	183	358	502	285	357

(b) Diluted earnings per share

Diluted earnings per share were the same as the basic earnings per share as there were no potentially dilutive ordinary shares outstanding during the Track Record Period.

15 DIVIDENDS

No dividends have been paid or declared by the Company since its incorporation in respect of the Track Record Period.

Dividend distributed during the year ended December 31, 2018 represented a dividend of RMB18,000,000 declared by Jiayuan Services to its then shareholder of which RMB16,200,000 was settled in cash and the remaining amount of RMB1,800,000 was settled through offsetting balances with related parties. Dividend distributed during the six months period ended June 30, 2020 represented a dividend of RMB10,000,000 declared by Hunan Huaguan, a 65% owned subsidiary of the Group, to Jiayuan Services, a subsidiary of the Group, of RMB6,500,000 and to non-controlling shareholder of RMB3,500,000. The rates for dividend and the number of shares ranking for these dividends are not presented as such information is not considered meaningful for the purpose of this report.

On October 20, 2020, a dividend of RMB1,700,000 per share, totally RMB170,000,000, was declared by the Company to the shareholders. The dividend has been subsequently paid by cash.

16 PROPERTY AND EQUIPMENT

	Buildings	Office equipment	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2017				
Cost	1,119	7,486	1,520	10,125
Accumulated depreciation	(487)	(4,189)	(1,008)	(5,684)
Net book amount	632	3,297	512	4,441
Year ended December 31, 2017				
Opening net book amount	632	3,297	512	4,441
Additions	325	3,424	417	4,166
Disposals	–	(13)	–	(13)
Depreciation	(46)	(1,293)	(226)	(1,565)
Closing net book amount	911	5,415	703	7,029
At December 31, 2017				
Cost	1,444	10,897	1,937	14,278
Accumulated depreciation	(533)	(5,482)	(1,234)	(7,249)
Net book amount	911	5,415	703	7,029
Year ended December 31, 2018				
Opening net book amount	911	5,415	703	7,029
Acquisition of subsidiaries *(Note 31)*	–	33	–	33
Additions	56	1,861	940	2,857
Depreciation	(209)	(1,440)	(340)	(1,989)
Closing net book amount	758	5,869	1,303	7,930

	Buildings *RMB'000*	Office equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
At December 31, 2018				
Cost	1,500	12,791	2,877	17,168
Accumulated depreciation	(742)	(6,922)	(1,574)	(9,238)
Net book amount	758	5,869	1,303	7,930
Year ended December 31, 2019				
Opening net book amount	758	5,869	1,303	7,930
Acquisition of subsidiaries *(Note 31)*	–	553	16	569
Additions	925	6,187	2,308	9,420
Disposals	–	(341)	(612)	(953)
Depreciation	(205)	(1,836)	(292)	(2,333)
Closing net book amount	1,478	10,432	2,723	14,633
At December 31, 2019				
Cost	2,119	18,849	3,977	24,945
Accumulated depreciation	(641)	(8,417)	(1,254)	(10,312)
Net book amount	1,478	10,432	2,723	14,633
Six months ended June 30, 2020				
Opening net book amount	1,478	10,432	2,723	14,633
Additions	357	1,952	279	2,588
Disposals	–	(389)	(30)	(419)
Depreciation	(26)	(1,572)	(472)	(2,070)
Closing net book amount	1,809	10,423	2,500	14,732
At June 30, 2020				
Cost	2,476	20,024	4,205	26,705
Accumulated depreciation	(667)	(9,601)	(1,705)	(11,973)
Net book amount	1,809	10,423	2,500	14,732

Depreciation was charged to the "Administrative expenses" in the consolidated statements of comprehensive income.

17 RIGHT-OF-USE ASSETS

The following tables show the movements of right-of-use assets during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At the beginning of the year/period	–	833	1,166	3,089
Additions	833	372	2,709	825
Write-off upon expiration	–	(39)	(786)	(44)
At the end of the year/period	833	1,166	3,089	3,870
Accumulated depreciation:				
At the beginning of the year/period	–	(227)	(667)	(258)
Charge for the year	(227)	(479)	(377)	(839)
Write-off upon expiration	–	39	786	44
At the end of the year/period	(227)	(667)	(258)	(1,053)
Net book value				
At the end of the year/period	606	499	2,831	2,817

The Group leases various offices and parking lots. Rental contracts are typically made for fixed periods of 4 months to 32 months. Payments associate with short-term leases with a lease term of 12 months or less are recognized on a straight-line basis as an expense in the consolidated statement of comprehensive income.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Depreciation of right-of-use assets was charged to the "Administrative expenses" in the consolidated statements of comprehensive income.

18 INTANGIBLE ASSETS

	Property management contracts	**Goodwill**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
	(i)	*(ii)*	
Year ended December 31, 2018			
Opening net book amount	–	–	–
Acquisition of a subsidiary *(Note 31)*	758	–	758
Amortization	(12)	–	(12)
Closing net book amount	746	–	746

	Property management contracts	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*
	(i)	*(ii)*	
At December 31, 2018			
Cost	758	–	758
Accumulated amortization	(12)	–	(12)
Net book amount	746	–	746
Year ended December 31, 2019			
Opening net book amount	746	–	746
Acquisition of subsidiaries *(Note 31)*	20,276	14,859	35,135
Amortization	(198)	–	(198)
Closing net book amount	20,824	14,859	35,683
At December 31, 2019			
Cost	21,034	14,859	35,893
Accumulated amortization	(210)	–	(210)
Net book amount	20,824	14,859	35,683
Six months ended June 30, 2020			
Opening net book amount	20,824	14,859	35,683
Amortization	(1,759)	–	(1,759)
Closing net book amount	19,065	14,859	33,924
At June 30, 2020			
Cost	21,034	14,859	35,893
Accumulated amortization	(1,969)	–	(1,969)
Net book amount	19,065	14,859	33,924

(i) Property management contracts

During the year ended December 31, 2018 and 2019, the Group acquired Hangzhou Minan (Note 31), Jiaxing Xingzhou (Note 31) and Hunan Huaguan (Note 31). Valuation was performed by an independent valuer to determine the fair value of the identified property management contracts at the acquisition date. The valuation method used is the multi-period excess earnings method. The key assumptions applied in determining the fair value of property management contracts at their respective dates of acquisition are disclosed as follows:

	Hangzhou Minan	Jiaxing Xingzhou	Hunan Huaguan
Gross profit margin	12.7%	10.4%-23.7%	20.3%-21.3%
Post-tax discount rate	18.8%	20.8%	21.5%

(ii) Impairment tests for goodwill arising from business combinations

Goodwill of RMB14,859,000 arising from the acquisition of Hunan Huaguan has been allocated to the CGU of Hunan Huaguan for impairment testing. Management performed an impairment assessment on the goodwill prior to every period end. The recoverable amounts of this subsidiary are determined based on value-in-use calculations.

The following table sets forth each key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

	As at December 31, 2019	**As at June 30, 2020**
Revenue growth rates during the projection period	1.4%-20.0%	1.0%-23.8%
Gross profit margins during the projection period	20.3%-21.3%	21.8%-23.2%
Terminal growth rate	3.0%	3.0%
Pre-tax discount rate	27.3%	27.2%

Based on management's assessment on the recoverable amounts of Hunan Huaguan, no impairment provision was considered necessary as at December 31, 2019 and June 30, 2020. As at December 31, 2019 and June 30, 2020, the recoverable amount calculated based on value-in-use calculation exceeded the carrying value by nil and RMB915,000 respectively. Hunan Huaguan was acquired on December 31, 2019 and the recoverable amount approximates to its carrying value as at December 31, 2019.

Management of the Group believes that any reasonably possible change in key assumptions of the value-in-use calculation would not cause the carrying amount to exceed the recoverable amount of the CGU of Hunan Huaguan.

The following table sets out the sensitivity analysis of the negative impact of variation in each of the key assumptions for goodwill impairment:

	Impairment amount as at December 31, 2019 *RMB'000*	**Impairment amount as at June 30, 2020** *RMB'000*
Revenue growth rates during the projection period		
Assuming decreased by 3%	1,601	–
Assuming decreased by 6%	3,589	81
Gross profit margins during the projection period		
Assuming decreased by 1%	279	–
Assuming decreased by 3%	1,688	1,797
Terminal growth rate		
Assuming decreased by 20%	834	–
Assuming decreased by 30%	1,186	329
Pre-tax discount rate		
Assuming increased by 1%	738	–
Assuming increased by 2%	1,458	282

19 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at December 31,			**As at June 30,**
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interests in joint ventures (a)	–	–	4,924	6,576
Interests in an associate (b)	–	–	1,600	1,544
	–	–	6,524	8,120

(a) Interests in joint ventures

	Year ended December 31, 2017 RMB'000	2018 RMB'000	2019 RMB'000	Six months ended June 30, 2020 RMB'000
At the beginning of the year/period	–	–	–	4,924
Additions	–	–	5,355	–
Share of results	–	–	(431)	1,652
At the end of the year/period	–	–	4,924	6,576

Set out below are the details of the joint ventures:

	Place of incorporation and operation	Principal activities	Proportion of equity interest held by the Group As at December 31, 2017	2018	2019	As at June 30, 2020
Chongqing Jiabao Property Services Company Limited (重慶佳寶物業服務有限公司) ("Chongqing Jiabao") *(i)*	PRC	Property management	N/A	51%	51%	51%
Zhejiang Xingjia Property Services Company Limited (浙江星佳物業服務有限公司) ("Zhejiang Xingjia") *(i)*	PRC	Property management	N/A	N/A	51%	51%

* The English names of the above entities represent the best efforts made by the management of the Company in translating their Chinese names when they do not have official English names.

(i) According to the Articles of Chongqing Jiabao and Zhejiang Xingjia, all significant and relevant matters of the entities require unanimous consent by all shareholders. Chongqing Jiabao and Zhejiang Xingjia are therefore accounted for as joint ventures of the Group.

The directors of the Company consider that none of the joint ventures were significant to the Group and thus the individual financial information of the joint ventures was not disclosed.

As at December 31, 2018 and 2019 and June 30, 2020, there were no significant contingent liabilities and commitments relating to the Group's interests in the joint ventures.

(b) Interests in an associate

	Year ended December 31, 2017 RMB'000	2018 RMB'000	2019 RMB'000	Six months ended June 30, 2020 RMB'000
At the beginning of the year/period	–	–	–	1,600
Acquisition of subsidiaries *(Note 31)*	–	–	1,600	–
Share of results	–	–	–	(56)
At the end of the year/period	–	–	1,600	1,544

Set out below is the details of the associate:

	Place of incorporation and operation	Principal activities	Proportion of equity interest held by the Group: As at December 31, 2017	2018	2019	As at June 30, 2020
Hunan Beileide Property Service Company Limited (湖南貝雷德物業管理有限公司) ("Hunan Beileide") *(i)*	PRC	Property management	N/A	N/A	8%	8%

* The English name of the above entity represent the best efforts made by the management of the Company in translating its Chinese names as it does not have official English name.

(i) Hunan Beileide is accounted for as an associate of the Group due to representation in the board of directors.

The directors of the Company consider that the associate was not significant to the Group and thus the summarised financial information of the associate was not disclosed.

As at December 31, 2019 and June 30, 2020, there were no significant contingent liabilities and commitments relating to the Group's interests in the associate.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at amortized cost:				
Trade and other receivables excluding prepayments	136,348	594,726	730,083	724,243
Restricted bank deposits	50	1,351	1,559	1,112
Cash and cash equivalents	21,744	33,367	37,644	47,508
	158,142	629,444	769,286	772,863

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities at amortized cost:				
Trade and other payables (excluding payroll and taxes payable)	119,489	432,705	497,941	488,295
Lease liabilities	615	501	2,523	1,908
	120,104	433,206	500,464	490,203

21 INVENTORIES

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Goods and consumables	160	144	880	530

Inventories recognized as an expense charged to the consolidated statements of comprehensive income during the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 amounted to RMB1,707,000, RMB2,195,000, RMB3,758,000, RMB1,707,000 and RMB1,652,000 respectively.

22 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 *(a)*	74,970	72,287	146,279	177,357
Less: allowance for impairment	(8,379)	(15,732)	(20,648)	(24,652)
	66,591	56,555	125,631	152,705
Other receivables				
– Amounts due from related parties	55,312	519,059	544,009	550,207
– Advances to a third party *(b)*	–	–	38,542	–
– Deposits and payments made on behalf of Customers	10,301	16,872	19,370	18,986
– Others	4,144	2,240	2,531	2,345
	69,757	538,171	604,452	571,538
Prepayments	6,644	5,871	8,356	9,723
Trade and other receivables, net	142,992	600,597	738,439	733,966

(a) No credit term is granted to Customers. The aging analysis of the trade receivables based on invoice date was as follows:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-60 days	8,437	8,914	37,120	35,333
61-180 days	9,150	5,549	22,623	70,925
181-365 days	31,649	36,614	62,470	38,523
1-2 years	7,981	11,167	10,923	17,387
2-3 years	12,262	5,039	6,764	7,461
3-4 years	1,480	3,188	3,363	4,126
4-5 years	513	1,382	1,703	2,602
More than 5 years	3,498	434	1,313	1,000
	74,970	72,287	146,279	177,357

(b) Advances to a third party were interest-bearing at fixed rate of 4.35% per annum and were repaid in January 2020.

23 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 banks and on hand	21,794	34,718	39,203	48,620
Less: Restricted bank deposits *(c)*	(50)	(1,351)	(1,559)	(1,112)
Cash and cash equivalents	21,744	33,367	37,644	47,508

(a) All cash and cash equivalents are denominated in RMB.

(b) The bank balances carry interest at variable rates with an average interest rate of 0.3% per annum throughout the Track Record Period.

(c) Renovation guarantee deposits received were deposited in restricted bank accounts according to the requirements of the local government authorities.

24 SHARE CAPITAL

	Number of ordinary shares	**Nominal value of shares**	**Equivalent nominal value of shares**
		HK$	*RMB*
Authorised			
At March 5, 2020 (date of incorporation) and June 30, 2020	39,000,000	390,000	348,000
Issued and fully paid			
1 share allotted and issued on the date of incorporation	1	–	–
99 shares allotted and issued in connection with the Reorganization *(Note 1.2)*	99	1	1
At June 30, 2020	100	1	1

The Company was incorporated in the Cayman Islands on March 5, 2020 with authorised and issued share capital of HKD390,000 divided into 39,000,000 ordinary shares of HKD0.01 each. One share was issued and allotted to an initial subscriber who is an independent third party, which was then transferred to Chuangyuan Holdings on the same date.

Pursuant to the Reorganization, on April 9, 2020, the Company acquired 100% of the issued shares in Chuangyuan Development from Chuangyuan Holdings. In consideration of such acquisition, the Company issued and allotted 99 shares to Chuangyuan Holdings on the same day.

25 RESERVES

		Retained earnings *RMB'000*	Statutory reserves *RMB'000*	Others reserves *RMB'000*	Total *RMB'000*
At January 1, 2017		846	1,749	5,000	7,595
Profit for the year		18,349	–	–	18,349
Capital injection from the then shareholder	*(a)*	–	–	45,000	45,000
Deemed distribution to Mr. Shum	*(b)*	–	–	(75,000)	(75,000)
Appropriation of statutory reserves		(3,878)	3,878	–	–
At December 31, 2017		15,317	5,627	(25,000)	(4,056)
At January 1, 2018		15,317	5,627	(25,000)	(4,056)
Profit for the year		35,776	–	–	35,776
Deemed contribution from Mr. Shum	*(b)*	–	–	87,214	87,214
Dividends distributed to the then shareholder		(18,000)	–	–	(18,000)
Contribution from the intermediate holding company	*1.2*	–	–	300,000	300,000
Business combination under common control	*1.2*	–	–	(300,000)	(300,000)
Appropriation of statutory reserves		(3,920)	3,920	–	–
At December 31, 2018		29,173	9,547	62,214	100,934
At January 1, 2019		29,173	9,547	62,214	100,934
Profit for the year		50,214	–	–	50,214
Appropriation of statutory reserves		(5,298)	5,298	–	–
At December 31, 2019		74,089	14,845	62,214	151,148
At January 1, 2019		29,173	9,547	62,214	100,934
Profit for the period		28,540	–	–	28,540
At June 30, 2019 (Unaudited)		57,713	9,547	62,214	129,474
At January 1, 2020		74,089	14,845	62,214	151,148
Profit for the period		35,653	–	–	35,653
At June 30, 2020		109,742	14,845	62,214	186,801

(a) In May 2017, Jiayuan Chuangsheng injected RMB45,000,000 into Jiayuan Services as capital.

(b) As the IT Business is not part of the Listing Business (Note 1.2), for the purpose of this report, the consideration of RMB75,000,000 paid in 2017 to acquire the 75% equity interest in Dongyuan Investment and the net proceeds on the disposal of the investment in 2018 of RMB76,500,000, after deducting related income tax on gain on disposal of RMB500,000, are regarded as deemed distribution/contribution to/from Mr. Shum. Dongyuan Investment declared a dividend of RMB10,714,000 to the Group during 2018 and such income retained by the Group was also deemed as a contribution from Mr. Shum for the purpose of this report.

26 NON-CONTROLLING INTERESTS

There is no subsidiary with material non-controlling interest during the Track Record Period.

27 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)*	7,144	13,701	15,981	19,848
Other payables				
– Utility and other payables *(b)*	53,848	45,124	43,960	44,151
– Owners' maintenance fund *(c)*	15,517	26,167	32,764	36,720
– Deposits received	30,676	34,525	58,302	62,135
– Consideration payable for business combinations *(Note 31)*	–	2,016	27,753	394
– Amounts due to related parties	6,833	300,000	304,200	304,200
– Payroll payable	21,684	46,748	69,150	66,533
– Other tax payables	4,547	6,804	9,474	9,479
– Others	5,471	11,172	14,981	20,847
	138,576	472,556	560,584	544,459
	145,720	486,257	576,565	564,307

Notes:

(a) The ageing analysis of trade payables based on the invoice date was as follows:

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-60 days	4,267	12,075	10,722	12,454
61-180 days	204	446	2,142	4,615
181-365 days	274	252	662	1,502
more than 1 year	2,399	928	2,455	1,277
	7,144	13,701	15,981	19,848

(b) The balances represented receipts from Customers to settle their utility bills and other charges on their behalf.

(c) The balances represented various proceeds received on behalf of the property owners.

28 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities in the consolidated statement of financial position was as follows:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income tax assets:				
– to be recovered within 12 months	1,882	4,453	7,367	8,938
– to be recovered over 12 months	1,696	3,239	3,918	4,474
	3,578	7,692	11,285	13,412
Deferred income tax liabilities:				
– to be recovered within 12 months	–	(19)	(879)	(879)
– to be recovered over 12 months	–	(167)	(4,328)	(3,888)
	–	(186)	(5,207)	(4,767)

The movements in deferred income tax assets and liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

Deferred income tax assets:

	Allowance for impairment of receivables	Accrued expenses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2017	731	296	–	1,027
Credited to the consolidated statements of comprehensive income	1,366	1,183	2	2,551
At December 31, 2017	2,097	1,479	2	3,578
At January 1, 2018	2,097	1,479	2	3,578
Credited to the consolidated statements of comprehensive income	1,829	1,820	465	4,114
At December 31, 2018	3,926	3,299	467	7,692
At January 1, 2019	3,926	3,299	467	7,692
Acquisition of a subsidiary *(Note 31)*	–	–	11	11
Credited/(charged) to the consolidated statements of comprehensive income	1,210	2,738	(366)	3,582
At December 31, 2019	5,136	6,037	112	11,285

	Allowance for impairment of receivables	Accrued expenses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2020	5,136	6,037	112	11,285
Credited/(charged) to the consolidated statements of comprehensive income	864	1,304	(41)	2,127
At June 30, 2020	6,000	7,341	71	13,412

Deferred income tax liabilities:

	Fair value gain from business combinations
	RMB'000
At January 1, 2017, December 31, 2017 and January 1, 2018	–
Acquisition of subsidiaries *(Note 31)*	(190)
Credited to the consolidated statements of comprehensive income	4
At December 31, 2018 and January 1, 2019	(186)
At January 1, 2019	(186)
Acquisition of subsidiaries *(Note 31)*	(5,070)
Credited to the consolidated statements of comprehensive income	49
At December 31, 2019 and January 1, 2020	(5,207)
At January 1, 2020	(5,207)
Credited to the consolidated statements of comprehensive income	440
At June 30, 2020	(4,767)

Under the income tax laws in the PRC, withholding tax is imposed on dividend declared in respect of profit earned by the PRC subsidiaries. As at December 31, 2017, 2018 and 2019 and June 30, 2020, the retained earnings of the Group's PRC subsidiaries not yet remitted to holding companies incorporated outside PRC, for which no deferred income tax liability had been provided, were approximately RMB15,317,000, RMB29,173,000, RMB74,089,000 and RMB123,193,000. Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their overseas holding companies in the foreseeable future based on management's estimation of overseas funding requirements.

Deferred income tax assets are recognized for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. For the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, the Group did not recognize deferred income tax assets in respect of losses amounting to RMB237,000, nil, nil, nil and nil that can be carried forward against future taxable income. Tax losses of group companies operated in the PRC could be carried forward for a maximum of five years. The unrecognized tax losses will expire in year 2022.

29 CASH FLOW INFORMATION

(a) Cash generated from 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 taxation	25,109	48,542	68,304	37,866	52,128
Profit before taxation					
Adjustments for					
– Depreciation of property and equipment	1,565	1,989	2,333	1,176	2,070
– Depreciation of right-of-use assets	227	479	377	242	839
– Impairment loss of financial assets	5,456	7,496	4,942	2,350	4,004
– Amortization of intangible assets	–	12	198	99	1,759
– Interest income *(Note 8)*	(2,273)	(53)	(1,364)	(709)	(93)
– Finance cost *(Note 12)*	2,228	14	19	9	49
– Share of losses/(profits) of joint ventures and an associate *(Note 19)*	–	–	431	(51)	(1,596)
Changes in working capital (excluding the effects of acquisition of subsidiaries):					
– Restricted bank deposits	–	(1,301)	(208)	(57)	447
– Inventories	(160)	16	(586)	(544)	350
– Trade and other receivables	(37,468)	1,616	(68,243)	(29,626)	(30,431)
– Contract liabilities	4,256	19,311	18,456	11,954	3,327
– Trade and other payables	2,974	43,783	43,499	11,309	15,100
	1,914	121,904	68,158	34,018	47,953

(b) Disposal of property and equipment

In the consolidated statements of cash flows, proceeds from disposals of property and equipment comprise:

	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*
Net book amount *(Note 16)*	13	–	953	145	419
Gains on disposals	–	–	–	–	(11)
Proceeds from disposals	13	–	953	145	408

(c) Net debt

This section sets out an analysis of net debt and the movements in liabilities from financing activities:

	Lease liabilities *RMB'000*	Interest payables *RMB'000*	Amounts due to related parties *RMB'000*	Borrowings *RMB'000*	Total *RMB'000*
Net debt as at January 1, 2017	–	–	49,055	94,000	143,055
Cash flows	(234)	(2,213)	(42,222)	(94,000)	(138,669)
– Interest expenses	15	2,213	–	–	2,228
– Acquisition of new lease contracts	834	–	–	–	834
Net debt as at December 31, 2017 and January 1, 2018	615	–	6,833	–	7,448
Cash flows	(500)	–	(6,833)	–	(7,333)
– Advances from related parties	–	–	300,000	–	300,000
– Interest expenses	14	–	–	–	14
– Acquisition of new lease contracts	372	–	–	–	372
Net debt as at December 31, 2018 and January 1, 2019	501	–	300,000	–	300,501
Cash flows	(402)	–	–	–	(402)
– Interest expenses	19	–	–	–	19
– Acquisition of subsidiaries *(Note 31)*	2,405	–	4,200	–	6,605
Net debt as at December 31, 2019 and January 1, 2020	2,523	–	304,200	–	306,723
Cash flows	(1,489)	–	–	–	(1,489)
– Interest expenses	49	–	–	–	49
– Acquisition of new lease contracts	825	–	–	–	825
Net debt as at June 30, 2020	1,908	–	304,200	–	306,108

(d) Non-cash transaction

Save disclosed above, the major non-cash transaction represented dividend receivable of RMB10,714,000 from Dongyuan Investment was settled through offsetting balances with related parties.

30 COMMITMENTS

(a) Operating lease commitments

The Group leases certain offices and staff dormitories under non-cancellable operating lease agreements with lease terms less than 1 year, which can be exempt from HKFRS 16. The future aggregate minimum lease payments under non-cancellable operating leases were as follows:

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
No later than 1 year	227	280	261	209

(b) Capital commitments

The Group did not have any material capital commitments as at December 31, 2017, 2018 and 2019 and June 30, 2020.

31 BUSINESS COMBINATIONS

During the Track Record Period, the Group acquired the below companies from independent third parties and a related party. The companies acquired have been accounted for as subsidiary of the Group since the respective acquisition date. These companies' principal activities are property management in the PRC.

The Group elected to recognize the non-controlling interests of the companies acquired at their proportionate share of the acquired net identifiable assets/liabilities. See Note 2.3 for details.

(a) In November 2017, the Group acquired 100% equity interest in Chongqing Zhongnong Guoxin Property Management Company Limited at a consideration of RMB500,000. The company has not commenced operation at the acquisition date. Details of the purchase consideration, the net assets acquired are as follows:

	RMB'000
Total cash considerations settled in 2017	500

Total recognized amounts of identifiable assets acquired assumed are as follows:

	RMB'000
– Other receivables	499
– Cash and cash equivalents	1
Total identifiable assets	500
Net assets acquired	500

Outflow of cash to acquire business, net of cash acquired in 2017:

	RMB'000
– Settlement of cash considerations	500
– Cash and cash equivalents in the subsidiary acquired	(1)
Net cash outflow on acquisition	499

(i) The acquired business contributed total revenue of RMB600,000 and net profit of RMB260,000 to the Group for the period from the acquisition date to December 31, 2017.

(ii) Had the acquisition been completed on January 1, 2017, total revenue of the Group for the year would have been increased by nil, and net profit for the year would have been decreased by nil. Had the company been consolidated from January 1, 2017, the consolidated statement of comprehensive income for the year ended December 31, 2017 would show pro-forma revenue of RMB209,804,000 and net profit of RMB18,349,000.

(b) In November 2018, the Group acquired 100% equity interest in Hangzhou Minan at a consideration of RMB5,016,000. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000
Total cash considerations	5,016
Settled in 2018	3,000
Settled in 2019	1,526
Settled in the six months ended June 30, 2020	381
Outstanding as at June 30, 2020	109

Total recognized amounts of identifiable assets acquired and liabilities assumed are as follows:

	RMB'000
– Property and equipment	33
– Intangible asset – property management contracts	758
– Trade and other receivables	2,970
– Cash and cash equivalents	3,066
– Trade and other payables	(1,571)
– Current income tax liabilities	(50)
– Deferred income tax liabilities	(190)
Total identifiable net assets	5,016

Outflow of cash to acquire business, net of cash acquired in 2018:

	RMB'000
– Partial settlement of cash considerations	3,000
– Cash and cash equivalents in the subsidiaries acquired	(3,066)
Net cash inflow on acquisition	(66)

(i) The acquired business contributed total revenue of RMB3,918,000 and net loss of RMB1,345,000 to the Group for the period from the acquisition date to December 31, 2018.

(ii) Had the acquisition been completed on January 1, 2018, total Group revenue for the year would have been increased by RMB12,674,000, and net profit for the year would have been increased by RMB770,000. Had the company been consolidated from January 1, 2018, the consolidated statement of comprehensive income for the year ended December 31, 2018 would show pro-forma revenue of RMB343,932,000 and net profit of RMB36,546,000.

(c) In January 2019, the Group acquired 100% equity interest in Jiaxing Xingzhou at a consideration of RMB618,000. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000
Total cash considerations	618
Settled in 2019	333
Outstanding as at June 30, 2020	285

Total recognized amounts of identifiable assets acquired and liabilities assumed are as follows:

	RMB'000
– Property and equipment	109
– Intangible asset – property management contracts	366
– Trade and other receivables	912
– Cash and cash equivalents	592
– Contract liabilities	(720)
– Trade and other payables	(458)
– Current income tax liabilities	(91)
– Deferred income tax liabilities	(92)
Total identifiable net assets	618
Net assets acquired	618

Outflow of cash to acquire business, net of cash acquired in 2019:

	RMB'000
– Partial settlement of cash considerations	333
– Cash and cash equivalents in the subsidiaries acquired	(592)
Net cash inflow on acquisition	(259)

(i) The acquired business contributed total revenue of RMB6,144,000 and net loss of RMB946,000 to the Group for the period from the acquisition date to December 31, 2019.

(d) In December 2019, the Group acquired 65% equity interest in Hunan Huaguan at a consideration of RMB33,722,000. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000
Total cash considerations	33,722
Settled in 2019	6,744
Settled in the six months ended June 30, 2020	26,978
Outstanding as at June 30, 2020	–

Total recognized amounts of identifiable assets acquired and liabilities assumed are as follows:

	RMB'000
– Property and equipment	460
– Right-of-use assets	2,709
– Intangible asset – property management contracts	19,910
– Investments accounted for using the equity method	1,600
– Deferred income tax assets	11
– Trade and other receivables	32,605
– Inventories	150
– Cash and cash equivalents	14,442
– Contract liabilities	(13,968)
– Trade and other payables	(20,614)
– Lease liabilities	(2,405)
– Current income tax liabilities	(902)
– Deferred income tax liabilities	(4,978)
Total identifiable net assets	29,020
Less: non-controlling interests	(10,157)
Add: goodwill	14,859
Net assets acquired	33,722

Outflow of cash to acquire business, net of cash acquired in 2019:

	RMB'000
– Partial settlement of cash considerations	6,744
– Cash and cash equivalents in the subsidiaries acquired	(14,442)
Net cash inflow on acquisition	(7,698)

(i) The goodwill arose from the acquisition was mainly attributable to the expected synergies from combining the operations of the Group and the acquired entity.

(ii) The acquired business contributed total revenue of nil and net profit of nil to the Group for the period from the acquisition date to December 31, 2019.

(iii) Had the acquisition been completed on January 1, 2019, total Group revenue for the year would have been increased by RMB69,113,000, and net profit for the year would have been increased by RMB6,826,000. Had the company been consolidated from January 1, 2019, the consolidated statement of comprehensive income for the year ended December 31, 2019 would show pro-forma revenue of RMB524,004,000 and net profit of RMB57,040,000.

32 SIGNIFICANT RELATED PARTY TRANSACTIONS

Apart from those related party transactions disclosed elsewhere in the Historical Financial Information, the following transactions were carried out with related parties:

(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*
Entities controlled by Mr. Shum					
– Provision of property management services	1,980	3,632	10,775	5,084	7,047
– Provision of value-added services to property developers	27,798	53,211	65,568	30,550	28,272
– Interest received	2,213	–	–	–	–
– Compensation income	–	1,103	–	–	–
– Cleaning and security services fee paid	2,050	4,730	–	–	–
Entities jointly controlled by Mr. Shum					
– Provision of value-added services to property developers	–	476	1,155	577	2,030
Key management of the Group					
– Interest received	–	–	124	62	51
Entity has significant influence over a subsidiary of the Company					
– Provision of value-added services to property developer	–	–	–	–	291
– Provision of property management services	–	–	–	–	1,383

The prices for the above service fees and other transactions were determined in accordance with the terms mutually agreed by the contract parties.

Leases

During the Track Record Period, the Group entered into lease agreements for leasing of office premises with Jiaxing Jindi Real Estate Property Development Company Limited, which was controlled by Mr. Shum. The leasing term was from May 18, 2017 to December 31, 2019. The total contract amount was approximately RMB282,000. As at December 31, 2017, 2018 and 2019, the lease liability was approximately RMB208,000, RMB103,000, and nil. On January 20, 2020, the Group entered into lease agreements for leasing of office premises with Jiaxing Jiayuan Square Commercial Management Company Limited, which was controlled by Mr. Shum. The leasing term was from January 1, 2020 to December 31, 2022. The total contract amount was approximately RMB500,000.

(b) Balances with related parties

During the Track Record Period, certain subsidiaries of Jiayuan International primarily engaged in property development business ("Property Development Companies") entered into sales contracts with the property buyers, which included sales of properties developed by them and provision of property management services by the Group for a certain period of time. The Property Development Companies collected the contract sum from the property buyers and then transferred the amounts relating to the part of property management services to the Group on a regular basis.

Balance with related parties were included in the following items:

	As at December 31,			As at June 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Entities controlled by Mr. Shum				
Trade in nature and included in:				
– Trade receivables	34,062	816	35,910	51,071
– Deposits and payments made on behalf of Customers	2,959	2,066	2,502	3,735
– Prepayments	–	–	1,218	–
– Trade payables	2,442	207	242	10
– Utility and other payables	6,667	233	244	1,704
– Contract liabilities	1,366	2,640	1,233	2,071
Non-trade in nature and included in:				
– Amounts due from related parties	52,712	516,459	517,625	526,547
– Amounts due to related parties	6,833	300,000	300,000	300,000
Entities jointly controlled by Mr. Shum				
Trade in nature and included in:				
– Trade receivables	–	–	1,020	2,270
Key management of the Group				
Non-trade in nature and included in:				
– Amounts due from related parties	2,600	2,600	2,724	–
Entity jointly controlled by the Group				
Trade in nature and included in:				
– Deposits and payments on behalf of Customers	–	–	1,045	1,052
– Utility and other payables	–	–	2,792	2,794
Entity has significant influence over a subsidiary of the Company				
Trade in nature and included in:				
– Trade receivables	–	–	–	476
Non-trade in nature and included in:				
– Amounts due from related parties	–	–	23,660	23,660
– Amounts due to related parties	–	–	31,178	4,200

Notes:

(i) Except for (a) other receivables due from an entity controlled by Mr. Shum of RMB94,000,000 during 2017 which carried an interest at a rate of 7.5% per annum and repaid in 2017; and (b) other receivables due from key management of the Group of RMB2,600,000 which carried an interest at a rate of 4.75% per annum and repayable on demand, the remaining receivables due from related parties are interest-free and repayable on demand.

(ii) The payables due to related parties are interest-free and repayable on demand.

(iii) The other receivables due from the entity that has significant influence over a subsidiary of the Company are secured by its 35% equity interest in Hunan Huaguan.

(iv) All the above balances which are non-trade in nature have been subsequently settled.

33 NOTES TO THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(a) Interests in subsidiaries

Interests in subsidiaries represent the deemed cost of investment in Chuangyuan Development amounting to RMB100,934,000 (Note 1.2).

(b) Other receivables

Amounts represents the prepayment of RMB4,463,000 as at June 30, 2020.

(c) Other payables

Amounts included an amount of RMB5,602,000 due to Jiayuan Services, a subsidiary of the Company, as at June 30, 2020.

(d) Movement of reserves of the Company

	Other reserves *(Note)*	**Accumulated losses**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At March 5, 2020 (date of incorporation)	–	–	–
Surplus arising on issue of share in connection with the Reorganization	100,934	–	100,934
Loss for the period	–	(13,451)	(13,451)
At June 30, 2020	100,934	(13,451)	87,483

Note: Other reserves of the Company represent the difference between the net asset value of the acquired subsidiaries acquired by the Company over the nominal value of the share capital of the Company issued in exchange thereof (Note 33(a)).

34 FINANCIAL GUARANTEE

Pursuant to a facility agreement dated June 14, 2020 entered into between Jiayuan International, as borrower, Mr. Shum, Chuangyuan Holdings, the Company, Chuangyuan Development and Jiayuan HK, as guarantors and various lenders, the guarantors agreed to provide guarantees for a term loan of up to US$70 million (approximately RMB496 million) (the "Loan") granted to Jiayuan International, and the shares of the Company, Chuangyuan Development, Jiayuan HK and Zhejiang Heyuan, have been pledged to secure the Loan. According to the facility agreement, the financial guarantee and the shares pledge will be released prior to the Listing.

35 CONTINGENT LIABILITIES

The Group has no material contingent liabilities outstanding as at December 31, 2017, 2018 and 2019 and June 30, 2020.

36 SUBSEQUENT EVENTS

(i) By a board resolution passed on October 20, 2020, a dividend of RMB1,700,000 per share, totally RMB170,000,000, was declared by the Company to the shareholders which has been subsequently paid by cash.

(ii) By a shareholders' resolution passed on October 21, 2020, the authorized share capital of the Company was increased from HK$390,000 to HK$20,000,000 divided into 2,000,000,000 shares by the creation of an additional 1,961,000,000 shares.

(iii) By a shareholders' resolution passed on October 21, 2020 and conditional upon the share premium amount of the Company being credited as a result of the issue of shares pursuant to the Listing, the directors of the Company are authorized to capitalize HK$4,499,999 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 449,999,900 shares for issue and allotment to the existing shareholders of the Company. The shares to be issued and allotted pursuant to such resolution shall carry the same rights in all respects with the existing issued shares.

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 as disclosed in this report in Note 15, no dividend 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 does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in "Appendix I—Accountant's Report", and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and "Appendix I—Accountant's Report".

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to the owners of the Company as of June 30, 2020 as if the Global Offering had taken place on June 30, 2020.

The unaudited pro forma statement of adjusted consolidated 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 consolidated net tangible assets of the Group had the Global Offering been completed as at June 30, 2020 or at any future dates following the Global Offering.

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at June 30, 2020	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at June 30, 2020	Unaudited pro forma adjusted consolidated net tangible assets per Share	
	(Note 1)	*(Note 2)*		*(Note 3)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on an Offer Price of HK$3.15 per Share	152,877	363,645	516,522	0.86	1.01
Based on an Offer Price of HK$4.05 per Share	152,877	473,029	625,906	1.04	1.23

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to the 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 consolidated net assets of the Group attributable to the owners of the Company as at June 30, 2020 of approximately RMB186,801,000, with adjustment for intangible assets as at June 30, 2020 of approximately RMB33,924,000.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK$3.15 and HK$4.05 per share, being the low and high end of the indicative Offer Price range, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB13,451,000 which have been accounted for in the consolidated statements of comprehensive income of the Group prior to 30 June 2020) paid/payable by the Company, and takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares which may be issued or repurchased by the Company pursuant to the general mandates given to the Directors for issue and allotment of Shares as described in "Share Capital".

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraph and on the basis that 600,000,000 Shares were in issue, assuming that the Global Offering and Capitalization Issue have been completed on June 30, 2020 but takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares which may be issued or repurchased by the Company pursuant to the general mandates given to the Directors for issue and allotment of Shares as described in 'Share Capital".

(4) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to June 30, 2020.

(5) The unaudited pro forma adjusted consolidated net tangible assets of the Group has not taken into account the declaration of a dividend of RMB170,000,000 which was approved by the Board of Directors on October 20, 2020. The unaudited pro forma adjusted consolidated net tangible assets per Share would have been HK$0.68 and HK$0.90 per Share based on the Offer Price of HK$3.15 and HK$4.05 respectively if the effect of such dividend had been accounted for.

B. REPORT 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 Jiayuan Services Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jiayuan Services Holdings 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 consolidated 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 27, 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 six months 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").

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

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 judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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) or standards and practices of any professional body in any other overseas jurisdiction 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 27, 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 March 5, 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 amended and restated Memorandum of Association (the "**Memorandum**") and its amended and restated 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 October 21, 2020 with effect from the Listing Date. 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 March 16, 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 January 1, 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 as an exempted company with limited liability on March 5, 2020. Our Company has established its principal place of business in Hong Kong at Room 1403, 9 Queen's Road Central, 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 July 13, 2020. Mr. Chan Yu Hin has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operations are subject to the Cayman Companies Law, the Memorandum and the Articles, and the applicable laws of the Cayman Islands. A summary of certain provisions of the Memorandum and the Articles, and relevant aspects of the Cayman Companies Law is set out in "Appendix III – Summary of the Constitution of the Company and Cayman Companies 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 HK$390,000 divided into 39,000,000 Shares. One Share was issued and allotted to an initial subscriber who is an Independent Third Party, which was then transferred to Chuangyuan Holdings on the same date.

Pursuant to the Reorganization, on April 9, 2020, our Company acquired 100% of the issued shares in Chuangyuan Development from Chuangyuan Holdings. In consideration of such acquisition, our Company issued and allotted 99 Shares to Chuangyuan Holdings on the same date.

Pursuant to the written resolutions of our sole Shareholder passed on October 21, 2020, the authorized share capital of our Company was increased from HK$390,000 to HK$20,000,000 by the creation of additional 1,961,000,000 Shares.

Immediately following completion of the Capitalization Issue and the Global Offering and without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option, the issued share capital of our Company will be HK$6,000,000 divided into 600,000,000 Shares, all fully paid or credited as fully paid, and 1,400,000,000 Shares will remain unissued.

Save as disclosed above and as mentioned in "– 4. Written resolutions of our sole Shareholder passed on October 21, 2020" below in this section, there has been no alteration in the share capital of our Company since its incorporation.

3. Changes in the share capital of our subsidiaries

Our subsidiaries are set out in the Accountant's Report, the text of which is set out in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountant's Report and in "History, Reorganization and Corporate Structure", our Company has no other subsidiaries.

On December 5, 2018, Zhejiang Heyuan has increased its registered capital from RMB30,000,000 to RMB300,000,000.

Save as disclosed above, there has been no alteration in the share capital or registered capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

4. Written resolutions of our sole Shareholder passed on October 21, 2020

Pursuant to the written resolutions passed by our sole Shareholder on October 21, 2020, among other matters:

(a) we approved and adopted the amended and restated Memorandum of Association with immediate effect;

(b) we approved and conditionally adopted the amended and restated Articles of Association which will become effective upon Listing;

(c) the authorized share capital of our Company was increased from HK$390,000 divided into 39,000,000 Shares to HK$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,961,000,000 Shares ranking pari passu in all respects with the existing Shares of the Company with immediate effect;

(d) conditional on (aa) the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares in issue and Shares to be issued and allotted pursuant to the Capitalization Issue, the Global Offering and as mentioned in this prospectus including the Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option; (bb) the Offer Price having been duly determined; and (cc) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of such agreement (or any conditions as specified in this prospectus), in each case on or before the dates and times specified in the Underwriting Agreements:

   (i) the Global Offering was approved and our Directors were authorized to issue and allot the Offer Shares pursuant to the Global Offering;

(ii) the Over-allotment Option was approved and our Directors were authorized to issue and allot the Shares upon the exercise of the Over-allotment Option;

(iii) conditional on the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorized to capitalize HK$4,499,999 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 449,999,900 Shares for issue and allotment to holder of Shares whose name appears on the register of members of our Company on the date of passing this resolution;

(iv) 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 issue and allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles 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 Global Offering (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option), 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 or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first;

(v) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to buy back on the Stock Exchange or 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 may represent up to 10% of the number of issued Shares immediately following the completion of the Capitalization Issue and the Global Offering (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option), 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 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

(vi) the general unconditional mandate mentioned in paragraph (iv) 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 such number of Shares representing the total number of issued Shares bought back by our Company pursuant to the mandate to buy back Shares referred to in paragraph (v) above.

5. Reorganization

In preparation for the Listing, the companies comprising our Group underwent the Reorganization and our Company became the holding company of our Group. For further details with regard to the Reorganization, please see "History, Reorganization and Corporate Structure" in this prospectus.

6. Buyback by our Company of its own securities

This section includes information required by the Stock Exchange to be included in this prospectus concerning the buyback by our Company of its own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The Listing Rules provide that all proposed buybacks of shares (which must be fully paid in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions passed by our sole Shareholder on October 21, 2020, a general unconditional mandate (the "**Buyback Mandate**") was granted to our Directors authorizing the buyback of Shares by our Company on the Stock Exchange, or 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 is the earliest.

(ii) Source of funds

Buybacks must be funded out of funds legally available for the purpose in accordance with the Articles and the Cayman Companies Law. A listed company may not buyback its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(iii) Core connected persons

The Listing Rules prohibit our Company from knowingly buying back the Shares on the Stock Exchange from a "core connected person," which includes, a Director, chief executive of our Company or substantial Shareholder or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) Reasons for buybacks

Our Directors believe that it is in the best interests of our Company and our Shareholders as a whole for our Directors to have a general authority from our Shareholders to enable our Company to buyback Shares in the market. Such buybacks may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of our Company's net asset value per Share and/or earnings per Share and will only be made when our Directors believe that such buybacks will benefit our Company and our Shareholders.

(c) Funding of buybacks

In buying back securities, our Company may only apply funds legally available for such purpose in accordance with our Articles, the Listing Rules and the applicable laws of the Cayman Islands.

It is presently proposed that any buyback 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 buyback and, in the case of any premium payable on the purchase over the par value of the Shares to be bought back 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 Cayman Companies Law, any buyback of Shares may also be paid out of capital.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Company, our Directors consider that, if the Buyback Mandate were to be exercised in full, it might not have a material adverse effect on the working capital and/or the gearing position of our Group as compared to the position disclosed in this prospectus. However, 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 or the gearing levels of our Group which, in the opinion of our Directors are from time to time appropriate for our Group.

(d) Share capital

The exercise in full of the Buyback Mandate, on the basis of 600,000,000 Shares in issue immediately after the Listing (but not taking into account of our Shares which may be issued pursuant to the exercise of the Over-allotment Option), would result in up to 60,000,000 Shares being bought back 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 the Articles or any applicable laws to be held; or

(iii) the date on which the Buyback Mandate is varied or revoked 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 and having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention if the Buyback Mandate is exercised to sell any Share(s) 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 and the applicable laws of the Cayman Islands.

If as a result of a buyback of Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Our Directors are not aware of any other consequences that would arise under the Takeovers Code if the Buyback Mandate is exercised.

If the Buyback Mandate is fully exercised immediately following completion of the Capitalization Issue and the Global Offering (but not taking into account our Shares which may be issued pursuant to the exercise of the Over-allotment Option), the total number of Shares which will be bought back pursuant to the Buyback Mandate will be 60,000,000 Shares, being 10% of the total number of Shares based on the aforesaid assumptions. Any buyback of Shares which results in the number of Shares held by the public being reduced to less than the prescribed minimum percentage of our Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public float under Rule 8.08 of the Listing Rules. However, our Directors have no present intention to exercise the Buyback Mandate to such an extent as would result in an insufficient public float as prescribed under the Listing Rules. Our Directors will not exercise the Buyback Mandate if the buyback would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No core connected person of our Company has notified our Group that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Buyback Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

(a) an equity transfer agreement (股權轉讓協議) dated December 3, 2018 entered into between Jiayuan Chuangsheng Holding Group Company Limited (佳源創盛控股集團有限公司) and Zhejiang Heyuan Property Services Company Limited (浙江禾源物業服務有限公司), pursuant to which Jiayuan Chuangsheng Holding Group Company Limited (佳源創盛控股集團有限公司) agreed to transfer 90% equity interest (equivalent to capital contribution commitment (出資額) of RMB45,000,000) in Zhejiang Jiayuan Property Services Group Company Limited (浙江佳源物業服務集團有限公司) to Zhejiang Heyuan Property Services Company Limited (浙江禾源物業服務有限公司) at a consideration of RMB270,000,000;

(b) an equity transfer agreement (股權轉讓協議) dated December 3, 2018 entered into between Zhejiang Jiayuan Real Estate Group Company Limited (浙江佳源房地產集團有限公司) and Zhejiang Heyuan Property Services Company Limited (浙江禾源物業服務有限公司), pursuant to which Zhejiang Jiayuan Real Estate Group Company Limited (浙江佳源房地產集團有限公司) agreed to transfer 10% equity interest (equivalent to capital contribution commitment (出資額) of RMB5,000,000) in Zhejiang Jiayuan Property Services Group Company Limited (浙江佳源物業服務集團有限公司) to Zhejiang Heyuan Property Services Company Limited (浙江禾源物業服務有限公司) at a consideration of RMB30,000,000;

(c) an instrument of transfer dated April 9, 2020 entered into by Chuangyuan Holdings Limited (創源控股有限公司) (as transferor) and Jiayuan Services Holdings Limited (佳源服務控股有限公司) (as transferee), pursuant to which Chuangyuan Holdings Limited (創源控股有限公司) transferred one ordinary share of Chuangyuan Development Limited (創源發展有限公司) to Jiayuan Services Holdings Limited (佳源服務控股有限公司) at a consideration of US$1.00, which was satisfied by the allotment and issue of 99 ordinary shares with a par value of HK$0.01 of Jiayuan Services Holdings Limited (佳源服務控股有限公司) to Chuangyuan Holdings Limited (創源控股有限公司);

(d) the cornerstone investment agreement dated November 23, 2020 entered into among Jiayuan Services Holdings Limited (佳源服務控股有限公司), Harvest Global Capital Investments Limited, Haitong International Capital Limited, Guotai Junan Capital Limited, Haitong International Securities Company Limited and Guotai Junan Securities (Hong Kong) Limited, pursuant to which Harvest Global Capital Investments Limited agreed to subscribe such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased with Hong Kong dollar equivalent to US$5,000,000 (excluding brokerage and levies) at the Offer Price;

(e) the cornerstone investment agreement dated November 23, 2020 entered into among Jiayuan Services Holdings Limited (佳源服務控股有限公司), Domking Investment II, L.P., Haitong International Capital Limited, Guotai Junan Capital Limited, Haitong International Securities Company Limited and Guotai Junan Securities (Hong Kong) Limited, pursuant to which Domking Investment II, L.P. agreed to subscribe such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased with Hong Kong dollar equivalent to US$5,000,000 (excluding brokerage and levies) at the Offer Price;

(f) the Deed of Non-Competition;

(g) the Deed of Indemnity; and

(h) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group

(a) *Trademarks*

As of the Latest Practicable Date, our Group has registered the following trademarks which are material to our business:

No.	Trademark	Registration Number	Class	Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
1.	佳生活	32630313	37	Jiayuan Services	PRC	July 21, 2019	July 20, 2029
2.	佳优生活	32620933	37	Jiayuan Services	PRC	July 21, 2019	July 20, 2029
3.	弥小稻	36804917	43	Zhejiang Meiyuan	PRC	October 28, 2019	October 27, 2029
4.	弥稻	36796974	43	Zhejiang Meiyuan	PRC	October 28, 2019	October 27, 2029
5.		36792672	43	Zhejiang Meiyuan	PRC	November 7, 2019	November 6, 2029
6.		30507803	36	Zhejiang Meiyuan	PRC	May 7, 2019	May 6, 2029
7.	佳家邦	39502101	45	Zhejiang Meiyuan	PRC	March 14, 2020	March 13, 2030
8.	佳家邦	39487184	37	Zhejiang Meiyuan	PRC	March 21, 2020	March 20, 2030
9.	佳优生活家	39332094A	35, 36, 37, 41, 43, 44, 45	Zhejiang Meiyuan	PRC	April 7, 2020	April 6, 2030
10.	佳优生活领鲜集市	39279466A	35	Zhejiang Meiyuan	PRC	March 28, 2020	March 27, 2030
11.	稻师傅 DAOSHIFU	25510572	43	Zhejiang Meiyuan	PRC	July 21, 2018	July 20, 2028
12.	领鲜无忧	20088527	35	Zhejiang Meiyuan	PRC	July 14, 2017	July 13, 2027

As of the Latest Practicable Date, our Group was licensed to use the following trademarks which are material to our business:

No.	Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
1.	佳源	4380871	36	Zhejiang Jiayuan Real Estate	PRC	June 28, 2008	June 27, 2028
2.	佳源	8443528	37	Zhejiang Jiayuan Real Estate	PRC	October 7, 2011	October 6, 2021
3.	佳源	7539802	36	Zhejiang Jiayuan Real Estate	PRC	November 14, 2010	November 13, 2030
4.		3783140	37	Zhejiang Jiayuan Real Estate	PRC	March 28, 2006	March 27, 2026
5.		3783141	36	Zhejiang Jiayuan Real Estate	PRC	March 28, 2006	March 27, 2026

As of the Latest Practicable Date, our Group had applied for registration of the following trademarks which are material to our business:

No.	Trademark	Application No.	Class	Name of Applicant	Place of Application	Date of Application
1.	及第有佳	49945846	36	Zhejiang Meiyuan	PRC	September 22, 2020
2.		46401763	30	Zhejiang Meiyuan Xindongfang Huayuan Branch Co., Ltd. (浙江美源新東方花園分公司)	PRC	May 18, 2020

(b) Domain names

As of the Latest Practicable Date, our Group had registered the following domain names which are material to our business:

Domain name	Name of Registered Proprietor	Date of Registration	Expiry Date
jy-fw.cn	Jiayuan Services	February 25, 2020	February 25, 2026
jiayoushenghuojia.com	Zhejiang Meiyuan	August 25, 2020	August 25, 2030

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of Interests – Interests and short positions of the Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations

Immediately following completion of the Capitalization Issue and the Global Offering and assuming that the Over-allotment Option is not exercised, the interests or short positions of our Directors or chief executives of our Company in the shares, underlying shares and debentures of the associated corporations of our Company (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 our Shares are listed will be as follows:

Interest in associated corporation of our Company

Name of Director	Name of associated corporation	Nature of interest	Number of Shares interested(1)	Approximate percentage of shareholding
Mr. Zhu Hongge	Jiayuan International	Beneficial owner	64,000 (L)	0.002%

Note:

(1) The letter "L" denotes the person's long position in the shares.

Immediately following completion of the Capitalization Issue and the Global Offering and assuming that the Over-allotment Option is not exercised, none of our Directors or chief executives of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company 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 our Shares are listed.

(b) Particulars of service agreements 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 non-executive Directors has entered into a letter of appointment 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 commencing from the appointment date and until three years after the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

(c) Directors' remuneration

Each of our executive Directors is entitled to a remuneration and shall be paid on the basis of a twelve-month year. Each of our non-executive Directors is not entitled to remuneration. The aggregate remuneration (including salaries, other allowances, discretionary bonuses, pension costs, housing funds, medical insurances and other social insurances) paid by our Group to our Directors in respect of the three years ended December 31, 2019 and the six months ended June 30, 2020 were approximately RMB0.9 million, RMB0.9 million, RMB1.6 million and RMB0.9 million, respectively. For details, please refer to note 11 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. We intend to pay a director's fee of HK$120,000 per annum to each of Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin. 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 salaries, other allowances, discretionary bonuses, pension costs, housing funds, medical insurances and other social insurances) of our Directors for the year ending December 31, 2020 is estimated to be around RMB2.7 million.

2. Substantial shareholders

(a) Interests of the substantial Shareholders in the Shares

Saved 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 that the Over-allotment Option is not exercised, no person (other than our Directors and chief executives of our Company) will have an interest and/or short position in our Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or are directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Company.

(b) Interests of the substantial shareholders of other members of our Group

As of the Latest Practicable Date, so far as our Directors are aware, the following persons (other than our Directors or chief executive of our Company) were interested in 10% or more of the issued voting shares of other members of our Group:

Name of members of our Group	Name of Shareholder	Approximate percentage of interest
Hunan Huaguan	Hunan Jianhongda	35%
Hunan Huaze	Ms. Fang Jia (方佳)	37%
Guizhou Huahong	Mr. Deng Xiong (鄧雄)	30%
Jilin Jiayuan	Jilin Central North Joint Investment Enterprise Management Company Limited (吉林省中北聯投企業管理有限公司)	43%
Guizhou Jiazhi	Guizhou Zhihe Property Management Company Limited (貴州致合物業管理有限公司)	49%

3. Agency fees or commissions received

Save as disclosed in this prospectus, 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 our Shares are listed;

(b) none of our Directors or experts referred to "– D. Other Information – 7. Qualifications 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) so far as is known to our Directors, no person (other than our Directors or chief executive of our Company) 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; and

(f) 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

Our Controlling Shareholders have entered into the Deed of Indemnity with and in favor of our Company (for ourselves and as trustee for each of our subsidiaries) to provide indemnities on a joint and several basis in respect of, among other matters, (i) any liability for estate duty under the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong), or legislation similar thereto in Hong Kong or any jurisdictions outside Hong Kong which might be incurred by any member of our Group on or before the Listing Date; (ii) any additional demand, late charges or penalties incurred after the Listing Date arising from any unreported tax, outstanding tax payment and any other tax liabilities resulting from any breach of applicable laws or regulations in the relevant jurisdiction by any member of our Group on or before the Listing Date; and (iii) any claims, penalties or other indebtedness resulting from any insufficient contribution to social insurance and housing provident funds during the Track Record Period as disclosed in "Business – Employees – Social Insurance and Housing Provident Fund Contributions".

2. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Joint Sponsors

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US$1,400,000 for acting as the sponsors for the Listing.

The Joint Sponsors have made an application on our Company's behalf to the Listing Committee for the listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this prospectus.

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

4. Preliminary expenses

The preliminary expenses incurred and paid by our Company relating to the incorporation of our Company were approximately US$8,565.

5. Promoter

Our Company has no promoter. 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.

(b) Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfer of Shares.

(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 holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

7. Qualifications of experts

The qualifications of the experts who have given opinions or advice and/or whose names are included in this prospectus are as follows:

Name	Qualification
Haitong International Capital Limited	Licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activities for the purpose of SFO

Name	Qualification
Guotai Junan Capital Limited	Licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activities for the purpose of SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Jingtian & Gongcheng	Legal advisor to our Company as to the PRC law
Beijing Yingke Law Firm (Shanghai Office)	Legal advisor to our Company as to the PRC law for tax matters
China Index Academy	Industry consultant

8. Consents of experts

Each of the experts above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears. Each of the experts' statements has been made on the date of this prospectus and was made by such expert for incorporation in this prospectus.

9. Interests of experts in our Company

None of the persons named in "– D. Other information – 7. Qualification of experts" above 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 to nominate persons to subscribe for any 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 (WUMP) Ordinance insofar applicable.

11. Miscellaneous

(a) Within the two years immediately preceding the date of this prospectus:

(i) save as disclosed in "History, Reorganization and Corporate Structure" in this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid up either for cash or for 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 in connection with the issue or sale of any share capital of our Company or any of our subsidiaries; and

(iv) no commission has been paid or payable for subscribing or agreeing to subscribe or procuring subscription or agreeing to procure subscriptions, for any shares in our Company or any of our subsidiaries;

(b) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;

(c) there has not been any interruption in our business which may have or have had a significant effect on our financial position in the 12 months immediately preceding the date of this prospectus;

(d) the principal register of members of our Company will be maintained in the Cayman Islands by the Principal Share Registrar and a branch register of members of our Company will be maintained in Hong Kong by the Hong Kong Branch Share Registrar. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share register in Hong Kong and may not be lodged in the Cayman Islands;

(e) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(f) our Directors have been advised that under Cayman Companies Law the use of a Chinese name by our Company in conjunction with its English name does not contravene the Cayman Companies Law;

(g) our Company has no outstanding convertible debt securities or debentures;

(h) there is no arrangement under which future dividend are waived or agreed to be waived; and

(i) there is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.

12. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this prospectus, the English language version shall prevail.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to this prospectus and 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 – Statutory and General Information – D. Other Information – 8. Consents of Experts" to this prospectus; and (c) a copy of each of the material contracts referred to in "Appendix IV – Statutory and General Information – B. Further Information about Our Business – 1. Summary of Material Contracts" to this prospectus.

B. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office 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 prepared by 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 consolidated financial statements of our Group for the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020;

(e) the legal opinions issued by Jingtian & Gongcheng, our legal advisor as to PRC law, in respect of business operations, general corporate matters and property interests of our Group;

(f) the legal opinions issued by Beijing Yingke Law Firm (Shanghai Office), our legal advisor as to the PRC law for tax matters, in respect of the refiling of tax returns of our Group;

(g) the letter of advice issued by Conyers Dill & Pearman, our legal advisor as to Cayman Islands law, summarizing certain aspects of the company law of the Cayman Islands referred to in the "Appendix III – Summary of the Constitution of the Company and Cayman Companies Law" to this prospectus;

(h) the industry report issued by CIA;

(i) the Cayman Companies Law;

(j) copies of the material contracts referred to in "Appendix IV – Statutory and General Information – B. Further Information about Our Business – 1. Summary of Material Contracts" to this prospectus;

(k) the service agreements and letters of appointment entered into between our Company and each of the Directors (as applicable); and

(l) the written consents referred to in "Appendix IV – Statutory and General Information – D. Other Information – 8. Consents of Experts" to this prospectus.

佳源服務控股有限公司
JIAYUAN SERVICES HOLDINGS LIMITED