星盛商業
E-STAR COMMERCIAL

E-Star Commercial Management Company Limited
星盛商業管理股份有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock code: 6668

GLOBAL OFFERING

Joint Sponsors

建銀国际 CCB International

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UOBKayHian

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富途證券

AMTD 尚乘

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

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**250,000,000 Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**25,000,000 Shares (subject to reallocation)**
Number of International Placing Shares	:	**225,000,000 Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	:	**HK$3.88 per Offer Share, plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Hong Kong 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	:	**6668**

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

A copy of this prospectus, having attached thereto the documents specified in "Appendix VI—Documents Delivered to the Registrar of Companies and Available for Inspection—A. Documents Delivered to the Registrar of Companies" to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents 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. The Price Determination Date is expected to be on or around Tuesday, January 19, 2021 and, in any event, no later than Sunday, January 24, 2021. The Offer Price will be no more than HK$3.88 per Offer Share and is currently expected to be no less than HK$3.20 per Offer Share unless otherwise announced. Investors applying for Offer Shares must pay, on application, the maximum Offer Price of HK$3.88 per Offer Share, unless otherwise announced, together with brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price is less than HK$3.88 per Offer Share.

The Joint Representatives (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published in the Hong Kong Stock Exchange's website at www.hkexnews.hk and on our Company's website at www.g-cre.com no later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set out in "Structure and Conditions of the Global Offering" and "How to Apply Hong Kong Offer Shares." If, for any reason, the Offer Price is not agreed between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company on or before Sunday, January 24, 2021, the Global Offering will not proceed and will lapse. For more information, see "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Underwriting Agreement—Grounds for Termination."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares may be offered, sold or delivered outside of the United States in accordance with Regulation S under the U.S. Securities Act.

January 14, 2021

*We will publish an announcement on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.g-cre.com** if there is any change in the following expected timetable in relation to the Hong Kong Public Offering.*

	2021 *(Note 1)*
Latest time to complete electronic applications under **HK eIPO White Form** service through (1) the designated website at **www.hkeipo.hk** *(Note 2)* or (2) the **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**	11:30 a.m. on Tuesday, January 19,
Application lists open *(Note 3)*	11:45 a.m. on Tuesday, January 19,
Latest time to (a) lodge **WHITE** and **YELLOW** Application Forms; (b) complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (c) give **electronic application instructions** to HKSCC *(Note 4)*	12:00 noon on Tuesday, January 19,
Application lists close *(Note 3)*	12:00 noon on Tuesday, January 19,
Expected Price Determination Date *(Note 5)*	Tuesday, January 19,
Announcement of the final Offer Price, indication of the levels of interest in the International Placing, the basis of allotment and the results of applications in the Hong Kong Public Offering to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.g-cre.com** on or before	Monday, January 25,

Announcement of results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels including our website at **www.g-cre.com** and the website of the Stock Exchange at **www.hkex.com.hk** (for further details, please see "How to apply for Hong Kong Offer Shares—11. Publications of Results" in this prospectus) from	Monday, January 25,
Results of allocations in the Hong Kong Public Offering will be available at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** or in the **IPO App** with a "search by ID Number/ Business Registration Number" function	Monday, January 25,
Despatch/Collection of **HK eIPO White Form** e-Auto Refund payment instructions/ refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) and wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before *(Notes 6 to 8)*	Monday, January 25,
Despatch/Collection of Share certificates on or before	Monday, January 25,
Dealings in the Shares on the Stock Exchange expected to commence on	9:00 a.m. on Tuesday, January 26,

Notes:

1. All times and dates refer to Hong Kong local time, except as otherwise stated. Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure and Conditions of the Global Offering" in this prospectus.

2. You will not be permitted to submit your application through the designated website at **www.hkeipo.hk** or the **IPO App** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website 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 or an announcement of "extreme conditions" by the Government in accordance with the revised "Code of Practice in Times of Typhoons and Rainstorms" issued by the Hong Kong Labour Department in June 2019 in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, January 19, 2021, the application lists will not open on that day. For details, please see "How to Apply Hong Kong Offer Shares—10. Effect of bad weather on the opening of the application lists" in this prospectus.

4. Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to "How to Apply Hong Kong Offer Shares—6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS" in this prospectus.

5. The Price Determination Date is expected to be on or around Tuesday, January 19, 2021. If, for any reason, the Offer Price is not agreed on or before Sunday, January 24, 2021 between our Company and the Joint Representatives (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse accordingly.

6. Share certificates for the Offer Shares are expected to be issued on or before Monday, January 25, 2021 but will only become valid certificates of title at 8:00 a.m. on Tuesday, January 26, 2021 provided that (a) the Global Offering has become unconditional in all respects; and (b) none of the Underwriting Agreements has been terminated in accordance with its terms.

7. Applicants for 1,000,000 Hong Kong Offer Shares or more on **WHITE** Application Forms and have provided all information required in their Application Forms may collect their refund cheques (where relevant) and/or Share certificates (where relevant) personally from our Hong Kong Branch Share Registrar, Tricor Investor Services Limited from 9:00 a.m. to 1:00 p.m. on Monday, January 25, 2021 or any other day that we publish on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.g-cre.com** as the date of despatch of Share certificates/e-Auto Refund payment instructions/refund cheques.

   Individuals who are eligible for personal collection must not authorize any other person(s) to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend by their authorized representative(s) bearing a letter of authorization from such corporation(s) 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. Applicants for 1,000,000 Hong Kong Offer Shares or more on **YELLOW** Application Forms may collect their refund cheques, if any, in person but may not elect to collect their Share certificates personally, which will be deposited into CCASS for the credit of their designated CCASS Participants' stock accounts or CCASS Investor Participants' stock accounts, as appropriated. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

   Applicants who apply through the **HK eIPO White Form** service and paid their applications monies through single bank account may have refund monies (if any) dispatched to their application payment bank account, in the form of e-Auto Refund payment instructions; Applicants who apply through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions to the **HK eIPO White Form** Provider, in the form of refund cheques, by ordinary post at their own risk.

   Uncollected Share certificates and refund cheques (if any) will be despatched by ordinary post at the applicant's own risk to the address specified in the relevant Application Form. For further information, applicants should refer to "How to Apply for Hong Kong Offer Shares—14. Despatch/Collection of Share Certificates and Refund Monies" in this prospectus.

8. Refund cheques/e-Auto Refund payment instructions will be despatched in respect of wholly or partially unsuccessful applications and in respect of successful applications if the final Offer Price is less than the maximum Offer Price of HK$3.88 per Offer Share.

The above expected timetable is a summary only. You should refer to "Structure and Conditions of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

This prospectus is issued by E-Star Commercial Management Company 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 our Company or any of the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of our or their respective directors and senior management representatives.

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 commercial property operational service provider in the Greater Bay Area with a national presence. According to China Index Academy, as of September 30, 2020, we were ranked first in terms of the number of shopping centers in operation in Shenzhen, second in terms of GFA in operation in Shenzhen, fourth in terms of the number of shopping centers in operation in the Greater Bay Area and seventh in terms of GFA in operation in the Greater Bay Area. According to China Index Academy, we were ranked 14th among the "2020 Top 100 Commercial Property Companies in China" in terms of overall strength[1]. As of the Latest Practicable Date, we entered into contracts to provide services for 53 commercial property projects located in 20 cities in China, with an aggregate contracted GFA of approximately 3,284,000 sq.m., 61.6% of which was developed or owned by Independent Third Parties.

We own a comprehensive and highly-recognized brand system, primarily including "COCO Park" for city shopping centers (城市型購物中心) targeting consumers in the city, "COCO City" and "iCO" for regional shopping centers (區域型購物中心) targeting consumers within a five-kilometer radius from such shopping centers, "COCO Garden" for community shopping centers (社區型購物中心) targeting consumers within a one-to-three-kilometer radius from such shopping centers and "Top Living (第三空間)" for our high-end home furnishing shopping center. In addition, we own various brands for themed shopping areas (主題館) within commercial properties, covering home living, family and children, women and fashion, sports and fitness, as well as catering and socializing scenarios. According to China Real Estate Top 10 Research Team, we have been ranked as 2020 China Top 10 Commercial Property Operator (2020年中國商業地產運營十強企業), and we won the "2020 Outstanding Commercial Property Operational Service Brand in the Greater Bay Area (2020年粵港澳大灣區商業運營品牌優秀企業)."

We have close business relationship with Galaxy Holding and its associates, as our expertise and service capability have consistently met their high requirements on quality. As a result, properties developed or owned by Galaxy Holding and its associates have been our stable source of revenue, contributing RMB250.9 million, RMB290.6 million, RMB346.5 million and RMB264.8 million in the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, respectively, accounting for 90.2%, 88.4%, 89.5% and 86.6% of our total revenue, respectively. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, our revenue generated from provision of commercial property operational services to, and management services to certain tenants owned by, Galaxy Holding and its associates amounted to RMB63.3 million, RMB66.6 million, RMB95.2 million and RMB90.8 million, respectively, accounting for 22.8%, 20.3%, 24.6% and 29.7%, respectively, of our total revenue, and we purchased services from Galaxy Holding and its associates in the amount

Note:

(1) According to China Index Academy, the 2020 Top 100 Commercial Property Companies in China is assessed by the relevant key factors, including scale of properties under management, operational performance, growth potential and financing capabilities. Specifically, the indicators mainly include total GFA of operational properties under management, rental income from properties in operation, annual growth rate of total assets, asset-liabilities ratio, liquidity ratio, average rent and growth rate, average occupancy rate of properties in operation.

When evaluating the overall strength of a commercial property operational service provider, China Index Academy conducts an analysis based on the abovementioned indicators, produces a score of overall strength by weighing different indicators and ranks the commercial property operational service providers.

of RMB39.7 million, RMB45.1 million, RMB57.2 million and RMB42.0 million, accounting for 28.5%, 28.4%, 30.7% and 30.7%, respectively, of our total cost of services, primarily including the property management services from Galaxy Smart Living Group.

We have created a number of benchmark projects which enjoy wide market acceptance. According to China Index Academy, our signature project, Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), is the first "experiential shopping park (公園情景式購物中心)" and one of the most popular shopping destinations in Shenzhen. The brand "Galaxy COCO Park (星河COCO Park)" was ranked fourth in the "2019 Top 10 Commercial Property Brands in China (2019年中國商業地產項目品牌價值TOP 10)" by China Real Estate Top 10 Research Team.

We believe our successful experience accumulated through benchmark projects is replicable through our flexible operational models, namely the entrusted management service model, the brand and management output service model and the sublease service model. Such models enable us to adapt to different client requirements and achieve steady growth. We provide customers with comprehensive commercial property operational services, including (i) positioning, construction consultancy and tenant sourcing services, (ii) operational management services, (iii) property leasing services and (iv) value-added services. With our flexible operational models and comprehensive services, we are able to provide consumers with premium shopping experience, provide tenants with effective management services and provide property owners with high operating income.

We achieved steady growth during the Track Record Period. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, our revenue from continuing operations was RMB278.1 million, RMB328.7 million, RMB387.3 million, RMB286.7 million and RMB305.9 million, respectively, and our profit and total comprehensive income for the year/period from continuing operations was RMB50.4 million, RMB85.1 million, RMB95.6 million, RMB78.8 million and RMB90.1 million, respectively.

OUR BUSINESS MODEL

We are a commercial property operational service provider focusing on improving the results of operations of commercial properties, primarily shopping centers, shopping streets and commercial complex, for property owners through our professional management. Our commercial property operational services comprise:

- positioning, construction consultancy and tenant sourcing services: primarily including market positioning, business planning consultancy, design and construction consultancy and tenant sourcing services;

- operational management services: primarily including formulating operation strategies, conducting marketing and promotional events, tenant management services, property management services and rent collection services;

- property leasing services: including sublease of commercial spaces in the commercial properties managed under the sublease service model to tenants; and

- value-added services: primarily including management of common areas in the shopping centers which customers can rent for a short period for pop-up shops and promotional settings, and management of advertising spaces, such as LED boards and interior and exterior facades of the shopping centers.

Different from conventional property management services (primarily including security, cleaning, gardening, repair and maintenance and value-added services such as housekeeping and other on-demand services) which are aimed at keeping the properties under management safe, clean and functional, the commercial property operational services we provide are aimed at improving the performance of the commercial properties under management primarily through increasing the consumer traffic and popularity of such properties, and increasing the overall value of the commercial properties. As a result, conventional property management service providers primarily charge a fixed property management fee on a per sq.m. basis, while our service fees are composed of both fixed service fees and a portion correlated to the results of operations (such as total rents, revenue or profit) of the commercial properties.

We provide our commercial property operational services under three operational models, namely, the entrusted management service model, the brand and management output service model and the sublease service model. Under different operational models, we have different levels of involvement in the management of commercial properties and provide different combinations of services to different customer groups:

Entrusted management service model

Under this model, we are entrusted by the property owners with full authority to manage the commercial properties. We employ the entire management team, including the general project manager and members of functional departments.

- Services: We provide (i) positioning, construction consultancy and tenant sourcing services, (ii) operational management services and (iii) value-added services.

- Customers: Our customers include (i) property owners, (ii) tenants and (iii) relevant customers in respect of value-added services.

- Revenue sources: Our revenue sources include (i) fixed fees for positioning, construction consultancy and tenant sourcing services from property owners, (ii) a pre-agreed percentage of the revenue or profit, and/or a fixed fee, for operational management services from property owners, (iii) management fees for operational management services from tenants and (iv) common area use fees for valued-added services from relevant customers.

- Cost structure: We bear the operating costs of managing the commercial property.

The entrusted management service model offers us a higher level of autonomy in managing the project, which we believe can achieve better operating results and increase our revenue, and limits our credit risk as certain cash flows may pass through us. During the Track Record Period, a majority of our revenue was generated from commercial properties managed under the entrusted management service model and all of the entrusted management projects in operation were developed or owned by Galaxy Holding and its associates. As of September 30, 2020, we entered into contracts to provide services for a total of 17 commercial properties with a total GFA of 1,116,688 sq.m. (including 7 commercial properties in operation with a total GFA of 531,931 sq.m.) under the entrusted management service model.

Brand and management output service model

Under this model, we, as professional managers, manage commercial properties for the property owners. We only employ the core management team to the projects, usually consisting of the general project manager and/or heads of certain functional departments. The property owner is responsible for employing most of the project personnel. The core management team assigned by us will lead and supervise the project personnel employed by property owners in managing the project.

- Services: Our services include (i) positioning, construction consultancy and tenant sourcing services and (ii) operational management services.

- Customers: Our customers only include property owners.

- Revenue sources: Our revenue sources include (i) fixed fees for positioning, construction consultancy and tenant sourcing services from property owners and (ii) a pre-agreed percentage of the revenue and/or profit, and/or a fixed fee, for operational management services from property owners.

- Cost structure: We only bear our staff costs related to the projects, a portion of which will be reimbursed by the property owners, and the property owners bear the operating costs of managing the commercial properties.

Under this model, we do not need to inject substantial capital and human resources, which results in a generally higher gross profit margin as compared to the other two models and facilitates our fast geographic expansion. As of September 30, 2020, we entered into contracts to provide services for a total of 27 commercial properties with a total GFA of 1,838,510 sq.m. (including 13 commercial properties in operation with a total GFA of 834,538 sq.m.) under the brand and management output service model.

Sublease service model

Under this model, we lease the commercial property from the property owner and sublease commercial spaces within the commercial property to tenants. We are solely responsible for the management and operating results of the commercial property, and employ the entire management team of the project.

- Services: Our services include (i) property leasing services, (ii) operational management services and (iii) value-added services.

- Customers: Our customers include (i) tenants and (ii) relevant customers in respect of value-added services.

- Revenue sources: Our revenue sources include (i) rent from tenants, (ii) management fees for operational management services from tenants and (iii) common area use fees for valued-added services from relevant customers.

- Cost structure: We bear the operating costs of managing the commercial properties and pay rent to the property owner periodically.

Under the sublease service model, we may offer to renovate or decorate the commercial property in accordance with the lease agreement with the property owner. The sublease service model can maximize our income from a project, which at the same time exposes us to higher risks. As a result, we take a very prudent approach in adopting the sublease service model and consider adopting such model for projects with high growth potential. During the Track Record Period, our sublease project in operation was developed or owned by Galaxy Holding and its associates. As of September 30, 2020, we entered into a contract to provide services for only one commercial property with a total GFA of 43,632 sq.m., which was in operation, under the sublease service model.

The choice of operational model is usually the result of negotiation between property owners and us. It is determined by taking into account various factors, such as each party's requirements and preferences, the location and conditions of the project and the requirements on human resources. Through information collection, onsite assessment, market research and risk assessment, we assess the potential of the project under different operational models. With our assessment, we negotiate the operational model and other contract terms with property owners.

For details about the differences among our three operational models, please see the section entitled "Business—Our Business Model" in this prospectus.

The table below sets forth the breakdown of our total revenue from our continuing operations by business segment for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands except for percentage)									
Entrusted management services	**212,453**	**76.4**	**253,548**	**77.1**	**294,970**	**76.2**	**218,274**	**76.1**	**218,731**	**71.5**
– Positioning, construction consultancy and tenant sourcing services	–	–	–	–	10,547	2.7	9,699	3.4	16,297	5.3
– Operational management services	162,494	58.4	190,842	58.0	216,322	55.9	162,981	56.8	166,572	54.5
– Value-added services	49,959	18.0	62,706	19.1	68,101	17.6	45,594	15.9	35,862	11.7
Brand and management output services	**53,674**	**19.3**	**58,885**	**17.9**	**72,606**	**18.7**	**53,882**	**18.8**	**73,049**	**23.9**
– Positioning, construction consultancy and tenant sourcing services	19,932	7.2	10,022	3.0	16,303	4.2	12,195	4.3	30,402	9.9
– Operational management services	33,742	12.1	48,863	14.9	56,303	14.5	41,687	14.5	42,647	14.0
Sublease services	**11,940**	**4.3**	**16,261**	**5.0**	**19,738**	**5.1**	**14,542**	**5.1**	**14,082**	**4.6**
– Property leasing services	6,091	2.2	8,764	2.7	12,028	3.1	8,733	3.0	8,151	2.7
– Operational management services	5,047	1.8	5,899	1.8	6,441	1.7	4,755	1.7	4,719	1.5
– Value-added services	802	0.3	1,598	0.5	1,269	0.3	1,054	0.4	1,212	0.4
Total	**278,067**	**100.0**	**328,694**	**100.0**	**387,314**	**100.0**	**286,698**	**100.0**	**305,862**	**100.0**

The table below sets forth the breakdown of our total contracted GFA and number of commercial properties as of the dates by business segment for the years/periods indicated:

	As of December 31,						As of September 30, 2020	
	2017		2018		2019			
	No. of properties	*Contracted GFA(1) sq.m.*	*No. of properties*	*Contracted GFA(1) sq.m.*	*No. of properties*	*Contracted GFA(1) sq.m.*	*No. of properties*	*Contracted GFA(1) sq.m.*
	(in thousands, except for numbers of properties)							
Entrusted management services	4	438	5	478	17	1,117	17	1,117
Brand and management output services	15	1,142	16	1,551	24	1,809	27	1,839
Sublease services	1	44	1	44	1	44	1	44
Total	**20**	**1,624**	**22**	**2,073**	**42**	**2,970**	**45**	**2,999**

Note:

(1) We did not include four consultancy contracts that were terminated upon completion in the calculation of GFA as they did not involve specific commercial properties and were mainly related to the consultancy services we provided in the early preparatory stage of the potential projects.

The table below sets forth the breakdown of our gross profit and gross profit margin for each business segment by properties developed or owned by Galaxy Holding and its associates and Independent Third Parties for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	Gross profit RMB	*Gross profit margin %*	*Gross profit RMB*	*Gross profit margin %*	*Gross profit RMB*	*Gross profit margin %*	*Gross profit RMB*	*Gross profit margin %*	*Gross profit RMB*	*Gross profit margin %*
							(unaudited)			
	(in thousands, except percentages)									
Entrusted management services	**100,085**	**47.1**	**125,106**	**49.3**	**143,213**	**48.6**	**104,670**	**48.0**	**108,354**	**49.5**
– Galaxy Holding and its associates	100,085	47.1	125,106	49.3	143,213	48.6	104,670	48.0	103,423	48.9
– Independent Third Parties	–	–	–	–	–	–	–	–	4,931	68.9
Brand and management output services	**36,540**	**68.1**	**39,395**	**66.9**	**48,620**	**67.0**	**36,146**	**67.1**	**54,010**	**74.2**
– Galaxy Holding and its associates	20,057	75.8	15,913	76.6	27,507	86.6	20,441	86.3	32,501	83.0
– Independent Third Parties	16,483	60.6	23,482	61.6	21,113	51.7	15,705	52.0	21,509	63.4
Sublease services	**2,101**	**17.6**	**5,481**	**33.7**	**8,770**	**44.4**	**6,288**	**43.2**	**6,400**	**45.4**
– Galaxy Holding and its associates	2,101	17.6	5,481	33.7	8,770	44.4	6,288	43.2	6,400	45.4
– Independent Third Parties	–	–	–	–	–	–	–	–	–	–
Total/Overall	**138,726**	**49.9**	**169,982**	**51.7**	**200,603**	**51.8**	**147,104**	**51.3**	**168,764**	**55.2**

In general, we entered into contracts of entrusted management projects developed or owned by Independent Third Parties in 2019. In the nine months ended September 30, 2020, for our projects managed under the entrusted management service model, the gross profit margin of our commercial properties developed or owned by Independent Third Parties was higher than that of commercial properties developed or owned by Galaxy Holding and its associates, primarily due to the fact that the commercial properties developed or owned by Independent Third Parties were in the preparatory stage and we provided positioning, construction consultancy and tenant sourcing services which had higher margin.

Under the brand and management output service model, the gross profit margins for properties developed or owned by Independent Third Parties were lower than those for properties developed or owned by Galaxy Holding and its associates during the Track Record Period, primarily because:

- we incurred and allocated higher costs on onsite staff for Independent Third Party projects in operation as a result of a much larger GFA and more tenants for projects in operation developed or owned by Independent Third Parties as compared to those developed or owned by Galaxy Holding and its associates. We only employ the core management team of the projects, usually consisting of the general project manager and/or heads of certain functional departments and the costs of staff deployed to a project onsite (including project manager and/or heads of functional departments) are ultimately borne by property owners, and generally reimbursed by property owners and recorded as part of our revenue. As such, higher staff costs recognized in the Independent Third Party projects under the brand and management output model generally did not affect the amount of gross profit earned by us, but lowered our gross profit margin for the Independent Third Party projects under the brand and management output service model, as higher staff costs reimbursed increase the denominator (revenue) and do not change the numerator (gross profit). Moreover, certain projects developed or owned by Galaxy Holding and its associates under the brand and management output model shared the same project manager or were managed by our staff at the headquarters who closely supervise and manage the onsite staff employed by the property owners and evaluate their performance during the Track Record Period. Such arrangements were primarily due to the relatively small GFA in operation and small number of tenants of such projects, as well as the relatively simple nature of the project (i.e. some projects are open air shopping streets or office building, and one project was substantially leased to one tenant. These projects generally required fewer onsite personnel);

- we incurred higher staff costs for business development of Independent Third Party projects. To drive the expansion and management of Independent Third Party projects, we paid staff incentives to our employees in the departments of the headquarter that had contributions to the procurement and management of Independent Third Party projects to reward their efforts. Such incentives were recognized and allocated in the cost of services for the Independent Third Party projects during the Track Record Period. In contrast, we incurred lower staff costs on business development of projects from Galaxy Holding and its associates as we are often invited by Galaxy Holding and its associates to engage in the early stage of a project;

- we ceased in recognizing revenue generated from, and incurred loss on, Enshi Galaxy COCO City (恩施星河COCO City) as a result of the bankruptcy restructuring of the property owner in 2019; and

- we generated more revenue from land sourcing consultancy services to Galaxy Holding and its associates in 2019 and the nine months ended September 30, 2020, which had higher gross profit margins. Land sourcing consultancy services generally have relatively higher gross profit margins, as (i) the location of a commercial property and the acquisition of a land parcel at a prime location are crucial to the success of a commercial property; (ii) such services required expertise and high added value; and (iii) we have a competitive edge and extensive experience in providing such services gained through the years of providing commercial property operational services. As advised by China Index Academy, it is common for commercial property operational providers to provide such services and such services typically enjoy higher gross profit margins due to the high added value and expertise required.

For details, please see "Financial Information—Results of Operations—Gross Profit and Gross Profit Margin" in this prospectus.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed and will continue to contribute to our success: (i) a leading commercial property operational service provider in the Greater Bay Area, benefiting from favorable regional policies; (ii) ability to expand by leveraging our well-recognized benchmark projects and flexible operational models; (iii) strong profitability underpinned by comprehensive operational capabilities; (iv) a well-known brand matrix enhancing customer loyalty; (v) synergy with Galaxy Holding's business ecosystem; and (vi) experienced and stable management team and people-oriented corporate culture boosting our success.

OUR BUSINESS STRATEGIES

We intend to pursue the following strategies: (i) further solidify our market position in the Greater Bay Area, focus on economically developed regions and expand our business scale; (ii) improve service quality and operational efficiency through information technology upgrade; (iii) expand full value chain services to enhance our service capability; (iv) continue to expand through multiple channels and seek new growth drivers; and (v) continue to build a multi-tiered talent team and develop our unique corporate culture.

NON-COMPLIANCES

During the Track Record Period, some of our PRC subsidiaries failed to make full contribution to the social insurance and housing provident funds for some of our employees as required under PRC law. For details, please see "Business—Legal Proceedings and Non-compliances."

CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (but excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme), Go Star and Virtue Investment will directly hold 60% and 15% of the total issued share capital of our Company, respectively. All the issued shares and interest in Go Star are held by the trustee of the Family Trust, which is a discretionary trust, through its holding vehicle, Long Harmony Holding Limited. The entire issued share capital of Virtue Investment is held by Mr. Huang De-Lin Benny, who was entrusted by Mr. Huang to hold such shares for the purpose of a share incentive scheme to be adopted after Listing. Thus, Mr. Huang, as the investment decision maker of the Family Trust and the beneficial owner of Virtue Investment, through Go Star and Virtue Investment, controls more than 30% of the voting power at general meetings of our Company. Accordingly, Mr. Huang, Go Star and Virtue Investment are our Controlling Shareholders.

Save as disclosed in the section headed "Relationship with Our Controlling Shareholders," none of our Controlling Shareholders is interested in any business which is, whether directly or indirectly, in competition with our business. To ensure that competition will not exist in the future, our Ultimate Controlling Shareholder has entered into the Deed of Non-Competition in favor of our Company to the effect that he will not, and will procure his 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.

We have entered into a number of agreements with our connected persons which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon Listing. For further details, please see "Connected Transactions" in this prospectus.

Revenue by Customers

The table below set forth a breakdown of our revenue by type of customers:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	Revenue (RMB)	*%*	*Revenue (RMB)*	*%*	*Revenue (RMB)*	*%*	*Revenue (RMB) (unaudited)*	*%*	*Revenue (RMB)*	*%*
	(in thousands except for percentage)									
Galaxy Holding and its associates	63,264	22.8	66,584	20.3	95,152	24.6	70,372	24.5	90,781	29.7
Independent Third Parties	214,803	77.2	262,110	79.7	292,162	75.4	216,326	75.5	215,081	70.3
Total	278,067	100.0	328,694	100.0	387,314	100.0	286,698	100.0	305,862	100.0

During the Track Record Period, a majority of our revenue was derived from Independent Third Parties, which included tenants, property developers and owners and relevant customers for value-added services. During the Track Record Period, the revenue derived from commercial properties developed or owned by Galaxy Holding and its associates was significantly higher than the revenue derived from services provided to Galaxy Holding and its associates as customers, primarily as revenue derived from some commercial properties under the entrusted management service model and sublease service model developed or owned by Galaxy Holding and its associates included not only revenue derived directly from Galaxy Holding and its associates as customers, but also revenue from operational management fee paid by Independent Third Party tenants and value-added service fee from Independent Third Party customers.

Revenue by Developers/Owners

The table below sets forth a breakdown of the number of commercial property projects for which we were contracted to provide services, our aggregate contracted GFA and GFA in operation as of the dates, and our revenue and gross profit margin for our continuing operations by type of developers/owners for the years/periods, indicated:

As of/for the year ended December 31,

	2017					
	Number of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
Properties developed or owned by:						
Galaxy Holding and its associates[1]	13	657	657	250,852	90.2	48.7
Independent Third Parties[2]	7	967	418	27,215	9.8	60.6
Total/Overall	**20**	**1,624**	**1,075**	**278,067**	**100.0**	**49.9**

	2018					
	Number of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
Properties developed or owned by:						
Galaxy Holding and its associates[1]	12	696	696	290,589	88.4	50.4
Independent Third Parties[2]	10	1,377	591	38,105	11.6	61.6
Total/Overall	**22**	**2,073**	**1,287**	**328,694**	**100.0**	**51.7**

	2019					
	Number of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
Properties developed or owned by:						
Galaxy Holding and its associates[1]	27	1,256	716	346,458	89.5	51.8
Independent Third Parties[2]	15	1,714	591	40,856	10.5	51.7
Total/Overall	**42**	**2,970**	**1,307**	**387,314**	**100.0**	**51.8**

(in thousands, except for numbers of properties and percentages)

As of/for the nine months ended September 30,

	2019					
	Number of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB (unaudited)	%	%
Properties developed or owned by:						
Galaxy Holding and its associates[1]	25	1,230	716	256,492	89.5	51.2
Independent Third Parties[2]	13	1,641	591	30,206	10.5	52.0
Total/Overall	**38**	**2,871**	**1,307**	**286,698**	**100.0**	**51.3**

	2020					
	Number of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
Properties developed or owned by:						
Galaxy Holding and its associates[1]	31	1,256	779	264,793	86.6	53.7
Independent Third Parties[2]	14	1,743	631	41,069	13.4	64.4
Total/Overall	**45**	**2,999**	**1,410**	**305,862**	**100.0**	**55.2**

Notes:

(1) Refers to properties solely developed or owned by Galaxy Holding and its associates, and properties jointly developed or owned by Galaxy Holding and Independent Third Parties in which Galaxy Holding holds a controlling interest. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, our revenue generated from properties developed or owned by Galaxy Holding and its associates includes revenue generated from provision of entrusted management services of RMB212.4 million, RMB253.5 million, RMB295.0 million, RMB218.3 million and RMB211.6 million, respectively, revenue generated from provision of brand and management output services of RMB26.4 million, RMB20.8 million, RMB31.8 million, RMB23.7 million and RMB39.1 million, respectively, and revenue generated from provision of sublease services of RMB11.9 million, RMB16.3 million, RMB19.7 million, RMB14.5 million and RMB14.1 million, respectively. Our revenue generated from properties developed or owned by Galaxy Holding and its associates included revenue from Galaxy Holding and its associates, and revenue from Independent Third-Party tenants in these projects. As of the Latest Practicable Date, we managed all the retail commercial properties and commercial complex developed or owned by Galaxy Holding and its associates.

(2) Refers to properties developed or owned solely by Independent Third Parties. Independent Third Parties include property developers other than Galaxy Holding and its associates.

(3) The number of properties and contracted GFA as of the end of year include all commercial property projects for which we had contracted to provide services (including those that had yet to contribute to our revenue).

(4) GFA in operation refers to the GFA of commercial properties under our management that had opened for business.

During the Track Record Period, a majority of our revenue was derived from services provided with respect to commercial properties developed or owned by Galaxy Holding and its associates, which accounted for 90.2%, 88.4%, 89.5%, 89.5% and 86.6% of our total revenue in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively. According to China Index Academy, it is common that commercial property operational service providers generally generate a significant portion of revenue from projects developed or owned by affiliated property developers or property owners. During the Track Record Period, we experienced continuous increases in contracted GFA of, and revenue generated from, properties developed or owned by Galaxy Holding and its associates. We attribute such increases to our long-term cooperation with Galaxy Holding and its associates and our ability to meet their high requirements on quality. Our contracted GFA of properties developed or owned by Galaxy Holding and its associates increased by 80.4% from December 31, 2018 to December 31, 2019 and further increased by 2.1% from September 30, 2019 to September 30, 2020, while our revenue generated from properties developed or owned by Galaxy Holding and its associates increased by 19.2% from 2018 to 2019 and further increased by 3.2% from the nine months ended September 30, 2019 to the same period in 2020. The disproportionate increases in contracted GFA and revenue in 2019 were primarily due to that a significant portion of the increase in contracted GFA of properties developed or owned by Galaxy Holding and its associates was in preparatory stage and not yet in operation, and hence had limited or no contribution to our revenue in 2019.

During the Track Record Period, our number and contracted GFA of projects developed or owned by Independent Third Parties continuously increased. We attribute this growth to our ability to search for and capture market opportunities independent from our affiliation with Galaxy Holding and the market recognition we have built up over the years. During the Track Record Period, revenue generated from projects developed or owned by Independent Third Parties was relatively lower, primarily because we managed such projects under the brand and management output service model, under which we charge a pre-agreed percentage of the revenue and/or profit and/or a fixed fee only to the property owners and do not charge fees to tenants, whilst for commercial properties developed or owned by Galaxy Holding and its associates that were managed under the entrusted management service model, we charge services fees to both the property owners and tenants and relevant customers for value added services.

Our GFA in operation as a percentage of contracted GFA was 66.2%, 62.1%, 44.0% and 47.0% as of December 31, 2017, 2018 and 2019 and September 30, 2020. The percentages as of December 31, 2017 and 2018 were higher than those as of December 31, 2019 and September 30, 2020, and our GFA in operation remained largely stagnant since 2018 despite the increase in contracted GFA, primarily as we accelerated our expansion and entered into more commercial property operational service contracts in 2019 and some of these commercial properties were not yet in operation as of September 30, 2020.

For more details, see "Business—Relationship with Galaxy Holding and Its Associates" and "Financial Information—Results of Operations—Revenue" in this prospectus.

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of property developers, property owners and tenants. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, revenue generated from provision of our services to our five largest customers amounted to approximately RMB85.7 million, RMB96.1 million, RMB127.2 million and RMB112.7 million, respectively, accounting for 30.8%, 29.3%, 32.8% and 36.8% of our total revenue from our continuing operations, respectively. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, revenue generated from provision of our services to our largest customer, Galaxy Holding and its associates (specifically, Galaxy Property Development Group), amounted to approximately

RMB63.3 million, RMB66.6 million, RMB95.2 million and RMB90.8 million, respectively, accounting for 22.8%, 20.3%, 24.6% and 29.7% of our total revenue from our continuing operations, respectively. Other than Galaxy Holding and its associates, all of our five largest customers during the Track Record Period were Independent Third Parties. See "Business—Customers" for details.

Our suppliers primarily consist of companies that provide property management services and property owners under entrusted management and sublease service models. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, purchases of services from our five largest suppliers amounted to approximately RMB49.6 million, RMB56.6 million, RMB72.6 million and RMB56.2 million, respectively, accounting for 35.6%, 35.7%, 38.9% and 41.0% of our total cost of services for our continuing operations, respectively, and purchases of services from our single largest supplier, Galaxy Holding and its associates (specifically, Galaxy Smart Living Group), amounted to approximately RMB39.7 million, RMB45.1 million, RMB57.2 million and RMB42.0 million, respectively, accounting for 28.5%, 28.4%, 30.7% and 30.7%, respectively, of our total cost of services for both our continuing operations. During the Track Record Period, other than Galaxy Holding and its associates, all of our five largest suppliers during the Track Record Period were Independent Third Parties. During the Track Record Period, other than Galaxy Holding and its associates, none of our major suppliers was also our customer. See "Business—Suppliers" for details.

Overlapping Customer and Supplier

One of our major customers, Galaxy Holding and its associates (specifically, Galaxy Property Development Group), was also one of our suppliers, Galaxy Holding and its associates (specifically, Galaxy Smart Living Group), for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020. During the Track Record Period, we generated revenue from providing commercial property operational services to Galaxy Holding and its associates, and purchased services, primarily property management services provided by Galaxy Smart Living Group, from Galaxy Holding and its associates. For details, please see "Business—Relationship with Galaxy Holding and Its Associates" and "Business—Suppliers."

With a view to reducing the amount of continuing connected transactions between our Group and Galaxy Smart Living Group, we decided to engage quality Independent Third Party property management service providers to provide property management service for the shopping centers operated by us under the entrusted management service model and subleasing service model. Galaxy Smart Living Group will cease providing property management services to shopping centers operated by us after March 31, 2021. Considering the availability of alternative property management service providers in the market and the service quality provided by such property management service providers, we believe engaging Independent Third Party subcontractors in lieu of Galaxy Smart Living Group to provide such services will not have a material adverse impact on our business or results of operations. See "Business—Relationship with Galaxy Holding and Its Associates—Services Provided by Galaxy Holding and Its Associates" and "Risk Factors—Risks Relating to Our Business and Industry—A large portion of our purchases were from our largest supplier, Galaxy Holding and its associates during the Track Record Period."

SUMMARY KEY FINANCIAL INFORMATION

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

Selected Items of Consolidated Statements of Comprehensive Income from Our Continuing Operations

	For the year ended December 31,			For the nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB	*RMB*	*RMB*	*RMB* *(unaudited)*	*RMB*
			(in thousands)		
Revenue	**278,067**	**328,694**	**387,314**	**286,698**	**305,862**
Gross profit	138,726	169,982	200,603	147,104	168,764
Profit before income tax	67,333	113,718	128,942	102,150	123,009
Profit and total comprehensive income for the year/period from continuing operations	**50,424**	**85,058**	**95,600**	**78,814**	**90,141**
Profit for the year/period attributable to owners of our Company from continuing operations	43,203	73,367	84,632	67,652	89,586
Profit for the year/period attributable to owners of non-controlling interests from continuing operations	7,221	11,691	10,968	11,162	555

We experienced steady growth in our revenue, gross profit and net profit during the Track Record Period, which was in line with the increases in our contracted GFA. Our profit for the year attributable to owners of non-controlling interest from continuing operations decreased slightly from RMB11.7 million in 2018 to RMB11.0 million in 2019, primarily due to the loss in 2019 of one subsidiary. Our profit for the period attributable to owners of non-controlling interest from continuing operations further decreased from RMB11.2 million for the nine months ended September 30, 2019 to RMB0.6 million for the nine months ended September 30, 2020, primarily due to the acquisition of non-controlling interest in Galaxy Commercial Property Group under the reorganization in September 2019.

Selected Items of Consolidated Statements of Financial Position

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB	*RMB* *(in thousands)*	*RMB*	*RMB*
Total non-current assets	80,049	65,321	69,824	73,741
Total current assets	268,186	392,189	225,509	320,994
Total current liabilities	148,625	182,208	192,082	197,993
Net current assets	119,561	209,981	33,427	123,001
Non-current liabilities	58,798	56,695	67,582	70,932
Non-controlling interests	18,753	30,298	2,756	3,311
Total equity	140,812	218,607	35,669	125,810

Our total equity increased from RMB140.8 million as of December 31, 2017 to RMB218.6 million as of December 31, 2018 in line with our business expansion, and decreased to RMB35.7 million as of December 31, 2019, as a result of our dividend payment of RMB200.5 million and deemed distribution to the then shareholders of Galaxy Commercial Property Group of RMB81.1 million under the reorganization in 2019. As of September 30, 2020, our total equity interest increased to RMB125.8 million, as a result of our profit for the period for the nine months ended September 30, 2020. The non-controlling interests decreased from RMB30.3 million as of December 31, 2018 to RMB2.8 million as of December 31, 2019, primarily due to the acquisition of non-controlling interest in Galaxy Commercial Property Group in September 2019.

Summary of Consolidated Statements of Cash Flows

The table below sets forth a summary of our consolidated statements of cash flows for the year/period indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB	*RMB*	*RMB*	*RMB* *(unaudited)*	*RMB*
			(in thousands)		
Operating cash flow before movements in working capital	79,245	102,661	134,306	102,336	137,003
Change in working capital	8,370	24,360	3,944	(12,563)	(34,924)
Income tax paid	(19,655)	(23,463)	(27,974)	(24,139)	(30,804)
Finance income on the net investment in the lease	–	–	133	–	80
Net cash generated from operating activities	67,960	103,558	110,409	65,634	71,355
Net cash (used in)/ generated from investing activities	(170,864)	(93,209)	222,696	169,931	(75,419)
Net cash used in financing activities	(2,553)	(5,236)	(286,058)	(205,258)	(5,902)
Net (decrease)/increase in cash and cash equivalents	**(105,457)**	**5,113**	**47,047**	**30,307**	**(9,966)**
Cash and cash equivalents at the beginning of the year/period	187,206	81,749	86,862	86,862	133,909
Cash and cash equivalents at the end of the year/period	**81,749**	**86,862**	**133,909**	**117,169**	**123,943**

Summary of Key Financial Ratios

	As of/for the year ended December 31,			As of/for the nine months ended September 30,
	2017	2018	2019	2020
Return on assets[(1)]	16.2%	21.1%	25.4%	34.8%
Return on equity[(2)]	45.8%	47.3%	75.2%	148.9%
Current ratio[(3)]	1.8	2.2	1.2	1.6
Liabilities to assets ratio[(4)]	59.6%	52.2%	87.9%	68.1%

Notes:

(1) Return on assets is calculated based on our (i) profit from our continuing operations for the years ended December 31, 2017, 2018 and 2019; or (ii) annualized profit for the nine months ended September 30, 2020, divided by our average total assets as of the beginning and the end of the corresponding periods and multiplied by 100%.

(2) Return on equity is calculated based on our (i) profit from our continuing operations for the years ended December 31, 2017, 2018 and 2019; or (ii) annualized profit for the nine months ended September 30, 2020, divided by our average total equity as of the beginning and the end of the corresponding periods and multiplied by 100%.

(3) Current ratio is calculated based on our total current assets as of the end of the relevant periods divided by our total current liabilities as of the end of the corresponding periods.

(4) Liabilities to assets ratio is calculated based on our total liabilities as of the end of the relevant periods divided by our total assets as of the end of the corresponding periods.

Our return on assets and return on equity increased during the Track Record Period, primarily due to the increase in our net profits and decrease in assets and equity as a result of our dividend payments and distribution to shareholders under the reorganization in 2019. Our current ratio decreased, and liabilities to assets ratio increased, as of December 31, 2019 as compared to December 31, 2018, primarily due to our dividend payments and distribution to shareholders under the reorganization in 2019.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2020

Our Directors estimate that, in the absence of unforeseeable circumstances and on the bases set out in "Appendix IIB—Profit Estimate" to this prospectus, the estimated consolidated profit attributable to our Shareholders is as follows.

Estimated consolidated profit attributable to our Shareholders for the year ended December 31, 2020[(1), (3)]	No less than RMB120.7 million (equivalent to approximately HK$143.1 million)
Unaudited pro forma estimated earnings per Share for the year ended December 31, 2020[(2), (3)]	No less than RMB12.07 cents (equivalent to approximately HK14.31 cents)

Notes:

(1) The bases on which the profit estimate has been prepared are set out in Appendix IIB to this prospectus.

(2) The calculation of the unaudited pro forma estimated earnings per Share is based on the estimated consolidated profit attributable to our Shareholders for the year ended December 31, 2020, assuming that the Capitalization Issue and the Global Offering had been completed on January 1, 2020 and a weighted average of 1,000,000,000 Shares were in issue for the year ended December 31, 2020. The calculation takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by our Company referred to the section headed "Share Capital—General mandate to allot and issue new Shares" in this prospectus.

(3) The estimated consolidated profit attributable to our Shareholders and the unaudited pro forma estimated earnings per Share are converted from RMB into HK$ at an exchange rate of RMB0.84363 to HK$1.00, which was the middle exchange rate published by the PBOC on January 4, 2021, the Latest Practicable Date for the purpose of ascertaining certain information contained in this prospectus prior to its publication. No representation is made that the RMB amount have been, could have been or could be converted to HK$, or vice versa, at that rate or at any other rates or at all.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that: (i) the Global Offering is completed and 250,000,000 Shares are issued and sold in the Global Offering; (ii) the Over-allotment Option is not exercised; and (iii) 1,000,000,000 Shares are issued and outstanding upon completion of the Global Offering.

	Based on an Offer Price of HK$3.20 per Offer Share	Based on an Offer Price of HK$3.88 per Offer Share
Market capitalization of our Shares	HK$3,200.0 million	HK$3,880.0 million
Unaudited pro forma adjusted net tangible asset value per Share(1)	HK$0.89	HK$1.06

Note:

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

DIVIDEND POLICY

As we are a holding company, our ability to declare and pay dividends will depend on receipt of sufficient funds from our subsidiaries. Declaration of dividends is subject to the discretion of our Directors, depending on our results of operations, working capital, financial position, future prospects and capital requirements, as well as any other factors which our Directors may consider relevant. Galaxy Commercial Property Group, and of our subsidiaries, paid a dividend of RMB200.5 million during the year ended December 31, 2019. There can be no assurance that we will be able to declare any dividends in the amount set out in any plan of our Board or at all. Our Board of Directors intends to recommend at the relevant shareholders meetings an annual dividend of no less than 30% of our profits available for distribution generated in each financial year beginning from the year ending December 31, 2020. For more information, see "Financial Information—Dividends Policy And Distributable Reserve" in this prospectus.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$803.9 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming that the Over-allotment Option is not exercised and assuming an Offer Price of HK$3.54 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 as follows: (i) approximately 55%, or HK$442.2 million, will be used to pursue strategic acquisition of and investment in other small- to mid-sized commercial property operational service providers in order to scale up our commercial property operational service business and expand our commercial property operational service portfolio; (ii) approximately 20%, or HK$160.8 million, will be used for the renovation of retail commercial properties under the sublease service model; (iii) approximately 10%, or HK$80.4 million, will be used to make minority equity investment in the project companies which own quality commercial properties; (iv) approximately 5%, or HK$40.2 million, will be used to upgrade Internet-based and information systems to raise our management service quality, reduce labor costs and improve internal control; and (v) approximately 10%, or HK$80.4 million, will be used for general business purpose and working capital.

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

RECENT DEVELOPMENTS

Financial Performance

Based on preliminary internal data, our revenue increased in October 2020 as compared with the same period in 2019, primarily due to revenue generated from newly opened projects in 2020, such as Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park（南區）), Shenzhen Galaxy Legend Project (深圳星河傳奇項目) and Shenzhen Shajing Galaxy COCO Garden (深圳沙井星河COCO Garden).

Our Directors confirmed that, up to the date of this prospectus, there has been no material adverse change in our financial, operational or trading position since September 30, 2020, the latest date of our consolidated financial statements.

The COVID-19 Outbreak

The COVID-19 outbreak, which may have first appeared at the end of 2019, has spread globally. On March 11, 2020, WHO declared COVID-19 outbreak a pandemic. In response to the COVID-19 pandemic, governments across the world have imposed travel restrictions and/or lockdown to contain its transmission. For example, the PRC government imposed certain measures across the country including, but not limited to, travel restrictions and 14-day quarantine for travelers or returnees, whether infected or not, and an extended shutdown of business operations; United States expanded travel bans to all foreign nationals who had visited China, Iran, European countries in the Schengen Area, the United Kingdom and Ireland on March 16, 2020; Italy imposed national lockdown on March 9, 2020; and Spain imposed national lockdown on March 14, 2020. There is no assurance that more countries will not impose similar travel restrictions or lockdowns in response to the pandemic or that the current containment measures will be effective in halting the pandemic.

The outbreak, which is expected to result in a high number of fatalities, is likely to have an adverse impact on the livelihood of the people in and the economy of the PRC, particularly Wuhan city and Hubei province. The property market in the PRC, particularly Wuhan city and Hubei province, may be adversely impacted. The changes in the outlook of the property market, the slowdown of the personal consumption market and negative business sentiment could potentially have an indirect impact on the commercial property operational service market, and our business operation and financial condition may be adversely affected. We did not generate any revenue from Hubei province for the nine months ended September 30, 2020. Certain of our major suppliers operated in cities subject to lockdown or experienced disruptions in operations due to the outbreak of COVID-19. Certain tenants in the commercial properties under our management suspended operations and seven of our projects in the preparatory stage are expected to postpone their openings due to the COVID-19. In an effort to cope with the COVID-19 outbreak, we waived all or a portion of the rent payable by certain tenants. Our Directors are of the view that the COVID-19 outbreak will not have a material adverse impact on our business and financial performance in the year ending December 31, 2020. For details about the risks and effects of the COVID-19 outbreak on our business, financial performance and expansion strategies, please see "Risk Factors—Risks Relating to Our Business and Industry—We are subject to risks beyond our control relating to epidemics, acts of terrorism or wars in the PRC and globally" and "Business—The COVID-19 Outbreak" in this prospectus.

Effects of the COVID-19 Outbreak on Our Business Operations

As of the Latest Practicable Date, we had only one commercial property under management in Enshi, Hubei province with a contracted GFA of approximately 142,000 sq.m., which was not yet in operation but had contributed to our revenue during the Track Record Period. For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2020, our revenue derived from Hubei province was approximately RMB2.6 million, RMB6.0 million, RMB1.7 million and nil, respectively, accounting for 0.9%, 1.8%, 0.4% and nil of total revenue, respectively. Our revenue derived from Hubei province decreased since 2018 as the property owner of Enshi Galaxy COCO City (恩施星河COCO City) experienced financial difficulty and applied for bankruptcy restructuring with the local people's court in 2019 and as a result, we ceased to recognize the revenue from this project during 2019, amounting to RMB3.9 million, and the trade receivables from this customer with a gross amount of RMB4.3 million as of December 31, 2019 were fully impaired.

In an effort to cope with the COVID-19, the property owners of 16 commercial properties under our management have taken measures to waive all or a portion of the rent payable by certain tenants for a period of 15 to 67 days. As of March 31, 2020, all the rent deduction measures taken by the property owners had expired. In addition, we waived all or a portion of the rent payable by certain tenants of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City), our sublease project, for a period of 15 to 67 days in general. As of March 31, 2020, substantially all the rent deduction measures taken by us had expired, except a limited number of tenants (such as cinema and educational and training institutions), for which rent deduction measures taken by us had expired as of May 31, 2020 and July 31, 2020, respectively. The aggregate amount of rent deducted by us was approximately RMB3.2 million. Moreover, some of our projects in operation were subject to the containment measures taken by the local governments of the cities where they are located, such as lockdown of cities. These measures and the outbreak of COVID-19 had negative impact on the occupancy rates and consumer traffic of commercial properties in operation under our management. Please see "—Our Business—Portfolio of Commercial Properties under Management" in this prospectus. Seven commercial properties under our management were temporarily closed due to the influence of COVID-19, certain tenants in the commercial properties under our management suspended operations, particularly cinemas and educational and training institutions. As of March 31, 2020, all commercial properties under our management had resumed business. These measures had led to decreases in the revenue and profit of the commercial properties in operation, which in turn reduced our revenue from property owners and revenue from value-added services. Furthermore, seven projects in the preparatory stage have postponed, or are expected to postpone their openings due to the COVID-19. As of the Latest Practicable Date, to the best knowledge of our Directors, none of our employees were infected with COVID-19.

Certain of our major suppliers operated in cities subject to lockdown or experienced disruptions in operations due to the outbreak of COVID-19. As of the Latest Practicable Date, we had not encountered any significant shortage in supply of services due to the COVID-19 outbreak.

Although the COVID-19 outbreak had adversely affected consumer traffic of and revenue received from commercial properties in operation under our management in the nine months ended September 30, 2020, we are of the view that the COVID-19 outbreak will not have a material adverse impact on our business and financial performance in the year ending December 31, 2020 and our prospects, as (i) according to China Index Academy, it is believed that the impact of the COVID-19 outbreak is short-term and the pandemic had been, to a large extent, contained in the PRC toward the end of March 2020. As of March 31, 2020, all the commercial properties in operation under our management had resumed business; (ii) the COVID-19 has limited impact on our revenue since 62.4%, 59.5%, 61.1% and 69.0% of our revenue during the Track Record Period derived from service fees excluding pre-agreed percentage on project revenue or profits, rents and value-added services, which have not been waived or materially affected; (iii) for our seven projects in the preparatory stage that have postponed, or expected to postpone, five of them are opened or are expected to open in 2020, and the impact of such postponed opening on our results of operations is expected to be limited; (iv) the central and local governments in the PRC have implemented various measures to help enterprises cope with the pandemic and boost the recovery of the economy, such as the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax Policies Supporting the Prevention and Control of the Outbreak of Novel Coronavirus Pneumonia (關於支持新型冠狀病毒感染的肺炎疫情防控有關稅收政策的公告) issued in February 2020 which stipulated preferential tax treatments such as enterprise income tax deduction and VAT refund for enterprises that manufactured key supplies for the prevention and control of the COVID-19 pandemic, VAT exemption for income generated from transportation of key supplies, public transportation services, daily life related services and delivery services, and government policies, such as the Notice by the Ministry of Human Resources and Social Security, the Ministry of Finance and the State Taxation Administration of Extending the Implementation Period of the Policies Regarding the Temporary Reduction and Exemption of Enterprises' Social Insurance Contributions and Other Issues (關於延長

階段性見面企業社會保險費政策實施期限等問題的通知) issued in June 2020 which defers and/or waives payment of social insurance contributions; and (v) according to China Index Academy, the personal consumption market, including the retail industry, is expected to recover once the COVID-19 outbreak has been contained. See "Risk Factors—We are subject to risks beyond our control relating to epidemics, acts of terrorism or wars in the PRC and globally."

In the unlikely event that we are forced to reduce or suspend a substantial part of our business operations, due to the COVID-19 pandemic, we estimate our existing financial resources (including cash and bank balances) as of October 31, 2020 could satisfy our necessary expenses for approximately 24 months based on the assumptions below. We also estimate that, in the unlikely event mentioned above and based on the assumptions below, taking into account 10% of the proceeds from the Global Offering as allocated for general business operations and working capital, we will remain financially viable for approximately 38 months. Key assumptions for the above estimates include: (i) we will not generate any revenue due to complete suspension of business; (ii) we will incur expenses to maintain its operations at a minimum level, primarily including minimal operating costs and administrative expenses; (iii) there will be no further internal or external financing from its shareholders or financial institutions; (iv) no dividend will be declared and paid; (v) the expansion plan is suspended; (vi) we take into account prudent estimates of settlement of trade receivables based on historical settlement pattern and settlement of trade payables when due based on the worst case scenario; and (vii) there will be no material changes in the near future that would significantly affect the aforementioned key assumptions. The abovementioned extreme situation may or may not occur.

New Contracts

Since September 30, 2020 and as of the Latest Practicable Date, we entered into nine contracts with respect to commercial properties developed and owned by Independent Third Party property developers. The table below sets forth certain information of such projects:

Project	Contract date	Contract term	Revenue model	Property developer
		(Years)		
Customer A	November 2020	2	Brand and management output services	Independent Third Party property developers
Commercial Plaza Project (商業廣場項目)	December 2020	2	Brand and management output services	Independent Third Party property developers
Dongguan Yi'an Commercial Building (東莞怡安商務大廈)	December 2020	–	Brand and management output services	Independent Third Party property developers
Tangxia New Sun Industrial City (塘廈新太陽工業城)	December 2020	2	Brand and management output services	Independent Third Party property developers
Tangxia New Sun Science and Technology Industrial Park (塘廈新太陽科技產業園)	December 2020	2	Brand and management output services	Independent Third Party property developers
Guannan Galaxy COCO City (灌南星河COCO City)	December 2020	15	Brand and management output services	Independent Third Party property developers
Jiaxing Galaxy COCO City (嘉興星河COCO City)	December 2020	20(1)	Sublease services	Independent Third Party property developers
Ordos Nanhu International (鄂爾多斯南湖國際)	November 2020	15	Brand and management output services	Independent Third Party property developers
Customer B(2)	December 2020	15	Brand and management output services	Independent Third Party property developers

Notes:

(1) We entered into a sublease contract with an Independent Third Party property developer in relation to Jiaxing Galaxy COCO City (嘉興星河COCO City) in December 2020 with a lease term of 20 years since April 1, 2022. The contract starts from the contract date and lasts through the lease term.

(2) We entered into a brand and management output service contract with an Independent Third Party property developer and the contract will come into effect upon satisfaction of certain conditions precedent, including the termination of the existing commercial property operational service contracts between the property developer and other third parties. We have the right to terminate the agreement if such condition is not satisfied within one year. Based on the foregoing, we did not include the contract in the calculation of GFA and number of projects we managed as of the Latest Practicable Date.

LISTING EXPENSES

The total amount of Listing expenses that will be borne by us in connection with the Global Offering, including underwriting commissions, is estimated to be RMB68.4 million (based on the mid-point of the indicative Offer Price range) accounting for 9.2% of gross proceeds, of which RMB32.9 million is expected to be accounted for as a deduction from equity upon completion of the Listing. The remaining fees and expenses of RMB35.5 million were or are expected to be charged to our profit or loss account, of which approximately RMB21.5 million was charged for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 and the remaining of RMB14.0 million is expected to be charged subsequent to the Track Record Period. The professional fees and/or other expenses related to the preparation of Listing are currently in estimates for reference only and the actual amount to be recognized is subject to adjustment based on audit and the then changes in variables and assumptions. Our Directors do not expect that our Listing expenses will have a material adverse impact on our financial performance for the year ending December 31, 2021.

RISK FACTORS

Our operations involve certain risks, some of which are beyond our control. These risks can be broadly categorized into: (i) risks relating to our business and industry; (ii) risks relating to doing business in the PRC; and (iii) risks relating to the Global Offering. Some of the risks generally associated with our business and industry include the following: (i) the success of our business is significantly related to general economic and market conditions; (ii) we are susceptible to adverse regulatory and economic developments in the Greater Bay Area; (iii) a significant portion of our revenue is from commercial property operational service provided in relation to properties developed and/or owned by Galaxy Holding and its associates, which, collectively, was also our largest customer during the Track Record Period; (iv) our business strategies are subject to uncertainties and risks and our future growth may therefore not materialize as planned; and (v) we face a wide range of competition and may fail to compete effectively and operate profitably.

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

"Anlinshan Asset Management"	Shenzhen Anlinshan Asset Management Co., Ltd.* (深圳市安林珊資產管理有限公司), a limited liability company established in the PRC on May 20, 2015, which is indirectly wholly-owned by Mr. Huang
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s) and **GREEN** Application Form(s), or where the context so requires, any of such forms as used in the Hong Kong Public Offering
"Articles of Association" or "Articles"	the amended and restated articles of association of our Company, conditionally adopted on December 21, 2020 and will come into effect upon Listing, a summary which is set out in "Appendix IV—Summary of the Constitution of the Company and Cayman Islands Company Law" to this prospectus, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of directors of our 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 Shares to be made upon capitalization of certain sum standing to the credit of the share premium account of our Company as referred to in "Appendix V—Statutory and General Information—A. Further Information about our Company—3. Resolutions in writing of Our Shareholders passed on December 21, 2020" to this prospectus
"Cayman Islands Companies Act" or "Companies Act"	the Companies Act (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"CCASS Broker Participant"	a person admitted to participate in CCASS as a broker participant
"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 Broker Participant, a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"Changzhou Commercial Management"	Changzhou Galaxy Commercial Management Co., Ltd.* (常州市星河商業管理有限公司), a limited liability company established under the laws of the PRC on May 5, 2016, an indirectly wholly-owned subsidiary of our Company
"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 Macau Special Administrative Region, Hong Kong and Taiwan
"China Index Academy"	China Index Academy (中指研究院), our industry consultant
"Circular 37"	Notice of the SAFE on Issues Concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-Tripping Investment Made by Domestic Residents through Special-Purpose Companies (國家外匯管理局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)
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance" or "Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Companies (Winding Up and Miscellaneous Provisions) Ordinance" or "Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 or the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	E-Star Commercial Management Company Limited (星盛商業管理股份有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on September 13, 2019
"Company Law" or "PRC Company Law"	Company Law of the PRC (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Tenth National People's Congress on October 27, 2005 and effective on January 1, 2006 and further amended on December 28, 2013 and October 26, 2018
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and, unless the context requires otherwise, collectively refers to Mr. Huang, Go Star and Virtue Investment
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"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 January 7, 2021 entered into by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of the subsidiaries) to provide certain indemnities, particulars of which are set out in "Appendix V—Statutory and General Information—D. Other Information—2. Tax and other indemnities" to this prospectus
"Deed of Non-competition"	the deed of non-competition dated January 12, 2021 given by our Ultimate Controlling Shareholder in favor of our Company (for itself and as trustee for each of the subsidiaries), particulars of which are set out in "Relationship with Our Controlling Shareholders" in this prospectus
"Directors"	director(s) of our 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 and December 29, 2018 by the NPC
"extreme conditions"	extreme conditions includes but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
"Family Trust"	the family trust established on December 4, 2019 by Mr. Huang as the settlor, with TMF (Cayman) Ltd. acting as the trustee and Mr. Huang acting as the protector
"Galaxy Commercial Property Group"	Shenzhen Galaxy Commercial Property Group Co., Ltd.* (深圳市星河商置集團有限公司) (formerly known as Shenzhen Galaxy Commercial Property Co., Ltd.* (深圳市星河商用置業有限公司) or Shenzhen Galaxy Commercial Property Company Limited* (深圳市星河商用置業股份有限公司)), a limited liability company established in the PRC on November 18, 2013 and an indirectly wholly-owned subsidiary of our Company
"Galaxy Commercial Property Investment"	Shenzhen Galaxy Commercial Property Investment Co., Ltd.* (深圳市星河商用置業投資有限公司), a limited liability company established in the PRC on November 12, 2013, which is indirectly wholly-owned by Mr. Huang
"Galaxy Financial Holdings"	Shenzhen Galaxy Financial Holdings Co., Ltd.* (深圳市星河金控有限公司), a limited liability company established in the PRC on January 22, 2017, which is indirectly wholly-owned by Mr. Huang
"Galaxy Holding"	Galaxy Holding Group Co., Ltd.* (星河控股集團有限公司), a limited liability company established in the PRC on October 31, 2011, which is indirectly wholly-owned by Mr. Huang and together with its subsidiaries, as the context may require
"Galaxy Industrial"	Galaxy Industrial Shenzhen Co., Ltd.* (星河實業(深圳)有限公司), a limited liability company established in the PRC on May 31, 1999, which is indirectly owned as to 75% by Mr. Huang and 25% by Ms. Mo Jinli (莫錦禮), the spouse of Mr. Huang

"Galaxy Industrial Investment"	Shenzhen Galaxy Industrial Investment Development Group Co., Ltd.* (深圳市星河產業投資發展集團有限公司), a limited liability company established in the PRC on August 18, 2015, which is indirectly wholly owned by Mr. Huang
"Galaxy Investment"	Shenzhen Galaxy Investment Co., Ltd.* (深圳市星河投資有限公司), a limited liability company established in the PRC on September 18, 2009, which is directly wholly owned by Mr. Huang
"Galaxy Property Group"	Galaxy Property Group Co., Ltd.* (星河置業集團有限公司), a limited liability company established in the PRC on July 9, 2014, which is indirectly wholly owned by Mr. Huang
"Galaxy Smart Living"	Shenzhen Galaxy Smart Living Co., Ltd.* (深圳星河智善生活股份有限公司), a limited liability company established in the PRC on January 29, 1999 and quoted on the NEEQ (stock code: 836397) since April 26, 2016, which is indirectly wholly owned by Mr. Huang
"Galaxy Suhuo Park Industrial"	Shenzhen Galaxy Suhuo Park Industrial Co., Ltd.* (深圳市星河蘇活公園實業有限公司), a limited liability company established in the PRC on October 27, 2003, which is indirectly owned as to 75% by Mr. Huang and 25% by Ms. Mo Jinli (莫錦禮), the spouse of Mr. Huang
"GDP"	gross domestic product
"Global Offering"	the Hong Kong Public Offering and the International Placing
"Glory High"	GLORY HIGH CORPORATE DEVELOPMENT LIMITED (高森企業發展有限公司), a limited liability company incorporated in the BVI on September 16, 2019, which is directly wholly owned by Mr. Huang
"Go Star"	GO STAR INVESTMENT HOLDING LIMITED (高星投資控股有限公司), a limited liability company incorporated in the BVI on April 8, 2019, which is wholly owned by Long Harmony Holding Limited, the holding vehicle of the Family Trust, which in turn is wholly owned by TMF (Cayman) Ltd., being the trustee for the Family Trust, and is one of our Controlling Shareholders

"**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 its 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
"Guangzhou Xingtong"	Guangzhou Xingtong Commercial Property Co., Ltd.* (廣州市星通商用置業有限公司), a limited liability company established in the PRC on July 23, 2015, an indirectly wholly-owned subsidiary of our Company
"HKAS(s)"	Hong Kong Accounting Standards
"**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 of the **HK eIPO White Form** Service Provider at **www.hkeipo.hk** or through the **IPO App**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** Service Provider designated by our Company as specified on the designated website at **www.hkeipo.hk** or in the **IPO App**
"HKFRS(s)"	Hong Kong Financial Reporting Standard(s) (including HKASs and Interpretations 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" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars," "HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong Offer Shares"	the 25,000,000 new Shares (subject to reallocation) being initially offered by our Company for subscription in the Hong Kong Public Offering, as described in "Structure and Conditions of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the issue and offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price (plus brokerage of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.0027%) on the subject to the terms and conditions described in this prospectus and the Application Forms
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited, our Hong Kong branch share registrar and transfer office
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Underwriters"	The underwriters of the Hong Kong Public Offering, whose names are set out in the paragraph headed "Underwriting—Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated January 12, 2021 and entered into, among the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, our Company, the Controlling Shareholders, Mr. Huang De-Lin Benny and the Hong Kong Underwriters relating to the Hong Kong Public Offering
"Hongda Lixing"	Shenzhen Hongda Lixing Investment Partnership (Limited Partnership)* (深圳市宏達利興投資合夥企業（有限合夥）), a limited liability partnership established under the laws of the PRC on July 12, 2016, an Independent Third Party
"Independent Third Party(ies)"	an individual(s) or company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholders (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates

"International Placing"	the placing of the International Placing Shares at the final Offer Price to professional, institutional and other investors, as described in "Structure and Conditions of the Global Offering" in this prospectus
"International Placing Shares"	the 225,000,000 new Shares offered by our Company for subscription under the International Placing, subject to reallocation and the exercise of the Over-allotment Option, as described in "Structure and Conditions of the Global Offering" in this prospectus
"International Underwriters"	the underwriters of the International Placing, who are expected to enter into the International Underwriting Agreement
"International Underwriting Agreement"	the underwriting agreement expected to be entered into by, among others, our Company, the Joint Representatives and the International Underwriters relating to the International Placing
"**IPO App**"	the mobile application for **HK eIPO White Form** services 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**
"Jiangxi B-Energy"	Jiangxi B-Energy Property Development Co., Ltd.* (江西博能房地產開發有限公司), a limited liability company established in the PRC on January 4, 1996 and an Independent Third Party with which we commenced project cooperation since 2019
"Joint Bookrunners"	the joint bookrunners as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the joint lead managers as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus

"Joint Representatives" or "Joint Sponsors"	CCB International Capital Limited and China Securities (International) Corporate Finance Company Limited
"Latest Practicable Date"	January 4, 2021, being the latest practicable date for the purpose of ascertaining certain information in this prospectus 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 Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Luxuriant Commercial"	Luxuriant Commercial Management Limited, a company incorporated in Hong Kong on November 12, 2019 and an indirect wholly-owned subsidiary of our Company
"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 amended by MOFCOM on June 22, 2009
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company, adopted on December 21, 2020, and will come into effect upon Listing as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix IV to this prospectus

"Ministry of Land and Resources"	the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部)
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"MOHRSS"	the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) or its predecessor, the Ministry of Human Resources of the PRC (中華人民共和國人事部)
"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. Huang"	Mr. Huang Chu-Long, one of our Controlling Shareholders
"Nanchang Xingheng"	Nanchang Xingheng Commercial Management Co., Ltd.* (南昌星恒商業管理有限公司), a limited liability company established in the PRC on November 12, 2019, a subsidiary of our Company
"Nanjing Xingheng"	Nanjing Xingheng Commercial Management Co., Ltd.* (南京市星恒商業管理有限公司), a limited liability company established in the PRC on November 9, 2020, an indirect wholly-owned subsidiary of our Company
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NEEQ"	the National Equities Exchange and Quotations Co., Ltd., 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, to be determined as further described in "Structure and Conditions of the Global Offering—Pricing and Allocation" in this prospectus
"Offer Share(s)"	the Hong Kong Offer Shares and the International Placing Shares
"Over-allotment Option"	the option expected to be granted by our Company under the International Underwriting Agreement to the International Underwriters, exercisable by the Joint Representatives (on behalf of the International Underwriters), pursuant to which our Company may be required to allot and issue up to an aggregate of 37,500,000 additional new Shares, representing 15% of the initial number of Offer Shares offered under the Global Offering, at the Offer Price to, among other things, cover the over-allocations (if any) in the International Placing, as described in "Structure and Conditions of the Global Offering" in this prospectus
"PBOC"	The People's Bank of China (中國人民銀行), the central bank of the PRC
"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 Advisors"	Jingtian & Gongcheng, legal advisors to our Company on PRC laws in connection with the Global Offering
"Price Determination Date"	the date, expected to be on or around Tuesday, January 19, 2021 but in any event not later than Sunday, January 24, 2021, on which the Offer Price will be determined for the purposes of the Global Offering
"Principal Share Registrar"	Appleby Global Services (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

"Regulation S"	Regulation S under the U.S. Securities Act
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reorganization"	the reorganization of our Group as described in "History, Reorganization and Corporate Structure—Reorganization" in this prospectus
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), formerly known as the State Administration for Industry and Commerce of the PRC (中華人民共和國工商行政管理總局) ("**SAIC**"), including, as the context may require, its local counterparts
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"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
"Shanghai Xinglian"	Shanghai Xinglian Commercial Management Co., Ltd.* (上海星聯商業管理有限公司), a limited liability company established in the PRC on June 24, 2019, a subsidiary of our Company
"Share(s)"	ordinary share(s) with par 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
"Share Option Scheme"	the share option scheme conditionally adopted by our Company on December 21, 2020 and effective upon the Listing, the principal terms of which are summarized as referred to in "Appendix V—Statutory and General Information—D. Other Information—1. Share Option Scheme" to this prospectus

"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Commercial Management"	Shenzhen Galaxy Commercial Management Co., Ltd.* (深圳市星河商業管理有限公司), a limited liability company established in the PRC on November 14, 2014, which is an indirectly wholly-owned subsidiary of our Company
"Shenzhen Galaxy Cinema Investment"	Shenzhen Galaxy Cinema Investment Management Co., Ltd.* (深圳市星河影院投資管理有限公司), a limited liability company established in the PRC on June 26, 2013, which is indirectly wholly owned by Mr. Huang
"Shenzhen Galaxy Property Development"	Shenzhen Galaxy Property Development Co., Ltd.* (深圳市星河房地產開發有限公司) formerly known as Shenzhen Xinyihe Industrial Development Co., Ltd.* (深圳市新怡和實業發展有限公司), a limited liability company established in the PRC on April 2, 1994, which is directly and indirectly owned as to 99.85% by Mr. Huang and directly owned as to 0.15% by Mr. Huang De'An Tony, our non-executive Director
"Sincerity Commercial"	SINCERITY COMMERCIAL MANAGEMENT LIMITED (星德誠商業管理有限公司), a limited liability company incorporated in the BVI on October 17, 2019, and is directly wholly owned by our Company
"sq.m."	the measurement unit of square meters
"Stabilizing Manager"	CCB International Capital Limited
"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 Go Star and the Stabilizing Manager on or about the same date as the International Underwriting Agreement
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Track Record Period"	the period comprising the three years ended December 31, 2017, 2018 and 2019, and the nine months ended September 30, 2020
"Ultimate Controlling Shareholder"	Mr. Huang

"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
"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
"US$," "USD" or "$"	U.S. dollars, the lawful currency of the United States
"VAT"	the PRC value-added tax
"Virtue Investment"	VIRTUE INVESTMENT DEVELOPMENT LIMITED (德瑞投資發展有限公司), a limited liability company incorporated in the BVI on August 1, 2019, one of our substantial shareholders and is directly wholly owned by Mr. Huang De-Lin Benny, who was entrusted by Mr. Huang to hold such shares for the purpose of a share incentive scheme to be adopted after Listing
"**WHITE** Application Form(s)"	the application form(s) for those who require Hong Kong Offer Shares to be issued in the applicant's own name
"Xinghan Commercial"	Shenzhen Xinghan Commercial Management Co., Ltd.* (深圳市星瀚商業管理有限公司), a limited liability company established in the PRC under the laws of the PRC on December 12, 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

"Yongxing Hongtai"	Shenzhen Yongxing Hongtai Corporate Management Consulting Partnership (Limited Partnership)* (深圳永興宏泰企業管理咨詢合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC on July 11, 2016 is owned as to approximately 32.05% by Mr. Tao Muming, our executive Director, 19.23% by Mr. Niu Lin, our executive Director, 6.41% by Ms. Wen Yi, our executive Director and 42.31% by eight employees of our Group

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.

* *For identification purposes only*

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.

"CAGR"	compound annual growth rate
"Central China"	a geographical region in China that is regarded as including Hunan, Hubei, Auhui, Henan and Jiangxi provinces for purposes of this prospectus
"commercial property(ies)"	houses for business use refer to house for business uses in commercial, food, supply and sales, and catering service and other sectors
"commercial property operational service(s)"	a collection of services for commercial properties that cover the full development process of commercial properties, starting from the preparatory stage to the operational stage, including (i) positioning, construction consultancy and tenant sourcing services; (ii) operational management services; (iii) property leasing services; and (iv) value-added services
"contracted GFA"	GFA of the commercial properties, including the GFA of car parks ancillary to the commercial properties managed by our Group as specified in our commercial property operational service contracts
"effective member(s)"	new members that newly joined our "COCO Club" in a calendar year and existing members of our "COCO Club," who had not lost their membership as of the end of such year. Membership can be lost if a member's reward points did not increase in a calender year, a member did not participate in shopping center events in a calender year and membership was designated as abnormal
"first-tier city(ies)"	Beijing, Shanghai, Shenzhen and Guangzhou
"GDP"	gross domestic product
"GFA"	gross floor area
"GFA in operation"	the portion of contracted GFA of commercial properties which are in operation
"COVID-19"	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2, believed to have first emerged in late 2019

"Greater Bay Area"	for the purpose of this prospectus only, the mainland part of the Guangdong-Hong Kong-Macau Greater Bay Area, a geographical region in China, including Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing, unless indicated otherwise
"Internet"	international network that links together computers and allows data to be transferred between each computer using the TCP/IP protocols
"occupancy rate(s)"	this rate is calculated as the GFA leased to tenants divided by the total leasable GFA of a commercial property, which is the contracted GFA less certain public areas and facilities, as of the end of each relevant period based on our internal record
"repeat purchase(s)"	calculated as the number of members that make at least two purchases in a calendar year divided by the number of members that make at least one purchase in the same year
"retail commercial property(ies)"	for purposes of this prospectus, property(ies) designated for use for shopping centers and shopping streets
"second-tier city(ies)"	the 36 major cities in China that are either provincial capitals, direct-controlled municipalities or among the six other major cities designated as "municipalities with independent planning" (計劃單列市) or certain municipalities with relatively developed real estate markets and which are not first-tier cities
"shopping center(s)"	the building or the confined area, which contains various retail shops and service facilities
"sq.m."	square meter(s)

"Top 100 Commercial Property Companies in China"	an annual ranking of China-based commercial property companies by overall strength published by China Index Academy based on a number of key indicators, including scale of properties under management, operational performance, growth potential and financing capabilities. Specifically, the indicators mainly include total GFA of operational properties under management, rental income from properties in operation, annual growth rate of total assets, asset-liabilities ratio, liquidity ratio, average rent and growth rate, average occupancy rate of properties in operation. When evaluating the overall strength of a commercial property operational service provider, China Index Academy conducts an analysis based on the abovementioned indicators, produces a score of overall strength by weighing different indicators and ranks the commercial property operational service providers
"Yangtze River Delta "	a geographical region in China including Shanghai municipality, Zhejiang, Anhui and Jiangsu provinces for the purpose of this prospectus

This prospectus contains certain forward-looking statements and information relating to our 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," "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, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our 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;

- 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 commercial property operational service 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 conditions and prospects would likely suffer. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. This prospectus also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described below and elsewhere in this prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The success of our business is significantly related to general economic and market conditions.

We derive our revenue primarily from providing commercial property operational services. We are subject to a number of factors that could adversely affect the retail environment and demand for retail commercial properties generally, including:

- changes in international, national, regional and local economic conditions such as impact caused by the trade war between the PRC and the United States;
- impact on tenants and demand for retail space from the increasing use of the Internet by retailers and consumers;
- local real estate conditions, such as an oversupply of, or reduction in demand for, retail space or retail goods, decreases in rental rates and the availability and creditworthiness of tenants;
- levels of and fluctuations in consumer spending and changes in consumer confidence; and
- changes in applicable laws and regulations, including those related to tax, environment, safety and zoning.

Periods of economic weakness or recession, rising interest rates, fiscal or political uncertainty, market volatility, declining demand for commercial real estate, falling real estate values, disruption to the global capital or credit markets or the public perception that any of these events may occur may also negatively affect the retail environment and demand for retail commercial properties. A significant deterioration in the retail environment and a decline in demand for retail commercial properties could have a material adverse effect on us.

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

We plan to evaluate opportunities to acquire or invest in other commercial property operational service providers. See "Business—Our Business Strategies—Continue to Expand Our Business Scale through Multiple Channels" in this prospectus. We plan to use 55.0% of the net IPO proceeds to pursue strategic acquisitions and investments. See "Future Plans and Use of Proceeds" in this prospectus. However, we cannot assure you that we will be able to identify suitable opportunities. Acquisitions and investments involve uncertainties and risks, including, without limitation, potential ongoing financial obligations and unforeseen or hidden liabilities, failure to achieve the intended objectives, benefits or revenue-enhancing opportunities, and diversion of resources and management attention. Even if we manage to identify suitable opportunities, we may not be able to complete the acquisitions or investments on terms favorable or acceptable to us in a timely manner, or at all. The inability to identify suitable acquisition or investment targets or complete acquisitions or investments could materially and adversely affect our competitiveness and growth prospects. Acquisitions that we may 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 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.

In addition, we may face difficulties in integrating acquired operations with our existing business. Such difficulties could disrupt our ongoing business, distract our management and employees or increase our expenses, any of which could materially and adversely affect our business, financial position and results of operations.

Moreover, we have entered into and plan to continue to enter into strategic cooperation agreements with business partners, such as property developers business partners. However, we cannot assure you that the strategic cooperation as contemplated will materialize as planned or at all. In such event, we may not be able to implement our future plan in accordance with our scheduled timeline and our business, financial position and results of operations could be adversely affected.

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

We focus on cities with high population densities in economically developed regions, and a significant portion of our operations are concentrated in the Greater Bay Area. As of September 30, 2020, we had a geographic presence in 18 cities, 27 out of the 45 projects under our management of which were located in the Greater Bay Area. As of December 31, 2017, 2018 and 2019 and September 30, 2020, our aggregate contracted GFA in those cities amounted to approximately 827,000 sq.m., 866,000 sq.m., 1,306,000 sq.m. and 1,329,000 sq.m., respectively, accounting for 50.9%, 41.8%, 44.0% and 44.4%, respectively, of our total contracted GFA. The revenue from our continuing operations generated from those regions contributed to 90.0%, 87.5%, 88.9%, 88.8% and 80.5% of our total revenue for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively. Thus, any adverse regulatory and economic developments in those markets may dampen demand or prices for our services, and in turn could adversely affect our business, financial condition and results of operations.

As advised by China Index Academy, the commercial properties in developed cities and regions, such as Shenzhen in the Greater Bay Area, generally have higher average rents and management fees driven by large and growing populations and higher per capita disposable incomes, which typically lead to higher gross profit margins for commercial property operational service providers. Our overall gross profit margin was 49.9%, 51.7%, 51.8%, 51.3% and 55.2% for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively. Our gross profit margins remained relatively high during the Track Record Period, partially as a significant portion of our revenue and gross profit were generated from the Greater Bay Area, in particular Shenzhen, which was one of the most economically developed and affluent cities in the PRC. As we continue to expand into other regions, including lower-tier cities, our projects in such regions may not be as profitable as those in Shenzhen, in which case our overall gross profit margin may decrease.

A significant portion of our revenue is from commercial property operational services provided in relation to properties developed and/or owned by Galaxy Holding and its associates, which, collectively, was also our largest customer during the Track Record Period.

During the Track Record Period, a significant portion of our commercial property operational service contracts were related to the management of properties developed or owned by Galaxy Holding and its associates. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, revenue generated from our provision of commercial property operational services to the commercial properties developed or owned by Galaxy Holding and its associates accounted for 90.2%, 88.4%, 89.5%, 89.5% and 86.6% of our total revenue generated from continuing operations, respectively.

Galaxy Holding and its associates was our largest customer during the Track Record Period. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, revenue recorded for providing services to Galaxy Holding and its associates amounted to RMB63.3 million, RMB66.6 million, RMB95.2 million, RMB70.4 million and RMB90.8 million, respectively. We mainly provide (i) positioning, construction consultancy and tenant sourcing services; (ii) operational management services; and (iii) value-added services; to Galaxy Holding and its associates under our commercial property operational service segment.

As we do not have control over the business strategies of Galaxy Holding and its associates, nor the macroeconomic or other factors that affect their business operations, any adverse development in the operations of Galaxy Holding and its associates or their ability to develop new properties may affect our ability to procure new commercial property operational service contracts. In addition, we cannot assure you that all of our commercial property operational service contracts with Galaxy Holding and its associate will be renewed successfully upon their expiration. We cannot assure you that we will be successful in procuring replacement from alternative sources to make up for the shortfall in a timely manner or on favorable terms if we fail to renew such contracts. Though we plan to expand our business by seeking cooperation with Independent Third Party property developers, we cannot assure you that we will be successful in doing so. Should any of these events occur, our business, financial condition and results of operations could be materially and adversely affected.

During the Track Record Period, projects developed or owned by Independent Third Parties managed under the brand and management output service model had relatively lower gross profit margin than projects developed or owned by Galaxy Holding and its associates managed under the same model. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, the gross profit margin for projects developed or owned by Independent Third Parties managed under the brand and management output service model was 60.6%, 61.6%, 51.7%, 52.0% and 63.4%, respectively, while the gross profit margin for projects developed or owned by Galaxy Holding and its associates managed under the brand and management output service model was 75.8%, 76.6%, 86.6%, 86.3% and 83.0%, respectively. Such differences are primarily due to relatively higher staff costs we incurred on projects developed or owned by Independent Third Parties. For details, please see "Financial Information—Results of Operations—Gross Profit and Gross Profit Margin" in this prospectus. As we continue to procure, and increase the proportion of, projects from Independent Third Parties in the future, our profitability may be adversely affected.

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

As of December 31, 2017, 2018 and 2019 and September 30, 2020, our aggregate contracted GFA amounted to approximately 1,624,000 sq.m., 2,073,000 sq.m., 2,970,000 sq.m. and 2,999,000 sq.m., respectively. We seek to continue expanding our business through increasing our contracted GFA and the number of properties we are contracted to manage in existing and new markets, including properties developed or owned by Galaxy Holding and its associates and Independent Third Parties. See "Business—Our Business Strategies" in this prospectus for details. However, we base our expansion plans on our assessment of market prospects. We cannot assure you that our assessment will prove to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors, most of which are beyond our control. Such factors include:

- changes in the PRC's economic conditions in general and the real estate market in particular;
- changes in disposable personal income in the PRC;
- changes in government regulations;
- changes in the supply of and demand for commercial property operational services;
- our ability to generate sufficient liquidity internally and obtain external financing;
- our ability to recruit and train competent employees;
- our ability to select and work with suitable third-party subcontractors and suppliers;
- our ability to understand the needs of tenants in the commercial properties where we provide commercial property operational services;
- our ability to adapt to new markets where we have no prior experience and in particular, whether we can adapt to the administrative, regulatory and tax environments in such markets;
- our ability to leverage our brand names and to compete successfully in new markets, particularly against the incumbent players in such markets who might have more resources and experience than we do; and
- our ability to improve our administrative, technical, operational and financial infrastructure.

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

We face a wide range of competition and may fail to compete effectively and operate profitably.

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

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

We may not be able to assist property owners in renting out all newly developed properties and renewing existing leases.

Under the entrusted management service model and brand and management output service model, we provide tenant sourcing services with respect to shops located within the commercial properties. However, we may not be able to assist property owners in leasing all of their new properties to an appropriate mix of tenants. In addition, when leases for existing properties under our management expire, we may not be able to assist property owners in renewing such leases on favorable terms, or at all. Even if we manage to renew the leases, the rent payable by tenants may decrease due to market reasons. As we receive a pre-agreed percentage of the revenue and/or profit pursuant to our arrangements with the relevant property owners, if we are unable to rent out such properties to tenants at the rent we expect, or at all, and the commercial properties under our management fail to achieve the occupancy rate upon opening or maintain a high occupancy rate during their life cycle as agreed, our revenue may decrease, and as a result, our results of operations and financial condition may be adversely affected.

We may not be able to secure new or renew our existing commercial property operational service contracts on favorable terms, or at all.

We believe that our ability to expand our portfolio of commercial property operational service contracts is key to our sustainable growth. During the Track Record Period, we procured new commercial property operational service contracts primarily through contracting with property developers. We believe the selection of a commercial property operational service provider by property developers 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 commercial property operational service provider. We cannot assure you that we will be able to procure new commercial property operational service contracts on favorable terms, or at all. Our efforts may be hindered by factors beyond our control, which may include, among others, changes in general economic conditions, evolving government regulations as well as supply and demand dynamics within the commercial property operational service market. In addition, both termination and non-renewal of commercial property operational service contracts could potentially be detrimental to our reputation and diminish our competitiveness within the market. Moreover, even if we manage to secure new commercial property operational service contracts, the relevant commercial properties may not open for business as planned. For example, as of the Latest Practicable Date, certain commercial properties under our management delayed their opening due to reasons out of our control. See "Business—Our Business—Commercial Property Operational Services—Portfolio of Commercial Properties under Management—Not yet in Operation but Had Contributed to Our Revenue" in this prospectus. Such delay in opening may have an adverse impact on our financial condition and results of operations.

Certain anchor stores or other major tenants have impact on our ability to attract shoppers to commercial properties under our management.

Retail commercial properties under our management are typically anchored by supermarkets, cinemas and other large internationally or nationally recognized tenants. The operations of these retail commercial properties could be adversely affected if these anchor stores or other major tenants fail to comply with their contractual obligations or cease their operations.

Certain anchor stores and other large retailers may experience decreases in consumer traffic in their storefronts due to uncertainty and less-than-desirable levels of consumer confidence, increased competition from alternative retail options such as those accessible via the Internet and other forms of pressure on their business models. As pressure on these anchor stores and large retailers increases, their ability to maintain their stores and meet their obligations both to property owners and us and to their external lenders may be impaired, which may result in closures of their stores or them seeking lease modification with the property owners. Any lease modification or termination could be unfavorable to us as our various service fees for commercial property operational services may decrease as a result of such modification or termination.

If any of the anchor or major tenants closes its stores at the retail commercial properties under our management, we may have difficulty and experience delay in sourcing new tenants, as well as in leasing spaces adjacent to such vacant anchor store or large retailer, at attractive rates, or at all. Additionally, anchor store or large retailer closures may result in decreased consumer traffic, which could lead to decreased sales at other stores. If the business of stores operating in the retail commercial properties under our management declines significantly due to the closing of anchor stores or other large retailers, adverse economic conditions or other reasons, tenants may be unable to pay their service fees or other expenses. In the event of any default by a tenant, we may not be able to fully recover and/or may experience delays and costs in enforcing our rights as a service provider to recover amounts due to us under the terms of our agreements with such parties.

We may not be able to successfully recover costs incurred in managing commercial properties under the sublease service model.

Under the sublease service model, we typically incur leasing costs for the duration of the lease agreement with the property owner, and we may also incur substantial renovation or decoration costs to meet the requirements for operation and subsequent subleases. We generate revenue by charging rents and operational management fees from tenants to whom we sublease. If we fail to generate sufficient revenue from commercial properties under the sublease service model recover costs under sublease service model, our results of operations and financial condition may be materially and adversely affected. For more details, please see "Business—Our Business Model—Sublease Service Model" in this prospectus.

Our engagements with clients may not be profitable as expected.

When making proposals for engagements, we estimate the costs for managing the projects. We believe these estimates reflect our best judgment regarding the efficiencies of our methodologies and professionals as we plan to deploy them on projects. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements, including delays caused by factors outside our control, could make these contracts less profitable or unprofitable, which would have an adverse effect on our profit margin. During the Track Record Period, we recorded a gross loss on one commercial property in the amount of RMB0.6 million in the year ended December 31, 2019, which was a project in the preparatory stage and not yet in operation, developed or owned by an Independent Third Party and managed under the brand and management output service model. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, our revenue derived from such loss-making project accounted for 0.9%, 1.8%, 0.4% and nil of total revenue, respectively. We incurred gross loss on such commercial property primarily due to the decrease in revenue from such project as the property owner of such commercial property was insolvent and applied for bankruptcy restructuring in November 2019. See "Business—Our Business—Commercial Property Operational Services—Portfolio of Commercial Properties under Management—Not yet in Operation but Had Contributed to Our Revenue" and "Financial Information—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables" in this prospectus.

In addition, because large client projects involve multiple engagements or stages, there is a risk that a client may choose not to retain us for additional stages of a project or that a client will cancel or delay additional planned engagements. These terminations, cancelations or delays could result from factors unrelated to our work product or the progress of the project, but could be related to business or financial condition of the client or the economy generally. When contracts are terminated, we lose the associated revenues.

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

We may experience fluctuations in our labor and subcontracting costs.

For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, our staff costs accounted for 32.4%, 35.6%, 37.6%, 38.3% and 36.9% of our total cost of services for our continuing operations, respectively. We engage third-party subcontractors to provide property management services for all properties under our commercial property operational services. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, our subcontracting costs accounted for 36.9%, 36.0%, 38.0%, 37.5% and 40.4% of our cost of services for our continuing operations, respectively. We believe that controlling and reducing our staff and subcontracting costs are essential to maintaining and improving our profit margins. However, we face pressure from rising staff and subcontracting costs due to various contributing factors, including but not limited to:

- *Increases in minimum wage* – The minimum wage in regions we operate has increased in recent years, directly affecting our staff costs as well as the fees we pay to our third-party subcontractors.

- *Increases in headcount* – As we expand our operations, the headcount of our commercial property operational 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, which will further increase our total headcount. The increase in headcount will also increase our costs such as those related to salaries, training, social insurance and housing provident fund contributions and quality control measures.

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

A large portion of our purchases were from our largest supplier, Galaxy Holding and its associates during the Track Record Period.

For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, purchases from our single largest supplier, Galaxy Holding and its associates, amounted to RMB39.7 million, RMB45.1 million, RMB57.2 million and RMB42.0 million, respectively, accounting for 28.5%, 28.4%, 30.7% and 30.7%, respectively, of our total costs of services for our continuing operations. See "Business—Suppliers" in this prospectus for details. These purchases mainly represent property management services we procured from Galaxy Smart Living Group. With a view to reducing the amount of continuing connected transactions between our Group and our connected persons, we decided to engage quality Independent Third Party property management service providers to provide property management service for the shopping centers operated by us under the entrusted management service model and subleasing service model. Galaxy Smart Living Group will cease providing property management services to shopping centers operated by us after March 31, 2021. We cannot guarantee that we will be able to find alternative property management service providers who provide services with the quality and price comparable to those of Galaxy Smart Living Group, or commercially reasonable terms, if at all. If we fail to find suitable alternative property management service providers, our business and results of operations may be adversely impacted.

Rapid growth of the e-commerce business in China may have negative impact on the operation of physical stores which may in turn affect our profitability.

As the e-commerce business in China has experienced rapid growth, the purchasing habits of the consumers may undergo significant changes. People may tend to shop online instead of visiting the physical stores which may result in decrease of consumer traffic at retail commercial properties under our management. This may negatively impact the business and financial condition of our tenants. In the event that the business and financial condition of these tenants are affected by the change in purchasing habits or preferences of the consumers, they may decrease their rental area or even cease to rent the storefronts. We cannot guarantee that we will be able to maintain our historical growth rates of revenue and profit, or remain profitable, if such adverse changes occur.

Brands and reputation are our key assets, which will be affected by how we are perceived in the market.

Brands and reputation are our key assets. We provide commercial property operational services under five brands, namely, "COCO Park," "COCO City," "COCO Garden," "iCO" and "Top Living (第三空間)." Our ability to attract and retain customers is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, management, workplace culture, financial condition, our response to unexpected events and other subjective qualities. Negative perceptions or publicity regarding these matters, even if related to seemingly isolated incidents and whether or not factually correct, could erode trust and confidence and damage our reputation among existing and potential clients, which could make it difficult for us to attract new customers and maintain existing ones.

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

We and commercial property owners may encounter financial difficulties or difficulties in collecting service fees and/or rents, which could lead to impairment of our trade receivables.

We and commercial property owners may encounter difficulties when collecting service fees and/or rents where a tenant has experienced decreases in consumer traffic in its storefront or any difficulties in continuing operations for any other factors. We seek to collect service fees and rents through a number of collection measures, such as by collecting prepayments and security deposits, and suspend supply of water and electricity to tenants who have rents or service fees overdue for 15 days pursuant to the service contracts. However, we cannot assure you that we will be able to find other tenants to fill the vacancy, in which case our results of operations and financial position may be adversely affected. Our trade receivable turnover days increased from 12 days in 2019 to 22 days in the nine months ended September 30, 2020 as we agreed to relatively slow settlement to help property owners and tenants to help them cope with the COVID-19 pandemic. Further, the commercial property owners may experience financial difficulties for reasons out of our control, which may also result in an impairment of trade receivables due to us.

For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, we recognized impairment on trade receivables of RMB2.3 million, nil, RMB4.2 million, RMB4.6 million and RMB2.4 million, respectively. The impairment losses in 2017 arose primarily from long aged trade receivables for Putian Galaxy COCO Park (莆田星河COCO Park) and Shenzhen Buji Galaxy COCO City (深圳布吉星河COCO City). The impairment losses in 2019 arose primarily from long aged trade receivables for Enshi Galaxy COCO City (恩施星河COCO City). See "Business—Our Business—Commercial Property Operational Services—Portfolio of Commercial Properties under Management—Not yet in Operation but Had Contributed to Our Revenue" and "Financial Information—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables" in this prospectus. We cannot assure you that we will not have bad debts in the future. In the event that actual recoverability is lower than expected, we may need to provide for an allowance for impairment of trade receivables, which could in turn adversely affect our business, financial condition and results of operations.

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

As a commercial property operational service provider, our growth potential is, and will likely continue to be, affected by developments in the PRC real estate industry. The PRC Government promulgates new laws and regulations from time to time in relation to the PRC real estate industry. In recent years, the PRC Government has implemented a series of measures to contain the perceived over-heating in the real estate market. From time to time, the PRC Government adjusts or introduces macroeconomic policies to encourage or restrict development in the property sector through regulating, among others, land grants, pre-sales of properties, bank financing, mortgage and taxation. Measures taken by the PRC Government to control money supply, credit availability and fixed assets also have an impact on the PRC real estate industry. In the event that these measures decelerate the overall growth of property development in the PRC, we may experience slower growth in the market for commercial property operational services, which could in turn restrict our potential in and efforts to expand our business.

We are exposed to risks associated with relying on third-party subcontractors to perform certain services.

We engaged third-party subcontractors to provide property management and other services for properties under our management during the Track Record Period. We select our third-party subcontractors based on factors such as professional qualifications, industry reputation, service quality, and price competitiveness. However, we cannot assure you that they will always perform in accordance with our expectations. They may act in ways that are contrary to our instructions, their contractual obligations and our own quality standards, and we may not be able to monitor them as directly and efficiently as with our own employees. This subjects us to risks associated with being held responsible for their substandard performance, including but not limited to litigation, reputational damage, disruptions to our business and monetary claims from our customers. We may also incur additional costs while seeking to monitor or replace third-party subcontractors who do not perform in accordance with our expectations.

Furthermore, when our existing subcontracting agreements expire, we may not be able to renew them or hire suitable replacements in a timely manner, or at all. Whether we renew our subcontracting agreements or hire replacements, we cannot assure you that we will be able to do so on favorable terms. We also do not have control over the ability of our subcontractors to maintain qualified, experienced and sizeable teams. In the event that our third-party subcontractors do not perform their obligations properly or in a timely manner, the work process could be interrupted which could potentially result in a breach of the contract. Any of such events could adversely affect our service quality and reputation, as well as our business, financial condition and results of operations.

We may not be able to accurately position the retail commercial properties under our management.

We believe our strong financial performance during the Track Record Period was, to a large extent, attributable to our strong positioning capability. However, we may not be able to accurate position commercial properties under our management or sustain the historical growth of or further expand our commercial property operational services in the future. In the event that we are not able to accurately position a retail commercial property and assess the potential competitive status, we may suffer loss to that particular retail commercial property.

We endeavor to improve our ability to accurately assess the market demand and competitive status. However, these efforts may not be successful which in turn would adversely affect our results of operations and financial condition.

We may not be able to grow our business and reduce staff costs through using digital platforms.

We have launched digital platforms to better consolidate resources and improve our control of operation processes. However, the existing digital platforms are relatively new and still evolving and we cannot assure you that we will be able to grow our digital platforms as planned. The future growth of our digital platforms depends on our ability to continue to understand the needs and find optional solutions to improve operating efficiency. If our digital platforms fail to effectively optimize our internal control and operation, our results of operations and financial condition may be adversely and materially affected.

In addition, we engaged third-party service providers to build and maintain the digital platforms for us, hence, the communication as well as steady relationships with such third-party service providers are essential for the successful delivery and performance of our digital platforms. In the event that our communication and relationship with such third-party service providers do not go as planned, we may need to incur additional costs in resolving the issues or even finding replacements, which may adversely affect our business operations.

We are subject to risks arising from any failure of, inadequacies in, or disruptions to our digital platforms and information technology systems.

We may encounter technical problems, security issues and logistical issues that may prevent our digital platforms from functioning properly. If we are unable to resolve such problems in a timely manner, or at all, we may lose our existing users or face lower user engagement. In addition, we may not be able to recruit sufficient qualified personnel to support the growth of our digital platforms. See "Business—Our Technological Initiatives and Digitalization Efforts" in this prospectus for details. However, our future development of and investment in our digital platforms may be subject to PRC laws and regulations governing license approval and renewal and we cannot assure you that we can obtain or renew our license on time, if at all. Any of the foregoing could adversely affect our reputation, business, financial condition and results of operations.

Furthermore, we rely on our information technology systems to manage key operational functions including, among others, managing and monitoring daily business operations and settling payments with our customers. However, we cannot assure you that damages or interruptions caused by power outages, computer viruses, hardware and software failures, telecommunication failures, fires, natural disasters, security breaches and other similar occurrences relating to our information technology 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 material adverse effects on our business and results of operations.

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

Our continued success depends on the efforts of our senior management team and other key employees. As they possess key connections and industry expertise, losing their services may have a material adverse effect on our business. If one or more members of our senior management or our key employees are unable or unwilling to continue their employment with us, we may not be able to replace them with qualified personnel in a timely manner, or at all, which may result in adverse changes to our established brand image, reputation, service quality or standards, and in turn, may disrupt our business and adversely affect our business, financial condition and results of operations.

We may not be able to secure funding to finance our planned operations.

To fund our future growth plans, including to diversify our business and operational model mix by acquiring or investing in other commercial property operational service providers, we need to secure additional funding to finance our future capital expenditures. We cannot assure you that we will be able to secure funding on terms acceptable to us or in a timely manner, or at all. If our internally generated capital resources are insufficient to finance our capital expenditure and growth plans, we may have to seek additional financing from third parties, including banks, venture capital funds, joint-venture partners and other strategic investors. We may also consider raising funds through the issuance of new Shares, which would lead to the dilution of our existing Shareholders' interests in our Company. If we are unable to obtain financing in a timely manner, at a reasonable cost and on acceptable terms, we may be forced to delay our expansion plans, or downsize or abandon such plans, which may adversely affect our business, financial condition and results of operations, as well as our future prospects.

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

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

Although we have limited control over the behavior of any of these parties, we may be viewed as of least partially responsible for their conduct on contractual or tortious grounds or suffer loss as a result of their misconducts. We may become, or be joined as, a defendant in litigation or other administrative or investigative proceedings and be held accountable for injuries or damages sustained by our customers or third parties. In the event that we cannot recover related costs from the employees, third-party subcontractors or third parties involved in the misconducts, our business, financial condition and results of operations could be adversely affected. Such misconducts could also attract negative publicity on our Group, damaging our reputation and brand value.

We may be involved in legal disputes from time to time, which may adversely affect our financial position, divert management attention and harm our reputation.

From time to time, we may be directly or indirectly involved in legal disputes with employees, tenants, subcontractors, regulatory bodies, customers or other third parties. These legal disputes may relate to, contractual warranties, employment, negligence and intellectual property. For example, tenants may bring claims against us for perceived failures (actual or otherwise) to perform in accordance with their expectations as to service quality. Our employees and subcontractors may also sue us for various reasons, including, among others, occupational injuries and employment related disputes. We are subject to risks associated with having limited control over the behavior of employees, subcontractors and other third parties who may accidentally or intentionally harm the interests of our customers. Any claims, disputes and legal proceedings brought against us, with or without merit, could result in substantial costs and divert capital resources and management attention. We may suffer damage to our reputation regardless of whether we prevail, leading to adverse effects on our business, financial position and brand value.

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

Work injuries may occur during the ordinary course of our business. For example, repair and maintenance services performed by our employees or subcontractors may involve the handling of tools and machinery that carry the inherent occupational risk of accidents. Hence, we are exposed to risks in relation to work safety, including but not limited to claims for injuries, fatal or otherwise, sustained by our employees and third-party subcontractors. Such occurrences may also damage our reputation within the commercial property operational service market. We may also experience business disruptions and be required to implement additional safety measures or modify our business model as a result of any governmental or other investigations. Although we have purchased insurance to cover such risks, such insurance may not be sufficient to cover all our damages and losses. As a result, our business, financial condition, results of operations could be adversely affected.

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

We accept payments via various methods, including but not limited to online payments through third-party platforms. Transactions conducted through these methods involve the transmission of confidential information such as credit card numbers, personal information and billing addresses over public networks. In recent years, the use of third-party platforms in the PRC has grown in parallel with consumer confidence in their security and efficiency. However, we do not have control over the security measures taken by providers of our third-party 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 our service fees. We may also be perceived as partially responsible for failures to secure personal information and be subjected to claims alleging possible liability brought by the customers. Such legal proceedings could damage our reputation and adversely affect our business, financial condition and results of operations. In addition, 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.

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 governmental approvals in the form of permits, licenses and certificates to provide our commercial property operational services. Generally, they are only issued or renewed after certain conditions have been satisfied. We cannot assure you that we will not encounter obstacles toward fulfilling such conditions that delay us in obtaining or renewing, or result in our failure to obtain or renew, the required governmental approvals. In addition, the PRC Government and relevant authorities may promulgate new policies in relation to the conditions for issuance or renewal from time to time. We cannot guarantee that such new policies will not present unexpected obstacles toward our ability to obtain or renew the required permits, licenses and certificates or that we will be able to overcome these obstacles in a timely manner, or at all. Loss of or failure to obtain or renew our permits, licenses and certificates could result in disruption to our business operations, potentially leading to material adverse effects on our business and results of operations.

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

During the Track Record Period, some of our PRC subsidiaries did not register for and/or fully contribute to certain social insurance and housing provident funds for their employees.

As advised by our PRC Legal Advisors, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated time period and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments, we will be liable to a fine of one to three times the amount of the outstanding contributions. Our PRC Legal Advisors have also advised us that, under the relevant PRC laws and regulations, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period, and if we fail to make such payments, application may be made to a people's court in the PRC for compulsory enforcement. In addition, we will be fined RMB10,000 to RMB50,000 for failing to make the housing provident fund registration within the prescribed time period. For details, see "Business—Insurance" in this prospectus.

We may fail to effectively protect our intellectual property rights.

We rely on our trade name and trademarks to build brand value and recognition, which we believe are key to our future growth and for fostering customer loyalty. Unauthorized use or infringement of our trade names or trademarks may impair our brand value and recognition. Third parties may use our intellectual property in ways that damage our reputation in the commercial property operational service market. We primarily rely on a combination of copyrights, trademarks, confidentiality agreements and domain name registrations to protect our intellectual property rights. We cannot assure you that our measures to protect our intellectual property will be sufficient and that we will be able to detect all misappropriation or unauthorized use of our intellectual property in a timely manner, or at all. There is also no guarantee that we will be successful in any enforcement proceedings that we undertake. Litigation to protect our intellectual property may be time-consuming, costly and divert management attention from our operations. While experiencing material adverse effects on our business and financial condition, failures to protect our intellectual property rights may also diminish our competitiveness and market share.

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

We may 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. In addition, regardless of whether we prevail, intellectual property disputes may damage our brand value and reputation in the eyes of current and potential customers and within our industry. As a result, our business, financial condition and results of operations could be materially and adversely affected.

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

We purchase and maintain insurance policies that we believe are customary with the standard commercial practice in our industry and as required under the relevant laws and regulations. For further details on the insurance policies we maintain, see "Business—Insurance" in this prospectus. However, we cannot assure you that our insurance policies will provide adequate coverage for all the risks in connection with our business operations. Under the PRC law, we are not required to carry any business interruption insurances or litigation insurances. We may be required to bear our losses to the extent that our insurance coverage is insufficient. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we could suffer significant costs and diversion of our resources, and thereby adversely affect our business, financial condition and results of operations.

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

During the Track Record Period, we had not completed the administrative filing of one lease agreement. According to applicable PRC administrative regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. If the filing is not made, the governmental authorities may require that the filing be made within a period of time, failing which they will impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. It is not clear under PRC law if the fine will be borne by the lessor or lessee. According to applicable PRC administrative regulations, the lessor of the related lease needs to provide us with certain documents (such as its business license or identification information) in order to complete the administrative filing. There can be no assurance that the lessor of such leased property will be cooperative in the process of completing the filings. If we fail to complete the administrative filings within a period required by the relevant governmental authorities and relevant authorities determine that we shall be liable for failing to complete the administrative filings of the relevant lease agreement, we might be subject to fines. For details, see "Business—Properties" in this prospectus.

Our wealth management investments may be subject to certain counterparty risks and market risks.

During the Track Record Period, we made certain wealth management investments with a PRC policy bank and an Independent Third Party company engaged in asset management business in the PRC. As of December 31, 2017, 2018 and 2019 and September 30, 2020, financial assets at fair value through profit or loss were RMB160.0 million, RMB275.0 million, RMB66.0 million and RMB144.3 million, respectively, and our investment income of financial assets at FVTPL were RMB7.5 million, RMB11.4 million, RMB12.9 million and RMB2.3 million in 2017, 2018, 2019 and the nine months ended September 30, 2020, respectively. Accordingly, we are subject to the risks that any of our counterparties may not perform their contractual obligations, such as in the event that any such counterparty declares bankruptcy or becomes insolvent. Any material non-performance of our counterparties with respect to the wealth management investments could materially and adversely affect our financial position and cash flow. Furthermore, our short-term wealth management investments would be subject to the overall market conditions, including the capital markets, and risks of the underlying investments. Any volatility in the market or fluctuations in interest rates may adversely impact our financial condition. In addition, general economic and market conditions affect the fair value of these wealth management investments. If circumstances indicate that the carrying amount of these investments may not be recoverable, the fair value of such investments may drop and a loss would be recognized in accordance with accounting policies and charged to our statements of profits or loss for the relevant period. Accordingly, any material decline in the fair value of these short-term investments may have a material adverse effect on our results of operations.

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

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

The COVID-19 outbreak, which may have first appeared at the end of 2019, has spread globally. On March 11, 2020, WHO declared COVID-19 outbreak a pandemic. In response to the COVID-19 pandemic, governments across the world have imposed travel restrictions and/or lockdown to contain its transmission. For example, the PRC government imposed certain measures across the country including, but not limited to, travel restrictions and 14-day quarantine for travelers or returnees, whether infected or not, and an extended shutdown of business operations; United States expanded travel bans to all foreign nationals who had visited China, Iran, European countries in the Schengen Area, the United Kingdom and Ireland on March 16, 2020; Italy imposed national lockdown on March 9, 2020; and Spain imposed national lockdown on March 14, 2020. There is no assurance that more countries or cities in the PRC will not impose similar travel restrictions or lockdowns in response to the pandemic or that the current containment measures will be effective in halting the pandemic.

The ongoing pandemic and containment measures may adversely and materially affect the manufacturing, exports and imports and consumption of goods and services globally. The Caixin/Markit Manufacturing Purchasing Managers' Index ("**PMI**") recorded a reading of 40.3 in February 2020, indicating that China's factory activity contracted in that month. Further, the Caixin/Markit Service PMI also indicated that services sectors contracted in China in February 2020. According to IHS Markit, the services sector in the U.S. also contracted in February 2020. There is no assurance that manufacturing and services sectors will not contract in other countries. The development of pandemic may adversely and materially affect economic growth globally due to reduce in demand and supply. On March 2, 2020 the Organization for Economic Co-operation and Development reduced 2020 GDP growth projects for almost all economies. Further, the pandemic may adversely and materially affect the stability of global financial markets. On March 9, 12, and 16, 2020, trading on the New York Stock Exchange were halted for 15 minutes because S&P 500 trading price reached 7% below prior day's S&P 500 closing price. The unfolding pandemic may significantly reduce global market liquidity and depress economic activities.

In an effort to cope with the COVID-19, the property owners of 16 commercial properties under our management have taken measures to waive all or a portion of the rent payable by certain tenants for a period of 15 to 67 days. We waived all or a portion of the rent payable by certain tenants of our sublease project, Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) for a period of 15 to 67 days in an aggregate of RMB2.0 million. Moreover, due to the containment measures taken by the local governments of the cities where our projects in operation are located, such as lock-down of cities and quarantine requirements, four commercial properties under our management were closed as required by the local government for five to 29 days, three commercial properties under our management that were routinely closed during the Spring Festival delayed in reopening for business for 15 to 24 days, certain tenants in the commercial properties under our management suspended operations, particularly restaurants, cinemas and educational and training institutions. The commercial properties under our management experienced a significant drop in consumer traffic for the three months ended March 31, 2020. For example, our consumer traffic in Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park（北區）) decreased from 18.4 million for the nine months ended September 30, 2019 to 12.7 million for the same period in 2020.

Furthermore, seven projects in the preparatory stage have postponed or are expected to postpone their openings due to the COVID-19. If the pandemic continues or deteriorates, our business, results of operations, financial condition or prospect may be materially adversely affected. Please see "Business—Our Business—The COVID-19 Outbreak" in this prospectus.

RISKS RELATING TO DOING BUSINESS IN THE PRC

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

All of our major businesses, assets, operations are located in the PRC. Accordingly, our financial condition, results of operations and prospects are, to a significant degree, subject to the economic, political, social and legal conditions in the PRC. The PRC economy differs from that of most developed countries in many respects, including the extent of government involvement, level of economic development, investment control, resource allocation, growth rate and control over foreign exchange. Before its adoption of reform and open-door policies beginning in 1978, the PRC was primarily a planned economy. Since then, the PRC economy has been transitioning to 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 likely to be modified from time to time. Other political, economic and social factors may lead to further readjustment or introduction of other reform measures. This reform process and any changes in laws and regulations or the interpretation or implementation thereof in the PRC may have a material impact on our operations or may adversely affect our financial condition and results of operations.

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

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

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

Under existing PRC foreign exchange regulations, the Renminbi is convertible without prior approval from SAFE for current account transactions so long as certain procedures are complied with. Examples of such current account transactions include profit distributions and interest payments. However, prior approval and registration with SAFE is required for capital account transactions. Examples of capital account transactions include foreign direct investment and the repayment of loan principal. We cannot assure you that the PRC Government, in seeking to regulate the economy, will not restrict access to foreign currencies for current account transactions in the future. Such restrictions may limit our ability to convert cash from our operating activities into foreign currencies to make dividend payments or satisfy any foreign currency-denominated obligations we may have. Moreover, limitations on the flow of funds between us and our PRC subsidiaries may restrict our ability to provide financing to our PRC subsidiaries and take advantage of business opportunities in response to market conditions.

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

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

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 the PRC could negatively affect our profitability and growth.

Economic growth in the PRC has, in the past, been accompanied by periods of high inflation. In response, the PRC Government has implemented policies from time to time to control inflation, such as restricting the availability of credit by imposing tighter bank lending policies or higher interest rates. The PRC Government may take similar measures in response to future inflationary pressures. Rampant inflation without the PRC Government's mitigation policies would likely increase our costs, thereby materially reducing our profitability. We cannot assure you that we will be able to pass any additional costs to our customers. On the other hand, such control measures may also lead to slower economic activity and we may see reduced demand for our services.

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

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

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

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

Our Company is incorporated in the Cayman Islands. All of our assets are located in the PRC and most of our Directors and senior management reside in the PRC. Therefore, it may not be possible to effect service of process within Hong Kong or elsewhere outside of the PRC upon us or our Directors or senior management. Moreover, the PRC 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 the PRC of a court judgment obtained in other jurisdictions may be difficult or impossible.

In addition, 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 (最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) or the Arrangement, was promulgated by the Supreme People's Court on July 3, 2008 and became effective on August 1, 2008. 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 the PRC. 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 the PRC 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 the PRC.

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

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

On April 22, 2009, SAT released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) or Circular 82, as amended on January 29, 2014 and December 29, 2017, which sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of the PRC and controlled by PRC enterprises or PRC enterprise groups is located within the PRC. Under Circular 82, a foreign enterprise controlled by a PRC enterprise or PRC enterprise group is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily business operations are located mainly within the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within the PRC; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within the PRC. In addition, Circular 82 also requires that the determination of "de facto management body" shall be based on the principle that substance is more important than form. Further to Circular 82, SAT issued the Chinese-Controlled Offshore Incorporated Resident Enterprises Income Tax Regulation (Trial Implementation) (境外註冊中資控股居民企業所得稅管理辦法(試行)) ("**Bulletin 45**"), which took effect on September 1, 2011 and amended on June 1, 2015, October 1, 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 the PRC and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect SAT's criteria for determining the tax residence of foreign enterprises in general. All members of our senior management are currently based in the PRC. If we are deemed a PRC resident enterprise, the EIT rate of 25% on our global taxable income may reduce capital we could otherwise divert to our business operations.

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

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

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

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

SAFE promulgated the Circular of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-tripping Investment Made by Domestic Residents through Special-Purpose Companies (國家外匯管理局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) or Circular 37, in July 2014, which abolished and superseded the Circular on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Round Trip Investment via Overseas Special Purpose Vehicles (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知). Pursuant to Circular 37, PRC residents, including PRC institutions and individuals, must register with local branches of SAFE in connection with their direct or indirect offshore investments in an overseas special purpose vehicle, or SPV, directly established or indirectly controlled by PRC residents for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests or any inbound investment through SPVs. Such PRC residents are also required to amend their registrations with SAFE when there is change to the required information of the registered SPV, such as changes to its PRC resident individual shareholder, name, operation period or other basic information, or the PRC individual resident's increase or decrease in its capital contribution in the SPV, or any share transfer or exchange, merger or division of the SPV. In accordance with the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知), the foreign exchange registration aforesaid has been directly reviewed and handled by banks since June 1, 2015, and SAFE and its branches perform indirect regulation over such foreign exchange registration through local banks. Under this regulation, failure to comply with the registration procedures set forth in Circular 37 may result in restrictions being imposed on the foreign exchange activities of our PRC subsidiaries, including the payment of dividends and other distributions to its offshore parent or affiliate, the capital inflow from the offshore entities and its settlement of foreign exchange capital, and may also subject the relevant onshore company or PRC residents to penalties under PRC foreign exchange administration regulations.

We are committed to complying with and ensuring that our Shareholders who are subject to the regulations will comply with the relevant rules. Any future failure by any of our Shareholders who is a PRC resident, or controlled by a PRC resident, to comply with relevant requirements under this regulation could subject us to penalties or sanctions imposed by the PRC Government. However, we may not at all times be fully aware or informed of the identities of all of our Shareholders who are PRC residents, and we may not always be able to timely compel our Shareholders to comply with the requirements of Circular 37. Moreover, we cannot assure you that the PRC Government will not have a different interpretation of the requirements of Circular 37 in the future.

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

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

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

RISKS RELATING TO THE 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 (for themselves and 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 condition and/or results of operations;
- changes in securities analysts' estimates of our financial condition and/or results of operations, regardless of the accuracy of information on which their estimates are based;
- changes in investors' perception of us and the investment environment generally;

- loss of visibility in the markets due to lack of regular coverage of our business;
- strategic alliances or acquisitions;
- potential litigations or regulatory investigations;
- loss of key personnel;
- changes in laws and regulations that impose limitations on our industry;
- announcements made by us or our competitors;
- changes in pricing adopted by us or our competitors;
- the liquidity of the market for our Shares; and
- general economic and other factors.

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, see "Underwriting—Underwriting Arrangements and Expenses" in this prospectus. However, we cannot assure you that following the expiration of the lock-up periods, these Shareholders will not dispose of any Shares. We cannot predict the effect of any future sales of the Shares by any of our Shareholders on the market price of our Shares.

We may not declare dividends on our Shares in the future.

Any declaration of dividends will be proposed by our Board of Directors, and the amount of any dividends will depend on various factors, including, without limitation, our results of operations, financial condition, capital requirements and surplus, contractual restrictions, future prospects and other factors which our Board of Directors may determine are important. See "Financial Information—Dividends Policy and Distributable Reserve" in this prospectus for details. We cannot guarantee when, if and in what form dividends will be paid. Our dividend policy should not be taken as a guarantee of future dividends.

Investors may not have the same protection of their shareholder rights under Cayman Islands law comparing to what they would have under Hong Kong law.

Our Company is incorporated in the Cayman Islands and its affairs are governed by its Memorandum, Articles, the Cayman Islands Companies Act and the common law of the Cayman Islands. The rights of our Shareholders to take action against our Directors, the rights of minority shareholders to instigate actions and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our Shareholders and the fiduciary responsibilities of our Directors under Cayman Islands law may not be the same as they would be under statutes or judicial precedent in Hong Kong or other jurisdictions. In particular, the Cayman Islands have different securities laws as compared to Hong Kong and may not provide the same protection to investors. Furthermore, shareholders of Cayman Islands companies may not have standing to initiate a shareholder derivative action in a Hong Kong court.

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 after the Global Offering, our Controlling Shareholders will directly or indirectly control the exercise of 75% of voting rights in the general meeting of our Company. For further details, see "Relationship with Controlling Shareholders" in this prospectus. The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Our Controlling Shareholders will have significant influence on the outcome of any corporate transaction or other matters submitted to our Shareholders for approval, including mergers, consolidations, sales of all or substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent changes in control of 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.

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

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

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

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

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

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

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

MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have 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 purposes of satisfying the requirements 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 substantially all our assets are based in the PRC and our business and operations are substantially based and conducted in the PRC, our management is best able to attend to its functions by being based in the PRC. We have submitted an application to and have received from the Stock Exchange a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to, amongst others, the following conditions:

(a) we have appointed two authorized representatives, Ms. Wen Yi, the executive Director of our Company and Mr. Wong Kai Hing, the company secretary of our Company, pursuant to Rule 3.05 of the Listing Rules who will act as our Company's principal channel of communication with the Stock Exchange and ensure that they comply with the Listing Rules at all times. Mr. Wong Kai Hing is ordinarily resident in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the two authorized representatives will be 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. Wong Kai Hing has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;

(b) both our authorized representatives have means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. All Directors have provided his/her mobile phone number, residential phone number, fax number and e-mail 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 and all Directors and authorized representatives have provided his/her mobile number, office phone number, fax number and email address to the Stock Exchange;

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

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

CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after Listing. We have applied 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—(A) Continuing Connected Transaction 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—(B) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements." Please see "Connected Transactions" of this prospectus for further information.

WAIVER IN RELATION TO RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH SECTION 342(1) IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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

According to Section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, this prospectus shall include the matters specified in the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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

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

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

The Accountants' Report for each of the three years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 has been prepared and set out in Appendix I to this prospectus.

Pursuant to the relevant requirements set out above, our Company is required to produce three full years of audited accounts for the years ended December 31, 2018, 2019 and 2020. As such, an application was made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver was granted by the Stock Exchange on the conditions that:

(a) this prospectus will be issued on or before January 18, 2021 and shares of our Company must be listed on the Stock Exchange on or before March 31, 2021 (i.e. three months after the latest financial year end of our Company);

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

(c) this prospectus contains profit estimate for the year ended December 31, 2020 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) and the statement from our Directors that after performing all due diligence work which they consider appropriate, there is no material and adverse change to our financial and trading positions or prospects, with specific reference to our trading results from October 1, 2020 to December 31, 2020.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the condition that (i) the particulars of the exemption be set out in this prospectus; (ii) this prospectus be issued on or before January 18, 2021; and (iii) shares of our Company be listed on the Stock Exchange on or before March 31, 2021 (i.e. three months after the latest financial year end of our Company).

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

(a) there would not be sufficient time for our Company and the Reporting Accountant to finalize the audited financial statements for the year ended December 31, 2020 for inclusion in this prospectus. If the financial information for the year ended December 31, 2020 is required to be audited, our Company and the Reporting Accountant would have to carry out substantial work to prepare, update and finalize the Accountants' Report and this prospectus and the relevant sections of this prospectus will need to be updated to cover such additional period within short period of time and will lead to the delay of the current listing timetable;

(b) our Directors and the Joint Sponsors confirm that after performing sufficient due diligence work, up to the date of this prospectus, there has been no material adverse change to our financial and trading positions or prospects since October 1, 2020 (the date immediately following the end of the period covered by the latest audited statement of financial position in the Accountant's Report set out in Appendix I to this prospectus) up to the date of the prospectus and there has been no event which would materially affect the information shown in the Accountants' Report as set out in Appendix I to this prospectus and the profit estimate for the year ended December 31, 2020 since October, 1, 2020; and

(c) our Company is of the view that the Accountants' Report covering the three financial years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) included in this prospectus, together with the profit estimate for the year ended December 31, 2020, will provide the potential investors with adequate and reasonably up-to-date information of the circumstances to form a view on the track record and earnings trend of our Company; and our Directors and the Joint Sponsors confirm that all information which is necessary for the investing public to make an informed assessment of our business, assets and liabilities, financial position, trading position, management and prospects has been included in this prospectus. Further, our Company will comply with Rule 13.46(2) of the Listing Rules in respect of the publication of annual report for the year ended December 31, 2020. Therefore, the waiver and exemption would not prejudice the interest of the investing public.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding-Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules 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 any statement herein or this prospectus 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 the Application Forms for further details of the procedures for applying for the Hong Kong Offer 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 or any of the Relevant Persons. 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 further 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 Placing 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, the Global Offering will not proceed and will lapse. See "Underwriting" for further 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 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 may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the securities laws of such jurisdiction pursuant to registration with or an authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been publicly offered and sold, and will not be offered or sold, directly or indirectly in the PRC or the United States.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of 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 and options which may be granted under the Share Option Scheme.) Dealings in the Shares on the Stock Exchange are expected to commence on Tuesday, January 26, 2021.

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 listing of, and permission to deal in, our Shares on the Stock Exchange and we complying 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 BRANCH 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, Appleby Global Services (Cayman) Limited, in the Cayman Islands.

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

Dealings in the Shares registered on our 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, the Shares. None of us or the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Book Runners, the Joint Lead Managers, the underwriters, and any of their affiliates or any of their respective directors, officers, employees or agents 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 USD amounts into Hong Kong dollars at a specified rate. Unless we indicate otherwise, the translations of USD into Hong Kong dollars and vice versa have been made at the following exchange rate HK$1 to US$0.12898 and HK$1.00 to RMB0.84363 in this prospectus.

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

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, 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

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

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Huang De-Lin Benny (黃德林)	Flat A, 7/F, Tower 19 One Beacon Hill 1 Beacon Hill Road Hong Kong	Chinese (Hong Kong)
Mr. Tao Muming (陶慕明)	3rd Floor, Building 2 Shekou Yonghua House Nanshan District, Shenzhen Guangdong Province PRC	Chinese
Mr. Niu Lin (牛林)	Room 408, Building 1 Shuxiang Mendi Longhua New District, Shenzhen Guangdong Province PRC	Chinese
Ms. Wen Yi (文藝)	Room 204, Zone B, Building 32 Yijing Huafu, Longyuan Longgang District, Shenzhen Guangdong Province PRC	Chinese
Non-executive Directors		
Mr. Guo Limin (郭立民)	Room 1901, Building 8 Champs Elysees Garden 2 Toyota Road Futian District, Shenzhen Guangdong Province PRC	Chinese
Mr. Huang De'An Tony (黃德安)	Flat B, 9/F, Tower 19 One Beacon Hill 1 Beacon Hill Road Hong Kong	Chinese (Hong Kong)

Name	Address	Nationality
Independent non-executive Directors		
Mr. Zhang Liqing (張禮卿)	41-06 Yuanshu 2 Beiqing Road Changping District Beijing PRC	Chinese
Mr. Guo Zengli (郭增利)	Room 902, Men 9, Block 99 Changshousi Road Fengtai District Beijing PRC	Chinese
Mr. Tse Yat Hong (謝日康)	Room A, 26th Floor, Tower 6 One Silversea 18 Hoi Fai Road Tai Kok Tsui, Kowloon Hong Kong	Chinese (Hong Kong)

For further details of each member of our Board, please see the section entitled "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**CCB International Capital Limited** 12/F., CCB Tower 3 Connaught Road Central Central Hong Kong
	China Securities (International) Corporate Finance Company Limited 18th Floor, Two Exchange Square 8 Connaught Place Central Hong Kong
Joint Representatives	**CCB International Capital Limited** 12/F., CCB Tower 3 Connaught Road Central Central Hong Kong
	China Securities (International) Corporate Finance Company Limited 18th Floor, Two Exchange Square 8 Connaught Place Central Hong Kong
Joint Global Coordinators	**CCB International Capital Limited** 12/F., CCB Tower 3 Connaught Road Central Central Hong Kong
	China Securities (International) Corporate Finance Company Limited 18th Floor, Two Exchange Square 8 Connaught Place Central Hong Kong
	Shenwan Hongyuan Securities (H.K.) Limited Level 19, 28 Hennessy Road Hong Kong

Joint Bookrunners

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

China Securities (International) Corporate Finance Company Limited
18th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

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

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

China Industrial Securities International Capital Limited
7/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

UOB Kay Hian (Hong Kong) Limited
6/F, Harcourt House
39 Gloucester Road
Hong Kong

HeungKong Securities Limited
Suite 622, Ocean Centre
Harbour City, Tsim Sha Tsui
Kowloon
Hong Kong

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

AMTD Global Markets Limited
23/F-25/F, Nexxus Building
41 Connaught Road Central
Hong Kong

Joint Lead Managers

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

China Securities (International) Corporate Finance Company Limited
18th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

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

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

China Industrial Securities International Capital Limited
7/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

UOB Kay Hian (Hong Kong) Limited
6/F, Harcourt House
39 Gloucester Road
Hong Kong

HeungKong Securities Limited
Suite 622, Ocean Centre
Harbour City, Tsim Sha Tsui
Kowloon
Hong Kong

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

AMTD Global Markets Limited
23/F-25/F, Nexxus Building
41 Connaught Road Central
Hong Kong

Legal Advisors to Our Company	*As to Hong Kong law:* **Sidley Austin** 39th Floor, Two International Finance Centre 8 Finance Street Central Hong Kong *As to PRC law:* **Jingtian & Gongcheng** 34th Floor, Tower 3 China Central Place 77 Jianguo Road Beijing PRC *As to Cayman Islands law:* **Appleby** Suites 4201-03 & 12, 42/F One Island East, Taikoo Place 18 Westlands Road Quarry Bay Hong Kong
Legal Advisors to the Joint Sponsors and the Underwriters	*As to Hong Kong law:* **Eric Chow & Co. in Association with Commerce & Finance Law Offices** 29/F, 238 Des Voeux Road Central Hong Kong *As to PRC law:* **Commerce & Finance Law Offices** 6th Floor, NCI Tower A12 Jianguomenwai Avenue Chaoyang District Beijing PRC
Auditor and Reporting Accountant	**Deloitte Touche Tohmatsu** *Certified Public Accountants* 35th Floor, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**China Index Academy** Block A, 20 Guogongzhuang Middle Street Fengtai District Beijing PRC

Independent Property Valuer	**Savills Valuation and Professional Services Limited** 1208, Cityplaza One 1111 King's Road Taikoo Shing Hong Kong
Compliance Advisor	**China Securities (International) Corporate Finance Company Limited** 18th Floor, Two Exchange Square 8 Connaught Place Central Hong Kong
Receiving Bank	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

Registered Office	71 Fort Street PO Box 500 George Town Grand Cayman KY1-1106 Cayman Islands
Headquarters in the PRC	32nd Floor, Building A Galaxy World 1 Yabao Road Longgang District, Shenzhen Guangdong Province PRC
Registered Office in the PRC	2101-05, 21/F Galaxy Development Center 18 Fu'An Social Center Five Road Futian District, Shenzhen Guangdong Province PRC
Principal Place of Business in Hong Kong	1201-02, 12th Floor Agricultural Bank of China Tower 50 Connaught Central Hong Kong
Company's Website	www.g-cre.com *(The information contained on this website does not form part of this prospectus)*
Company Secretary	Mr. Wong Kai Hing *(HKICPA)* Room 5, 7th Floor Belle House 31 Whitfield Road Tin Hau Hong Kong
Authorized Representatives	Ms. Wen Yi Room 204, Zone B, Building 32 Yijing Huafu, Longyuan Longgang District, Shenzhen Guangdong Province PRC Mr. Wong Kai Hing Room 5, 7th Floor Belle House 31 Whitfield Road Tin Hau Hong Kong

Audit Committee	Mr. Tse Yat Hong *(Chairman)* Mr. Guo Limin Mr. Guo Zengli
Remuneration Committee	Mr. Guo Zengli *(Chairman)* Mr. Guo Limin Mr. Tse Yat Hong
Nomination Committee	Mr. Huang De-Lin Benny *(Chairman)* Mr. Guo Zengli Mr. Zhang Liqing
Principal Share Registrar and Transfer Office in the Cayman Islands	**Appleby Global Services (Cayman) Limited** 71 Fort Street PO Box 500 George Town Grand Cayman KY1-1106 Cayman Islands
Hong Kong Branch Share Registrar	**Tricor Investor Services Limited** Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Principal Bankers	**China CITIC Bank, Shenzhen Branch** 1st Floor, North Tower Two Zhuoyue Times Square 8 Zhongxin Road 3 Futian District, Shenzhen Guangdong Province PRC **China Construction Bank, Shenzhen Jianshe Road Branch** 2102-3 Shennan East Road Luohu District, Shenzhen Guangdong Province PRC **Bank of China, Shenzhen Zhongxin Branch** 1st Floor, Dinghe Building 100 Fuhua Road 3 Futian District, Shenzhen Guangdong Province PRC

Unless otherwise indicated, the information contained in this section is derived from various governmental and official publications, other publications and the market research report prepared by China Index Academy, which was commissioned by us.

We *believe that the sources of information are appropriate and we have taken reasonable and cautious care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. We, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of our or their respective directors, senior management, representatives or any other person involved in the Global Offering other than China Index Academy have not independently verified such information and have made no representation as to the accuracy and completeness thereof. The relevant information and statistics may not be consistent with such other information and statistics compiled within or outside the PRC. As a result, you are advised not to place undue reliance on such information.*

SOURCES OF INFORMATION

We have commissioned China Index Academy, an independent market researcher established in 1994, to analyze and report on the commercial property operational service market in China. China Index Academy 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. China Index Academy has extensive experience researching and tracking the PRC commercial property operational service market, and has conducted research on the Top 100 Commercial Property Companies. China Index Academy uses research parameters and assumptions and gathers data from multiple primary and secondary sources, including reported statistics from commercial property operational service 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. We have agreed to pay China Index Academy a total fee of RMB800,000 for the preparation of the China Index Academy Report. The market research process for the China Index Academy Report has been undertaken through detailed primary research which involves discussing the status of commercial property operational service market with leading industry participants and industry experts and surveying industry and project operational data. Secondary research involved reviewing company reports, independent research reports and data based on China Index Academy's own research database. Analysis and forecasts contained in the China Index Academy Report are based on the following major assumptions at the time of compiling such reports: (i) China's economy is likely to maintain steady growth in the next decade; (ii) China's social, economic and political environment is likely to remain stable in the forecast period; (iii) all published data by the Statistics Bureaus are accurate; (iv) government policies on the commercial property operational service industry in China will remain unchanged during the forecast period; and (v) the shopping centers referred to in this section only include those with a GFA of at least 20,000 sq.m. The market rankings of our Company are not partially or fully, directly or indirectly, based on negotiations or payments by our Company in contemplation of the Listing.

OVERVIEW OF THE MACRO ECONOMY AND COMMERCIAL PROPERTY MARKET IN CHINA

Nominal GDP

According to the National Bureau of Statistics of China, China's nominal GDP expanded from RMB59.3 trillion in 2013 to RMB99.1 trillion in 2019 and expanded from RMB71.3 trillion in the nine months ended September 30, 2019 to RMB72.3 trillion in the nine months ended September 30, 2020. In 2019, China's real GDP maintained a relatively robust growth of 6.1% in the midst of uncertainty in overseas markets and downward pressure in the domestic market, indicating that the long-term growth prospects of China's economy remain positive.

Per Capita Disposable Income and Consumption and Retail Market

In line with the continuous expansion of China's economy, China's per capita disposable income increased from RMB18,311 in 2013 to RMB30,733 in 2019, and further increased by 3.9% to RMB23,781 in the nine months ended September 30, 2020 as compared to that of September 30, 2019 while per capita consumption expenditure increased from RMB13,220 in 2013 to RMB21,559 in 2019. China's social retail sales of consumer goods increased from RMB24.3 trillion in 2013 to RMB41.2 trillion in 2019, representing a robust annual growth of over 8.0%.

Commercial Property Market in China

Commercial properties refer to properties for commercial uses in various business sectors, including shopping centers and shopping streets. From 1999 to 2019, the aggregate development investment amount in commercial properties in China amounted to approximately RMB14.3 trillion, with a CAGR of 17.3% from 2013 to 2019, and is expected to reach RMB19.0 trillion by 2023, with a CAGR of 7.5% from 2019 to 2023. Shopping center refers to the building or confined area which contains various retail shops and service facilities. Shopping center is one of the core types of commercial properties due to its size and earning potential. The number of shopping centers in China increased from 1,517 as of December 31, 2013 to 5,221 as of December 31, 2019, representing a CAGR of 22.9%.

COMMERCIAL PROPERTY OPERATIONAL SERVICE MARKET IN CHINA

Definition and Introduction

Commercial properties refer to various types of retail facilities mainly including enclosed and open-air shopping centers and open-air shopping streets within large-scale and multi-functional development projects. Commercial property operational services refer to a collection of consultancy and operational services for commercial properties that cover the full life cycle of commercial properties, starting from services at the preparatory stage such as site selection, to the operational stage. See "—Service Scope and Business Model" for specific services under commercial property operational services. Commercial property operational service providers aim at improving property value and sales revenue through their continuous operational services, which is broader than property management services. The service scope of property management service providers typically include security, cleaning, greening, repair and maintenance and value-added services such as community living services, shopping assistance, housekeeping services, and other on-demand services to owners, residents and tenants in properties under their management. As a result, commercial property operational service fees are generally based on the revenue and/or profit of the commercial properties under management, whereas property management services fees are based on service provided and GFA under management. The results of operations of commercial property operational service providers are more dependent on the financial and operational performance of the commercial properties under management compared to property management service providers.

Service Scope and Business Model

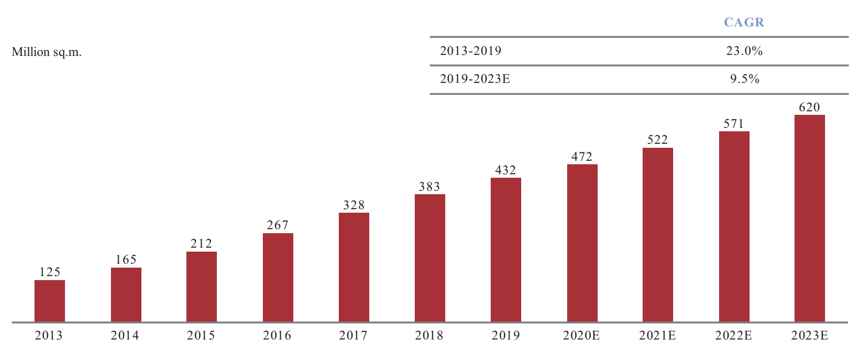
Generally, commercial property operational service providers collect management fees from the commercial property owners, based on the profit and/or revenue of the commercial properties, and/or collect management fees from commercial property tenants based on space rented. Commercial property operational service providers typically provide comprehensive services throughout the project cycle from site-selection to post-opening operation. The scope of services primarily includes (i) market positioning and business planning consultancy services, (ii) design and construction consultancy services, (iii) tenant sourcing services, (iv) operational management services and (v) value-added services.

Commercial property operational service providers provide services primarily under three service models. Under entrusted management service model, the commercial property operational service providers provide comprehensive services to all critical stages of commercial projects. Commercial property operational service providers typically provide entrusted management services to affiliated property developers. Commercial property operational service providers may also furnish output services to commercial properties by supplying professional management staff to oversee business operations. Under the output service model, the scope of service is similar with that under entrusted management service model. Established commercial service providers generally use output service model in expansion into new markets in cooperation with Independent Third Party property developers. In addition, commercial property operational service providers may lease and operate commercial properties from property owners and sublease commercial spaces to and collect rental income from tenants directly. Under the sublease service model, the commercial property operational service providers manage the retail commercial properties as the principal. Commercial property operational service providers generally provide sublease services to retail commercial properties with high earning potential.

Size of Commercial Property Operational Service Market in Shopping Centers in China

Due to the scale and profitability of shopping centers, they are one of the core types of commercial properties. We primarily manage shopping centers in the ordinary course business. Therefore, the following discussion concentrates on the statistics of the shopping center market in China.

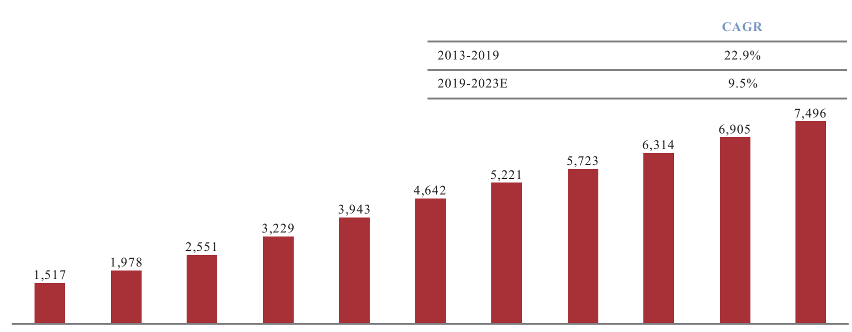
Total GFA of Shopping Centers in Operation (China), 2013-2023E



Source: China Index Academy Report

According to the China Index Academy Report, the total GFA of shopping centers in operation in China increased from 125 million sq.m. as of December 31, 2013 to 432 million sq.m. as of December 31, 2019, with a CAGR of 23.0%. The total GFA of shopping centers in operation in China is expected to reach 620 million sq.m. as of December 31, 2023, with a CAGR of 9.5% from 2019 to 2023.

Total Number of Shopping Centers in Operation (China), 2013–2023E



Source: China Index Academy Report

According to the China Index Academy Report, the total number of shopping centers in operation in China increased from 1,517 as of December 31, 2013 to 5,221 as of December 31, 2019, with a CAGR of 22.9%. The total number of shopping centers in operation in China is expected to reach 7,496 as of December 31, 2023, with a CAGR of 9.5% from 2019 to 2023.

Competitive Landscape of the Commercial Property Operational Service Market in China

According to the China Index Academy Report, the commercial property operational service market is highly fragmented, with the five largest commercial property operational service providers accounting for an aggregate market share of approximately 11.0% in terms of the number of shopping centers in operation as of December 31, 2019.

Ranking	Company	Background	Market share
1	Company A	A leading commercial property operational service provider in the PRC in terms of GFA under management and number of projects under management, with industry-leading service capability and notable brand influence, and with services covering numerous commercial properties located in a vast majority of provincial level regions in the PRC.	6.2%
2	Company B	A leading commercial property operational service provider in the PRC, providing services in various core regional cities in the PRC, such as Beijing, Shanghai, Hangzhou, Guangzhou and Shenzhen.	1.5%
3	Company C	A leading commercial property operational service provider with capacity to provide mature and holistic commercial property operational services, expanding into various cities nationwide from its base in Yangtze River Delta with comprehensive, standardized and featured services to help in asset appreciation.	1.2%
4	Company D	A leading commercial property operational service provider, providing services to commercial properties in key first and second tier cities in the PRC, with the capacity to provide leading commercial operation services and notable market influence of its core brand.	1.2%
5	Company E	A leading commercial property operational service provider, focusing in Yangtze River Delta, providing services including consultancy, marketing, operation and management to commercial centers and shopping malls.	1.0%

Outbreak of COVID-19 in China and its impact on the PRC commercial property operational markets

The outbreak of COVID-19, which may have first emerged at the end of 2019, has brought adverse impacts to China's macro-economy in the first quarter of 2020. In particular, the revenue and profits of shopping centers have been affected due to reduction of operational hours and consumer demands, and implementation of relief measures to the tenants such as rent reduction. Further, the vacancy rate in shopping centers is expected to increase in the next three to six months due to COVID-19. However, the outbreak of COVID-19 is expected to bring limited impacts to China's commercial property operational service industry in the relatively long run due to the following reasons.

First, as of the end of March 2020, COVID-19 had been effectively contained in China. Since the beginning of February 2020, the number of new suspected cases in China has begun to decrease. As of July 7, 2020, 338 cities in China reported confirmed cases, among which all existing confirmed cases excluding imported cases had been cured in 325 cities. Production and consumption activities steadily recovered. Residents in most regions across China have started to resume work since February 2020. In March, the resumption of enterprise production accelerated significantly. According to data from the National Bureau of Statistics of China, as of March 25, 2020, 96.6% of large- and medium-sized enterprises resumed production, representing an increase of 17.7% from the February survey results. At the same time, shopping centers across the country have gradually resumed normal operations, and consumer traffic and sales have rebounded.

Second, since March 2020, consumer demand has also recovered. The temporary influence of COVID-19 is not expected to change the long-term growth trend. With COVID-19 further contained, the consumption potential is expected to be further released, the market supply structure continue to optimize, and China's consumer market maintain steady growth.

Third, during the prevention and containment of COVID-19, commercial property operational management service providers have adopted comprehensive and strict prevention and control protocols to improve their ability to avoid and contain major safety and health incidents. A safe and hygienic operational management system helps to increase the value of the commercial property and increase project revenue. During COVID-19, commercial property operational management service providers strictly controlled consumer traffic, screened all patrons, disinfected public areas, purchased and applied medical materials, publicized disease prevention knowledge, shared information in a timely manner, and strengthened on-site staff management. These measures are expected to improve property value in the long run.

Fourth, shopping malls have launched online marketing and community marketing programs, which offered merchants reliefs while expanding sales channels, and is expected to further accelerate the integration of online and offline commerce. This move not only compensates for the short-term impact of COVID-19, but is also conducive to the exploration and application of new business models in the commercial property operational service industry.

Fifth, although the outbreak of COVID-19 has brought a certain impact on China's marco-economy in the short term, the fundamentals of China's macro-economy have not materially affected. Against the backdrop of an expected stable growth in the future, the commercial property operational service industry is likely to benefit as well. With economic growth, population concentration, industry transformation and consumption upgrade in cities such as Shenzhen, we believe that the demand for commercial property operational services in these regions will remain stable. For the Greater Bay Area, COVID-19 is not expected to affect the long-term regional macroeconomic development plan and talent attraction plan. Based on the above reasons, we believe that after COVID-19 is effectively contained, the growth prospects for demand of commercial property operational services in China and the Greater Bay Area will remain positive.

Market Drivers

Continuous Urbanization: The urbanization rate in China increased from 25.8% in 1988 to 59.6% in 2018 is expected to reach 64% in 2023. Comparing to the urbanization rate of 82.3% in the U.S. in 2018 and of 91.6% in Japan in 2018, the urbanization rate of China has great potential to increase. Furthermore, China's rapid urbanization ran parallel to growth in consumer purchasing power. From 2013 to 2018, the per capita disposable income in China grew from RMB18,311 to RMB28,228. The continuous expansion of China's cities is expected to drive the development of the commercial property market, which in turn will increase the demand on commercial property operational services.

Population, Urbanization Rate and Per Capita Disposable Income

	2013	2014	2015	2016	2017	2018	2018-2023E CAGR
China							
Total population *(million)*	1,360.7	1,367.8	1,374.6	1,382.7	1,390.1	1,395.4	0.5%
Urban population *(million)*	731.1	749.2	771.2	793.0	813.5	831.4	2.4%
Urbanization rate	53.7%	54.8%	56.1%	57.3%	58.5%	59.6%	1.7%
Per Capita Annual Disposable Income *(thousand RMB)*	18.3	20.2	22.0	23.8	26.0	28.2	6.2%
Greater Bay Area							
Total population *(million)*	57.2	57.6	58.7	60.0	61.5	63.0	1.9%
Urban population *(million)*	47.9	48.4	49.6	50.9	52.5	54.1	2.3%
Urbanization rate	84.0%	84.1%	84.6%	84.9%	85.3%	85.9%	0.4%
Per Capita Annual Disposable Income *(thousand RMB)*	N/A	33.6	36.7	40.1	43.8	47.9	6.5%

Government Support for Consumption and Service Industries: According to the China Index Academy Report, the PRC Government has been focusing on improving consumption environment, promoting commercial development and long-term growth of economies. For example, NDRC, together with nine ministries, issued the Implementation Plan for Further Optimizing Supply to Promote the Stable Consumption Growth and Facilitating the Formation of a Strong Domestic Market (《進一步優化供給推動消費平穩增長促進形成強大國內市場的實施方案》) on January 28, 2019 to accommodate the trend of consumption upgrade. the Ministry of Commerce, together with 13 ministries, issued the Guiding Opinions of 14 Departments Including the Ministry of Commerce on the Cultivation and Development of International Consumption Cities (商務部等14部門《關於培育建設國際消費中心城市的指導意見》) on October 14, 2019 to further develop international consumption cities. Following the guidance of the central government, municipal governments in various cities, such as Shenzhen and Guangzhou, have also issued tailored policies and measures to encourage consumption. With the support of these policies, the increase in domestic consumption is expected to stimulate the demands for commercial property operational services.

Expansion of the Retail Industry and Evolution in Consumption Structure: According to the China Index Academy Report, as a general trend, the contribution of domestic consumption to economic growth has been on the rise. With favorable government policies, this trend is expected to continuing. With per capita consumption expenditure continuing to grow, the consumption structure has also evolved to be more service-centered. Service related consumption accounted for 45.9% of total consumption in 2019, which increased from 44.2% in 2018. Increases in domestic consumption and evolving consumption structure will continue to spur the development of retail industry and innovation in business model, which in turn will increase demand on commercial property operational services.

Continuous Investment in Commercial Properties: From 2013 to 2019, the average annual investment amount in commercial properties reached RMB1.4 trillion, and the average annual new construction GFA reached 222 million sq.m. The continuous control on the housing market has decreased the profitability of residential property development, which, coupled with the strong domestic consumption, has made commercial property development an increasingly attractive alternative to property developers. In line with the continuous growth in investment in commercial properties, the number of shopping centers has increased from 1,517 as of December 31, 2013 to 5,221 as of December 31, 2019, representing a CAGR of 22.9%. With ample supply of shopping centers, the market will value high quality commercial property operational management, which in turn will spur the growth of the commercial property operational service market in China.

Entry Barriers

Operational Expertise and Service Experience: It is important for commercial property operational service providers to have strong tenant sourcing abilities, mature operational management systems and advanced informational technology systems. Established commercial property operational service providers typically gain operational expertise through successful project management experience. Successful project management experience is particularly important for commercial property operational service providers to shape their brand image. In terms of large-scale shopping centers with complex tenant mixes, successful management experience in similar projects provides meaningful guidance to the operation team in the actual operational management process. The technical skills and successful operation experience pose an entry barrier for new entrants.

Management Professionals: The expansive service scope requires commercial property operational service providers to maintain professional teams for each part of the commercial property operational services. With the trend of intensifying competition and diversifying service offerings, established commercial property operational service providers put more resources to train and retain talent. Therefore, it is a barrier for new entrants to recruit sufficient talent and to establish personnel structure to meet the market demands.

Brand Recognition: Commercial property operational service providers acquire brand recognition and market influence through successful projects and excellent service quality. Due to customers' preference to established commercial property operational service provider, brand recognition would provide competitive edge over new entrants in the increasingly competitive market in acquiring clients. New entrants face great challenge to establish foothold in the market.

Customer Acquisition Ability: Due to increasing competition, customers prefer renowned and experienced commercial property operational service providers. Further, commercial property operational service providers with connections to real estate developers can also utilize the affiliated developers to acquire clients. Thus, it is a barrier for new entrants to attract clients and establish their presence in the market.

Future Opportunities and Challenges of Commercial Property Operational Market in China

Evolving Demands for Commercial Property Operational Service Providers: The commercial property market has grown rapidly in recent years, with the total number of shopping centers increasing from 1,517 as of December 31, 2013 to 5,221 as of December 31, 2019. Further, existing shopping centers might need renovation and upgrade due to evolving customer preferences. In need of repositioning, commercial property developers will likely prefer commercial property operational service providers with relevant expertise. The shift in the preferences of commercial property developers will increase the demands for commercial property operational services. In the meantime, the commercial property operational service market is highly fragmented without clear market leaders. The combination of these factors provides a window for established commercial property operational service providers to expand their businesses through the output service model.

Customer Preference for Established Commercial Property Operational Service Providers: With increasing competition in the commercial property operational service market, commercial property operational service providers enhance their capabilities through operational management of quality commercial properties, which in turn help them reach customers. Under intense competition, customers are more inclined to choose commercial property operational service providers who already have multiple successful commercial properties under management. Thus, established commercial property operational service providers could enter into a virtuous circle, with successful projects reinforcing their market leading positions and increase their market share. On the contrary, it is a barrier for new entrants to acquire operational management contracts for quality commercial properties and further expand.

Consumer-Experience Driven Shopping Centers as a Focal Point of Online and Offline Commerce: Due to the evolving consumer preferences, shopping centers become more consumer-experience driven, with emphases on diverse product offerings and consumer preferences. According to the China Index Academy Report, the costs to obtain new consumers in online retail have increased significantly in recent years. Furthermore, compared with online shopping, shopping centers allow consumers to interact with the brand and experience the products first-hand. As a result, shopping centers with emphasis on consumer experiences will not only attract consumer traffic but also invite e-commerce companies to expand offline. Therefore, the commercial property operational service providers with expertise in managing consumer-experience driven shopping centers will likely to expand their footprint.

Labor and Operating Costs: The commercial property operational service market is an intelligence-intensive market, involving a large number of commercial operation professionals. The average annual wage of employed person in urban area in China has increased from RMB51,483 in 2013 to RMB90,501 in 2019, representing a CAGR of 9.9%. The national urban average annual wage is expected to increase to approximately RMB117,700 in 2023. Moreover, the utilities expense, office supplies expenses and office rents have likewise increased in the last few years. Therefore, the rising labor and operating costs may become a challenge to commercial property operational service providers.

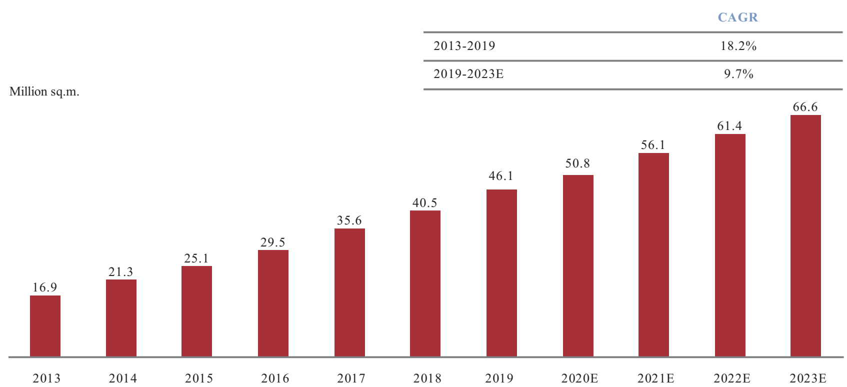
COMMERCIAL PROPERTY OPERATIONAL SERVICE MARKET IN SHENZHEN AND THE GREATER BAY AREA

Introduction

On February 18, 2019, the Development Planning Outline for the Guangdong-Hong Kong-Macau Greater Bay Area (《粵港澳大灣區發展規劃綱要》) (the "**Outline**") was issued. Pursuant to the Outline, the Greater Bay Area (including Hong Kong and Macau), with a total nominal GDP of more than RMB10 trillion in 2018, will be built into a world-class cluster for emerging industries, advanced manufacturing and modern service industries. With the auspice of favorable policies, the Greater Bay Area is expected to experience great economic development in the future. According to the China Index Academy Report, Shenzhen is ranked first in the Greater Bay Area (including Hong Kong and Macau) in terms of nominal GDP and one of the key economic driver in the Greater Bay Area (including Hong Kong and Macau). In the future, Shenzhen is expected to continue driving the economic development of the Greater Bay Area (including Hong Kong and Macau).

Commercial Property Operational Service Market in the Greater Bay Area

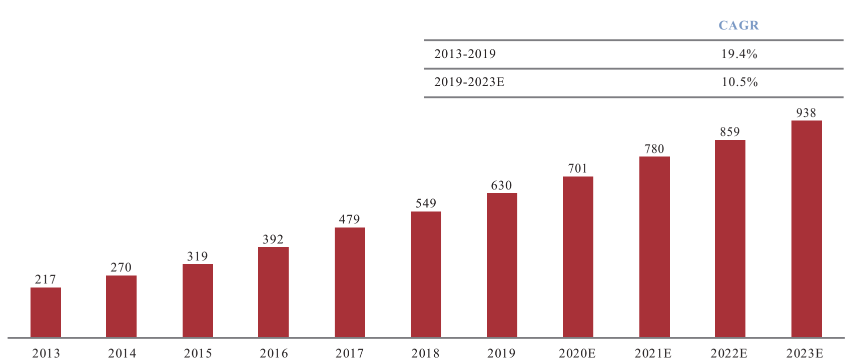
Total GFA of Shopping Centers in Operation (Greater Bay Area), 2013-2023E



Source: *China Index Academy Report*

According to the China Index Academy Report, the total GFA of shopping centers in operation in the Greater Bay Area increased from 16.9 million sq.m. as of December 31, 2013 to 46.1 million sq.m. as of December 31, 2019, with a CAGR of 18.2%. The total GFA of shopping centers in operation in the Greater Bay Area is expected to reach 66.6 million sq.m. as of December 31, 2023, with a CAGR of 9.7% from 2019 to 2023.

Total Number of Shopping Centers in Operation (Greater Bay Area), 2013-2023E

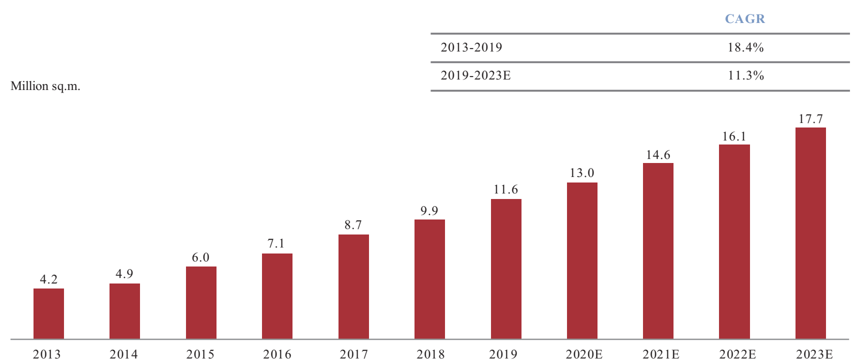


Source: *China Index Academy Report*

According to the China Index Academy Report, the total number of shopping centers in operation in the Greater Bay Area increased from 217 as of December 31, 2013 to 630 as of December 31, 2019, with a CAGR of 19.4%. The total number of shopping centers in operation in the Greater Bay Area is expected to reach 938 as of December 31, 2023, with a CAGR of 10.5% from 2019 to 2023.

Commercial Property Operational Service Market in Shenzhen

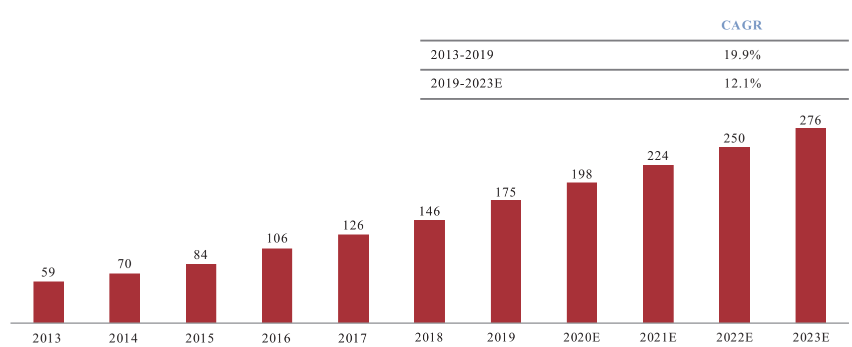
Total GFA of Shopping Centers in Operation (Shenzhen) (2013-2023E)



Source: China Index Academy Report

According to the China Index Academy Report, the total GFA of shopping centers in operation in Shenzhen increased from 4.2 million sq.m as of December 31, 2013 to 11.6 million sq.m. as of December 31, 2019, with a CAGR of 18.4%. The total GFA of shopping centers in operation in Shenzhen is expected to reach 17.7 million sq.m. as of December 31, 2023, with a CAGR of 11.3% from 2019 to 2023.

Total Number of Shopping Centers in Operation (Shenzhen) (2013-2023E)



Source: China Index Academy Report

According to the China Index Academy Report, the total number of shopping centers in operation in Shenzhen increased from 59 as of December 31, 2013 to 175 as of December 31, 2019, with a CAGR of 19.9%. The total number of shopping centers in operation in Shenzhen is expected to reach 276 as of December 31, 2023, with a CAGR of 12.1% from 2019 to 2023.

Competitive Landscape in the Greater Bay Area

According to the China Index Academy Report, as of September 30, 2020, there were approximately 440 commercial property operational service providers in the Greater Bay Area. The commercial property operational service market in the Greater Bay Area is relatively fragmented, with the top five companies accounting for approximately 11.8% of total number of shopping centers in operation under management.

Ranking	Company	Background	Market share
1	Company F	A listed leading commercial property operational service provider in the PRC, focusing on Yangtze River Delta Region, Pearl River Delta Region, Central Western China and other regions, primarily committed to meet customers' demand for a better life through providing satisfying products and services.	3.1%
2	Company A	A leading commercial property operational service provider in the PRC in terms of GFA under management and number of projects under management, with industry-leading service capability and notable brand influence, and with services covering numerous commercial properties located in a vast majority of provincial level regions in the PRC.	2.9%
3	Company G	A leading commercial property operational service provider in the PRC, providing a diverse business portfolio including commercial properties, retails and restaurants, with the leading commercial operation investment capacity and comprehensive commercial chain.	2.6%
4	Our Group	A leading commercial property operational service provider in the Greater Bay Area with a national presence, providing entrusted management services, brand and management output services and sublease services to shopping centers, high-end home furnishing shopping center and high-end office buildings.	1.7%
5	Company H	A comprehensive commercial property operational service provider in the PRC, covering commercial properties, healthcare and culture sectors, provided services to various commercial complex with market competitiveness nationwide.	1.5%

Competitive Landscape in Shenzhen

As of September 30, 2020, there were approximately 120 commercial property operational service providers in Shenzhen. The commercial property operational service market in Shenzhen is relatively fragmented, with the top five companies accounting for approximately 18.1% of total number of shopping centers in operation under management.

Market Drivers

Continuous Economic Development and Population Growth: In line with the robust economic growth in China, the nominal GDP of the Greater Bay Area increased from RMB3,214.7 billion in 2009 to RMB8,689.9 billion in 2019, representing a CAGR of 10.3%. Further, the Greater Bay Area has continued to attract talent from all over the country. The permanent population in the Greater Bay Area increased from 57.2 million as of December 31, 2013 to 64.5 million as of December 31, 2019. The permanent population in Shenzhen increased from 10.6 million as of December 31, 2013 to 13.4 million as of December 31, 2019. The continuous economic development and population growth will provide concrete support to the development of commercial property operational service market in the Greater Bay Area.

Further Development of Shopping Center Market: The Greater Bay Area is one of the most economically developed region in the PRC. According to the China Index Academy Report, the average per capita disposable income of the Greater Bay Area is higher than the national average in 2018. Furthermore, the per capita disposable income in the Greater Bay Area has increased steadily in recent years, growing at a CAGR of 8.7% from 2014 to 2019. The continuous increase in per capita disposable income will likely stimulate further growth in shopping center market. In 2018, the per capita shopping center GFA was 0.5 sq.m. in China and 0.7 sq.m. in the Greater Bay Area. In comparison, the per capita shopping center GFA in the U.S. was 2 sq.m. in 2018, according to the China Index Academy Report. Therefore, there is great growth potential in the shopping center market in the Greater Bay Area.

Favorable Policies: According to the China Index Academy Report, the Report on the Work of the Government (政府工作報告) in 2017 included the development of the Greater Bay Area (including Hong Kong and Macau) as national strategy. In 2019, the Outline was issued to provide policy guidance and support on the development of the Greater Bay Area (including Hong Kong and Macau). According to the Outline, the Greater Bay Area (including Hong Kong and Macau) will be developed as a vibrant world-class city cluster, international technology innovation center and crucial support for the development of the Belt and Road Initiative. Specifically, the Outline provides that the investment and business environment in the Greater Bay Area (including Hong Kong and Macau) will be improved and the cooperation between Guangdong, Hong Kong and Macau will be deepened to improve the market integration of the Greater Bay Area (including Hong Kong and Macau). The Outline also provides that infrastructure construction in the Greater Bay Area (including Hong Kong and Macau) will be further strengthened to improve internal connection. In addition, the State Council issued the Opinion on Supporting Shenzhen to Build a Pioneering Demonstration Area of Socialism with Chinese Characteristics (《關於支持深圳建設中國特色社會主義先行示範區的意見》), establishing the strategic position of Shenzhen as high ground of quality development, a model city for the rule of law and pilot city in sustainable development. This opinion further provides that by 2025, Shenzhen will be among the leading cities in the world in terms of economic performance and development quality and a modern international innovation city. With the auspice of favorable policies, the Greater Bay Area, and Shenzhen specifically, are expected to experience strong economic development in the future, which in turn will drive the growth of commercial property operational service market in the region.

Future Opportunities and Challenges in the Greater Bay Area

Continuous Concentration of Population and Increasing Connectivity: The Greater Bay Area continuously attract talent from all over the country. From 2013 to 2018, the household registered population in the Greater Bay Area grew from 31.4 million to 35.9 million, representing a CAGR of 2.7%. In addition, the Greater Bay Area (including Hong Kong and Macau) has improved connectivity within the region in recent years. In 2018, the Guangzhou-Shenzhen-Hong Kong high-speed railway became fully open to traffic, and the Hong Kong-Zhuhai-Macao bridge was put in operation. In 2019, the Guangdong-Shenzhen intercity railway was put in operation. These transports will likely help increase migration within the region. According to the Outline, the commute time among major cities in the Greater Bay Area (including Hong Kong and Macau) will be reduced to less than one hour with the continuous influx of residents and increasing connectivity and the retail industry and commercial retail property market will likely continue to develop, which in turn will stimulate demands for commercial property operational services.

Increasing Competition in the Greater Bay Area: According the Outline, the Greater Bay will be developed as a vibrant world class city cluster. Furthermore, according to the Guiding Opinions of 14 Departments Including the Ministry of Commerce on the Cultivation and Development of International Consumption Cities (《關於培育建設國際消費中心城市的指導意見》) (the "**Guiding Opinion**"), Shenzhen and Guangzhou will be developed as international consumption cities with international attraction and influence. It is foreseeable that domestic and international leading commercial property operational service providers will aim to expand to the Greater Bay Area. According to China Index Academy, the number of commercial property operational service providers increased from 180 as of December 31, 2013 to approximately 440 as of December 31, 2019. The market competition will likely continue to intensify with further economic growth in the Greater Bay Area.

A summary of the most significant laws, regulations and rules that affect our business activities and operation in People's Republic of China is set out below.

COMPANY LAW AND LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Company Law of the PRC (《中華人民共和國公司法》) (Order No. 16 of the President) (the "**Company Law**"), which was enacted by the Standing Committee National People's Congress (the "**SCNPC**") on December 29, 1993 and was implemented since July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018, respectively, provides that companies established in the PRC may take form of company of limited liability or company limited by shares. Each company has the status of a legal person and owns its assets itself. Assets of a company may be used in full for the company's liability. The Company Law applies to foreign-invested companies unless relevant laws provide otherwise.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (Order No. 26 of the President), was adopted by the National People's Congress of the PRC on March 15, 2019, which came into effect as of January 1, 2020. Under the Foreign Investment Law of the PRC, the State shall implement the management systems of pre-establishment national treatment and negative list for foreign investment, according to which the treatment given to foreign investors and their investments during the investment access stage shall be not lower than that given to their domestic counterparts, and the State shall give national treatment to foreign investment beyond the negative list where special administrative measures for the access of foreign investment in specific fields is specified. Besides, the State shall protect foreign investors' investment, earnings and other legitimate rights and interests within the territory of China in accordance with the law. The state will take measures to prompt foreign investment such as ensuring fair completion for foreign-invested enterprises to participate in government procurement activities, and protection of intellectual property rights of foreign investors and foreign-invested enterprises. In respect of administration of foreign investment, foreign investment shall go through relevant verification and record-filing formalities if required by relevant state laws and regulations. While the organization form, institutional framework and standard of conduct of a foreign-invested enterprise shall be subject to the provisions of the Company Law or the Partnership Enterprise Law of the PRC, if applicable.

The Implementing Regulation for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (Decree No. 723 of the State Council), adopted at the 74th executive meeting of the State Council on December 12, 2019 which came into effect on January 1, 2020, provides implementing measures and detailed rules to ensure the effective implementation of the Foreign Investment Law of the PRC.

The Catalogue of Industries for Encouraged Foreign Investment (2019 Edition) (《鼓勵外商投資產業目錄（2019年版）》) (the "**Catalogue**") was promulgate on June 30, 2019 by the NDRC and MOFCOM, and entered into force from July 30, 2019. Catalogue for the Guidance of Foreign Investment Industries (Revised in 2017) (《外商投資產業指導目錄（2017年修訂）》) released on June 28, 2017 and the Catalog of Priority Industries for Foreign Investment in the Central-Western Region (Revised in 2017) (《中西部地區外商投資優勢產業目錄（2017年修訂）》) released on February 17, 2017, were repealed simultaneously. The Special Administrative Measures for Access of Foreign Investment (Negative List) (2020 Edition) (《外商投資准入特別管理措施（負面清單）（2020年版）》) (the "**Negative List 2020**"), released on June 23, 2020 and came into effect on July 23, 2020. The Catalogue and Negative List 2020 stipulated in detail the areas of entry pertaining to the categories of encouraged foreign investment industries, restricted foreign investment industries and prohibited foreign investment industries. Any industry not listed in the Catalogue or Negative List 2019 is a permitted industry.

Commercial property operational service industry is not listed in the Negative List 2020 and thus not subject to special administrative measures for foreign investment access.

LEGAL SUPERVISION OVER THE INTERNET INFORMATION SERVICES

Supervision on Internet Information Services

According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (No. 292 Order of the State Council) (promulgated by the State Council on September 25, 2000, came into effect on the same day and revised on January 8, 2011), internet information service refers to the provision of service activities of information through Internet to web users, and includes two categories: commercial and non-commercial. Commercial Internet information service refers to the provision of service activities with charge of payment of information through the Internet to web users or of webpage designing, etc. Non-commercial Internet service refers to the provision of service activities 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 30 days in advance at the relevant government department.

LAWS AND REGULATIONS ON ADVERTISING

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

The Interim Measures for the Administration of Internet Advertisement (《互聯網廣告管理暫行辦法》), which was jointly amended by the State Administration of Industry and Commerce on July 4, 2016 and came into effect on September 1, 2016, provides that Internet Advertisement shall be identifiable and clearly identified as an "advertisement" so that consumers will tell it is an advertisement. Paid search advertisements shall be clearly distinguished from natural search results. No advertisement of any medical treatment, medicines, dietary supplement of other special commodities or services which are subject to review by advertisement review authorities as stipulated by laws and regulations shall be released unless it has passed such review.

LEGAL SUPERVISION OVER REAL ESTATE BROKERAGE BUSINESS

According to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》) (Order No. 29 of the President) (issued by the Standing Committee of the National People's Congress on July 5, 1994, and revised on August 30, 2007, August 27, 2009 and August 26, 2019 which came into effect on January 1, 2020), real estate intermediate service agencies include real estate consultants, real estate evaluation agencies, real estate brokerage agencies, etc. Real estate intermediate agencies shall meet the following conditions: (i) have their own name and organization; (ii) have a fixed business site; (iii) have the necessary assets and funds; (iv) have a sufficient number of professionals; (v) other conditions specified by laws and administrative regulations.

According to the Administrative Measures for Real Estate Brokerage (《房地產經紀管理辦法》) (Order No. 8 of the MOHURD, NDRC and the Ministry of Human Resources and Social Security) (issued by the MOHURD, NDRC and the Ministry of Human Resources and Social Security on January 20, 2011, came into effect on April 1, 2011 and revised on March 1, 2016, came into effect on April 1, 2016), real estate brokerage refers to the acts of providing intermediary and agency services to and collecting commissions from clients by real estate brokerage institutions and real estate brokers for the purpose of promoting real estate transactions. Sufficient number of real estate agents shall be equipped to establish real estate brokerage agencies and their branches. Real estate brokerage agencies and their branches shall go to the competent construction (real-estate) supervising department of the local municipality/city/county for handling the filing formalities within 30 days from the date of receiving business licenses.

INFORMATION SECURITY AND PRIVACY PROTECTION

According to the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) (promulgated by SCNPC on November 7, 2016, came into effect on June 1, 2017), network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities and maintain the integrity, confidentiality and usability of network data, the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

On December 28, 2012, the SCNPC promulgated the Decision on Strengthening Network Information Protection (《關於加強網絡信息保護的決定》) to enhance the legal protection of information security and privacy on the internet. On July 16, 2013, the Ministry of Industry and Information Technology (the "**MIIT**") promulgated the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》), which became effective on September 1, 2013, to regulate the collection and use of personal information of users in the provision of telecommunication service and internet information service in the PRC.

According to the Several Provisions on Regulation of the Order of Internet Information Service Market (《規範互聯網信息服務市場秩序若干規定》) (promulgated by MIIT on December 29, 2011, came into effect on March 15, 2012), without the consent of users, Internet information service providers shall not collect information relevant to the users that can lead to the recognition of the identity of the users independently or in combination with other information (the "**personal information of users**"), nor shall they provide personal information of users to others, unless otherwise provided by laws and administrative regulations, and internet information service providers shall properly preserve the personal information of users.

On May 9, 2017, the Supreme People's Court and the Supreme People's Procuratorate released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the "**Interpretations**"), effective from June 1, 2017. The Interpretations clarify several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), including "citizen's personal information," "violating relevant national provisions" and "unlawfully obtaining citizens' personal information by other means." In addition, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

LABOR AND SOCIAL INSURANCE-RELATED LAWS AND REGULATIONS

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

According to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (promulgated by the SCNPC on June 29, 2007, came into effect on January 1, 2008 and revised on December 28, 2012 and came into effect on July 1, 2013), employment contracts shall be concluded in written form if employment relationships are to be or have been established between enterprises or institutions and the employees. Enterprises and institutions are forbidden to force or force in disguise the employees to work beyond the statutory time limit and employers shall pay employees for overtime work in accordance with national regulations. In addition, the wages shall not be lower than local standards on minimum wages and shall be paid to the employees timely.

According to the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) (Order No. 259 of the State Council) (issued by the State Council on January 22, 1999, came into effect on the same day and amended on March 24, 2019 by the Decision of the State Council on Revising Certain Administrative Regulations (《國務院關於修改部分行政法規的決定》), the Regulation on Work Related Injury (《工傷保險條例》) (Order No. 375 of the State Council) (issued by the State Council on April 27, 2003, came into effect on January 1, 2004 and revised on December 20, 2010), the Regulations on Unemployment Insurance (《失業保險條例》) (Order No. 258 of the State Council) (issued by the State Council on January 22, 1999 and came into effect on the same day) and the Notice Regarding Trial Measures on Employee Maternity Insurance of Enterprises (《關於發佈〈企業職工生育保險試行辦法〉的通知》) (Order [1994] No. 504 of the Ministry of Labor and Social Insurance) (issued by the Ministry of Labor on December 14, 1994 and came into effect on January 1, 1995), enterprises incorporated in the PRC shall provide their employees with benefit plans, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance. Employers must carry out social insurance registration with local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) (Order No. 35 of the President), which was promulgated by the Standing Committee of the National People's Congress on October 28, 2010, became effective on July 1, 2011 and was amended on December 29, 2018, 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 still fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them, and their executive staffs and other directly responsible persons shall be fined RMB500 to RMB3,000. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the relevant administrative department.

Pursuant to the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) (Order No. 262 of the State Council) (promulgated by the State Council on April 3, 1999, March 24, 2002 and was last amended on March 24, 2019), an enterprise shall make deposit registration of housing provident funds with the housing provident fund management center, and shall, after the housing provident fund management center has checked the registration, open the housing provident fund account with an entrusted bank for its employees. An enterprise shall, within 5 days of paying wages to an employee each month, remit the housing provident fund deposited by the enterprise and that withheld for the employee into the special housing provident fund account, and the entrusted bank shall deposit the aforesaid funds into the employee's housing provident fund account. Where an enterprise fails to deposit the housing provident fund within the time limit or under-deposits the fund, it shall be ordered by the housing provident fund management center to deposit the fund or the deficit within a time limit, where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

INTELLECTUAL PROPERTY RIGHTS RELATED LAWS AND REGULATIONS

Trademark Law

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) (Order No. 10 of the SCNPC) (promulgated by the SCNPC on August 23, 1982, came into effect on March 1, 1983 and revised on February 22, 1993, October 27, 2001, August 30, 2013 and April 24, 2019) and the PRC Trademark Law Implementing Regulations (《中華人民共和國商標法實施條例》) (Order No. 651 of the State Council) (promulgated by the State Council on April 29, 2014 and came into effect on May 1, 2014). The trademark bureaus under the State Administration for Market Regulation is responsible for trademark registration and authorizing registered trademarks for a validity period of 10 years. Trademark registrants may apply for renewal of registration, and the validity of a renewed registered trademark is the following 10 years. Trademark registrants may, by signing a trademark license contract, authorize others to use their registered trademark. The trademark license contract shall be submitted to the trademark office for filing. For trademarks, trademark law adopts the principle of "prior application" while handling trademark registration. Where a trademark under registration application is identical with or similar to the trademark of another party that has, in respect of the same or similar goods or services, been registered or, after examination, preliminarily approved, the application for trademark registration shall be rejected. Anyone who applies for trademark registration shall not impair any existing prior right of anyone else, or forestall others in registering a trademark which others have already begun to use and which has "some influence."

Copyright law

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

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) (Order No. 1 of the National Copyright Administration) (promulgated by the National Copyright Administration on February 20, 2002, and came into effect on the same day) regulates the registration of software copyright, the exclusive licensing contract and transfer contracts of software copyright. The National Copyright Administration is mainly responsible for the registration and management of national software copyright and recognizes the China Copyright Protection Centre as the software registration organization. The China Copyright Protection Centre will grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulations on Protection of Computers Software (《計算機軟件保護條例》) (Order No. 339 of the State Council) (promulgated by the State Council on December 20, 2001, came into effect on January 1, 2002 and revised on January 8, 2011 and January 30, 2013).

Domain Name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) (Order No. 43 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 principle of "first-to-file" is adopted for domain name services. The applicant of domain name registration shall provide the agency of domain name registration with the true, accurate and complete information about the domain name holder's identity for the registration purpose, and sign the registration agreements. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

LEGAL SUPERVISION OVER THE CHINESE TAX

Enterprise Income Tax ("EIT")

In accordance with the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) ([2007] No. 64 Order of the President of the PRC) (the "**EIT Law**") (promulgated on March 16, 2007 and became effective from January 1, 2008 and amended on February 24, 2017 and December 29, 2018) and the Regulation on the Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) ([2007] No. 512 Order of the State Council) (promulgated 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." Enterprises that are set up in the PRC under the PRC laws, or that are set up in accordance with the law of the foreign country (region) whose actual administration institution is in the PRC, shall be considered as "resident enterprises." Enterprises established under the law of the foreign country (region) with "de facto management bodies" outside the PRC, but have set up institutions or establishments in the PRC or, without institutions or establishments set up in the PRC, have income originating from the PRC, shall be considered as "non-resident enterprises."

A resident enterprise shall pay EIT on its income originating from both inside and outside the PRC at an EIT rate of 25%. A non-resident enterprise that has establishments or places of business in the PRC shall pay EIT on its income originating from PRC obtained by such establishments or places of business, and on its income which deriving outside the PRC but has actual connection with such establishments or places of business, at the EIT rate of 25%. A non-resident enterprise that does not have an establishment or place of business in the PRC, or it has an establishment or place of business in the PRC but the income has no actual connection with such establishment or place of business, shall pay EIT on its passive income derived from the PRC at a reduced rate EIT of 10%.

According to the Circular on the Interpretation and the Determination of the "Beneficial Owners" in the Tax Treaties (《關於稅收協定中「受益所有人」有關問題的公告》) (Announcement of the State Administration of Taxation [2018] No. 9) (promulgated by SAT on February 3, 2018 and came into effect on April 1, 2018), the determination of whether a company enjoys preferential tax treaty benefits shall be made based on an overall assessment of the various factors, together the actual situation of each specific case.

According to the Announcement on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (SAT Public Notice [2015] No. 7) (promulgated by SAT on February 3, 2015 and came into effect on the same day, revised on October 17, 2017 and December 29, 2017), where a non-resident enterprise indirectly transfers equities and other assets of a PRC resident enterprise to avoid the EIT payment obligation by making an arrangement with no reasonable business purpose, such indirect transfer shall be redefined and recognized as a direct transfer in accordance with the provisions of the EIT Law. Where the EIT on the income from the indirect transfer of real estate or equities shall be paid in accordance with the provisions of this Announcement, the entity or individual that directly assumes the obligation to make relevant payments to the transferor according to the provisions of the relevant laws or as agreed upon in the contract shall be the withholding agent.

Income Tax in Relation to Dividend Distribution

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of the PRC and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Arrangement**") on August 21, 2006 and implemented the Arrangement from January 1, 2007. According to the Arrangement, the 5% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong tax resident, provided that such Hong Kong tax resident directly holds at least 25% of the equity interests in the PRC company. The 10% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong tax resident if such Hong Kong tax resident holds less than 25% of the equity interests in 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》) (Guoshui Han [2009] No. 81), which was promulgated by the SAT and became effective on February 20, 2009, all of the following requirements shall be satisfied before a fiscal resident of the other party to a tax agreement can be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a Chinese resident company: (i) such a fiscal resident of the other party who obtains dividends should be a company as provided in the tax agreement; (ii) the equity interests and voting shares of the Chinese resident company directly owned by such a fiscal resident reaches a specified percentage; and (iii) the equity interests of the Chinese resident company directly owned by such a fiscal resident, at any time during the twelve months prior to receipt of the dividends, reach a percentage specified in the tax agreement.

Value-added Tax

According to Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) (Order No. 134 of the State Council) (promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994, and was amended on November 10, 2008, February 6, 2016, November 19, 2017), organizations and individuals engaging in sale of goods or processing, repair and assembly services, sale or services, intangible assets, immovable and importation of goods in the PRC shall be taxpayers of valued-added Tax (the "**VAT**"), the tax rate for taxpayers engaging in sale of services and intangible assets shall be 6% unless otherwise stipulated.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (《關於印發〈營業税改徵增值税試點方案〉的通知》) (Caishui [2011] No. 110) (promulgated and became effective on November 16, 2011), which was promulgated by the Ministry of Finance and the SAT, the State began to launch taxation reforms in a gradual manner with effect from January 1, 2012, whereby the collection of VAT in lieu of business tax items was implemented on a trial basis in regions showing significant radiating effects in economic development and providing outstanding reform examples, beginning with production service industries such as transportation and certain modern service industries.

In accordance with Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《關於全面推開營業税改徵增值税試點的通知》) (Caishui [2016] No. 36) (promulgated on March 23, 2016 and came into effect on May 1, 2016, and was amended on July 11, 2017 and March 20, 2019), upon approval of the State Council, the pilot program of the collection of VAT in lieu of business tax shall be promoted nationwide in a comprehensive manner starting from May 1, 2016, and all business tax payers engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax. For general service income, the applicable VAT rate is 6%.

FOREIGN EXCHANGE REGULATIONS

Under the Administrative Regulations of the PRC on Foreign Exchange (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Administrative Regulations**") (promulgated by the State Council on January 29, 1996, amended on January 14, 1997 and August 5, 2008, and became effective on August 5, 2008), Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but is not freely convertible for capital account items, such as direct investment or engaging in the issuance or trading of negotiable securities or derivatives unless the prior approval by the competent authorities for the administration of foreign exchange is obtained.

In accordance with the Foreign Exchange Administrative Regulations, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of the State Administration of Foreign Exchange (the "**SAFE**") for paying dividends by providing certain evidencing documents (board resolutions, tax certificates, etc.), or for trade and services-related foreign exchange transactions by providing commercial documents evidencing such transactions. They are also allowed to retain foreign currency (subject to a cap approval by the SAFE) to satisfy foreign exchange liabilities. In addition, foreign exchange transactions involving overseas direct investment or investment and trading in securities, derivative products abroad are subject to registration with the competent authorities for the administration of foreign exchange and approval or filings with the relevant government authorities (if necessary).

According to the Circular on the Management of Offshore Investment and Financing and Round Trip Investment By Domestic Residents through 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》) (Huifa [2014] No. 37) (the "**Circular 37**") (promulgated by SAFE and came into effect on July 4, 2014), the SAFE carry out registration management for domestic resident's establishment of special purpose vehicles (a "**SPV**"). A SPV is defined as "offshore enterprise directly established or indirectly controlled by the domestic resident (including domestic institution and domestic individual resident) with their legally owned assets and equity of the domestic enterprise, or legally owned offshore assets or equity, for the purposes of investment and financing." "Round Trip Investments" refer to "the direct investment activities carried out by a domestic resident directly or indirectly via a SPV, such as establishing a foreign-invested enterprise or project within the PRC through a new entity, merger, acquisition or any other ways and obtaining ownership, control, operation and management and other rights and interests." Before a domestic resident contributes its legally owned onshore or offshore assets and equity to a SPV, the domestic resident shall conduct foreign exchange registration for offshore investment with the local branch of the SAFE, and in the event of any change of basic information such as the individual shareholder, name, operation term, or if there is a capital increase or decrease, equity transfer or swap, merge, spin off or other amendment of the material items, the domestic resident shall complete foreign exchange alteration of the registration formality for offshore investment. In addition, according to the procedural guidelines as attached to the Circular 37, the principle of review has been changed to "the domestic individual resident is only required to register the SPV directly established or controlled by him (first level)."

Pursuant to Circular of the State Administration of Foreign Exchange 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》) (Huifa [2015] No. 13) Circular 13, (promulgated by SAFE on February 13, 2015, implemented and became effective on June 1, 2015), the initial foreign exchange registration for establishing or taking control of a SPV by domestic residents can be conducted with a qualified bank, instead of the local foreign exchange bureau.

According to the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**Circular 19**") (promulgated by SAFE on March 30, 2015, and became effective on June 1, 2015), the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretional Foreign Exchange Settlement (the "**Discretional Foreign Exchange Settlement**"). The Discretional Foreign Exchange Settlement refers to the foreign exchange capital in the capital account of an foreign-invested enterprise for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of Discretional Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined as 100%. The Renminbi converted from the foreign exchange capital will be kept in a designated account and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and go through the review process with the banks.

Furthermore, the 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. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes:

1. directly or indirectly used for payment beyond the business scope of the enterprises or payment prohibited by relevant laws and regulations;

2. directly or indirectly used for investment in securities unless otherwise provided by relevant laws and regulations;

3. directly or indirectly used for granting entrusted loans in Renminbi (unless permitted by the scope of business), repaying the inter-enterprise borrowings (including advances by third parties) or repaying bank loans in Renminbi that have been sub-lent to a third party; and

4. paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

Pursuant to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《關於改革和規範資本項目結匯管理政策的通知》) (Huifa [2016] No. 16) (the "**Circular 16**") (promulgated by SAFE on June 9, 2016, which became effective simultaneously), enterprises registered in the PRC (including Chinese-funded enterprises and foreign-invested enterprises, excluding financial institutions) may also convert their foreign debts from foreign currency to Renminbi on self-discretionary basis. The Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign exchange capital and foreign debts) on a discretionary basis which applies to all enterprises registered in the PRC. The Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, and such converted Renminbi shall not be provided as loans to its non-affiliated entities, except where it is expressly permitted in the business license.

REGULATIONS ON MERGER AND ACQUISITION OF DOMESTIC ENTERPRISES BY FOREIGN INVESTORS

Under the Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors in the PRC (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") which was promulgated on August 8, 2006, came into effect on September 8, 2006, and was amended and came into effect on June 22, 2009, a foreign investor is required to obtain necessary approvals when (i) a foreign investor acquires equity interests in a domestic non-foreign invested enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity interests in a domestic enterprise via an increase of registered capital thereby converting it into a foreign-invested enterprise; or (ii) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise by agreement and injects those assets to establish a foreign-invested enterprise. In the case where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it/him, acquires a domestic company that is related to or connected with it/him, approval from MOFCOM is required.

According to the Provisional Measures on Administration of Filing for Establishment and Change of Foreign Investment Enterprises (《外商投資企業設立及變更備案管理暫行辦法》), the merger and acquisition of domestic non-foreign-invested enterprises by foreign investors shall, if not involving special access administrative measures and affiliated mergers and acquisitions, be subject to the record filing measures.

Furthermore, the MOFCOM and the State Administration of Market Regulation issued the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) on December 30, 2019, which came into effect on January 1, 2020 and replaced Provisional Measures on Administration of Filing for Establishment and Change of Foreign Investment Enterprises. Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to such measures.

HISTORY AND DEVELOPMENT

Our business was built on the success of the commercial property operational service business of Galaxy Suhuo Park Industrial, a property development company controlled by Mr. Huang, our Ultimate Controlling Shareholder, back in 2004 when a commercial property operational service team was formed to provide commercial property operational services in respect of Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)). Shenzhen Futian COCO Park (North) (深圳福田星河COCO Park(北區)) is the first experiential shopping park in the PRC developed by Galaxy Suhuo Park Industrial. Mr. Niu Lin, our executive Director, was one of the key management members of the commercial property operational service team when it was formed. The commercial property operational service team has been providing commercial property operational services to shopping centers and commercial complexes developed or owned by companies controlled by Mr. Huang since 2004.

Building on the success of managing shopping centers and to further strengthen our commercial property operational service business, on December 29, 2014, Galaxy Property Group, a company controlled by Mr. Huang, acquired the entire equity interest in Galaxy Commercial Property Investment which held the entire equity interest in Galaxy Commercial Property Group from Ms. Huang Chunling (黃春玲) and Ms. Zhuang Libing (莊麗冰), respectively. Upon completion of such acquisition, Mr. Huang, through Galaxy Property Group, indirectly owned the entire equity interest in Galaxy Commercial Property Group, one of our major operating subsidiaries in the PRC. For details of such acquisition and the background and experience of Ms. Huang Chunling and Ms. Zhuang Libing, please see "—Our Corporate Development—Galaxy Commercial Property Group."

With a view to operating the commercial property operational service business under a separate business platform and as part of the business restructuring plan of Mr. Huang, following the acquisition of Galaxy Commercial Property Group in 2014, the commercial property operational service team of Galaxy Suhuo Park Industrial joined Galaxy Commercial Property Group and we have been carrying on our commercial property operational service business through Galaxy Commercial Property Group and its subsidiaries since then. Mr. Huang De-Lin Benny, the son of Mr. Huang, our executive Director and the chairman of our board of Directors, joined Galaxy Suhuo Park Industrial in August 2008 and has been working with our commercial property operational service team since then. He joined our Group along with other team members and has been responsible for the overall management of our business. Mr. Huang, on the other hand, has never been involved in our day-to-day management and business operation since the commencement of our commercial property operational service business. As Mr. Huang has accumulated extensive experience in property development industry, he currently serves as the chairman of the board of Shenzhen Galaxy Property Development. In addition, in order to carry out his strategic role, Mr. Huang also serves as the executive director of Galaxy Holding and Galaxy Investment. As for the business management of our Group, Mr. Huang had entrusted it to the commercial property operational service team. Given the past successful achievement of the commercial property operational service business led by our Directors and senior management, Mr. Huang has no intention of serving as a Director or a senior management to participate in the day-to-day management of our Group and only remains as an investor and our Controlling Shareholder. See "Relationship with our Controlling Shareholders—Delineation of Business" for details. To the best knowledge of our Directors, there is no fact and circumstance that may render Mr. Huang unsuitable to act as a Director.

We provide all-rounded and comprehensive services before and after a shopping center commences operation. We started to replicate our successful business model to the shopping centers and commercial complexes developed or owned by third-party developers in 2014. For details of the services provided by our Company, please see "Business" in this prospectus. Since the inception of the first shopping center in Shenzhen, Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), in 2006, we had expanded our geographic presence to 18 cities in China as of September 30, 2020, managing a total of 45 shopping centers and commercial complexes, including 27 in the Greater Bay Area (with 16 in Shenzhen), seven in Yangtze River Delta area, four in Central China Region and seven in other regions.

BUSINESS DEVELOPMENT MILESTONES

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

Year	Event
2014	We began to provide commercial property operational services to third-party developers through our asset-light brand and management output service model by entering into a contract to provide our services to Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO)
2015	We were contracted to provide commercial property operational services to Puning COCO City (普寧星河COCO City), which expanded our geographic coverage to east Guangdong Province
2016	We were contracted to operate Changzhou Galaxy Wujin Hutang COCO City (常州武進湖塘星河COCO City), our first project under the sublease service model and our first project in the Yangtze River Delta region
	The shares of Galaxy Commercial Property Group were quoted on NEEQ on December 2, 2016
2017	We were contracted to operate Ordos Galaxy COCO City (鄂爾多斯星河COCO City), which further expanded our geographic coverage to north China
2018	We were ranked 20th among China Top 100 Players of The Commercial Real Estate & Rewards for Best Performance of Commercial (中國商業地產TOP 100暨商業表現獎) by Guandian Index Academy (觀點指數研究院)

Year	Event
2019	We were ranked 15th among 2019 China TOP 100 Commercial Property Companies in China (2019中國商業地產百強企業) by China Index Academy
	We were ranked 10th among 2019 TOP 30 China Estate Management Performance (2019年度中國商業地產管理能力TOP30) by Guandian Index Academy
	We were contracted to provide commercial property operational services to Ningxiang Galaxy COCO City (寧鄉星河COCO City), which expanded our geographic coverage to Central China
	We formed strategic relationship with B-Energy Holding Co., Ltd. (博能控股股份有限公司), establishing joint venture to provide commercial property operational services to Nanchang Shanglian Galaxy COCO Park (南昌商聯星河COCO Park) and Nanchang B-Energy Galaxy iCO (南昌博能星河iCO)
2020	We were ranked 14th among China TOP 100 Commercial Property Companies in China (2020中國商業地產百強企業) by China Index Academy
	We were recognized as 2019-2020 Outstanding Commercial Real Estate Operational Service Provider (2019-2020年度商業地產優秀運營商) by Commercial Real Estate Golden Awards Evaluation Committee (商業地產金座標獎評選委員會) and Winshang.com (贏商網)
	Shenzhen Futian COCO Park (深圳福田星河COCO Park) was recognized as 2019-2020 Attractive Commercial Property Project (2019-2020年度投資價值商業地產項目) and Changhua Galaxy COCO City (佛山長華星河COCO City) was recognized as 2019-2020 Long-awaited Commercial Property Project (2019-2020年度備受期待商業地產項目) by Commercial Real Estate Golden Awards Evaluation Committee (商業地產金座標獎評選委員會) and Winshang.com (贏商網)

OUR CORPORATE DEVELOPMENT

We carry out our business through various subsidiaries in the PRC. Details of the major corporate developments of our PRC operating subsidiaries which were material to our performance during the Track Record Period are set out below.

Galaxy Commercial Property Group

Galaxy Commercial Property Group was established in the PRC on November 18, 2013 as a limited liability company with an initial registered capital of RMB30,000,000 which had been fully paid up in March 2016. As of the date of its establishment, it was wholly owned by Galaxy Commercial Property Investment, a company owned as to 50% by Ms. Huang Chunling and 50% by Ms. Zhuang Libing. Each of Ms. Huang Chunling and Ms. Zhuang Libing is a long time employee at an entity controlled by Mr. Huang, respectively. Ms. Huang Chunling has been in charge of human resource and finance related works since 2001 while Ms. Zhuang Libing has been in charge of finance related works since 1996. At the same time, they have also served as directors at various entities controlled by Mr. Huang. As Ms. Huang Chunling and Ms. Zhuang Libing had been working alongside Mr. Huang for a long time, they established a long-term and trusted professional relationship with Mr. Huang. Subsequently in 2013, with an aim to starting their own business of investing in, among others, entertainment, cultural or other commercial projects with similar nature and with Mr. Huang's acknowledgement, Ms. Huang Chunling and Ms. Zhuang Libing established Galaxy Commercial Property Investment, which in turn established and held 100% equity interest in Galaxy Commercial Property Group. As Galaxy Commercial Property Investment or its subsidiary had not been able to identify any commercial project for investment purpose in 2014, they underwent negotiation with Mr. Huang. In 2014, as Mr. Huang planned to (i) expand the commercial operation service business to properties developed by third-party developers; and (ii) seek quotation on the NEEQ for the commercial property operational service business, in order to achieve these goals, he believed it was more efficient to acquire an established legal entity to operate the commercial property operational service business. Subsequently in October 2014, Ms. Zhuang Libing and Ms. Huang Chunling entered into an equity interest transfer agreement with Galaxy Property Group, a company controlled by Mr. Huang, and such equity interest transfer was completed on December 29, 2014. Pursuant to such equity interest transfer, Galaxy Property Group acquired the entire equity interest in Galaxy Commercial Property Investment which held the entire equity interest in Galaxy Commercial Property Group at a nominal consideration of RMB500, taking into account the facts that the registered capital of Galaxy Commercial Property Investment had not been paid up then and that Galaxy Commercial Property Investment and its subsidiary had limited business activities at the time of the acquisition (the "**2014 Acquisition**"). Upon completion of the 2014 Acquisition, Mr. Huang, through Galaxy Property Group, indirectly owned the entire equity interest in Galaxy Commercial Property Group, one of our major operating subsidiaries in the PRC.

Upon completion of the 2014 Acquisition, Ms. Huang Chunling remained as a director of Galaxy Commercial Property Group until November 12, 2019. Mr. Li Xiaoming, the spouse of Ms. Huang Chunling, later on served as a director of Galaxy Commercial Property Group from May 12, 2016 to November 12, 2019. At the same time, each of them has remained as an employee in an entity controlled by Mr. Huang (excluding our Group), respectively, and they have also served as directors or supervisors in various entities controlled by Mr. Huang (excluding our Group) until now. In addition, Ms. Zhuang Libing remained as the chairman of the board of Galaxy Commercial Property Group until May 12, 2016. At the same time, Ms. Zhuang Libing has remained as an employee in an entity controlled by Mr. Huang (excluding our Group) and served as a director in various entities controlled by Mr. Huang (excluding our Group) until now. The reason Ms. Huang Chunling and Ms. Zhuang Libing had remained as directors of Galaxy Commercial Property Group for a period of time after the 2014 Acquisition was mainly because they had built trusts and long-term relationships with Mr. Huang. Subsequently, Ms. Huang Chunling, Mr. Li Xiaoming and Ms. Zhuang Libing resigned as the directors of Galaxy Commercial Property Group since they wanted to focus on their roles in various entities controlled by Mr. Huang (excluding our Group). Neither Ms. Huang Chunling, Mr. Li Xiaoming nor Ms. Zhuang Libing has any disagreement with our Group. To the best knowledge of our Directors, save that (i) Ms. Huang Chunling is the spouse of Li Xiaoming, the former chairman of the board of Galaxy Commercial Property Group after Ms. Zhuang Libing's resignation; and (ii) each of Ms. Huang Chunling and Ms. Zhuang Libing has been an employee in an entity controlled by Mr. Huang (excluding our Group), respectively, and they have also served as directors, supervisors or legal representatives in various entities controlled by Mr. Huang (excluding our Group), there is no past or present relationship (whether in terms of business, family, employment, financing or other kind of relationships) between each of them and our Company, subsidiaries, shareholders, directors, senior management, or respective associates.

In preparation of quoting on the NEEQ, which requires that company quoting on it shall be in the form of a joint stock company, and according to the PRC Company Law, a joint stock company shall be incorporated by a minimum of two promoters, on March 22, 2016, Galaxy Commercial Property Investment transferred its 10% equity interest in Galaxy Commercial Property Group to Anlinshan Asset Management, a company indirectly wholly-owned by Mr. Huang, at a consideration of RMB3,161,961.35, which was determined with reference to the net asset value of Galaxy Commercial Property Group as of February 29, 2016. Upon completion of such transfer, Galaxy Commercial Property Group was owned as to 90% by Galaxy Commercial Property Investment and 10% by Anlinshan Asset Management.

In contemplation of quoting on the NEEQ, on April 14, 2016, Galaxy Commercial Property Group passed a shareholders' resolution approving, among other matters, the conversion of Galaxy Commercial Property Group from a limited liability company into a joint stock company with limited liability. Upon completion of such conversion on May 12, 2016, the share capital of Galaxy Commercial Property Group was RMB30,000,000 divided into 30,000,000 shares with a nominal value of RMB1.00 each, of which Galaxy Commercial Property Investment and Anlinshan Asset Management held 27,000,000 shares and 3,000,000 shares, representing 90% and 10% of the share capital of Galaxy Commercial Property Group, respectively.

Having seen the potential growth of commercial property operational service industry in the PRC, in July 2016, Hongda Lixing and Yongxing Hongtai were established as two investment platforms in the form of limited liability partnership for the purpose of investing in Galaxy Commercial Property Group. At the time of establishment of Hongda Lixing, its registered partners were three individuals, who were the senior management members of certain entities controlled by Mr. Huang (excluding our Group). At the time of establishment of Yongxing Hongtai, its registered partners were three individuals, who were also the senior management members of certain entities controlled by Mr. Huang (excluding our Group). On July 27, 2016, Hongda Lixing and Yongxing Hongtai subscribed 4,240,000 shares and 1,060,000 shares issued by Galaxy Commercial Property Group at a consideration of RMB6,477,377 and RMB1,619,344, respectively, of which RMB5,300,000 was credited to the share capital of Galaxy Commercial Property Group and the remaining RMB2,796,721 was credited to its capital reserve. The consideration was determined after arm's length negotiations with reference to the net asset value of Galaxy Commercial Property Group as of March 31, 2016 and was paid by Hongda Lixing and Yongxing Hongtai with the funds contributed by their respective registered partners using their personal wealth. Upon completion of such subscriptions, the share capital of Galaxy Commercial Property Group increased from RMB30,000,000 to RMB35,300,000 and Galaxy Commercial Property Group was owned as to approximately 76.49% by Galaxy Commercial Property Investment, approximately 12.01% by Hongda Lixing, approximately 8.50% by Anlinshan Asset Management and approximately 3.00% by Yongxing Hongtai. To the best knowledge of our Directors, save for the respective founding partners' investments in Hongda Lixing and Yongxing Hongtai and their roles as the senior management, directors or legal representatives at various entities controlled by Mr. Huang (excluding our Group), there is no past or present relationship (whether in terms of business, family, financing, fund flow or other kind of relationships) between each of Yongxing Hongtai, Hongda Lixing and their respective founding partners and our Company and its subsidiaries, their shareholders, directors, senior management, or their respective associates.

On December 2, 2016, the shares of Galaxy Commercial Property Group were quoted on NEEQ (stock code: 839819).

With an aim to realizing their investments in Galaxy Commercial Property Group, the registered partners of Yongxing Hongtai approached Mr. Huang and expressed their intention to dispose of their interests in Galaxy Commercial Property Group to Mr. Huang, whom at the relevant time had an intention to incentivize certain employees of our Group by offering them an opportunity to invest in Galaxy Commercial Property Group. As a result, instead of Mr. Huang acquiring the entire interests in Yongxing Hongtai from the registered partners of Yongxing Hongtai, it was agreed between the registered partners of Yongxing Hongtai and Mr. Huang that such interests be transferred to certain employees of our Group. Accordingly, on November 23, 2017, the then registered partners of Yongxing Hongtai, transferred their entire interests in Yongxing Hongtai to 11 employees of our Group at a total consideration of RMB3,286,000, which was determined after arm's length negotiation with reference to the net asset value of Galaxy Commercial Property Group as of June 30, 2017. Such consideration was paid by the 11 employees using their personal wealth. The 11 employees contributed RMB1,550,000 by way of capital injection to the registered capital of Yongxing Hongtai for the purpose of acquiring 500,000 shares in Galaxy Commercial

Property Group from Hongda Lixing (the "**2017 Share Transfer and Capital Injection**"). Upon completion of the 2017 Share Transfer and Capital Injection, Yongxing Hongtai was owned as to approximately 32.05% by Mr. Tao Muming, our executive Director, approximately 19.23% by Mr. Niu Lin, our executive Director, approximately 6.41% by Ms. Wen Yi, our executive Director, and the remaining of approximately 42.31% by eight employees of our Group, namely, Mr. Ling Yun (凌雲), our senior management, Ms. Li Xiaoqin (李小琴), our senior management, Ms. Peng Jin (彭錦), the current project general manager of Shenzhen Galaxy WORLD • COCO Park, Mr. Jian Dengke (簡登科), the current general manager of Galaxy Commercial Property Group in Nanjing Area, Mr. Zou Jianping (鄒建平), the current general manager of Galaxy Commercial Property Group in Guangzhou Area, Mr. Yu Bin (禹斌), who left our Group in November 2020, Mr. Yang Xinyong (楊新勇), the current project general manager of Huizhou Galaxy COCO Garden, and Mr. Ran Chongyong (冉崇勇), who left our Group in November 2019 and joined another company controlled by Mr. Huang in December 2019. Since the 2017 Share Transfer and Capital Injection and up to the deregistration of Yongxing Hongtai in April 2020, the shareholding percentage of each of the registered partners of Yongxing Hongtai had remained the same. After the 2017 Share Transfer and Capital Injection, to the best knowledge of our Directors, save as disclosed above and that the registered partners of both Yongxing Hongtai and Hongda Lixing remain to be the employees of various entities controlled by Mr. Huang, there is no past or present relationship (whether in terms of business, family, employment, financing, fund flow or other kind of relationships) between each of Yongxing Hongtai, Hongda Lixing and their respective current registered partners and our Company and its subsidiaries, their shareholders, directors, senior management, or their respective associates.

Given that the registered partners of Hongda Lixing would like to realize part of their investments through disposal of interests in Galaxy Commercial Property Group, on November 1, 2017, Hongda Lixing entered into a share transfer agreement with Yongxing Hongtai, pursuant to which Hongda Lixing transferred 500,000 shares of Galaxy Commercial Property Group, representing approximately 1.42% interest in the share capital of Galaxy Commercial Property Group, to Yongxing Hongtai at a consideration of RMB1,550,000, which was determined after arm's length negotiation with reference to the net asset value of Galaxy Commercial Property Group as of June 30, 2017. Upon completion of such transfer and immediately prior to the Reorganization, Galaxy Commercial Property Group was owned as to approximately 76.49% by Galaxy Commercial Property Investment, approximately 10.59% by Hongda Lixing, approximately 8.50% by Anlinshan Asset Management and approximately 4.42% by Yongxing Hongtai.

As part of the Reorganization and given that the registered partners of Hongda Lixing and Yongxing Hongtai would like to realize their investments through disposal of interests in Galaxy Commercial Property Group, on September 2, 2019, Hongda Lixing and Yongxing Hongtai transferred their respective 3,740,000 shares and 1,060,000 shares in Galaxy Commercial Property Group to Galaxy Commercial Property Investment and Yongxing Hongtai transferred its 500,000 shares in Galaxy Commercial Property Group to Anlinshan Asset Management. For details, please refer to "—Reorganization—2. Acquisition of Shares held by Hongda Lixing and Yongxing Hongtai" in this section. Upon completion of such share transfers, Galaxy Commercial Property Group became owned as to approximately 90.08% by Galaxy Commercial Property Investment and approximately 9.92% by Anlinshan Asset Management.

On December 6, 2019, the registered capital of Galaxy Commercial Property Group was increased from RMB35,300,000 to RMB80,000,000 by way of capitalization of capital reserve, surplus reserve and undistributed profits of Galaxy Commercial Property Group as of October 31, 2019.

Galaxy Commercial Property Group is our principal operating subsidiary and has been principally engaged in the provision of commercial property operational services and primarily focuses on providing entrusted management services and brand and management output services in the Greater Bay Area and other regions since its establishment.

Shenzhen Commercial Management

Shenzhen Commercial Management was established in the PRC on November 14, 2014 as a limited liability company with an initial registered capital of RMB5,000,000 which had been fully paid up. As of the date of its establishment, it was wholly owned by Galaxy Commercial Property Group. There has been no change in the shareholding of Shenzhen Commercial Management since then.

Shenzhen Commercial Management has been principally engaged in the provision of commercial property operational services and primarily focuses on providing brand and management output services in the Greater Bay Area and other regions since its establishment.

Changzhou Commercial Management

Changzhou Commercial Management was established in the PRC on May 5, 2016 as a limited liability company with an initial registered capital of RMB3,000,000 which had been fully paid up. As of the date of its establishment, it was wholly owned by Galaxy Commercial Property Group. There has been no change in the shareholding of Changzhou Commercial Management since then.

Changzhou Commercial Management has been principally engaged in the provision of commercial property operational services and primarily focuses on providing commercial property operational management to Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) under our sublease service model since its establishment.

DISPOSAL AND DEREGISTRATION DURING THE TRACK RECORD PERIOD

Disposal of the entire interest in Shenzhen Galaxy Quhui Innovation Development Co., Ltd.* (深圳市星河趣滙創新發展有限公司) ("Quhui Innovation")

Quhui Innovation was established as a wholly-owned subsidiary of Galaxy Commercial Property Group on February 20, 2017 for the purpose of providing sports and entertainment services. As its business was not in line with our business development strategy and not related to the core business of our Group, on January 16, 2019, Galaxy Commercial Property Group entered into an equity transfer agreement with Galaxy Property Group, a company controlled by Mr. Huang, our Ultimate Controlling Shareholder, pursuant to which Galaxy Commercial Property Group transferred the entire equity interest in Quhui Innovation to Galaxy Property Group at a consideration of RMB1 which was fully settled on January 30, 2019. The nominal consideration was determined after arm's length negotiation with reference to the financial position of Quhui Innovation, which was operating at a loss, at the time of the disposal. Upon completion of such equity transfer, Quhui Innovation ceased to be a subsidiary of Galaxy Commercial Property Group.

As confirmed by our Directors, the disposal of Quhui Innovation had complied with the applicable laws and regulations in all material respects, and Quhui Innovation had not been involved in any material legal, regulatory, arbitral or administrative proceedings, investigations or claims before its disposal. As confirmed by our PRC Legal Advisors, the relevant SAIC procedures and steps involved in the aforesaid disposal had been properly and legally completed.

Deregistration of Shenzhen Galaxy Rabbit & Bear Health Service Company Limited* (深圳市星河兔加熊健康服務有限公司) ("Galaxy Rabbit & Bear")

Prior to the completion of disposal of Quhui Innovation, Galaxy Rabbit & Bear, which was owned as to 60% by Quhui Innovation and 40% by Shenzhen Ruide Health Management Co., Ltd.* (深圳市睿德健康管理有限公司), an Independent Third Party. Given that it has ceased all its business operation, on September 25, 2018, Rabbit & Bear passed a shareholders' resolution to approve the deregistration of Rabbit & Bear. Upon completion of deregistration on January 31, 2019, Galaxy Rabbit & Bear ceased to be a subsidiary of Galaxy Commercial Property Group.

Our Directors have confirmed that as of the date of deregistration, there was no outstanding claim or liability against the aforesaid company and our Group in connection with the deregistration of such company.

Deregistration of Chengbang Galaxy (Xiamen) Commercial Management Company Limited* (城邦星河(廈門)商業管理有限公司) ("Chengbang Galaxy")

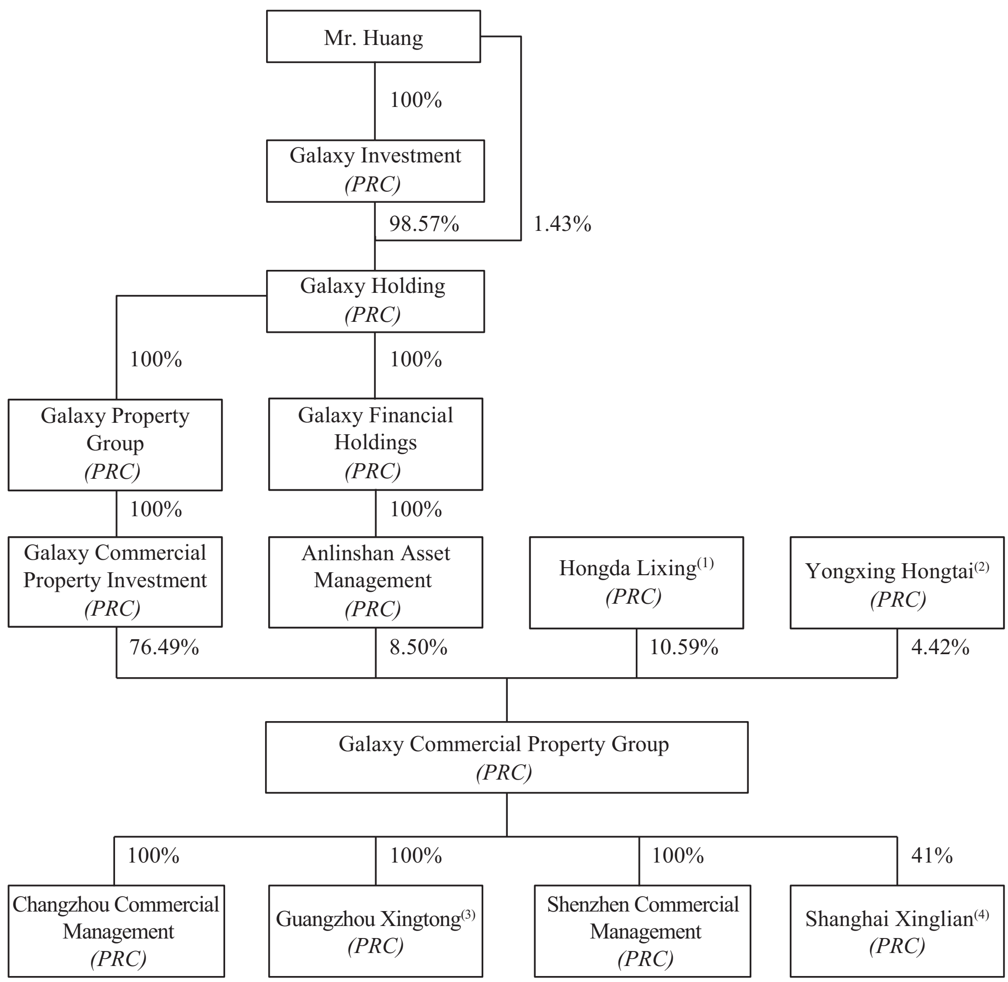
Chengbang Galaxy was established on November 16, 2016 in which Shenzhen Commercial Management undertook to subscribe 20% of the registered capital of Chengbang Galaxy and Chengbang Century (Xiamen) Asset Management Company Limited* (城邦世紀(廈門)資產管理有限公司) ("**Chengbang Century**"), an Independent Third Party, undertook to subscribe 80% of the registered capital of Chengbang Galaxy. The registered capital of Chengbang Galaxy had never been paid up by Shenzhen Commercial Management.

Chengbang Galaxy was established for the sole purpose of submitting a bid for the management of a potential project located in Xiamen. However, such bid turned out to be unsuccessful. As there has been no business operation since the establishment of Chengbang Galaxy, it was deregistered on May 13, 2019.

Our Directors have confirmed that as of the date of deregistration, there was no outstanding claim or liability against Chengbang Galaxy and our Group in connection with the deregistration of Chengbang Galaxy.

REORGANIZATION

The following diagram illustrates our shareholding structure before the Reorganization:



Notes:

(1) Hongda Lixing is a limited liability partnership incorporated under the laws of the PRC. The general partner and limited partners of Hongda Lixing are Independent Third Parties.

(2) Immediately prior to the Reorganization, Yongxing Hongtai was owned as to approximately 32.05% by Mr. Tao Muming, our executive Director, approximately 19.23% by Mr. Niu Lin, our executive Director, approximately 6.41% by Ms. Wen Yi, our executive Director, and the remaining of approximately 42.31% by eight employees of our Group, namely, Mr. Ling Yun (凌雲), our senior management, Ms. Li Xiaoqin (李小琴), our senior management, Ms. Peng Jin (彭錦), the current project general manager of Shenzhen Galaxy WORLD • COCO Park, Mr. Jian Dengke (簡登科), the current general manager of Galaxy Commercial Property Group in Nanjing Area, Mr. Zou Jianping (鄒建平), the current general manager of Galaxy Commercial Property Group in Guangzhou Area, Mr. Yu Bin (禹斌), who left our Group in November 2020, Mr. Yang Xinyong (楊新勇), the current project general manager of Huizhou Galaxy COCO Garden, and Mr. Ran Chongyong (冉崇勇), who left our Group in November 2019 and joined another company controlled by Mr. Huang in December 2019. The general partner was Ms. Li Xiaoqin (李小琴), a senior management of our Company, and the remaining partners were limited partners immediately prior to the Reorganization.

(3) Guangzhou Xingtong was established in the PRC on July 23, 2015 with registered capital of RMB10,000,000.

(4) Shanghai Xinglian was established in the PRC on June 24, 2019 with a registered capital of RMB10,000,000. The remaining equity interest is held as to 23% by Jiangxi B-Energy Property Development Co., Ltd.* (江西博能房地產開發有限公司), 15% by Jiangxi United Wisdom Real Estate Co., Ltd.* (江西慧聯置業有限責任公司), 12% by Shenzhen Xingxiecheng Corporate Management Consulting Partnership (Limited Partners)* (深圳市星協成企業管理諮詢合夥企業(有限合夥)) ("**Shenzhen Xingxiecheng**") and 9% by Chinese Commerce Alliance (Beijing) Commercial Investment Co., Ltd.* (中商聯盟(北京)商業投資有限公司), each an Independent Third Party. Shanghai Xinglian is accounted for as a subsidiary of our Company because Galaxy Commercial Property Group owns 53% of the voting rights in Shanghai Xinglian pursuant to a voting rights assignment agreement entered into between Galaxy Commercial Property Group and Shenzhen Xingxiecheng. As advised by our PRC Legal Advisors, the voting rights assignment agreement is legally binding between Galaxy Commercial Property Group and Shenzhen Xingxiecheng and does not violate PRC law.

In preparation for the Listing, we have undertaken the Reorganization, details of which are set out below:

1. Delisting from NEEQ

Our Directors consider Hong Kong a suitable location for listing our business as (i) Hong Kong, being a gateway between mainland China and the international market, would give us greater access to international investors and global markets; and (ii) our Shares would be listed on a competitive and established exchange with a long-standing reputation as one of the global leading stock exchanges. Therefore, our Directors consider the NEEQ delisting and listing of Shares of our Company on the Stock Exchange to be in the interests of our Group.

On August 23, 2019, Galaxy Commercial Property Group delisted from NEEQ. As confirmed by our PRC Legal Advisors, the delisting of Galaxy Commercial Property Group from NEEQ was duly completed and the necessary approvals have been obtained.

Our Directors confirmed that (i) during the period in which the shares of Galaxy Commercial Property Group were quoted on the NEEQ, Galaxy Commercial Property Group, its subsidiaries and its directors were not involved in any breach or suspected breach of the applicable rules or regulations of the NEEQ in all material aspects; and (ii) there has not been any matter that needs to be brought to the attention of the regulators and investors in Hong Kong in respect of Galaxy Commercial Property Group's quoting on the NEEQ. Our PRC Legal Advisors are of the view that (i) during the period in which the shares of Galaxy Commercial Property Group were quoted on the NEEQ, Galaxy Commercial Property Group and its subsidiaries had complied with the applicable rules and regulations of the NEEQ in all material aspects; and (ii) to the best of their knowledge, none of the directors of Galaxy Commercial Property Group was found to have been penalized for being involved in any material breach or suspected breach of the applicable rules or regulations of the NEEQ. Based on the views of our PRC Legal Advisors and the due diligence work conducted by the Joint Sponsors, the Joint Sponsors concur with the above Directors' view.

2. Acquisition of Shares held by Hongda Lixing and Yongxing Hongtai

On September 2, 2019, as part of the Reorganization, Galaxy Commercial Property Investment entered into a share transfer agreement with Hongda Lixing and Yongxing Hongtai, respectively, pursuant to which Hongda Lixing agreed to transfer 3,740,000 shares and Yongxing Hongtai agreed to transfer 1,060,000 shares, representing approximately 10.60% and 3.00%, respectively, in the share capital of Galaxy Commercial Property Group to Galaxy Commercial Property Investment at a consideration of RMB26,217,400 and RMB7,430,600, respectively, which was determined with reference to the net asset value of Galaxy Commercial Property Group as of June 30, 2019. In addition, on the same day, Anlinshan Asset Management entered into a share transfer agreement with Yongxing Hongtai, pursuant to which Yongxing Hongtai agreed to transfer 500,000 shares, representing approximately 1.42% in the share capital of Galaxy Commercial Property Group, to Anlinshan Asset Management at a consideration of RMB3,505,000, which was determined with reference to the net asset value of Galaxy Commercial Property Group as of June 30, 2019. The consideration was fully settled on September 2, 2019, resulting in Galaxy Commercial Property Group owned as to approximately 90.08% by Galaxy Commercial Property Investment and approximately 9.92% by Anlinshan Asset Management.

3. Conversion into a limited liability company of Galaxy Commercial Property Group

On November 8, 2019, Galaxy Commercial Property Group passed a resolution at general meeting to approve, among other matters, the conversion of Galaxy Commercial Property Group from a joint stock company with limited liability into a limited liability company. Upon completion of such conversion on November 12, 2019, the registered capital of Galaxy Commercial Property Group was RMB35,300,000 and was owned as to approximately 90.08% by Galaxy Commercial Property Investment and approximately 9.92% by Anlinshan Asset Management.

4. Incorporation of Go Star, Glory High and Virtue Investment

On April 8, 2019, Go Star was incorporated in the BVI with limited liability. On August 16, 2019, 10,000 shares of Go Star were issued to Mr. Huang.

On September 16, 2019, Glory High was incorporated in the BVI with limited liability. On October 22, 2019, 100 shares of Glory High were issued to Mr. Huang.

On November 6, 2019, Mr. Huang transferred all shares he held in Go Star to Glory High and upon completion of such transfer, Mr. Huang indirectly owned the entire equity interest in Go Star through Glory High.

As part of our business strategies to continue to build a multi-tiered talent team and develop our unique corporate culture as well as for the purpose of retaining talent, promoting the long-term sustainable development of our Group and achieving mutual gain for our Company, employees and shareholders, on August 1, 2019, Virtue Investment was incorporated in the BVI as a special purpose vehicle to hold Shares to be granted to eligible grantees, who are the key employees of our Group or other persons who make significant contribution to our Group, under a share incentive scheme to be adopted by Mr. Huang at least six months after Listing. As of the Latest Practicable Date, the detailed terms of the share incentive scheme such as the identity of the grantees, the number of Shares to be granted, the vesting period and the key performance indicator of each of the grantees had not been determined by Mr. Huang and as a result, Mr. Huang decided to adopt such share incentive scheme after Listing. An advisory committee will be established upon Listing to determine the detailed terms and the administration of the proposed share incentive scheme before and after its establishment. On September 26, 2019, one share of Virtue Investment was issued to Mr. Huang De-Lin Benny, our executive Director, who was entrusted by Mr. Huang to hold such shares for the purpose of the proposed share incentive scheme to be adopted at least six months after Listing.

5. Incorporation and shareholding changes of our Company

On September 13, 2019, our Company was incorporated in the Cayman Islands under the Cayman Islands Companies Act as an exempted company with limited liability. As of the date of its incorporation, the authorized share capital of our Company was HK$ 380,000 divided into 38,000,000 ordinary shares of par value HK$0.01 each, among which one fully-paid share was issued to the initial subscriber, an Independent Third Party, at par value and such Share was transferred to Go Star on the same day. On September 13, 2019, an additional 799 fully paid Shares were issued to Go Star at par.

On December 10, 2019, Glory High transferred all the issued shares of Go Star by way of gift to Long Harmony Holding Limited, a company incorporated in the BVI by TMF (Cayman) Ltd., the trustee of the Family Trust, as the holding vehicle for the administration of the Family Trust. The Family Trust is a discretionary trust. The beneficiaries of the Family Trust are Mr. Huang's family members.

On December 20, 2019, 200 Shares were allotted and issued to Virtue Investment at par. Mr. Huang will make all decisions in relation to the details of the proposed share incentive scheme. Until the Shares held by Virtue Investment are transferred to the grantees under the proposed share incentive scheme to be adopted after Listing, Mr. Huang will exercise the voting rights of such Shares. The grantees will be entitled to exercise the voting rights attached to the transferred Shares after such transfers. Upon completion of such share allotments, our Company was owned as to 80% by Go Star and 20% by Virtue Investment.

6. Incorporation of Sincerity Commercial

Sincerity Commercial was incorporated in the BVI as a company limited by shares on October 17, 2019, which was authorized to issue a maximum of 50,000 shares with a par value of US$1.00 each in a single class. As of the date of its incorporation, Sincerity Commercial issued 100 shares of Sincerity Commercial to our Company at par and became a direct wholly-owned subsidiary of our Company.

7. Incorporation of Luxuriant Commercial

On November 12, 2019, Luxuriant Commercial was incorporated in Hong Kong as a limited company. As of the date of its incorporation, 100 ordinary shares of Luxuriant Commercial were allotted and issued to Sincerity Commercial and Luxuriant Commercial became an indirect wholly-owned subsidiary of our Company.

8. Incorporation of Xinghan Commercial

On December 12, 2019, Luxuriant Commercial, as the sole shareholder, established Xinghan Commercial as a wholly foreign-owned enterprise in the PRC with a registered capital of RMB5,000,000. It was established to principally serve as an intermediate holding company of our Group.

9. Acquisition of equity interest in Galaxy Commercial Property Group by Xinghan Commercial

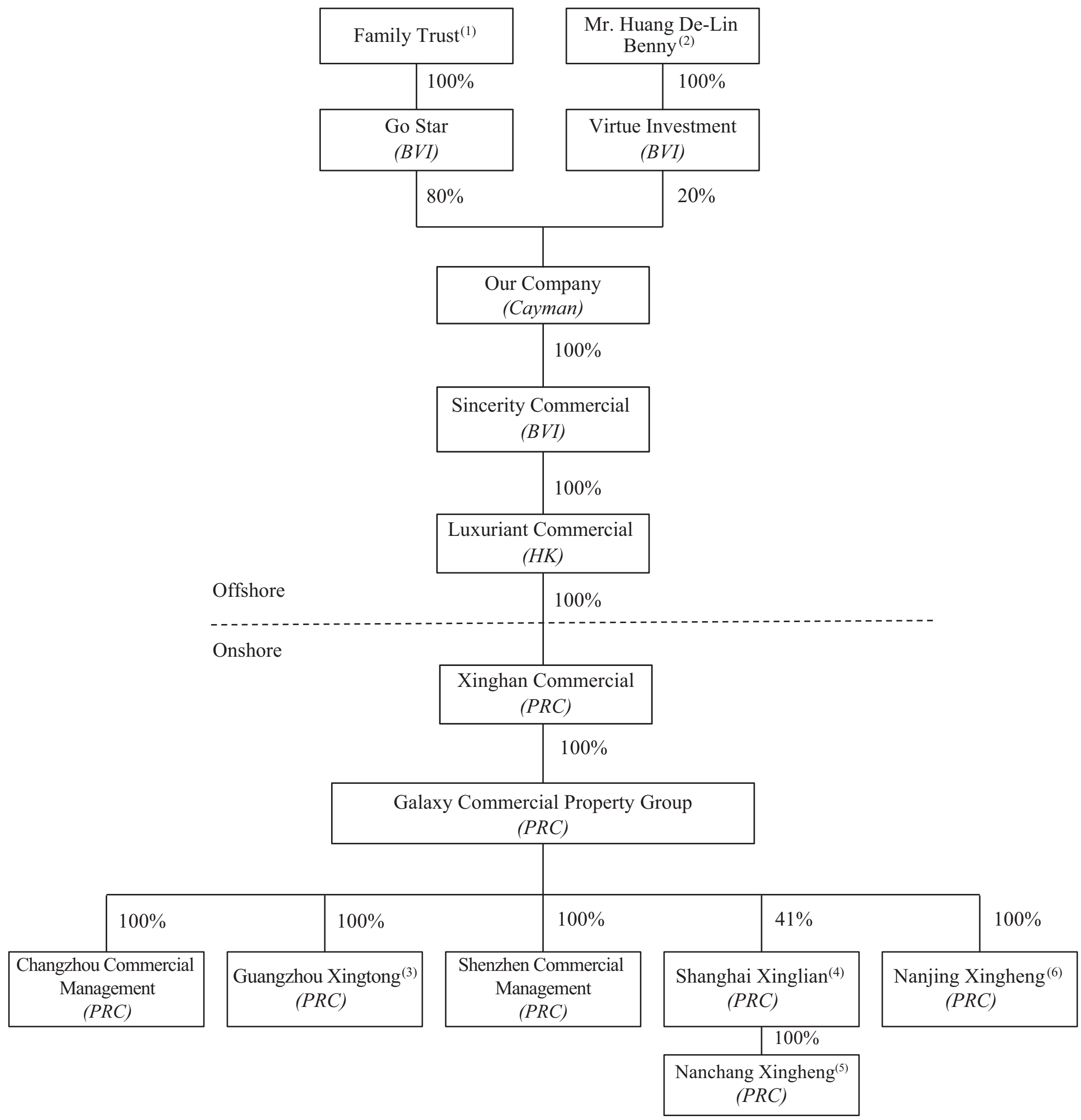
On December 16, 2019, each of Galaxy Commercial Property Investment and Anlinshan Asset Management entered into an equity interest transfer agreement with Xinghan Commercial, pursuant to which Galaxy Commercial Property Investment and Anlinshan Asset Management agreed to transfer their respective entire equity interest in Galaxy Commercial Property Group to Xinghan Commercial at a total consideration of RMB81,088,300. The consideration was determined after arm's length negotiation with reference to the appraised net asset value of Galaxy Commercial Property Group of approximately RMB246.3 million as of June 30, 2019, which was assessed by the independent valuer using asset-based approach, and after deducting the dividend of approximately RMB165.2 million subsequently declared and distributed in September 2019. The consideration was fully settled on December 30, 2019 in cash and this transaction is accounted for as deemed distribution to the then shareholders of Galaxy Commercial Property Group during the year ended December 31, 2019.

Upon completion of the above acquisitions, Galaxy Commercial Property Group became a directly wholly-owned subsidiary of Xinghan Commercial.

Our PRC Legal Advisors have confirmed that all required approvals, authorizations or filings have been made or obtained from the relevant competent regulatory authorities for the completion of our onshore Reorganization mentioned above.

CORPORATE AND SHAREHOLDING STRUCTURE

The following chart illustrates the shareholding structure after completion of the Reorganization and immediately prior to the Global Offering:



Notes:

(1) The sole shareholder of Go Star is Long Harmony Holding Limited, a company incorporated in the BVI by TMF (Cayman) Ltd., the trustee of the Family Trust. The Family Trust is a discretionary trust established by Mr. Huang as the settlor and the protector. The beneficiaries of the Family Trust are Mr. Huang's family members.

(2) Mr. Huang De-Lin Benny is the son of Mr. Huang and is entrusted by Mr. Huang to hold shares in Virtue Investment for the purpose of a share incentive scheme which will be adopted by Mr. Huang after Listing.

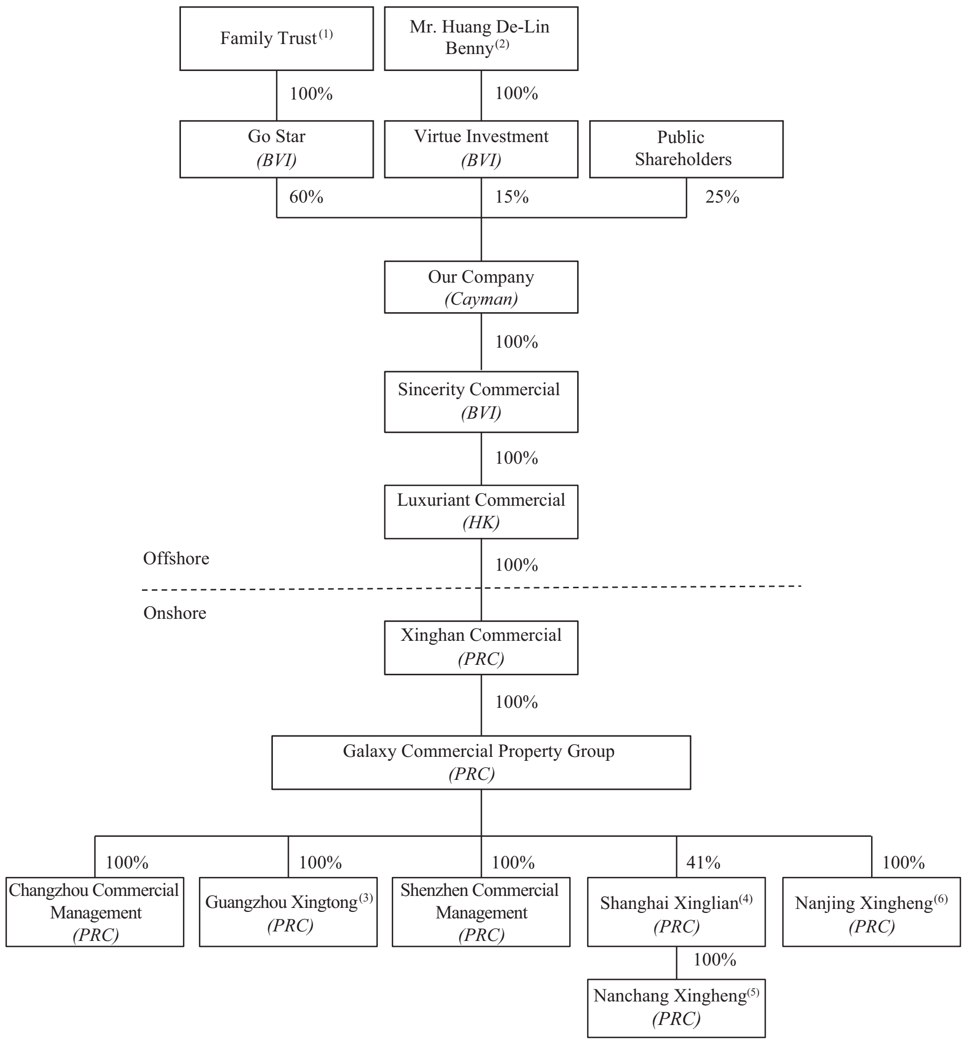
(3) Guangzhou Xingtong was established in the PRC on July 23, 2015 with a registered capital of RMB10,000,000.

(4) Shanghai Xinglian was established in the PRC on June 24, 2019 with a registered capital of RMB10,000,000. The remaining equity interest is held as to 23% by Jiangxi B-Energy Property Development Co., Ltd.* (江西博能房地產開發有限公司), 15% by Jiangxi United Wisdom Real Estate Co., Ltd.* (江西慧聯置業有限責任公司), 12% by Shenzhen Xingxiecheng Corporate Management Consulting Partnership (Limited Partners) (深圳市星協成企業管理諮詢合夥企業) ("**Shenzhen Xingxiecheng**") and 9% by Chinese Commerce Alliance (Beijing) Commercial Investment Co., Ltd.* (中商聯盟(北京)商業投資有限公司), each an Independent Third Party. Shanghai Xinglian is accounted for as a subsidiary of our Company because Galaxy Commercial Property Group owns 53% of the voting rights in Shanghai Xinglian pursuant to a voting rights assignment agreement entered into between Galaxy Commercial Property Group and Shenzhen Xingxiecheng.

(5) Nanchang Xingheng was established in the PRC on November 12, 2019 with a registered capital of RMB2,000,000.

(6) Nanjing Xingheng was established in the PRC on November 9, 2020 with a registered capital of RMB5,000,000.

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 and without taking into account any options that may be granted under the Share Option Scheme) is set out as follows:



Note: See the respective notes to the shareholding structure of our Group after the Reorganization and immediately prior to the Global Offering.

CIRCULAR 37 AND CIRCULAR 13

Pursuant to Circular 37, (i) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (the "**Overseas SPV**") that is directly established or controlled by the PRC resident for the purpose of conducting investment or financing; and (ii) following the initial registration, the PRC resident is required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change in the Overseas SPV's PRC resident shareholder, name of the Overseas SPV, term of operation or any increase or reduction of the Overseas SPV's registered capital, share transfer or swap, and merger or division. Pursuant to Circular 37, failure to comply with these registration procedures may result in penalties, including the imposition of restrictions on the ability of the Overseas SPV's PRC subsidiary to distribute dividends to its overseas parent.

Pursuant to Circular 13, the initial foreign exchange registration for establishing or taking control of an Overseas SPV by domestic residents can be conducted with a qualified bank, instead of the local SAFE branch.

As advised by our PRC Legal Advisors, Mr. Huang has completed the registration as required by Circular 37 and Circular 13 on November 19, 2019.

M&A RULES

Under the M&A Rules, a foreign investor is required to obtain necessary approvals when (i) a foreign investor acquires equity in a domestic non-foreign invested enterprise, thereby converting it into a foreign-invested enterprise, or subscribes for new equity interest in a domestic non-foreign enterprise via an increase in registered capital of the domestic non-foreign invested enterprise, thereby converting it into a foreign-invested enterprise; or (ii) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic non-foreign invested enterprise, or which purchases the assets of a domestic non-foreign invested enterprise and injects those assets to establish a foreign-invested enterprise. According to Article 11 of the M&A Rules, where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it/him, acquires a domestic non-foreign invested company which is related to or connected with it/him, approval from MOFCOM is required.

We have been advised by our PRC Legal Advisors that because (i) Mr. Huang is not a domestic natural person under M&A rules; and (ii) Xinghan Commercial was incorporated as a wholly foreign-owned enterprise through direct investment rather than by merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are the beneficial owners of our Company, we are not required to obtain the approval of the CSRC or MOFCOM for Listing.

OVERVIEW

We are a leading commercial property operational service provider in the Greater Bay Area with a national presence. According to China Index Academy, as of September 30, 2020, we were ranked first in terms of the number of shopping centers in operation in Shenzhen, second in terms of GFA in operation in Shenzhen, fourth in terms of the number of shopping centers in operation in the Greater Bay Area and seventh in terms of GFA in operation in the Greater Bay Area. According to China Index Academy, we were ranked 14th among the "2020 Top 100 Commercial Property Companies in China" in terms of overall strength. As of the Latest Practicable Date, we entered into contracts to provide services for 53 commercial property projects located in 20 cities in China, with an aggregate contracted GFA of approximately 3,284,000 sq.m., 61.6% of which was developed or owned by Independent Third Parties.

We own a comprehensive and highly-recognized brand system, primarily including "COCO Park" for city shopping centers (城市型購物中心) targeting consumers in the city, "COCO City" and "iCO" for regional shopping centers (區城型購物中心) targeting consumers within a five-kilometer radius from such shopping centers, "COCO Garden" for community shopping centers (社區型購物中心) targeting consumers within a one-to-three-kilometer radius from such shopping centers and "Top Living (第三空間)" for our high-end home furnishing shopping center. In addition, we own various brands for themed shopping areas (主題館) within commercial properties, covering home living, family and children, women and fashion, sports and fitness, as well as catering and socializing scenarios. According to China Real Estate Top 10 Research Team, we have been ranked as 2020 China Top 10 Commercial Property Operator (2020中國商業地產運營十強企業), and we won the "2020 Outstanding Commercial Property Operational Service Brand in the Greater Bay Area (2020粵港澳大灣區商業運營品牌優秀企業)."

We have created a number of benchmark projects which enjoy wide market acceptance. According to China Index Academy, our signature project, Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), is the first "experiential shopping park (公園情景式購物中心)" and one of the most popular shopping destinations in Shenzhen. The brand "Galaxy COCO Park (星河COCO Park)" was ranked fourth in the "2019 Top 10 Commercial Property Brands in China (2019年中國商業地產項目品牌價值Top 10)" by China Real Estate Top 10 Research Team.

We believe our successful experience accumulated through benchmark projects is replicable through our flexible operational models, namely the entrusted management service model, the brand and management output service model and the sublease service model. Such models enable us to adapt to different client requirements and achieve steady growth. We provide customers with comprehensive commercial property operational services, including (i) positioning, construction consultancy and tenant sourcing services, (ii) operational management services, (iii) property leasing services and (iv) value-added services. With our flexible operational models and comprehensive services, we are able to provide consumers with premium shopping experience, provide tenants with effective management services and provide property owners with high operating income.

We achieved steady growth during the Track Record Period. For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our revenue from continuing operations was RMB278.1 million, RMB328.7 million, RMB387.3 million, RMB286.7 million and RMB305.9 million, respectively, and our profit and total comprehensive income for the year/period from continuing operations was RMB50.4 million, RMB85.1 million, RMB95.6 million, RMB78.8 million and RMB90.1 million, respectively.

OUR STRENGTHS

We believe that our solid market position is mainly attributable to the following competitive strengths:

A Leading Commercial Property Operational Service Provider in the Greater Bay Area, Benefiting from Favorable Regional Policies

We are a leading commercial property operational service provider in the Greater Bay Area. According to China Index Academy, as of September 30, 2020, we were ranked first in terms of the number of shopping centers in operation in Shenzhen, second in terms of GFA in operation in Shenzhen, fourth in terms of the number of shopping centers in operation in the Greater Bay Area and seventh in terms of GFA in operation in the Greater Bay Area. We aim to "build prosperous cities with business acumen (以商業智慧構築城市繁榮)." With our comprehensive services, we are able to serve the needs of property owners and tenants and provide premium shopping experience to consumers. We have become one of the leaders in the commercial property operational service market in Shenzhen and the Greater Bay Area, with a nationwide business presence. As of the Latest Practicable Date, we entered into contracts to provide services for 53 commercial property projects located in 20 cities in China, including 32 projects located in 6 cities in the Greater Bay Area, which accounted for 40.7% of our total contracted GFA. In the nine months ended September 30, 2020, we derived 80.5% of our revenue from the Greater Bay Area. We primarily focus on economically developed markets in China. Within the Greater Bay Area, the aggregate GDP of the cities where our projects are located, namely Shenzhen, Guangzhou, Zhongshan, Huizhou, Foshan, and Dongguan, accounted for approximately 89.9% of the total GDP of the Greater Bay Area in the nine months ended September 30, 2020.

The Greater Bay Area (including Hong Kong and Macau) is one of the most open and economically dynamic regions in China, with a total nominal GDP of more than RMB11 trillion for the year ended December 31, 2019. According to the Development Planning Outline for the Guangdong-Hong Kong-Macau Greater Bay Area (《粵港澳大灣區發展規劃綱要》) (the "**Outline**") issued on February 18, 2019, the Greater Bay Area (including Hong Kong and Macau) plays an important part in the overall development of China and will be built into a vibrant world-class city cluster. Pursuant to the Outline, the modern service industry is one of the core development focuses of the Greater Bay Area (including Hong Kong and Macau). In terms of nominal GDP for the year ended December 31, 2019, Shenzhen is the largest city in the Greater Bay Area (including Hong Kong and Macau). Pursuant to the Opinions on Supporting Shenzhen's Development into a Pilot Demonstration Zone of Socialism with Chinese Characteristics (《關於支持深圳建設中國特色社會主義先行示範區的意見》) issued on August 9, 2019, Shenzhen is expected to transform from a "special economic zone" to a "pilot demonstration zone" and embrace another development momentum to grow into a world-leading city in terms of economic strength and development quality by 2025. Benefiting from such favorable policies, the overall economy and consumption level of the Greater Bay Area and Shenzhen have demonstrated great development potentials. Such favorable policies also open up broad prospects for the modern service industry in the Greater Bay Area, shifting the development focus from scale to quality, which is closely bound up and highly in concert with our own development philosophy.

We believe benchmark projects are critical to brand building. Therefore, we have enhanced our brand influence through a series of high-quality projects. For example, Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), our first shopping center project in Shenzhen, is one of the most popular shopping centers in the city and a representative project in the central business district. It was named "2019 China's Benchmark Shopping Center of the Year (2019年中國年度標桿購物中心)" by Guandian Real Estate (觀點地產) and "2019 Popular Landmark (2019年度體驗潮地標)" by Winshang.com (贏商網), earning nationwide recognition. We also attach great importance to the cultivation of representative projects in specific market segments. For example, Top Living (第三空間) is our themed shopping center for home furnishings, providing high-end international brands with a focus on quality and shopping experience.

Leveraging our leading position in the regional markets, our benchmark projects and the brand influence brought by quality operations, our business has expanded rapidly across the country. As of September 30, 2020, our total contracted GFA was approximately 2,999,000 sq.m. According to Real Estate Top 10 Research Team, we won the "2020 Outstanding Commercial Property Operational Service Brand in the Greater Bay Area (2020年粵港澳大灣區商業運營品牌優秀企業)." We were ranked 14th among the "2020 Top 100 Commercial Property Companies in China" in terms of overall strength by China Index Academy.

With our leading position in Shenzhen and the Greater Bay Area, we believe we are well positioned to capture the development opportunities in this region.

Ability to Expand by Leveraging Our Well-recognized Benchmark Projects and Flexible Operational Models

We aim to be a "crack shot (做一個成一個)" in the commercial property operational service market, selective in obtaining new projects and committed to making each of them successful and time-honored. We have built up a successful track record with a number of benchmark projects, such as Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)). These benchmark projects have demonstrated our strong operational capability and laid the foundation for our expansion across the country. We have developed many benchmark projects in various cities in China. Our benchmark projects help build up our brand recognition in strategically focused regions. Moreover, through benchmark projects, we are able to cultivate a professional management team with local experience and expertise. Leveraging their experience and expertise, we are better positioned to achieve fast expansion in the region.

According to China Index Academy, we are one of the first commercial property operational service providers that have adopted flexible operational models. We currently adopt three operational models based on the features and conditions of commercial properties, including entrusted management service model, brand and management output service model and sublease service model. Our flexible operational models cater to different customer demands and project conditions and enlarge the pool and diversity of projects that we can service. As of September 30, 2020, we entered into contracts to provide services for 17, 27 and one commercial properties under the entrusted management service model, brand and management output service model and sublease service model, respectively.

We believe that our flexible operational models not only enable us to provide quality services for commercial properties developed or owned by Galaxy Holding and its associates, but also facilitate our close cooperation with Independent Third Party property developers. In 2014, Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO), our first project developed or owned by an Independent Third Party managed under the brand and management output service model, was officially opened for business and received over 210,000 customer visits on the first day of opening. According to China Index Academy, the average monthly consumer traffic of Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO) from January to December 2019 reached approximately 1.3 million, which is more than twice the average monthly consumer traffic of surrounding competing projects. Leveraging our experience from successful projects managed under the brand and management output service model, we have increased our contracted GFA steadily. As of September 30, 2020, we managed a total of 14 commercial properties developed or owned by Independent Third Parties, with an aggregate contracted GFA of approximately 1,743,000 sq.m., accounting for 58.1% of our total contracted GFA.

We believe our flexible operational models have, to a large extent, paved the way for our steady expansion. With our stronghold in the Greater Bay Area, we have given priority to economically developed regions, such as the Yangtze River Delta and Central China. We build up our reputation in regional markets by creating benchmark projects in regional core cities, which boosts our further expansion. Through our efforts, our total contracted GFA increased from approximately 1,624,000 sq.m. as of December 31, 2017 to approximately 2,999,000 sq.m. as of September 30, 2020, and further to approximately 3,284,000 sq.m. as of the Latest Practicable Date. Moreover, we have employed various expansion channels. For example, we have entered into strategic cooperation with Jiangxi B-Energy, a third-party property developer, to jointly manage commercial properties and share revenue and profit.

We believe that our flexible operational models and proven track record have laid a solid foundation for us to further accelerate our business expansion in selected regions.

Strong Profitability Underpinned by Comprehensive Operational Capabilities

According to China Index Academy, we are the first commercial property operational service provider to implement the concept of "experiential shopping park (公園情景式購物中心)" in China, an architecture concept which was used by the architect of COCO Park to design the shopping center as an open building. Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)) is a representative project of this concept. The main building contains five levels, 12 folding indoor streets, eight natural-light atriums, a 100-meter flyover, and a sunken open-air square of approximately 6,000 sq.m. It aims to integrate leisure, shopping, catering and entertainment and interprets fashion with the use of complex spaces. We believe consumers' shopping experience is crucial for commercial properties. We strive to create a unique "Galaxy style" shopping space through our five core shopping center brands and five brands for themed shopping areas. Moreover, we believe our rich brand resources enable us to create differentiated positioning, enhance the shopping experience of consumers, bring more consumer traffic to property owners and tenants, and help property owners maintain and increase their property value.

We provide customers with comprehensive commercial property operational services, including positioning, construction consultancy and tenant sourcing services, operational management services, property leasing services and value-added services, catering to the conditions and features of commercial properties, and the resources and requirements of the property owners. Our comprehensive operational capabilities include:

- **Tailor-made positioning**: We uphold the philosophy of "build prosperous cities with business acumen (以商業智慧構築城市繁榮)." We aim to achieve precise positioning by taking into account local economic development, competitive landscape, features of commercial properties and target customer group, thereby increasing the consumer traffic of commercial properties. For example, we position Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)) as an "experiential, recreational shopping park," position Shenzhen Longhua Galaxy COCO Park (深圳龍華星河COCO City) as a "family-consumption-themed regional shopping center," and position Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) as a "cultural, creative and entertaining complex (新銳文創生活中心)." According to China Index Academy, the average monthly consumer traffic of Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City) and Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) from January to December 2019 was approximately 2.5 million, 1.7 million and 1.8 million, respectively, each significantly higher than the average monthly consumer traffic of commercial properties within a three-kilometer radius from such projects, an indicator which according to China Index Academy, provides relatively fair comparison for competitiveness among commercial properties in terms of similar consumer population with similar consumption power and facing same competitors.

- **Strong tenant sourcing capability**: We have established a large and growing tenant brand bank and maintained good cooperative relations with high-quality tenants. We select tenants that fit the overall positioning of the commercial property, and optimize the tenant mix to achieve synergy among tenants. We constantly update our tenant brand bank and the tenant mix of commercial properties to keep the commercial properties competitive and vibrant. As of December 31, 2017, 2018, 2019 and September 30, 2020, our brand bank had approximately 2,000, 2,600, 3,300 and 3,600 brands, respectively, including anchor stores, food and catering stores, home furnishing stores and retail businesses, among others. Many of such brands have established long term cooperation with us. As of September 30, 2020, the average occupancy rate of our commercial properties in operation was 93.3%. Moreover, we successfully introduced a number "first stores (首店)" and "sensational stores (潮店)" to the projects under our management, including the first "Gaga Cafe (Gaga鮮語)" in China, and the first "YH Bravo Selection (永輝Bravo精標店)" in South China, and the first "Gyu-Kaku (牛角)" and "The Colorist" in Shenzhen. Furthermore, we have successfully attracted a number of flagship stores to the shopping centers we operate, such as "Blabla Bar (奈雪酒屋)" and "Arabica."

- **Digitalized operation capability**: We have a mature digitalized operating system to support our daily operations and our steady business growth. We have established an intelligent operation data center (智慧運營數據中心) to collect, monitor and analyze operational data related to the commercial properties under management, and support our decision making and risk management. Through "big data" analysis, we can accurately grasp the operating status of the commercial properties in real time, adjust business strategies in a timely manner and constantly optimize resource allocation and tenant mix to adapt to market changes. Through such analysis, we can also gain a deep understanding of customer needs, preferences and consumption habits, and timely adjust service and product offerings to improve tenants' performance. Moreover, our digitalized operating system offers a multi-level, multi-dimensional early warning system that can send automatic early warnings of operating indicators above set thresholds, enable us to take proactive measures, prevent operational risks from materializing and achieve sustainable operation.

- **Upgrading capability tailored to local conditions**: In addition to new projects, we attach great importance to the opportunities brought by second-hand commercial properties. For example, after taking over Ordos Galaxy COCO City (鄂爾多斯星河COCO City), through a comprehensive review of the project, we upgraded its overall business positioning, in-mall consumer traffic flow as well as tenant and brand mixes. After half a year of preparation, it experienced significant growth in sales and became a popular shopping center in Ordos.

We believe our strong operational capabilities attributed to our strong profitability. In the nine months ended September 30, 2020, our gross profit margin for our continuing operations and net profit margin for our continuing operations were 55.2% and 29.5%, respectively.

We believe our strong operational capabilities will further differentiate us from our competitors as our business scale continues to grow.

A Comprehensive and Well-known Brand Matrix Enhancing Customer Loyalty

We believe our comprehensive and well-known brand system is our core competitiveness in attracting consumers and tenants and set us apart from our peers.

- **We have a comprehensive brand system**: our brand "COCO Park" expresses our unique "fashion, trend and experience" concept. "Galaxy COCO Park (星河COCO Park)" was ranked fourth among the "2019 Top 10 Commercial Property Brands in China (2019中國商業地產項目品牌價值Top 10)" by Real Estate Top 10 Research Team. Since Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), the first shopping center we managed, became a benchmark project, we have launched a series of brands embedding the element of "COCO," including COCO City and COCO Garden, to cover diversified and evolving customer needs. In addition, "Top Living (第三空間)" is a brand for our high-end home furnishing shopping center. The following chart sets forth our core brand matrix:

In addition, we have five brands for themed shopping areas within commercial properties, covering home living, family and children, women and fashion, sports and fitness, as well as catering and socializing. We believe these themed shopping areas are usually "go-to" places for customers who want premium shopping experience and help attract large consumer traffic to the commercial properties.

- **We help raise the brand awareness of our tenants**: We value the market influence of "first stores (首店)" and "sensational stores (潮店)" and endeavor to introduce national or regional first store brands. During the Track Record Period, we introduced a number of first store brands to the commercial properties under our management, including the first "Gaga Café (Gaga鮮語) " in China, and the first " YH Bravo Selection (永輝Bravo精標店)" in South China, and the first "Gyu-Kaku (牛角)" and the first "The Colorist" in Shenzhen. Moreover, we have successfully attracted a number of flagship stores to the shopping centers we operate, such as "Blabla Bar (奈雪酒屋)" and "Arabica." Through marking presence at our shopping centers, such brands have gained wider market recognition and expanded into other cities.

- **Our widely recognized brands enhance customer loyalty:** Our well-recognized brands and large tenant base have attracted a large number of loyal members of our COCO Club. As of September 30, 2020, we had approximately 1.5 million effective members, of which 62.6% were between the ages of 15 and 50 with strong spending power. In addition, we believe we enjoy high consumer loyalty. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, member purchases accounted for 30.9%, 30.4%, 31.3% and 33.0% of the total sales of the shopping centers under our management, respectively. Customers' brand approval often leads to repeat purchases. In the nine months ended September 30, 2020, the repeat purchase rate of members was 53.2%.

Our brands are rooted in our reputation among customers. Our reputation spreads from old customers to new ones by word of mouth, which helps us solidify our market position in our target market. In addition, because users trust our brands, we believe they are more likely to recognize and accept products and services that carry our endorsement, which positions us well to capture market opportunities.

Synergy with Galaxy Holding's Business Ecosystem

Galaxy Holding strives to be a pioneer in seeking new business models for the real estate industry and is self-positioned as a leader in city operation. Through over 30 years of operation, Galaxy Holding has become a full-industry-chain conglomerate with an ecosystem that integrates real estate development, commercial operation, property management, industry operation and finance services. The synergy between our and Galaxy Holding's businesses brings stable revenue sources and visible growth to us. In particular:

- **Real Estate Development**: Galaxy Holding adheres to the site selection principle of "Galaxy is where the center is (星河所在，必定中心)," aiming to develop projects at prime locations in economically developed cities. It provides us with high-quality contracted GFA and enhances the predictability of our business scale and revenue growth. Galaxy Holding has been a Top 100 Real Estate Developer in China (中國房地產百強企業) for nine consecutive years since 2012, according to China Index Academy.

- **Industry Operation**: Galaxy Industrial Investment (星河產業投資) was ranked sixth among the "Top 30 Industrial Property Operators in China (中國產業地產運營商Top 30)" by Guandian Real Estate Agency (觀點地產機構) in 2019. Along the footsteps of Galaxy Industrial Investment, we manage the commercial properties located in its industrial parks and enter emerging business districts.

As of September 30, 2020, we managed all the 31 commercial properties developed or owned by Galaxy Holding and its associates, with a contracted GFA of approximately 1,256,000 sq.m., accounting for 41.9% of our total contracted GFA. Moreover, we have established cooperative relationship with certain retail brands invested indirectly by Galaxy Financial Holding and its affiliates, which enriches our brand library, such as "Natural Wake-up (自然醒)," a fast fashion brand for home living products and "Purcotton (全棉時代)," a high-end cotton lifestyle brand. We believe that we can benefit from Galaxy Financial Holding's investment in more brands and we will further enlarge our brand bank and enhance our tenant sourcing capability in the future.

We believe that with our long-term and stable cooperation with Galaxy Holding, we will be able to further solidify our leading position in the Greater Bay Area and expand across the country.

Experienced and Stable Management Team and People-Oriented Corporate Culture Boosting Our Success

We strive to hire, train, care for and retain talent (選好人、用好人、善待人、留住人). We have an experienced core management team who have been in the commercial property operational service industry for over 20 years on average and with us (including our associates) for over 10 years on average. Most of our mid-level and senior management teams have experience in multiple business departments and have strong coordination and execution capabilities. We believe that our management team's extensive experience has provided us with valuable industry insight and expertise, enabling us to achieve our business goals and stand out among our competitors.

We attract and retain talent with competitive compensation packages and other incentives. In addition, we constantly optimize our team structure and provide an established promotion track to enhance our competitiveness. Upon Listing, our employees who are eligible can participate in our Share Incentive Scheme and Share Option Scheme. See "History, Reorganization and Corporate Structure—Reorganization" in and "Statutory and General Information—D. Other Information—1. Share Option Scheme" in Appendix V to this prospectus. We believe that when our employees have a stake in the long-term prospects of our Company, they are more incentivized to work together towards a shared future.

We adhere to the people-oriented "family culture (家文化)" and pay attention to the cultivation of each employee, so that our employees can get a sense of belonging, recognize our corporate culture and grow together with us. We believe "talent outplays money and wisdom outweighs funds (錢財比不上人才，資金比不上智慧)." We invest resources to upskill our employees and provide career promotion opportunities. We have provided a large number of skill focused training courses to employees of different levels. For example, we provide "Future Star (未來星)" training courses for entry-level employees, "Morning Star (啟明星)" training program for mid-level management positions, and "Navigation Star (領航星)" training program for employees in executive positions.

We attract talent with competitive compensation and other incentives and retain talent with comprehensive training and corporate culture. Through our efficient human resource management system, we have gradually established a stable management team with industry expertise, professional knowledge and extensive experience to support our business expansion and sustainable development.

OUR BUSINESS STRATEGIES

We are committed to reinforcing our market position as a leading commercial property operational service provider by pursuing the following strategies:

Further Solidify Our Market Position in the Greater Bay Area, Focus on Economically Developed Regions and Expand Our Business Scale

We plan to continue to expand in the Greater Bay Area and consolidate our leading position in this region. The Greater Bay Area is a focal point of China's economic development. In the future, the Greater Bay Area is expected to continue to play an important role in economic growth, population agglomeration, industrial transformation and consumption upgrading leveraging the favorable policies. The Greater Bay Area is expected to become a high-class bay area of China and a world-class city cluster. The retail property market of the Greater Bay Area has demonstrated great growth space and upgrade potential. We plan to capitalize on this regional advantage and cover all the cities in the Greater Bay Area in the future. We plan to continue to benefit from our extensive cooperation with Galaxy Holding to expand our business by leveraging its market position in the Greater Bay Area and its advantages and project reserves in urban renewal. At the same time, we plan to accelerate our regional development by enhancing our collaborative relationship with third party business partners in the Greater Bay Area.

We plan to focus on economically developed and/or fast-growing areas in China. The "Outline of the Plan for Integrated Development of the Yangtze River Delta Region (《長江三角洲區域一體化發展規劃綱要》)" issued on December 1, 2019 positions the Yangtze River Delta region as an economic center with strong market demand and high consumption level. Since the implementation of the "Rise of Central China (中部崛起)" strategy, the Central China region has achieved significant economic growth and demonstrated great demand for retail business. In the future, we plan to further expand in the Yangtze River Delta and Central China regions, especially in municipalities, provincial capitals and other cities with strong economies in these regions, by managing quality projects.

Improve Service Quality and Operational Efficiency through Information Technology Upgrade

We are committed to continuously improving our services and customer experience through digitalized operation. We plan to further develop our information technology systems to provide strong back office supports for our onsite operations and management.

We plan to enhance our digitalized operation capabilities through the following measures:

- **Digitalize key operational processes:** We plan to strengthen the collection and analysis of customer data to assist our management in making more accurate business planning and positioning, increasing consumer traffic in commercial properties and developing better business strategies for tenants to increase their turnover. We plan to enhance our Xingyitong (星意通) program to introduce tenants suitable for the local environment. We also plan to strengthen our CRM member management system to strengthen our precise marketing ability through analysis of consumption statistics and other behavioral data.

- **Strengthen delicacy management and enhance shopping experience:** We plan to upgrade our information technology systems based on our operational needs. We also plan to strengthen our management by utilizing wireless devices and sensing devices in the commercial properties to better collect and monitor consumer traffic information and in-mall consumer traffic flow, and adjust our strategies accordingly to improve customers' shopping experience.

- **Improve our intelligent operation data center (智慧運營數據中心):** We plan to strengthen our intelligent operation data center, through which we can regularly update and monitor core data including regional macroeconomics, geographic location information and operational data, and remotely manage our projects across the country. We believe through the intelligent operation data center, we can keep abreast of information such as consumer traffic, sales and occupancy rate, and flexibly adjust operating strategies based on specific conditions to achieve quality control, effectively reduce management costs and improve operational efficiency.

We plan to seek cooperation with the leading technology companies in China in the above aspects, and take advantage of their technical expertise to accelerate our information technology upgrade.

We plan to invest approximately 5% of our net proceeds from the Global Offering in improving service quality and operational efficiency through information technology upgrade.

Expand Full Value Chain Services to Enhance Our Service Capability

We plan to provide services under an asset-light model in the full value chain of commercial properties, at the stages of "financing, investment, construction, management and exit," to add value to our commercial property operational services.

We are currently able to provide services in the investment, construction and management stages and have established a mature and stable business model. In the future, we plan to provide suitable solutions at different development stages of a project. Specifically, we plan to (i) formulate financing strategies and solutions and anchor fund providers who are willing to invest in the commercial property at the early development stage of the project, so as to connect capital with quality projects and recognized commercial brands leveraging our large sources of tenants and brands bank and network of property owners built up through years of operation; and (ii) provide "exit" planning services to property owners who wish to sell their interests in the commercial property after the project has entered into a stable development stage, such as assisting in asset valuation, asset sales and introduction of new investors through our strong network of property owners, thus supporting the development of a commercial project throughout its life cycle and achieving property value appreciation. We plan to establish a network consisting of funds, property owners and tenants and realize effective allocation of resources through our deep understanding of the industry. We plan to cooperate with companies with relevant industry experience and benefit from their advantages to support our full value chain services.

We believe the coverage of a full value chain will not only help diversify our revenue sources and improve the stability of our profit structure, but also facilitate the integration of resources and information and help solidify our competitive position in the industry. Through the provision of full value chain services, we aim to become a leader in China's commercial property operational service industry.

Continue to Expand through Multiple Channels and Seek New Growth Drivers

We plan to expand our business through multiple channels, including mergers and acquisitions, joint ventures and investment in minority equity interests.

As part of our overall growth strategy, we plan to acquire commercial property operational service providers with good reputation, sound management and stable business development in the Greater Bay Area and other areas that we currently or plan to cover, to enhance our regional and overall competitiveness. We plan to acquire or invest in commercial property operational service providers that meet our internal criteria. Generally, (i) the target should have a GFA in operation of at least 100,000 sq.m.; (ii) the target's commercial property operational service contracts should have an average remaining term of at least six years; (iii) the commercial properties under the target's management should have clear titles and no material legal risks; (iv) the target's profit before interest, tax, depreciation and amortization should be more than RMB20 million for the most recent financial year; (v) the target's debt-to-assets ratio should be no higher than 60% and the target should not have any off-the-balance-sheet indebtedness or contingent liabilities; and (vi) the target does not have any material non-compliance with laws and regulations, including those related to tax and labor issues. We plan to invest approximately 55% of our net proceeds from the Global Offering in strategic acquisition of and investment in other small- to mid-sized commercial property operational service providers.

We aim to establish benchmark projects in strategically focused regions through the entrusted management service model, and then expand in the region by consolidating our brand recognition through the brand and management output service model. We believe that through the benchmark projects managed under the entrusted management service model, we will be able to cultivate a professional management team with local experience and expertise. Leveraging their experience and expertise, we believe that we will be better positioned to achieve fast expansion in the region through the brand and management output service model. We plan to invest in minority equity interests in project companies or joint ventures. We believe through such investments, we can (i) have a higher opportunity in securing the commercial property operational service contract and maintain a stable and long-term business relationship with the business partners as we have a stake in the future of the project and have common interest with the business partners; and (ii) enjoy investment returns in addition to project management income. The key factors we will consider in selecting targets for investment and joint ventures include the credit of business partner, geographical location, legal compliance, target customer group, local population, project scale, construction standards and investment returns. We plan to invest approximately 10% of our net proceeds from the Global Offering in strategic investment of minority equity interest in project companies which own quality commercial properties.

In addition, we plan to continue to select quality commercial projects to manage under the sublease service model. When selecting a sublease project, we plan to consider the credit of business partner, geographical location, legal compliance record, target customer group, local population, project scale, construction standards and investment returns, among other factors. We believe that the sublease service model can enhance our control over and independent management of the project and generate higher operating income from the project. We plan to invest approximately 20% of our net proceeds from the Global Offering in the decoration or renovation of retail commercial properties under the sublease service model.

We believe that we will be better positioned to capture expansion opportunities leveraging our enhanced brand recognition as a listed company upon Listing and our improved financial position. We believe that investing the proceeds from the Global Offering in such diversified expansion channels can help us maintain operational flexibility, accelerate our business expansion and improve our results of operations.

Continue to Build a Multi-tiered Talent Team and Develop Our Unique Corporate Culture

In order to meet the requirements of future business expansion, we plan to continue to develop and implement appropriate human resource strategies to better attract, develop and retain talent.

We plan to attract talent with competitive salaries and brand reputation. At the same time, we plan to recruit talent from other commercial property operational service providers and through acquisitions of quality commercial projects. We believe such talent can help us implement our development strategies and provide differentiated perspectives and insights. We plan to continue to train our team and improve our team's execution capability by creating benchmark projects, which we believe can help further attract and retain outstanding talent.

We plan to provide training programs designed for employees at various levels to meet their needs for different skillsets. We plan to organize more internal training programs, such as our "Future Star (未來星)," "Morning Star (啟明星)" and "Navigation Star (領航星)" programs, to cultivate our in-house talent. We also plan to further improve our online training courses to provide our employees with timely and practical learning opportunities. In order to improve our recruitment and training programs, we plan to continue to develop long-term relationships with professional agencies and organizations to carry out strategic planning for our talent development and establish talent training and career development programs.

We plan to continue to optimize competitive compensation packages and performance appraisal systems. We plan to improve our incentive mechanism to stimulate the potential of our employees and provide long-term promotion opportunities. After the Listing, eligible employees will be able to participate in our Share Incentive Scheme and Share Option Scheme. For more information, see "History, Reorganization and Corporate Structure—Reorganization" in and "Statutory and General Information—D. Other Information—1. Share Option Scheme" in Appendix V to this prospectus.

OUR BUSINESS MODEL

We are a commercial property operational service provider focusing on improving the results of operations of commercial properties, primarily shopping centers, shopping streets and commercial complex, for property owners through our professional management. Our commercial property operational services comprise:

- positioning, construction consultancy and tenant sourcing services: primarily including market positioning, business planning consultancy, design and construction consultancy and tenant sourcing services;
- operational management services: primarily including formulating operation strategies, conducting marketing and promotional events, tenant management services, property management services and rent collection services;
- property leasing services: including sublease of commercial spaces in the commercial properties managed under the sublease service model to tenants; and
- value-added services: primarily including management of common areas in the shopping centers which customers can rent for a short period for pop-up shops and promotional settings, and management of advertising spaces, such as LED boards and interior and exterior facades of the shopping centers.

Different from conventional property management services (primarily including security, cleaning, gardening, repair and maintenance and value-added services such as housekeeping and other on-demand services) which are aimed at keeping the properties under management safe, clean and functional, the commercial property operational services we provide are aimed at improving the performance of the commercial properties under management primarily through increasing the consumer traffic and popularity of such properties, and increasing the overall value of the commercial properties. As a result, conventional property management service providers primarily charge a fixed property management fee on a per sq.m. basis, while our service fees are composed of both fixed service fees and a portion correlated to the results of operations (such as total rents, revenue or profit) of the commercial properties.

The major driver of our business is the overall performance of the commercial properties, primarily affected by factors such as the consumer traffic, occupancy rate and overall popularity of the commercial properties.

We provide our commercial property operational services under three operational models, namely, the entrusted management service model, the brand and management output service model and the sublease service model. Under different operational models, we have different levels of involvement in the management of commercial properties and provide different combinations of services to different customer groups:

Entrusted management service model

Under this model, we are entrusted by the property owners with full authority to manage the commercial properties. We employ the entire management team, including the general project manager and members of functional departments.

- Services: We provide (i) positioning, construction consultancy and tenant sourcing services, (ii) operational management services and (iii) value-added services.

- Customers: Our customers include (i) property owners, (ii) tenants and (iii) relevant customers in respect of value-added services.

- Revenue sources: Our revenue sources include (i) fixed fees for positioning, construction consultancy and tenant sourcing services from property owners, (ii) a pre-agreed percentage of the revenue or profit, and/or a fixed fee, for operational management services from property owners, (iii) management fees for operational management services from tenants and (iv) common area use fees for valued-added services from relevant customers.

- Cost structure: We bear the operating costs of managing the commercial property.

The entrusted management service model offers us a higher level of autonomy in managing the project, which we believe can achieve better operating results and increase our revenue, and limits our credit risk as certain cash flows may pass through us. During the Track Record Period, a majority of our revenue was generated from commercial properties managed under the entrusted management service model. As of September 30, 2020, we entered into contracts to provide services for a total of 17 commercial properties with a total GFA of 1,116,688 sq.m. (including 7 commercial properties in operation with a total GFA of 531,931 sq.m.) under the entrusted management service model.

Brand and management output service model

Under this model, we, as professional managers, manage commercial properties for the property owners. We only employ the core management team to the projects, usually consisting of the general project manager and/or heads of certain functional departments. The property owner is responsible for employing most of the project personnel. The core management team assigned by us will lead and supervise the project personnel employed by property owners in managing the project.

- Services: Our services include (i) positioning, construction consultancy and tenant sourcing services and (ii) operational management services.

- Customers: Our customers only include property owners.

- Revenue sources: Our revenue sources include (i) fixed fees for positioning, construction consultancy and tenant sourcing services from property owners and (ii) a pre-agreed percentage of the revenue and/or profit, and/or a fixed fee, for operational management services from property owners.

- Cost structure: We only bear our staff costs related to the projects, a portion of which will be reimbursed by the property owners, and the property owners bear the operating costs of managing the commercial properties.

Under this model, we do not need to inject substantial capital and human resources, which results in a generally higher gross profit margin as compared to the other two models and facilitates our fast geographic expansion. As of September 30, 2020, we entered into contracts to provide services for a total of 27 commercial properties with a total GFA of 1,838,510 sq.m. (including 13 commercial properties in operation with a total GFA of 834,538 sq.m.) under the brand and management output service model.

Sublease service model

Under this model, we lease the commercial property from the property owner and sublease commercial spaces within the commercial property to tenants. We are solely responsible for the management and operating results of the commercial property, and employ the entire management team of the project.

- Services: Our services include (i) property leasing services, (ii) operational management services and (iii) value-added services.

- Customers: Our customers include (i) tenants and (ii) relevant customers in respect of value-added services.

- Revenue sources: Our revenue sources include (i) rent from tenants, (ii) management fees for operational management services from tenants and (iii) common area use fees for valued-added services from relevant customers.

- Cost structure: We bear the operating costs of managing the commercial properties and pay rent to the property owner periodically.

Under the sublease service model, we may offer to renovate or decorate the commercial property in accordance with the lease agreement with the property owner. The sublease service model can maximize our income from a project, which at the same time exposes us to higher risks. As a result, we take a very prudent approach in adopting the sublease service model and consider adopting such model for projects with high growth potential. As of September 30, 2020, we entered into a contract to provide services for only one commercial property with a total GFA of 43,632 sq.m., which was in operation, under the sublease service model.

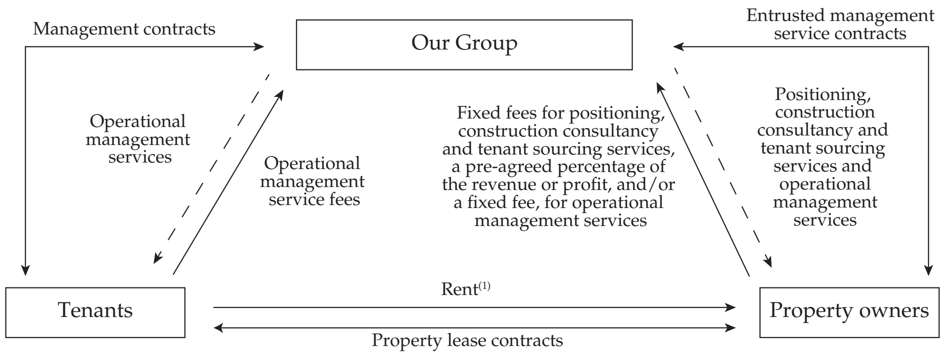
The choice of operational model is usually the result of negotiation between property owners and us. It is determined by taking into account various factors, such as each party's requirements and preferences, the location and conditions of the project and the requirements on human resources. Through information collection, onsite assessment, market research and risk assessment, we estimate the potential and profitability of the project under different operational models. With our assessment, we negotiate the operational model and other contract terms with property owners.

The table below sets forth a summary of the key differences among our three operational models:

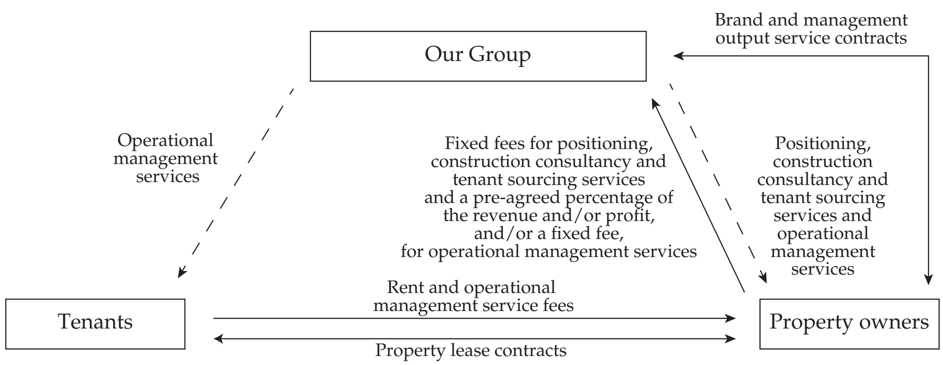
	Entrusted Management Service Model	Brand and Management Output Service Model	Sublease Service Model
Services offered	• Positioning, construction consultancy and tenant sourcing services • Operational management services • Value-added services	• Positioning, construction consultancy and tenant sourcing services • Operational management services	• Property leasing services • Operational management services • Value-added services
Sources of revenue	• Fixed fees for positioning, construction consultancy and tenant sourcing services from property owners • A pre-agreed percentage of the revenue or profit, and/or a fixed fee, for operational management services from property owners • Management fees for operational management services from tenants • Common area use fees for valued-added services from relevant customers	• Fixed fees for positioning, construction consultancy and tenant sourcing services from property owners • A pre-agreed percentage of the revenue and/or profit, and/or a fixed fee, for operational management services from property owners	• Rent from tenants • Management fees from tenants • Common area use fees for valued-added services from relevant customers
Cost structure	• Operating costs of managing the commercial properties , primarily including staff costs, subcontracting costs for security and cleaning services, utilities and maintenance costs of the commercial properties	• Our staff costs related to the projects	• Operating costs of managing the commercial property, primarily including staff costs, subcontracting costs for security and cleaning services, utilities and maintenance costs of the commercial properties • Cost related to leasing of the commercial property
Customers	• Property owners • Tenants • Other customers that receive value-added services	• Property owners	• Tenants • Other customers that receive value-added services

The diagrams below illustrate our relationships with various parties under our commercial property operational service contracts:

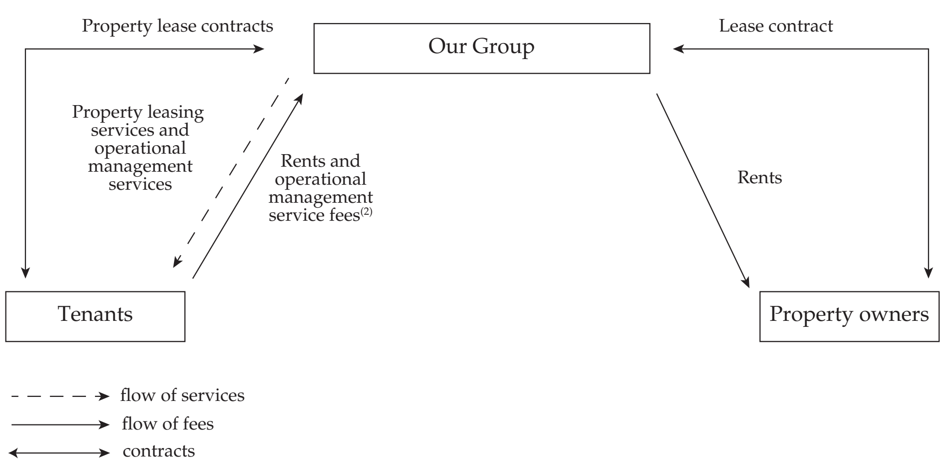
Entrusted Management Services



Brand and Management Output Services



Sublease Services



Notes:

(1) For most of the commercial properties managed under the entrusted management service model, we receive rent payments from tenants on behalf of property owners, and receive sales proceeds on behalf of certain tenants.

(2) For the commercial property managed under the sublease service model, we receive sales proceeds on behalf of certain tenants.

The table below sets forth the breakdown of our total revenue from our continuing operations by business segment for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Entrusted management services	**212,453**	**76.4**	**253,548**	**77.1**	**294,970**	**76.2**	**218,274**	**76.1**	**218,731**	**71.5**
– Positioning, construction consultancy and tenant sourcing services	–	–	–	–	10,547	2.7	9,699	3.4	16,297	5.3
– Operational management services	162,494	58.4	190,842	58.0	216,322	55.9	162,981	56.8	166,572	54.5
– Value-added services	49,959	18.0	62,706	19.1	68,101	17.6	45,594	15.9	35,862	11.7
Brand and management output services	**53,674**	**19.3**	**58,885**	**17.9**	**72,606**	**18.7**	**53,882**	**18.8**	**73,049**	**23.9**
– Positioning, construction consultancy and tenant sourcing services	19,932	7.2	10,022	3.0	16,303	4.2	12,195	4.3	30,402	9.9
– Operational management services	33,742	12.1	48,863	14.9	56,303	14.5	41,687	14.5	42,647	14.0
Sublease services	**11,940**	**4.3**	**16,261**	**5.0**	**19,738**	**5.1**	**14,542**	**5.1**	**14,082**	**4.6**
– Property leasing services	6,091	2.2	8,764	2.7	12,028	3.1	8,733	3.0	8,151	2.7
– Operational management services	5,047	1.8	5,899	1.8	6,441	1.7	4,755	1.7	4,719	1.5
– Value-added services	802	0.3	1,598	0.5	1,269	0.3	1,054	0.4	1,212	0.4
Total	**278,067**	**100.0**	**328,694**	**100.0**	**387,314**	**100.0**	**286,698**	**100.0**	**305,862**	**100.0**

The table below sets forth the breakdown of our total contracted GFA and number of commercial properties as of the dates by business segment for the years/periods indicated:

	As of December 31,						As of September 30,	
	2017		2018		2019		2020	
	No. of properties	*Contracted GFA[(1)] sq.m.*	*No. of properties*	*Contracted GFA[(1)] sq.m.*	*No. of properties*	*Contracted GFA[(1)] sq.m.*	*No. of properties*	*Contracted GFA[(1)] sq.m.*
	(in thousands, except for numbers of properties)							
Entrusted management services	4	438	5	478	17	1,117	17	1,117
Brand and management output services	15	1,142	16	1,551	24	1,809	27	1,839
Sublease services	1	44	1	44	1	44	1	44
Total	**20**	**1,624**	**22**	**2,073**	**42**	**2,970**	**45**	**2,999**

Note:

(1) We did not include four consultancy contracts that were terminated upon completion in the calculation of GFA as they did not involve specific commercial properties and were mainly related to the consultancy services we provided in the early preparatory stage of the potential projects.

For analysis of the material fluctuations of our revenue from each business segment, please see "Financial Information—Results of Operations—Revenue."

For analysis of our gross profit margin for commercial properties developed or owned by Galaxy Holding and its associates and Independent Third Parties under each model, please see "Financial Information—Results of Operations—Gross Profit and Gross Profit Margin" in this prospectus.

OUR BUSINESS

Commercial Property Operational Services

Overview

We provide commercial property operational services under different brands, including "COCO Park," "COCO City," "COCO Garden," "iCO" and "Top Living (第三空間)." Capitalizing on our experiences in Shenzhen and our expertise in commercial property operation and management, we began to provide commercial property operational services to Independent Third Party property developers in 2014, and expanded into other major cities in the Greater Bay Area and across the country.

As of September 30, 2020, we provided commercial property operational services to a total of 45 commercial property projects, including shopping centers, shopping streets and commercial complexes, with an aggregate contracted GFA of approximately 2,999,000 sq.m. The commercial property projects under our management were located in 18 cities in China, including Shenzhen, Guangzhou, Zhongshan, Huizhou, Dongguan, Nanjing, Changzhou, Wuxi, Nanchang, Enshi, Changsha, Tianjin, Putian, Shanwei, Shanghai, Jieyang, Foshan and Ordos. For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, revenue generated from our continuing operations amounted to RMB278.1 million, RMB328.7 million, RMB387.3 million, RMB286.7 million and RMB305.9 million, respectively.

The table below indicates the movements of our contracted GFA during the Track Record Period:

	For the year ended December 31,			For the nine months ended September 30,
	2017	2018	2019	2020
		(in thousands sq.m.)		
As of the beginning of the period				
Galaxy Holding and its associates	607	657	696	1,256
Independent Third Parties	560	967	1,377	1,714
	1,167	1,624	2,073	2,970
New engagements[(1)(2)]				
Galaxy Holding and its associates	49	40	560	–
Independent Third Parties	408	409	337	214
	457	449	897	214

	For the year ended December 31,			For the nine months ended September 30,
	2017	2018	2019	2020
	(in thousands sq.m.)			
Terminations[(1)(2)]	–	–	–	(185)[(3)]
As of the end of the period				
Galaxy Holding and its associates	657	696	1,256	1,256
Independent Third Parties	967	1,377	1,714	1,743
	1,624	2,073	2,970	2,999

Notes:

(1) We did not include four consultancy contracts that were terminated upon completion. Our consultancy contracts with Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) and Shenzhen Galaxy Gengxin Investment Co., Ltd (深圳星河更新投資有限公司) did not involve specific commercial properties and were mainly related to the consultancy services we provided in the early preparatory stage of potential projects. Our consultancy contract with Pudong • Galaxy Century Project (浦東•星河世紀項目) was mainly related to the consultancy services we provided in relation to land sourcing. Our consultancy agreement on Nanchang Greenfield Project (南昌綠地項目) was terminated upon completion of our services in August 2018 and to the best of our knowledge the property owner had not engaged its commercial property operational service provider as of the Latest Practicable Date. For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2020, we generated revenue of RMB8.3 million, RMB0.9 million, RMB9.1 million and RMB21.9 million from consultancy services under our consultancy contracts. We recorded higher revenue in the years ended December 31, 2017 and 2019 as compared to the year ended December 31, 2018, primarily due to the higher demand for our consultancy services from customers in 2017 and 2019. For the relatively higher revenue from consultancy services under our consultancy contracts for the nine months ended September 30, 2020, please see "—Portfolio of Commercial Properties under Management—Consultancy Projects."

(2) With respect to certain commercial properties, we entered into both preliminary contracts and commercial property operational service contracts. As such commercial properties had remained under our management, we did not reflect the engagements and terminations of such preliminary contracts during the Track Record Period in the table above.

(3) In March 2020, the Culture, Radio, Television, Tourism and Sports Bureau of Longgang District, Shenzhen (深圳市龍崗區文化廣電旅遊體育局) terminated its build-transfer-operate agreement with the property developer/owner of Shenzhen Buji Galaxy COCO City (深圳布吉星河COCO City) pursuant to a judicial decision. As a result, our brand and management output service contract with such property developer/owner has been terminated. As Shenzhen Buji Galaxy COCO City (深圳布吉星河COCO City) had not been opened for business and we fully impaired the trade receivable of RMB0.7 million in relation to such project in the year ended December 31, 2017, and did not have other outstanding receivables with respect to such project and its property developer/owner as of the Latest Practicable Date, the termination of our brand and management output service contract with respect to such project will not have a material adverse effect on our business, financial condition and results of operations. The termination of our brand and management output service contract with respect to such project has not been reflected in the table above.

Scope of Services

Our commercial property operational services primarily include (i) positioning, construction consultancy and tenant sourcing services; (ii) operational management services; (iii) property leasing services; and (iv) value-added services. The details of our services are set out as follows:

Positioning, Construction Consultancy and Tenant Sourcing Services

Commercial site selection services	We provide consultancy, feasibility study and business planning services during the site selection process and help liaise with relevant local authorities for land acquisition purposes.
Market positioning and business planning consultancy services	Our services include conducting feasibility study, project positioning and product and tenant mix planning. Our analysis and evaluation will be documented in the "Feasibility Research Report" and a "Preparatory Business Consultancy Report" to provide support to the property developers or owners.
Design and construction consultancy services	We provide construction consultancy services for all stages of project design, including concept design, construction analysis, design drawings review and on-site assessment and evaluation for the property developers or owners. Our analysis and evaluation will be documented in the "Preparatory Business Consultancy Report" to provide support to the property developers or owners.
Tenant sourcing services	Based on project positioning and product and tenant mix, we formulate tenant sourcing strategies, identify tenants, discuss with potential tenants on preliminary commercial terms, formulate resource allocation plans and arrange the signing of the lease agreements. After the opening of the commercial property, we will periodically adjust project positioning and optimize tenant mix accordingly by conducting corresponding tenant sourcing.

Operational Management Services

Operation management and rent collection services	Leveraging our expertise and our assessment and research, we design operation and management strategies for the project under management, including conducting marketing and promotion events, managing car parks, providing tenant management services, such as decoration supervision, trainings for the employees of tenants, quality control on merchandises of tenants, assisting tenants to improve business performance through data analysis and providing property management services to improve customers' shopping experience. We also collect rents from tenants on behalf of property owners under entrusted management projects during the Track Record Period.

Property Leasing Services

Property leasing services	We provide property leasing services with respect to shops located within the shopping centers managed under our sublease service model. We lease shopping centers from property owners, may offer to decorate and renovate the shopping centers, and sublease the shops to tenants.

Value-added Services

Value-added services	We provide value-added services to relevant customers, such as tenants in the shopping centers, external vendors and advertisers. Our value-added services mainly include (i) management of common areas in the shopping centers where customers can rent for a short period for pop-up shops and promotional settings, and (ii) management of advertising spaces, such as LED boards and interior and exterior facades of the shopping centers.

During the Track Record Period, we were typically engaged by property developers one to two years before the opening of the commercial properties and maintained a high occupancy rate during our management of the commercial properties. In certain projects, we also provide feasibility research services before site selection. We typically provide market positioning, construction consultancy and tenant sourcing services immediately after the signing of our commercial property operational service contracts until the opening of the commercial properties, and operational management services and value-added services after the projects are delivered by the property developers in accordance with our design requirements, subject to the construction progress and the actual opening time of the commercial properties.

The table below sets forth the breakdown of our revenue generated under each type of services by customers:

	For the year ended December 31,			For the nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Positioning, construction consultancy and tenant sourcing services	**19,932**	**10,022**	**26,850**	**21,894**	**46,699**
– Galaxy Holding and its associates	8,302	–	19,605	16,492	32,715
– Independent Third Parties	11,630	10,022	7,245	5,402	13,984
Operational management services(1)	**201,283**	**245,604**	**279,066**	**209,423**	**213,938**
– Galaxy Holding and its associates	54,962	63,869	73,022	49,339	52,091
– Independent Third Parties	146,321	181,735	206,044	160,084	161,847
Property leasing services	**6,091**	**8,764**	**12,028**	**8,733**	**8,151**
– Galaxy Holding and its associates	–	–	–	–	–
– Independent Third Parties	6,091	8,764	12,028	8,733	8,151
Value-added services	**50,761**	**64,304**	**69,370**	**46,648**	**37,074**
– Galaxy Holding and its associates	–	2,715	2,525	4,541	5,975
– Independent Third Parties	50,761	61,589	66,845	42,107	31,099
Total	**278,067**	**328,694**	**387,314**	**286,698**	**305,862**

Note:

(1) The table below sets forth a breakdown of our revenue from operational management services fee model for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB* *(unaudited)*	*%*	*RMB*	*%*
	(in thousands except for percentage)									
Operational management services										
– Fixed fees	153,679	76.3	185,699	75.6	209,771	75.2	159,562	76.2	164,400	76.8
– Pre-agreed percentage of revenue or profit sharing	47,604	23.7	59,905	24.4	69,295	24.8	49,861	23.8	49,538	23.2
Total	**201,283**	**100.0**	**245,604**	**100.0**	**279,066**	**100.0**	**209,423**	**100.0**	**213,938**	**100.0**

The table below sets forth a breakdown of our revenue by business segment for the years/periods indicated:

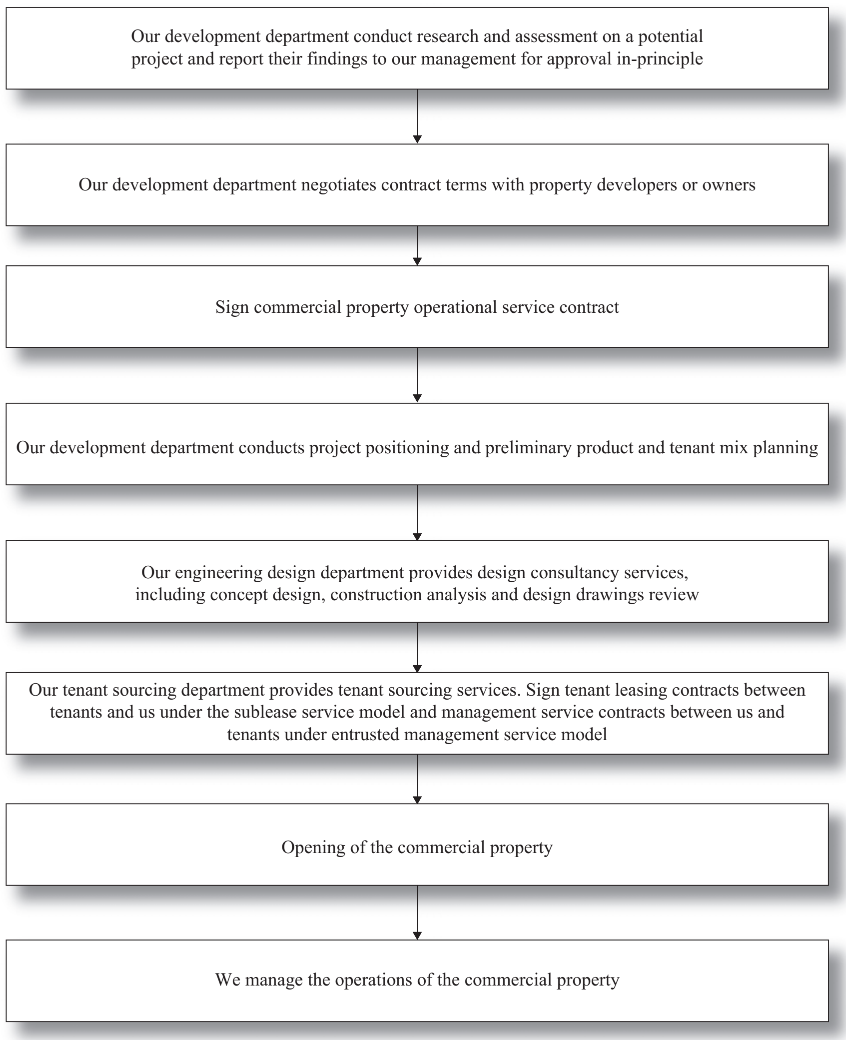
	For the year ended December 31,			For the nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB	*RMB*	*RMB*	*RMB* (unaudited)	*RMB*
			(in thousands)		
Entrusted management services model	**212,453**	**253,548**	**294,970**	**218,274**	**218,731**
– Pre-agreed percentage of revenue or profit sharing	34,918	40,292	43,611	30,687	32,685
– Fixed fees(1)	177,535	213,256	251,359	187,587	186,046
Brand and management output services	**53,674**	**58,885**	**72,606**	**53,882**	**73,049**
–Pre-agreed percentage of revenue or profit sharing	12,686	19,613	25,684	19,174	16,853
–Fixed fees(1)	40,988	39,272	46,922	34,708	56,196
Sublease services model	**11,940**	**16,261**	**19,738**	**14,542**	**14,082**
– Pre-agreed percentage of revenue or profit sharing	–	–	–	–	–
– Fixed fees(1)	11,940	16,261	19,738	14,542	14,082
Total	**278,067**	**328,694**	**387,314**	**286,698**	**305,862**

Note:

(1) Refers to service fees other than pre-agreed percentage of revenue or profit sharing, primarily include positioning, construction consultancy and tenant sourcing, operational management services to tenant, rents and value-added services.

Operational Flow of Our Business

The chart below illustrates the operational flow of our business from business development to operational management of commercial properties:

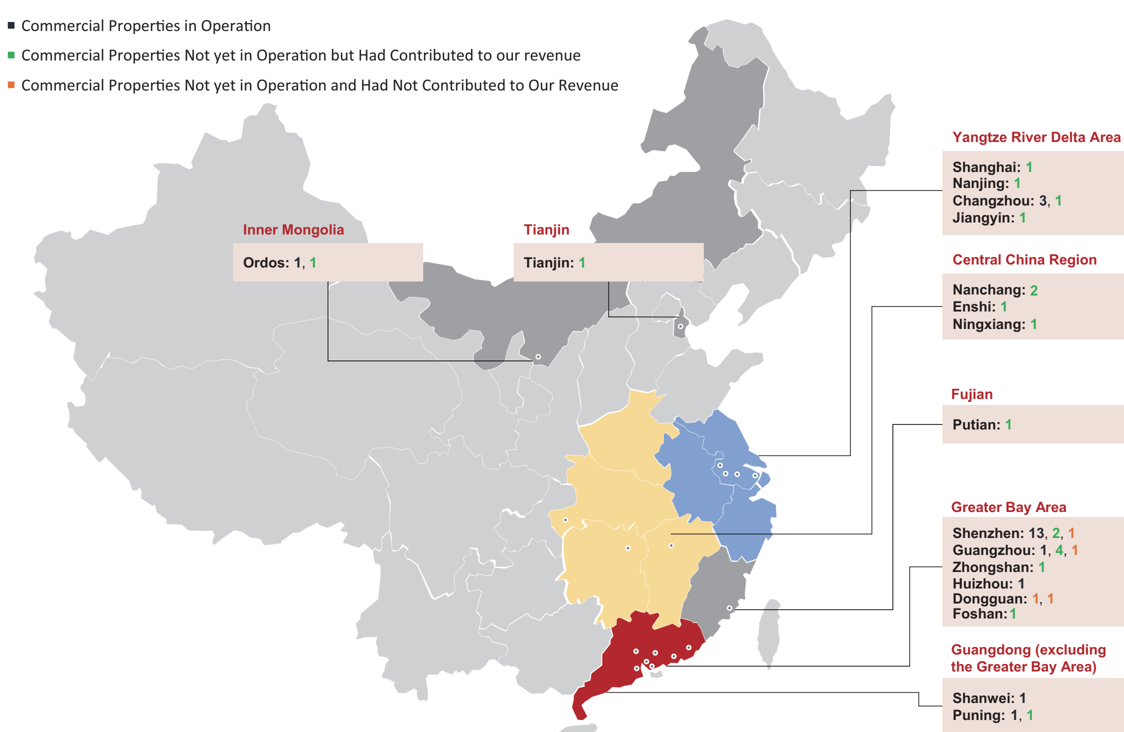


Our development department leads our business development process. They conduct initial information collection, onsite assessment and market research on the potential project and report their findings to our management. Once our management approves in-principle to proceed, our development department negotiates contract terms with property developers or owners and reaches agreement on the terms of contract. We will then sign the commercial property operational service contract with the property owner. For some early-stage projects, we may enter into a preliminary consultancy contract before entering into the commercial property operational service contract. Upon our engagement, our development department conducts project positioning and preliminary product and tenant mix planning. Our engineering design department provides design consultancy services, including concept design, construction analysis and design drawings review. Our tenant sourcing department provides tenant sourcing services. Once prepared, the commercial property will officially open for business. We will then manage the operations of the commercial property on a continuous basis according to the contract terms.

Our Geographic Presence

Since the inception of our first shopping center, Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park（北區）), we had expanded our geographic presence to 18 cities in China as of September 30, 2020, providing services for a total of 45 commercial property projects, including 27 in the Greater Bay Area (with 16 in Shenzhen), seven in Yangtze River Delta region, four in Central China region and seven in other regions.

The map below illustrates the location of the commercial property projects under our management as of September 30, 2020:



The table below sets forth a breakdown of our total contracted GFA as of the dates, and total revenue from our continuing operations by geographic region for the years/periods indicated:

	As of/for the year ended December 31,											
	2017				2018				2019			
	No. of properties	GFA[5] sq.m.	Revenue RMB	%	No. of properties	GFA[5] sq.m.	Revenue RMB	%	No. of properties	GFA[5] sq.m.	Revenue RMB	%
	(in thousands, except for numbers of properties and percentages)											
Greater Bay Area[1]	**13**	**827**	**250,193**	**90.0**	**12**	**866**	**287,477**	**87.5**	**23**	**1,306**	**344,148**	**88.9**
Shenzhen	11	774	235,843	84.8	10	813	280,521	85.3	17	981	333,734	86.2
Yangtze River Delta[2]	**3**	**63**	**13,884**	**5.0**	**3**	**63**	**18,354**	**5.5**	**7**	**300**	**22,931**	**5.9**
Central China region[3]	**1**	**142**	**2,584**	**0.9**	**2**	**312**	**8,092**	**2.5**	**5**	**453**	**5,125**	**1.3**
Other regions[4]	**3**	**592**	**11,406**	**4.1**	**5**	**832**	**14,771**	**4.5**	**7**	**911**	**15,110**	**3.9**
Total	**20**	**1,624**	**278,067**	**100.0**	**22**	**2,073**	**328,694**	**100.0**	**42**	**2,970**	**387,314**	**100.0**

	As of/for the nine months ended September 30,							
	2019				2020			
	No. of properties	GFA[5] sq.m.	Revenue RMB (unaudited)	%	No. of properties	GFA[5] sq.m.	Revenue RMB	%
	(in thousands, except for numbers of properties and percentages)							
Greater Bay Area[1]	**21**	**1,281**	**254,428**	**88.8**	**27**	**1,329**	**246,272**	**80.5**
Shenzhen	15	955	247,040	86.2	16	835	231,120	75.6
Yangtze River Delta[2]	**6**	**250**	**17,259**	**6.0**	**7**	**306**	**32,816**	**10.7**
Central China region[3]	**4**	**429**	**3,406**	**1.2**	**4**	**413**	**11,909**	**3.9**
Other regions[4]	**7**	**911**	**11,605**	**4.0**	**7**	**951**	**14,865**	**4.9**
Total	**38**	**2,871**	**286,698**	**100.0**	**45**	**2,999**	**305,862**	**100.0**

Notes:

(1) Include Shenzhen, Guangzhou, Zhongshan, Huizhou, Foshan and Dongguan.

(2) Include Shanghai, Nanjing, Changzhou and Wuxi.

(3) Include Nanchang, Enshi and Changsha.

(4) Include Shanwei, Jieyang, Putian, Tianjin and Ordos.

(5) We did not include four consultancy contracts that were terminated upon completion in the calculation of GFA as they did not involve specific commercial properties and were mainly related to the consultancy services we provided in the early preparatory stage of the potential projects.

Portfolio of Commercial Properties under Management

The table below sets forth a breakdown of our revenue by stage of projects for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB	*RMB*	*RMB*	*RMB* *(unaudited)*	*RMB*
			(in thousands)		
Commercial properties in operation and had contributed to our revenue	264,526	320,602	368,604	272,822	256,200
Commercial properties not yet in operation but had contributed to our revenue(1)	5,240	7,148	9,652	7,084	27,771
Consultancy projects(2)	8,301	944	9,058	6,792	21,891
Total	**278,067**	**328,694**	**387,314**	**286,698**	**305,862**

Notes:

(1) We included Shenzhen Buji Galaxy COCO City (深圳布吉星河COCO City), which was managed under the brand and management output service model and terminated as of September 30, 2020, as it contributed to our revenue during the Track Record Period. We recognized a revenue of RMB1.6 million from this project in 2017.

(2) We included consultancy contracts for which we had been contracted to provide consultancy services as of September 30, 2020 and four consultancy contracts that were terminated upon completion but had contributed to our revenue within the Track Record Period, including our consultancy contracts with Shenzhen Galaxy Gengxin Investment Co., Ltd (深圳星河更新投資有限公司), Nanchang Greenfield Project (南昌綠地項目), Pudong • Galaxy Century Project (浦東 • 星河世紀項目) and Nanchang Healthy Town (南昌健康小鎮). We recognized total revenue of RMB0.6 million, RMB0.9 million, nil, nil and RMB12.5 million from these consultancy contracts in the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively.

In Operation and Had Contributed to Our Revenue

The table below sets forth certain information of the commercial properties which were in operation as of the Latest Practicable Date and had contributed to our revenue during the Track Record Period:

						Occupancy rate				Revenue recognized						Consumer traffic[9]						
						as of December 31,			as of September 30,	for the year ended December 31,			for the nine months ended September 30,			for the year ended December 31,			for the nine months ended September 30,			
	Commercial property	Location	Opening date	Contract date[1]	Contract term[2]	2017	2018	2019	2020	2017	2018	2019	2019	2020	GFA in operation	2017	2018	2019	2019	2020	Revenue model	Property owner
													(unaudited)									
			(Month-Year)	*(Month-Year)*	*(Years)*	%				*(RMB) (in thousands)*					*(sq.m.)*	*(in thousands)*						
1.	Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park (北區))	Shenzhen	September 2006	January 2015[3]	15	100.0	99.4	98.5	94.5	96,305	107,599	106,300	78,820	76,123	67,645	23,572	25,093	25,370	18,370	12,664	Entrusted management service	Galaxy Holding and its associates
2.	Shenzhen Galaxy Top Living (深圳星河第三空間)	Shenzhen	May 2007	January 2015[3]	15	100.0	100.0	100.0	99.5	20,091	21,790	22,485	16,508	16,170	27,988			N/A[5]			Entrusted management service	Galaxy Holding and its associates
3.	Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park)	Shenzhen	September 2012	November 2015[3]	14	99.8	99.4	99.1	98.2	38,076	43,290	47,921	34,808	32,389	174,377	13,015	13,434	13,820	10,216	6,939	Entrusted management service	Galaxy Holding and its associates
4.	Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City)	Shenzhen	November 2014	November 2014	15	98.2	97.9	98.1	90.9	57,982	65,552	65,448	48,996	38,278	168,404	16,530	17,018	17,426	12,740	7,806	Entrusted management service	Galaxy Holding and its associates
5.	Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park)	Shenzhen	September 2018	September 2018	15	–	95.3	95.4	90.2	–	15,315	43,576	31,995	28,490	39,721	N/A[8]	N/A[8]	17,780	9,739	7,234	Entrusted management service	Galaxy Holding and its associates
6.	Shenzhen Galaxy Center (深圳星河中心)	Shenzhen	April 2008	January 2015[3]	15	98.7	99.2	99.9	94.8	6,606	8,100	9,267	6,594	6,465	72,605			N/A[6]			Brand and management output service	Galaxy Holding and its associates
	Subtotal									219,060	261,646	294,997	217,721	197,915	550,740							

	Commercial property	Location	Opening date	Contract date[1]	Contract term[2]	Occupancy rate: as of December 31, 2017	Occupancy rate: as of December 31, 2018	Occupancy rate: as of December 31, 2019	Occupancy rate: as of September 30, 2020	Revenue recognized: for the year ended December 31, 2017	Revenue recognized: for the year ended December 31, 2018	Revenue recognized: for the year ended December 31, 2019	Revenue recognized: for the nine months ended September 30, 2019	Revenue recognized: for the nine months ended September 30, 2020	GFA in operation	Consumer traffic[9]: for the year ended December 31, 2017	Consumer traffic[9]: for the year ended December 31, 2018	Consumer traffic[9]: for the year ended December 31, 2019	Consumer traffic[9]: for the nine months ended September 30, 2019	Consumer traffic[9]: for the nine months ended September 30, 2020	Revenue model	Property owner
													(unaudited)									
			(Month-Year)	(Month-Year)	(Years)	%				(RMB) (in thousands)					(sq.m.)	(in thousands)						
7.	Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO)	Shenzhen	December 2015	December 2014	12	97.1	93.9	94.8	84.0	9,389	10,019	10,557	7,671	6,531	54,037	12,642	13,045	13,106	9,828	6,096	Brand and management output service	Independent Third Party property developers
8.	Shenzhen Yinhai Project (深圳銀海項目)	Shenzhen	April 2016	January 2017	5	100.0	100.0	100.0	99.9	3,559	3,631	3,558	2,809	2,311	29,810			N/A[7]			Brand and management output service	Galaxy Holding and its associates
9.	Changzhou Galaxy International Phase I Project (常州星河國際一期項目)	Changzhou	August 2016	January 2017	5	100.0	100.0	100.0	100.0	290	291	275	202	209	2,494			N/A[7]			Brand and management output service	Galaxy Holding and its associates
10.	Changzhou Galaxy International Phase III Project (常州星河國際三期項目)	Changzhou	August 2016	January 2017	19	100.0	100.0	100.0	98.5	1,654	1,803	1,786	1,383	1,517	16,990	1,433	1,612	1,687	1,157	454	Brand and management output service	Galaxy Holding and its associates
11.	Guangzhou Nansha Jinzhou Galaxy COCO Garden (廣州南沙金洲星河 COCO Garden)	Guangzhou	October 2016	January 2017[3]	7	96.1	95.8	93.5	96.0	2,480	2,626	1,805	1,355	1,348	10,812	1,375	1,779	1,955	1,550	844	Brand and management output service	Galaxy Holding and its associates
12.	Huizhou Galaxy COCO Garden (惠州星河COCO Garden)	Huizhou	September 2017	January 2015	10	96.6	96.2	91.2	89.6	3,568	4,330	3,710	2,947	2,818	42,034	N/A[8]	5,936	6,418	4,773	3,054	Brand and management output service	Galaxy Holding and its associates
13.	Puning Galaxy COCO City (普寧星河COCO City)	Jieyang	October 2017	October 2015	15	95.0	95.3	92.0	83.9	8,221	8,302	8,099	6,243	5,316	284,100	N/A[8]	17,047	17,893	13,348	10,877	Brand and management output service	Independent Third Party property developers
14.	Ordos Galaxy COCO City (鄂爾多斯星河COCO City)	Ordos	October 2017	July 2017	10	–	95.0	94.2	93.7	2,113	3,768	4,857	3,677	3,497	129,795	N/A[8]	N/A[10]	10,723	7,943	5,789	Brand and management output service	Independent Third Party property developers
	Subtotal									31,274	34,770	34,647	26,287	23,547	570,072							

	Commercial property	Location	Opening date	Contract date(1)	Contract term(2)	Occupancy rate: as of December 31, 2017	2018	2019	as of September 30, 2020	Revenue recognized: for the year ended December 31, 2017	2018	2019	for the nine months ended September 30, 2019	2020	GFA in operation	Consumer traffic(9): for the year ended December 31, 2017	2018	2019	for the nine months ended September 30, 2019	2020	Revenue model	Property owner
			(Month-Year)	*(Month-Year)*	*(Years)*	%				*(RMB) (in thousands)*			*(unaudited)*		*(sq.m.)*	*(in thousands)*						
15.	Shanwei Galaxy COCO City (汕尾星河COCO City)	Shanwei	February 2018	February 2018	10	–	86.3	81.3	92.2	–	2,700	2,154	1,685	1,522	139,800	N/A(8)	N/A(8)	2,506	1,933	1,476	Brand and management output service	Independent Third Party property developers
16.	Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO)	Shenzhen	December 2018	December 2016	15	–	–	94.0	75.2	2,252	5,225	8,561	6,985	3,880	33,370	N/A(8)	N/A(8)	4,580	3,620	1,434	Brand and management output service	Independent Third Party property developers
17.	Shenzhen Smart-Convergence Galaxy COCO Garden (深圳智薈星河 COCO Garden)	Shenzhen	June 2019	January 2019	15	–	–	100.0	100.0	–	–	1,118	755	969	19,930	–	–	N/A(7)	–	–	Brand and management output service	Galaxy Holding and its associates
18.	Changzhou Wujin Hutang Galaxy COCO City(4) (常州武進湖塘星河 COCO City)	Changzhou	August 2016	April 2016	20	90.3	85.5	87.9	92.8	11,940	16,261	19,738	14,542	14,082	43,632	4,571	4,893	5,025	3,634	2,419	Sublease service	Galaxy Holding and its associates
19.	Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park (南區))	Shenzhen	July 2020	March 2019	15	–	–	–	84.9	–	–	4,711	3,468	8,750	43,239	–	–	–	–	890	Entrusted management service	Galaxy Holding and its associates
20.	Shenzhen Shajing Galaxy COCO Garden (深圳沙井星河COCO Garden)	Shenzhen	August 2020	January 2019	15	–	–	–	100.0	–	–	1,175	840	1,083	8,557	–	–	N/A(7)	–	–	Brand and management output service	Galaxy Holding and its associates
21.	Shenzhen Galaxy Legend Project (深圳星河傳奇項目)	Shenzhen	August 2020	December 2019	15	–	–	–	100.0	–	–	–	–	762	17,316	–	–	N/A(11)	–	–	Entrusted management services	Galaxy Holding and its associates
22.	Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City)	Zhongshan	November 2020	August 2019	10	–	–	–	–	–	–	1,503	539	3,690	146,909	–	–	–	–	–	Brand and management output service	Independent Third Party property developers
	Total									264,526	320,602	368,604	272,822	256,200	1,573,565							

Notes:

(1) Contract date represents the date on which we began to provide our commercial property operational services pursuant to the most recent commercial property operational services contract entered into between the property developer or owner and us.

(2) Unless otherwise indicated, contract starts from the contract date and lasts through the number of years specified in the contract term column since the opening date of the commercial property.

(3) We started providing commercial property operational services prior to the contract date. The contract date here refers to the most recent commercial property operational service contract.

(4) In December 2019, we entered into a supplemental agreement with the property owner to adjust the rent.

(5) This commercial property is not equipped with consumer traffic monitor as it is positioned as a high-end home furnishing shopping center and we believe consumer traffic is not an important indicator for its operation.

(6) This commercial property is not equipped with consumer traffic monitor as it is composed of office buildings and ancillary commercial spaces.

(7) This commercial property is not equipped with consumer traffic monitor as it is a shopping street.

(8) Annual consumer traffic is not available since the project had not commenced operation for part or all of the relevant year.

(9) Our consumer traffic data were generated by our consumer traffic detection system, which automatically detects and counts consumers entering the main entrance of the commercial properties.

(10) This commercial property was not equipped with consumer traffic monitor until the second half of 2018.

(11) This commercial property was not equipped with consumer traffic monitor as it was opened in August 2020.

From 2017 to 2019, most of the commercial properties in operation under our management experienced increases in consumer traffic, which we believe is primarily due to our successful positioning of the commercial properties, well designed and continuously optimized tenant mix and effective management. For example, our consumer traffic in Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)) increased from 23.6 million for the year ended December 31, 2017 to 25.4 million for the year ended December 31, 2019. In addition, from 2017 to 2019, most of such commercial properties experienced increases in revenue. For example, revenue from Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) increased from nil in the year ended December 31, 2017 to RMB15.3 million in the year ended December 31, 2018, as it was opened in September 2018, and further increased to RMB43.6 million in the year ended December 31, 2019, as it generated revenue for the full year of 2019. Revenue from Ordos Galaxy COCO City (鄂爾多斯星河COCO City) increased since its reopening in October 2017 from RMB2.1 million in the year ended December 31, 2017 to RMB3.7 million in the year ended December 31, 2018 and further to RMB4.9 million in the year ended December 31, 2019, primarily due to increases in our shares of the revenue and operating profit of the project, which were in turn due to the increases in the revenue and operating profit of the project as a result of our successful repositioning of the project and improvement in tenant mix in 2019. Revenue from Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City), managed under the sublease service model, increased from RMB11.9 million in the year ended December 31, 2017 to RMB16.3 million in the year ended December 31, 2018, and further increased to RMB19.7 million in the year ended December 31, 2019, primarily due to an increase in the average rent from tenants and value-added services as a result of its increased market recognition since its opening in 2016. Revenue from Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO) increased from RMB2.3 million in the year ended December 31, 2017 to RMB5.2 million in the year ended December 31, 2018, and further to RMB8.6 million in the year ended December 31, 2019, as it generated revenue of positioning, construction consultancy and tenant sourcing services in 2017, revenue of tenant sourcing in 2018 prior to its opening, and generated revenue from operational management services for the full year of 2019 since its opening in December 2018. Most of the commercial properties in operation under our management, experienced decreases in consumer traffic from the nine months ended September 30, 2019 to the same period in 2020 primarily due to the suspension of certain projects in operation as a result of the COVID-19 pandemic. For example, our consumer traffic in Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)) decreased from 18.4 million for the nine months ended September 30, 2019 to 12.7 million for the nine months ended September 30, 2020, and our consumer traffic in Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO) decreased from 3.6 million for the nine months ended September 30, 2019 to 1.4 million for the nine months ended September 30, 2020. In addition, from the nine months ended September 30, 2019 to the nine months ended September 30, 2020, revenue from some of the commercial properties in operation under our management, such as Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City), decreased primarily due to COVID-19 pandemic.

From 2017 to 2019, the occupancy rates of the commercial properties under our management generally stayed at a relatively high level, with some fluctuations in certain commercial properties, such as Huizhou Galaxy COCO Garden (惠州星河COCO Garden) and Shanwei Galaxy COCO City (汕尾星河COCO City), primarily due to our continuous adjustment and optimization of tenant mix. The decrease of the occupancy rates of the commercial properties under our management, such as Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City) and Puning Galaxy COCO City (普寧星河COCO City), as of September 30, 2020 was primarily due to COVID-19 pandemic.

Not yet in Operation but Had Contributed to Our Revenue

The table below sets forth certain information of the commercial property projects for which we had been contracted to provide commercial property operational services as of the Latest Practicable Date. These commercial property projects had not commenced operation but contributed to our revenue during the Track Record Period:

	Commercial property	Location	Contract date[(1)]	Expected opening date[(2)]	Contract term[(4)]	Contracted GFA	Revenue recognized for the year ended December 31, 2017	2018	2019	for the nine months ended September 30, 2019	2020	Revenue model	Property owner
										(unaudited)			
			(Month-Year)	*(Month-Year)*	*(Years)*	*(sq.m.)*	*(RMB) (in thousands)*						
1.	Jiangyin Qinwangshan Commercial Project (江陰秦望山商業項目)	Wuxi	January 2019	December 2022	–[(6)]	60,000	–	–	1,132	1,132	532	Entrusted management service[(5)]	Galaxy Holding and its associates
2.	Guangzhou Dongwan International Project (廣州東灣國際項目)	Guangzhou	January 2019	June 2023	–[(7)]	95,000	–	–	3,396	2,547	2,547	Entrusted management service[(5)]	Galaxy Holding and its associates
3.	Ningxiang Galaxy COCO City (寧鄉星河COCO City)	Changsha	May 2019[(8)]	January 2021	15	170,000	–	1,132	3,402	1,683	5,466	Brand and management output service	Independent Third Party property developers
4.	Nanjing Hengjia Road Commercial Project[(5)] (南京恒嘉路商業項目)	Nanjing	January 2019	September 2022	–[(6)]	57,000	–	–	–	–	1,812	Entrusted management services	Galaxy Holding and its associates
5.	Changzhou Galaxy Dandi Commercial Project[(5)] (常州星河丹堤商業項目)	Changzhou	February 2019	September 2023	–[(6)]	70,000	–	–	–	–	1,456	Entrusted management services	Galaxy Holding and its associates
6.	Nanchang Shanglian Galaxy COCO Park (南昌商聯星河 COCO Park)	Nanchang	July 2019	October 2021	15	76,571	–	–	–	–	4,606	Entrusted management services	Independent Third Party property developers
	Subtotal					528,571	–	1,132	7,930	5,362	16,419		

	Commercial property	Location	Contract date(1)	Expected opening date(2)	Contract term(4)	Contracted GFA	Revenue recognized for the year ended December 31, 2017	2018	2019	for the nine months ended September 30, 2019	2020	Revenue model	Property owner
										(unaudited)			
			(Month-Year)	(Month-Year)	(Years)	(sq.m.)	(RMB) (in thousands)						
7.	Shenzhen Guangming Galaxy Tiandi Project(5) (深圳光明星河天地項目)	Shenzhen	August 2019	September 2023	–(6)	70,000	–	–	–	–	2,126	Entrusted management services	Galaxy Holding and its associates
8.	Tianjin Beichen Commercial Project(5) (天津北辰商業項目)	Tianjin	August 2019	August 2023	–(6)	61,200	–	–	–	–	2,136	Entrusted management services	Galaxy Holding and its associates
9.	Ordos Bronze Ware Square Project (鄂爾多斯青銅器廣場項目)	Ordos	December 2018	September 2021	15	100,000	–	–	–	–	2,052	Brand and management output service	Independent Third Party property developers
10.	Nanchang B-Energy Galaxy iCO (南昌博能星河iCO)	Nanchang	October 2019	May 2021	15	23,987	–	–	–	–	1,610	Entrusted management services	Independent Third Party property developers
11.	Shanghai Bowan Lanyun Project (上海博萬蘭韵項目)	Shanghai	October 2019	December 2022	–	56,000	–	–	–	–	943	Entrusted management services	Independent Third Party property developers
12.	Putian Galaxy COCO Park (莆田星河COCO Park)	Putian	April 2016	N/A(3)	10	228,062	1,071	–	–	–	–	Brand and management output service	Independent Third Party property developers
13.	Enshi Galaxy COCO City (恩施星河COCO City)	Enshi	August 2017	N/A(9)	15	142,000	2,584	6,016	1,722	1,722	–	Brand and management output service	Independent Third Party property developers
14.	Guangzhou Nansha Dayong Village Project (廣州南沙大涌村項目)	Guangzhou	September 2019	May 2023	N/A	20,000	–	–	–	–	755	Brand and management output service	Galaxy Holding and its associates
15.	Foshan Changhua Galaxy COCO City (佛山長華星河COCO City)	Foshan	May 2020	May 2021	15	168,100	–	–	–	–	1,730	Brand and management output service	Independent Third Party property developers
	Total(5)					1,397,920	3,655	7,148	9,652	7,084	27,771		

Notes:

(1) Contract date represents the date on which we began to provide our commercial property operational services pursuant to the most recent commercial property operational services contract entered into between the property developer or owner and us.

(2) Expected opening date represents the date on which the commercial property is expected to open pursuant to the relevant commercial property operational service contract entered into between the property developer or owner and us or confirmation from the property developer or owner. The actual opening date of the commercial property may change subject to various factors, including but not limited to construction process, tenant sourcing progress and other unforeseen circumstances.

(3) The expected opening date had not been determined as the commercial property had not satisfied the conditions for opening as of the Latest Practicable Date. The property owner of Putian Galaxy COCO Park (莆田星河COCO Park) made an application for fire safety approval, which was rejected in 2017. To the best of our knowledge, the property owner of Putian Galaxy COCO Park (莆田星河COCO Park) had not obtained the fire safety approval as of the Latest Practicable Date, and the opening date of the project had not been determined.

(4) Unless otherwise indicated, contract starts from the contract date and lasts through the number of years specified in the contract term column since the opening date of the commercial property.

(5) We have entered into preliminary contracts in these projects and expect to enter into commercial property operational service contracts.

(6) The completion date for our consultancy contract is one day before the opening of the commercial property.

(7) The completion date for our consultancy contract is one day before completion of construction.

(8) We first entered into a project framework contract with an Independent Third Party property developer in relation to Ningxiang Galaxy COCO City (寧鄉星河COCO City) in July 2018, which was replaced with a commercial property operational service contract in May 2019. Therefore, we have included this project in our contracted GFA as of December 31, 2018 and 2019.

(9) In November 2019, the property owner of Enshi Galaxy COCO City (恩施星河COCO City) experienced financial difficulty and applied for bankruptcy restructuring with the local people's court. The court has approved such application on the bases that (i) although the applicant recorded a net asset position, it was short of cash and cash equivalents or other liquid assets to repay its debts when they fell due at the time of application; and (ii) the applicant had the intent and likelihood of being restructured such that it could be able to repay its debts and continue to carry on its business and operations. As of the Latest Practicable Date, such restructuring had not been completed and the opening date of this project had not been determined. We are of the opinion that the revenue from this customer is expected to be subject to significant reversal and relevant trade receivables have become credit-impaired. As such, we ceased to recognize the revenue from this project during 2019 amounting to RMB3.9 million and the trade receivables from this customer with a gross amount of RMB4.3 million as of December 31, 2019 were fully impaired. For details please see "Financial Information—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables" in this prospectus.

Not yet in Operation and Had Not Contributed to Our Revenue

The table below sets forth certain information of the commercial properties for which we had been contracted to provide commercial property operational services as of the Latest Practicable Date. These commercial properties had not commenced operation and had not contributed to our revenue during the Track Record Period:

Property	Location	Contract date(1)	Expected opening date(2)	Contract term(3)	Contracted GFA	Revenue model	Property owner
		(Month-Year)	*(Month-Year)*	*(Years)*	*(sq.m.)*		
Dongguan Galaxy COCO Garden (東莞星河COCO Garden)	Dongguan	January 2019	December 2021(4)	5	10,901	Brand and management output services	Galaxy Holding and its associates
Shenzhen Galaxy WORLD•COCO Park Phase II Project (深圳星河WORLD•COCO Park二期)	Shenzhen	December 2019	September 2023	15	15,000	Entrusted management services	Galaxy Holding and its associates
Ordos Nanhu International (鄂爾多斯南湖國際)	Ordos	November 2020	December 2022	15	61,048	Brand and management output services	Independent Third Party property developers
Guannan Galaxy COCO City (灌南星河COCO City)	Lianyungang	December 2020	December 2021	15	126,000	Brand and management output services	Independent Third Party property developers
Jiaxing Galaxy COCO City (嘉興星河COCO City)	Jiaxing	December 2020	June 2022	20(5)	81,504	Sublease services	Independent Third Party property developers
Total					294,453		

Notes:

(1) Contract date represents the date on which we began to provide our commercial property operational services pursuant to the relevant commercial property operational service contract entered into between the property developer or owner and us.

(2) Expected opening date represents the date on which the commercial property is expected to open pursuant to the relevant commercial property operational service contract entered into between the property developer or owner and us or confirmation from the property developer or owner. The actual opening date of the commercial property may change subject to various factors, including but not limited to construction process, tenant sourcing progress and other unforeseen circumstances.

(3) Unless otherwise indicated, contract starts from the contract date and lasts through the number of years specified in the contract term column since the opening date of the commercial property.

(4) We entered into a project framework contract with Galaxy Holding and its associates in relation to Dongguan Galaxy COCO Garden (東莞星河COCO Garden) in January 2019 and we are in the process of negotiating a brand and management output service contract.

(5) We entered into a sublease contract with an Independent Third Party property developer in relation to Jiaxing Galaxy COCO City (嘉興星河COCO City) in December 2020 with a lease term of 20 years since April 1, 2022. The contract starts from the contract date and lasts through the lease term.

Consultancy Projects

During the Track Record Period, we entered into consultancy contracts with certain property developer customers, including both Galaxy Holding and its associates and Independent Third Parties, pursuant to which we provided consultancy services to such customers at the early stage of their project cycle such as prior to or at the site selection stage. The scope of our consultancy services includes, among others: (i) commercial preliminary consultancy; (ii) macro-economy analysis; (iii) business landscape analysis; (iv) competition landscape analysis; (v) project positioning; (vi) tenant mix planning; and (vii) design advice. We typically submit our findings in the form of a consultancy report to the property developers or owners. The consultancy contracts were categorized under the brand and management output service model. The table below sets forth certain information of the commercial property projects for which we had been contracted to provide consultancy services as of the Latest Practicable Date.

						Revenue recognized						
						For the year ended December 31,			For the nine months ended September 30,			
	Commercial property	Location	Contract date	Contract term	Contracted GFA	2017	2018	2019	2019	2020	Revenue model	Property owner
			(Month-Year)	*(Years)*	*(sq.m.)*				*(unaudited)*			
						(RMB) (in thousands)						
1	Shenzhen Galaxy Real Estate Development Company[(2)] (深圳星河房地產開發有限公司)	Shenzhen	January 2019	5	–	7,736	–	9,058	6,792	6,792	Brand and management output service	Galaxy and its associates
2	Nanchong Village Project (南涌村項目)	Guangzhou	April 2020	–	–	–	–	–	–	–	Brand and management output service	Galaxy and its associates
3	Dongwan Ancient Village Project (東灣舊村項目)	Guangzhou	April 2020	–	–	–	–	–	–	943	Brand and management output service	Galaxy and its associates
4	Lujing Reserve Project (鹿頸留用地項目)	Guangzhou	May 2020	–	–	–	–	–	–	377	Brand and management output service	Galaxy Holding and its associates
5	Puning Galaxy Mingzhuwan 1st (普寧星河明珠灣一期)	Puning	April 2019	5	18,000	–	–	–	–	344	Brand and management output service	Galaxy Holding and its associates
6	Panyu Luobian Village Reconstruction Project (番禺羅邊村舊改復建返村商業項目)	Guangzhou	September 2020	–	–	–	–	–	–	943	Brand and management output service	Galaxy Holding and its associates
7	Customer A	Shenzhen	November 2020	2	–	–	–	–	–	–	Brand and management output service	Independent Third Party property developers
8	Commercial Plaza Project (商業廣場項目)	Dongguan	December 2020	2	–	–	–	–	–	–	Brand and management output service	Independent Third Party property developers
9	Dongguan Yi'an Commercial Building (東莞怡安商務大廈)	Dongguan	December 2020	–	–	–	–	–	–	–	Brand and management output service	Independent Third Party property developers
10	Tangxia New Sun Industrial City (塘廈新太陽工業城)	Dongguan	December 2020	2	–	–	–	–	–	–	Brand and management output service	Independent Third Party property developers
11	Tangxia New Sun Science and Technology Industrial Park (塘廈新太陽科技產業園)	Dongguan	December 2020	2	–	–	–	–	–	–	Brand and management output service	Independent Third Party property developers
	Total[(1)]				18,000	7,736	–	9,058	6,792	9,399		

Notes:

(1) We did not include four consultancy contracts that were terminated upon completion. The consultancy contracts were categorized under the brand and management output service model. Our consultancy contract with Shenzhen Galaxy Gengxin Investment Co., Ltd (深圳星河更新投資有限公司) had a total contract revenue of RMB0.6 million in 2017. Our consultancy contract on Nanchang Greenfield Project (南昌綠地項目) had a total contract revenue of RMB0.9 million in 2018. Our consultancy contract on Nanchang Health Town Project (南昌健康小鎮項目) had a total contract revenue of RMB0.2 million for the nine months ended September 30, 2020. Our consultancy contract on Pudong • Galaxy Century Project (浦東 • 星河世紀項目) had a total contract revenue of RMB12.3 million for the nine months ended September 30, 2020.

(2) We entered into a consultancy contract with this client. In 2017, we provided consultancy services and charged service fees on a per report basis. The revenue generated from consultancy services provided to Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) decreased in the year ended December 31, 2018, as such client requested less consultancy service from us. On January 1, 2019, we entered into a new consultancy contract, under which we agreed to provide consultancy services to all the commercial site selection projects of Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) and charge service fees quarterly. Our new consultancy contract with Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) has a total contract sum of RMB48 million for a term of five years.

Our service fees under consultancy contracts are negotiated with customers on a case-by-case basis, taking into account a number of factors such as the city, site and scale of the relevant project and our involvement in the process. Typically, we charge one-off or monthly service fees during the site selection and land acquisition process. Upon successful acquisition of the land by our customer, we may charge an additional service fee. If requested by customers, we may also provide preliminary positioning and business planning consultancy services after land acquisition and charge a separate service fee for such services. For example, regarding the Pudong • Galaxy Century Project (浦東 • 星河世紀項目), a project jointly developed by Galaxy Holding and its associates and a leading international retailer, which is an Independent Third Party to us, we provided consultancy services during the site selection and land acquisition process, for which we charged consultancy service fee. As we helped our clients successfully acquire the land, we received an additional service fee. We provided preliminary positioning and business planning consultancy services after land acquisition and charged a separate service fee.

Service Fees

The table below sets forth the types of our services and the major fee models during the Track Record Period:

Type of service	Fee received	
	Basis of calculation	Range of fees
Positioning, construction consultancy and tenant sourcing services		
– Market positioning and business planning consultancy services, design and construction consultancy services	A pre-agreed fixed fee from property owners, or	• From RMB200,000 to RMB3,000,000 one-off fee or • From RMB300,000 to RMB800,000 per month
	A one-off fixed fee on a per sq.m. basis from property owners	• RMB40 per sq.m.
– Tenant sourcing services	A pre-agreed share of rent from property owners, or	• From 0.5 to 2 months' rent
	A one-off fixed fee on a per sq.m. basis from property owners	• From RMB40 per sq.m. to RMB60 per sq.m.
Operational management services		
– Operation management and rent collection services	A management fee based on a pre-agreed percentage of project revenue and/or profit from property owners, and/or	• 3% or 5% of rental income, or • 3% or 5% of rental income and 60% of carpark income, or • From 1.2% to 4% of total revenue and from 2.4% to 7% of operating profit
	A fixed fee from property owners, and	• From RMB500,000 per year to RMB2,700,000 per year
	A fixed management fee based on a per sq.m. basis from tenants	• From RMB5[1] per sq.m. per month to RMB121 per sq.m. per month
Property leasing services		
– Property leasing services	Fixed rent on a per sq.m. basis or a pre-agreed share of monthly sales from tenants	• From RMB22[1] per sq.m. per month to RMB483 per sq.m. per month, and/or • From 2% to 22% of monthly sales
Value-added services		
– Value-added services	Common area use fees from relevant customers on a per month, per day or per sq.m. basis	• – [3]

Notes:

(1) We usually charge relatively lower fee rates to anchor stores, as we believe that they have potential to attract consumer traffic and other tenants to the commercial properties under our management.

(2) Certain entrusted management service contracts for projects developed or owned by Galaxy Holding and its associates and Independent Third Party property developer contain a settlement clause that our quarterly/annual operating profit from managing the relevant commercial property shall equal 25% of the operating profit of such property for the same period once it enters into the operational stage.

(3) As fees charged for value-added services vary broadly depending on factors such as the brand, tenant mix, geographical location, peak and non-peak seasons, ranges for value-added service fee rates are not meaningful.

We determine the fee rates for each type of services on a case by case basis through negotiation with the relevant customers. During the Track Record Period, we only had one sublease project, which was developed by Galaxy Holding and its associates. In the future, we may also manage commercial properties developed or owned by Independent Third Parties under the sublease service model, and plan to apply consistent fee models as those applicable to properties developed or owned by Galaxy Holding and its associates managed under the same model. For entrusted management projects, we applied consistent fee models for projects developed by Galaxy Holding and its associates and those developed by Independent Third Parties. For brand and management output projects, we applied generally consistent fee models to commercial properties in operation developed or owned by Galaxy Holding and its associates and those developed or owned by Independent Third Parties during the Track Record Period, except that we charged certain fixed fees, such as brand license fee, to Independent Third Party property owners only.

In the event that we experience unexpected increases in our cost of services, we may propose raising our service fees while negotiating to renew our commercial property operational service contracts.

Our Pricing Policy

We generally price our positioning, construction consultancy and tenant sourcing services on a fixed fee basis with reference to, among others, (i) the policy and business environment of the local market; (ii) the size and location of a commercial property; (iii) the reputation and industry position of our business partner; (iv) the complication in tenant sourcing; and (v) the service period.

For our operational management services charged on a revenue-and/or-profit-sharing basis, we price mainly with reference to the rate charged by competitors and positioning of a retail commercial property. For our operational management services charged on a fixed fee basis, we price mainly with reference to the prevailing local market price and property management related expenses.

For property leasing services, we generally set the rent with reference to the prices of comparable commercial properties in the local market, tenant and product mix planning of the commercial properties and the location and conditions of the shops.

For value-added services, we generally set the common area use fee with reference to the location and size of common area and period needed of such spaces.

Payment and Credit Terms

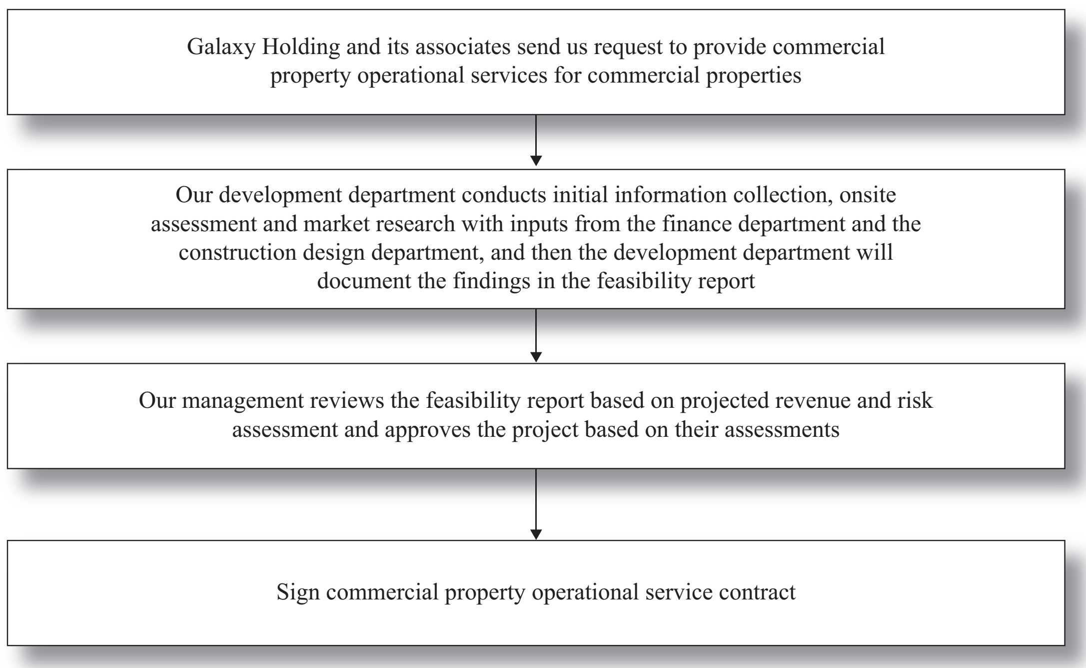
The payment and credit terms of our service fees vary and depend on the terms of our commercial property operational service contracts. The table below sets forth the typical payment and credit terms of our services.

Type of Service	**Payment Terms**
Positioning, construction consultancy and tenant sourcing services	Payable monthly or down payment prepaid and the rest payable upon completion for positioning, construction consultancy; payable upon completion for tenant sourcing services
Operational management services	Payable monthly, quarterly or annually
Property leasing services	Payable monthly or prepaid annually
Value-added services	Payable monthly or prepaid

Our Business Development Process

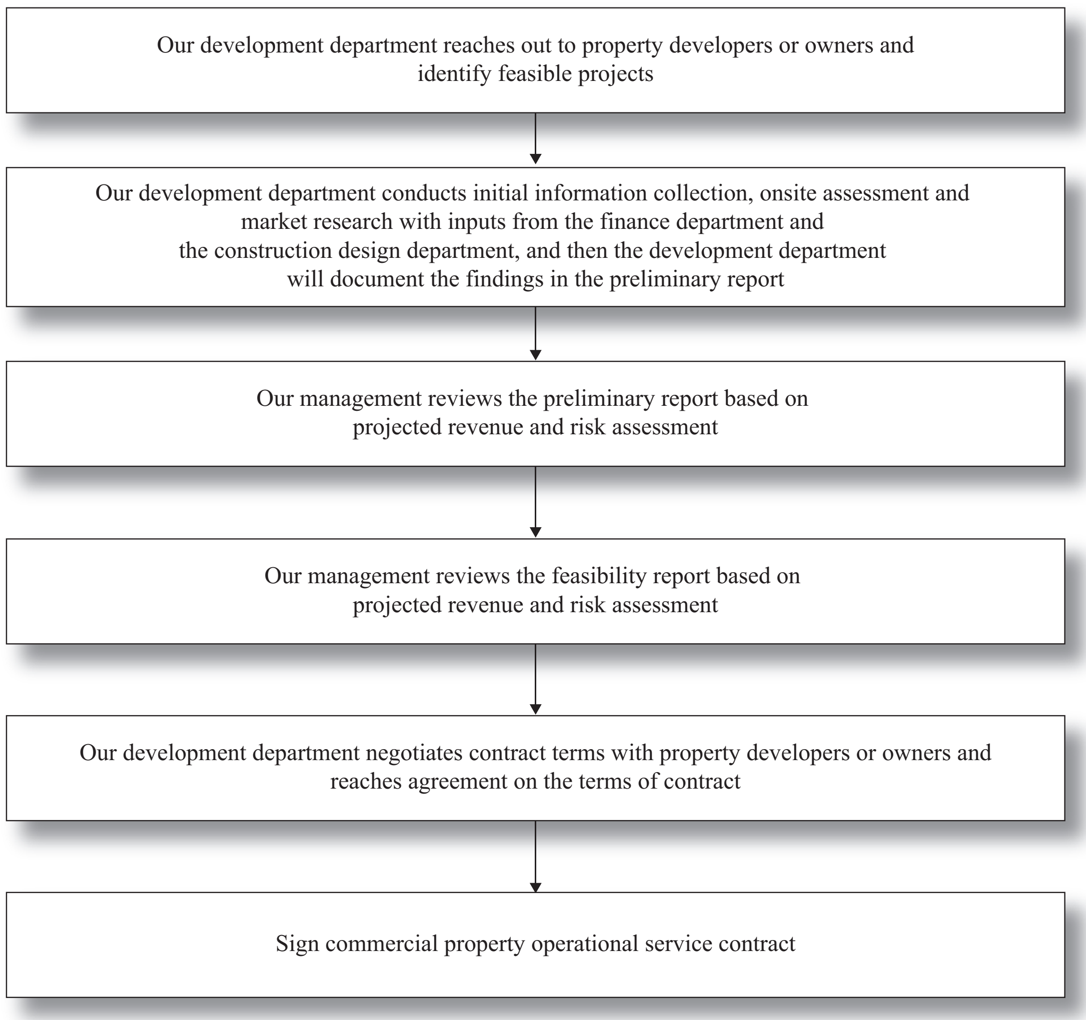
Properties Developed or owned by Galaxy Holding and Its Associates

The following flow chart illustrates the typical process of obtaining our commercial property operational service contracts with respect to properties developed or owned by Galaxy Holding and its associates.



Properties Developed or owned by Independent Third Parties

The following chart illustrates the typical process of obtaining our commercial property operational service contracts with respects to properties developed or owned by Independent Third Parties.



Our Service Contracts

In the ordinary course of business, we enter into entrusted management service contracts, brand and management output service contracts and sublease service contracts with property developers and owners. The key terms of the contracts are summarized below.

Entrusted Management Service Contracts

Key terms of contracts with property developers or owners

Our entrusted management service contracts with property developers or owners typically include the following key terms:

- *Scope of services* – A typical contract sets forth the scope of services to be provided by us, which normally includes (i) positioning, construction consultancy and tenant sourcing services; and (ii) operational management services. We may also authorize the property developer or owner to use our brand during the term of the entrusted management service contract;

- *Service fees* – The contract sets forth the service fees, primarily comprising (i) a fixed service fee based on the total GFA of the project for our positioning, construction consultancy and tenant sourcing services normally payable before the opening of the commercial property; and (ii) management fees for our operational management services and tenant management services charged as a percentage of the revenue or profit and payable and/or a fixed fee after the opening of the commercial property;

- *Our obligations* – We are primarily responsible for, among other things, preparing and managing the operation of the commercial property, regularly reporting to the property developer or owner on the operation and the business plan of the commercial property, and preparing and executing the budget and forecast relating to the operation of the commercial property for each year for approval by the property developer or owner. We bear the operating costs of managing the property;

- *Property developer or owner's obligations* – The property developer or owner is primarily responsible for, among other things, obtaining all licenses, permits and consents from the governmental authorities for the operation of the commercial property, ensuring that all facilities in the commercial property are in compliance with the requirements for commercial operations and bearing relevant costs and expenses of the project in accordance with the contract;

- *Term of service* – Our contract may have fixed terms ranging from 10 to 15 years. The property developer or owner may not terminate the contract without the satisfaction of certain conditions. We may renew the contract by entering into a new entrusted management service contract with the property developer or owner or by continuously providing entrusted management services without any objection from the property developer or owner;

- *Dispute resolution* – Both parties are typically required to resolve any contractual disputes through good faith negotiations first before resorting to litigation;

- *Transfer and assignment* – The property owner shall obtain our written consent before transferring the project, in whole or in part to a third party. The transferor shall ensure our rights and obligations are not affected by the transfer, and the transferee shall assume the rights and obligations of transferor under the contract; and

- *Termination and renewal* – The contract may be terminated (i) by the aggrieved party upon failure by the breaching party to cure any breach within a specified period of time, or (ii) by mutual consent of both parties thereto. Generally, parties may agree to renew the contract before a specified period of time prior to the expiration date, provided, however, should we continue to provide services and the property owner continues to accept such services provided thereunder, all terms and conditions of the expired contract shall continue to apply.

Key terms of contracts with tenants, supplemental to lease contracts between property owners and tenants

Our management contracts with tenants, supplemental to the lease contracts between property owners and tenants, typically include the following key terms:

- *Scope of services* – A typical contract sets forth the scope of operational management services to be provided by us, which normally includes operation management services, including conducting marketing and promotion events, providing tenant management services, such as decoration supervision, trainings for employees of tenants, quality control on merchandises of tenants, assisting tenants to improve business performance through data analysis and providing property management services to improve customers' shopping experience;

- *Service fees* – A typical contract sets forth the management fees for our services, comprising (i) management fees for our operational management services; and (ii) common area use fees for our value-added services;

- *Cash receipt services* – The tenant may elect to receive sales proceeds through our designated bank account by using our POS system;

- *Our obligations* – We are generally responsible for managing the operation of the commercial property and collecting rents, deposits and other fees on behalf of the property owners;

- *Tenant's obligations* – The tenant is primarily responsible for complying with our management rules for the commercial property, making timely payments in accordance with the relevant contract and indemnifying us and/or the property owner for any direct or indirect damages due to violation of laws and regulations, lease contracts and management contracts; and

- *Term of service* – Our contract may have the same terms as the lease contracts between the property owner and the tenant.

Brand and Management Output Service Contracts

Key Terms of Contracts with Property Developers or Owners

Our brand and management output service contracts with property developers or owners typically include the following key terms:

- *Scope of services* – A typical contract sets forth the scope of brand and management output services to be provided by us, which normally includes (i) positioning, construction consultancy and tenant sourcing services; and (ii) operational management services. We may also authorize the property developer or owner to use our brand during the term of the operational consultancy service contract;

- *Service fees* – The contract sets forth the service fees, primarily comprising (i) a fixed service fee based on the total GFA of the project for our positioning, construction consultancy and tenant sourcing services normally payable before the opening of the commercial property; and (ii) management fees for our operational management services charged as a percentage of the revenue and/or profit and/or a fixed fee and payable after the opening of the commercial property;

- *Our obligations* – We are primarily responsible for, among other things, preparing and managing the operation of the commercial property, regularly reporting to the property developer or owner on the operation and the business plan of the commercial property, and preparing the budget and forecast relating to the operation of the commercial property for each year to be submitted to the property developer or owner for approval;

- *Property developer or owner's obligations* – The property developer or owner is primarily responsible for, among other things, obtaining all licenses, permits and consents from the PRC Government authorities for the operation of the commercial property and ensuring that all facilities in the commercial property are in compliance with the requirements for commercial operations. In addition, the property developer or owner bears the relevant costs and expenses of managing the project in accordance with the contract;

- *Term of service* – Our contracts typically have fixed terms ranging from five to 15 years. The contract may be terminated by mutual consent;

- *Dispute resolution* – Both parties are typically required to resolve any contractual disputes through good faith negotiations first before resorting to litigation; and

- *Transfer and assignment* – The property developer or owner shall notify us at least three months prior to (i) the transfer of the project, in whole or in part, to a third party, (ii) the transfer of the controlling shares of the relevant project to a third party, and/or (iii) the assignment of its rights and obligations under the relevant contract, in whole or in part, to a third party. The property developer or owner, where acting as the transferor and/or assignor, shall ensure our rights and obligations are not affected by the transfer/assignment.

Key Terms of Consultancy Contracts with Property Developers or Owners

Our consultancy contracts with property developers or owners for a specific project typically include the following key terms:

- *Scope of services* – A typical contract sets forth the scope of consultancy services to be provided by us, which may include, among others: (i) commercial preliminary consultancy; (ii) macro-economy analysis; (iii) business landscape analysis; (iv) competition landscape analysis; (v) project positioning; (vi) tenant mix planning; and (vii) design advice. We typically submit our findings in the form of a consultancy report to the property developers or owners;

- *Service fees* – The contract sets forth our consultancy fees to be agreed by both parties. Service fee may be paid after signing the contract, or half of the service fee is paid before we start to render our services, with the remainder to be paid after the submission of consultancy report. If we successfully help the customer acquire the land, we may also charge an additional service fee;

- *Our obligations* – We are primarily responsible for, among other things, conducting research and preparing consultancy report, providing timely answers to enquires from property developer or owners in relation to the consultancy services, and updating the consultancy report per written comments from property developers or owners one time after initial submission to them;

- *Property developer or owner's obligations* – The property developers or owners are primarily responsible for, among other things, providing all necessary materials in relation to the provision of consultancy services, ensuring truthfulness, accuracy and completeness of materials supplied, replying any enquiries from us in relation to consultancy services within three days, and providing designated contact person and all other necessary assistance;

- *Term of services* – The contract has a fixed term or starts from our receipt of the initial payment and ends when we submit the final consultancy report, which typically lasts for four months; and

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

On January 1, 2019, we entered into a consultancy contract, under which we provided consultancy services to the site selection projects in respect of commercial properties of Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司). Our consultancy contract entered into with Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) on January 1, 2019 includes the following key terms:

- *Scope of services* – The contract sets forth the scope of site selection consultancy services to be provided by us, which normally covers (i) market research service, including local market research, macro-economy analysis, business district analysis and surrounding environment and population research; (ii) project positioning service, including drafting preliminary conceptual positioning plan, assisting in drafting design plans, assisting in organizing marketing seminar for local government or cooperating parties; (iii) economic projection service, including rent projection and operation evaluation; and (iv) design and construction consultancy services, including general layout design consultancy, advising on building format, transportation, consumer traffic flow and anchor store location, and providing review or adjustment comment on preliminary planning design. We provide our services to property developers at the site selection stage for all their site selection projects during the term of contract;

- *Service fees* – Our consultancy fees are payable on a quarterly basis;

- *Our obligations* – We are primarily responsible for, among other things, providing services under the contract, reporting service progress in a timely manner, providing service product at pre-agreed time, providing timely answers to enquires from property developers, and providing sufficient staff to support the property developers' operation in different geographical regions;

- *Property developers' obligations* – The property developers are primarily responsible for, among other things, providing all necessary materials in relation to the provision of site selection consultancy services, timely and fully payment of our service fees, ensuring provision of land acquisition funds and providing additional compensation, to be agreed by us, if we provide additional services;

- *Term of services* – Our contract has a fixed term of five years. The property developers may terminate the contract with one-month notice and by making full payment to us under the contract. If one party breaches the contract and the breach is not cured in 30 days after a written notice has been issued to the breaching party, the other party may terminate the contract; and

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

Sublease Service Contracts

Key Terms of Contracts with Property Developers or Owners

Our lease contract with property owners under the sublease service model typically include the following key terms:

- *Scope of leased property* – The contract sets forth the specifics of the property;

- *Rent payment* – The contract sets forth the terms of rent. We generally pay the property owner fixed rent periodically;

- *Our rights* – We are allowed to sublease the shop units in the retail commercial property;

- *Our obligations* – We are responsible for timely payment of the rent to the property owner;

- *Property owner's obligations* – The property owner is primarily responsible for, among other things, ensuring that the property and all facilities in the property are in compliance with the requirements for commercial operations;

- *Term of service* – Our contract has a fixed term of 20 years. The contract may be terminated by mutual consent; and

- *Transfer and assignment* – During the lease term, the property owner shall notify us at least one month prior to the transfer of title of the relevant property. We are entitled to the right of first refusal, and shall respond to the property owner's notice within five days after receipt of such notice.

Property lease contract with tenants

In the ordinary course of business, we enter into lease contracts with tenants under the sublease service model. The key terms of the lease contracts are summarized below.

- *Location and use* – A typical contract sets forth the location of the shop to be leased by the tenant and specifies the use of the shop;

- *Rent payment* – The contract sets forth the rent payable to us by the tenant;

- *Our obligations* – Our primary responsibilities include delivering the shop to the tenant for use and maintaining the equipment and common area of the retail commercial property;

- *Cash receipt services* – The tenant accepts our clearance policies and cash receipt management. The tenant undertakes to report sales revenue periodically to us and pay us transaction fees incurred in processing sales payments. We undertake to transfer sales proceeds, after deducting rent and fees payable to us, to tenant on a monthly basis. If cash received by us is not enough to cover rents and fees payable to us, tenant shall pay the difference in a timely manner.

- *Tenant's obligations* – The tenant is primarily responsible for, among others, obtaining all licenses, permits and consents from the governmental authorities for the lawful operation of its business and taking good care of all facilities in the shop and timely payment of rent;

- *Term of service* – Our contracts typically have fixed terms of one to 15 years; and

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

Our Brands

We provide commercial property operational services through five major brands, namely "COCO Park," "COCO City," "COCO Garden," "iCO" and "Top Living (第三空間)." Each carries a unique positioning, with which we seek to evoke certain themes or impressions of our services.

"COCO Park"

"COCO Park" is for city shopping centers (城市型購物中心) that target customers within the city and provides many well-known brands and flagship stores. It targets customers aged 15-50 and aims to become a focal point in the city. We mainly promote our "COCO Park" brand in first-tier cities as well as second- and third-tier provincial capitals. As of September 30, 2020, we managed seven retail commercial properties under the "COCO Park" brand, including Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park(南區)), Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park), Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park), Shenzhen Galaxy WORLD • COCO Park Phase II (深圳星河WORLD • COCO Park二期), Putian Galaxy COCO Park (莆田星河COCO Park) and Nanchang Shanglian Galaxy COCO Park (南昌商聯星河COCO Park).

Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)) is a representative project for this brand. Opened on September 30, 2006, it is the first experiential shopping park. It is a commercial landmark in the CBD of Shenzhen, with a total GFA in operation of 67,645 sq.m. as of September 30, 2020. It is located at the intersection of Fuhua 3rd Road and Mintian Road and seamlessly connected to the subway and high-speed railway. It integrates leisure, shopping, catering and entertainment functions, hosting more than 230 international and domestic brands as of September 30, 2020. It contains 12 folding indoor streets, eight natural-light atriums, a 100-meter flyover, and a sunken open-air square of approximately 6,000 sq.m. It interprets fashion with the use of complex spaces.

"COCO City" and "iCO"

"COCO City" and "iCO" are for regional shopping centers (區域型購物中心) that target customers within a five-kilometer radius from such shopping centers and feature many renowned and popular brands and selections. We mainly promote the "COCO City" brand in second- and third-tier cities. As of September 30, 2020, we managed nine retail commercial properties under the "COCO City" brand, including Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City), Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City), Puning Galaxy COCO City (普寧星河COCO City), Ordos Galaxy COCO City (鄂爾多斯星河COCO City), Shanwei Galaxy COCO City (汕尾星河COCO City), Enshi Galaxy COCO City (恩施星河COCO City), Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City), Ningxiang Galaxy COCO City (寧鄉星河COCO City) and Foshan Changhua Galaxy COCO City (佛山長華星河COCO City). As of the same date, we also managed three retail commercial properties under the "iCO" brand, including Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO), Nanchang B-Energy Galaxy iCO (南昌博能星河iCO) and Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO).

Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City) is located at the gateway of Meilong Road, Longhua New City. It was opened on November 8, 2014. It is adjacent to Baishilong Station of Metro Line 4, west to Meiguan Expressway, north to Meilin Pass and south to Minle Road. The total GFA in operation was 168,404 sq.m. as of September 30, 2020. Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City) contains well known boutique supermarkets, fashion brands, international cuisine, parent-child entertainment and other functions. It improves the convenience of customers living in nearby business districts through a diverse combination of functions.

Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO) is located adjacent to Longhua Culture Square. It was opened on December 12, 2015. As of September 30, 2020, the total GFA in operation was 54,037 sq.m. As of September 30, 2020, Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO) hosted approximately 200 international and domestically renowned brands. It contains well known supermarkets, fashion brands, international cuisine and parent-child entertainment.

"COCO Garden"

"COCO Garden" is for community shopping centers (社區型購物中心) that primarily target customers within a radius of one to three kilometers from such shopping centers and provides relatively affordable choices. We mainly promote this brand near residential communities to meet the daily needs of residents and provide some leisure and entertainment options. As of September 30, 2020, we managed five retail commercial properties under the "COCO Garden" brand, including Huizhou Galaxy COCO Garden (惠州星河COCO Garden), Guangzhou Nansha Jinzhou Galaxy COCO Garden (廣州南沙金洲星河COCO Garden), Shenzhen Shajing Galaxy COCO Garden (深圳沙井星河COCO Garden), Shenzhen Smart-Convergence Galaxy COCO Garden (深圳智薈星河COCO Garden) and Dongguan Galaxy COCO Garden (東莞星河COCO Garden).

Opened on September 9, 2017, Huizhou Galaxy COCO Garden (惠州星河COCO Garden) is the first street-block-sized shopping center in Huizhou. It is located at the intersection of Huiyang Danshui Center Area and Dayawan West Area, with a total GFA in operation of 42,034 sq.m. as of September 30, 2020. It contains supermarket, reputable cinema, boutique retail, featured cuisines and facilitates parent-child education, leisure, shopping, catering and entertainment.

"Top Living (第三空間)"

"Top Living" is a brand for our themed shopping center for quality home furnishings, providing high-end one-stop comprehensive home furnishing solutions for high-end customers with a focus on quality and experience. As of September 30, 2020, we managed one retail commercial property under the "Top Living" brand, Shenzhen Galaxy Top Living (深圳星河第三空間).

Shenzhen Galaxy Top Living (深圳星河第三空間) is located in Galaxy Century Tower on Caitian Road in Futian District with a total GFA in operation of 27,988 sq.m. as of September 30, 2020. It commenced operation on May 26, 2007. It promotes the concept of quality life and hosted more than 220 classic home furnishing brands from around the world as of September 30, 2020. The products cover a comprehensive process of decoration and home life, such as furniture, kitchen and bathroom products and home accessories.

Themed Shopping Areas (主題館)

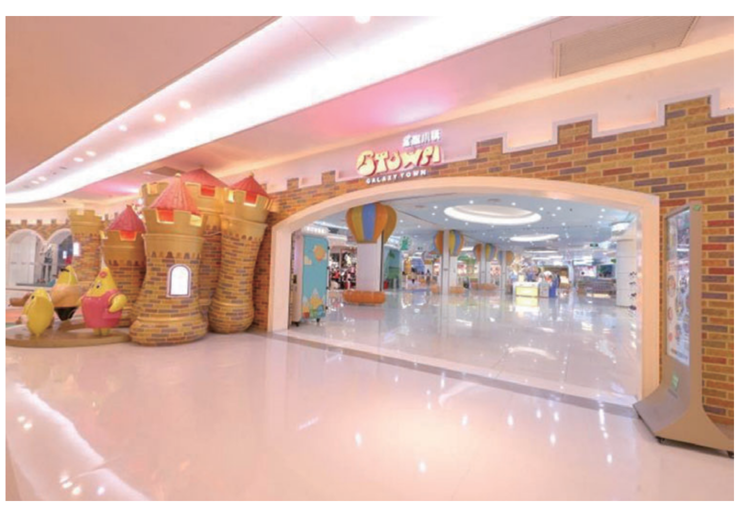
In seeking to provide diversified shopping experience to our customers, we also operate five major themed shopping areas, namely "Galaxy Life (星居生活館)," "Galaxy Town (星趣小鎮)," "Galaxy Selection (星悅琳廊)," "Galaxy Fit Lab (星躍領動)" and "Food Enjoy (星享食滙)."

"Galaxy Life (星居生活館)"

"Galaxy Life" is a brand for home-living-oriented themed shopping area, providing a broad range of products and services, such as home furnishings, home appliances, household products and domestic services. As of September 30, 2020, we managed two themed shopping areas under the "Galaxy Life" brand, namely, Shenzhen Longhua Galaxy COCO City Galaxy Life (深圳龍華星河COCO City星居生活館) and Changzhou Wujin Hutang Galaxy COCO City Galaxy Life (常州武進湖塘星河COCO City星居生活館).

"Galaxy Town (星趣小鎮)"

"Galaxy Town" is a brand for our family-oriented themed shopping area, providing one-stop solutions for family living needs, with diverse offerings including family-oriented retails, educational services and recreational services. As of September 30, 2020, we managed four themed shopping areas under the "Galaxy Town" brand, including Shenzhen Longhua Galaxy COCO City Galaxy Town (深圳龍華星河COCO City星趣小鎮), Shenzhen Longhua Galaxy iCO Galaxy Town (深圳龍華星河iCO星趣小鎮), Puning Galaxy COCO City Galaxy Town (普寧星河COCO City星趣小鎮) and Changzhou Wujin Hutang Galaxy COCO City Galaxy Town (常州武進湖塘星河COCO City星趣小鎮).



"Galaxy Selection (星悦琳廊)"

"Galaxy Selection" is a brand for fashion-oriented themed shopping area targeting urban-living females, providing a wide range of products and services, including apparels, female supplies and beauty salon. As of September 30, 2020, we managed one themed shopping area under the "Galaxy Selection" brand, Shenzhen Longhua Galaxy COCO City Galaxy Selection (深圳龍華星河COCO City星悦琳廊).

"Galaxy Fit Lab (星躍領動)"

"Galaxy Fit Lab" is a brand for sport-and-fitness-oriented themed shopping area, providing an integrated offering of fitness training, physical education and retails. As of September 30, 2020, we managed two themed shopping areas under the "Galaxy Fit Lab" brand, including Shenzhen Galaxy WORLD • COCO Park Galaxy Fit Lab (深圳星河WORLD • COCO Park星躍領動) and Shenzhen Longgang Galaxy COCO Park Galaxy Fit Lab (深圳龍崗星河COCO Park星躍領動).

"Food Enjoy (星享食滙)"

"Food Enjoy" is a brand for dining-oriented themed shopping area, providing a wide range of cuisine selections and venue for social interactions to our diners. As of September 30, 2020, we managed one themed shopping area under the "Food Enjoy" brand, Shenzhen Galaxy WORLD • COCO Park Food Enjoy (深圳星河WORLD • COCO Park星享食滙).

Tenant Management

We have established relationships with a wide range of tenants. As of December 31, 2017, 2018, 2019 and September 30, 2020, our brand bank had approximately 2,000, 2,600, 3,300 and 3,600 brands, respectively. The table below sets forth the range of GFA rented by major types of tenants as of September 30, 2020:

	Range of GFA rented	**Average GFA rented**
	(sq.m.)	*(sq.m.)*
Anchor stores	219.4–21,353.0	4,177.3
Food and catering	4.1–2,480.7	195.8
Home furnishing	10.6–1,498.2	164.7
Retail	6.0–2,025.0	134.3
Office	59.6–6,249.2	663.6
Others	2.0–3,412.0	245.2

It is our priority to select tenants that fit the positioning of the commercial properties, optimize the tenant mix to improve synergies among tenants and coach tenants to improve their business performance, so as to provide customer with premium shopping experience.

We believe anchor stores, such as movie theaters, supermarkets, KTV and skating rinks, are important to the commercial properties, as these anchor stores consistently drive consumer traffic to our commercial properties. Anchor stores usually rent relatively larger space compared to ordinary tenants, ranging from 219.4 sq.m. to 21,353.0 sq.m. as of September 30, 2020. We have established long-term cooperation with anchor stores. Our retention rate for anchor stores, calculated as the number of anchor stores as of the beginning of the period minus the number of anchor stores that exited, then divided by the number of anchor stores as of the beginning of the period, was 96.0%, 93.3%, 100.0% and 100.0% respectively, as of December 31, 2017, 2018, 2019 and September 30, 2020. The retention rates as of December 31, 2017 and 2018 were lower than 100.0%, primarily as we adjusted the tenant mix to improve the results of operations of the projects. During the Track Record Period, we terminated the lease agreements with two anchor stores before such agreements expired and replaced such anchor stores with new tenants in an effort to improve the tenant mix and operating results of the relevant commercial properties. We also partner with other types of tenants to diversity our product offerings to assist our expansion. Further, we review our brand bank and on-site tenant mix periodically to ensure the competitiveness and increase the revenue of our commercial properties. We believe that the size of our brand bank reflects tenant's recognition of our brand. We believe our tenant mix and our operational ability could bring stable revenue to property owners.

Our Membership System

To better serve our customers, we introduced our own three-tier membership management system, the "COCO Club," which provides membership various benefits to our members.

During the Track Record Period, our COCO Club experienced steady growth through various channels, including community promotions, credit card discount program, on-site events and online promotion via social media. We attract customers to our shopping centers to increase sales, through member recruitment, marketing and shopping habits cultivation. As of December 31, 2017, 2018, 2019 and September 30, 2020, we had effective members of over 658,000, 1,100,000, 1,431,000 and 1,538,000, respectively. Effective members include new members who joined the COCO Club in the current year and existing members who still have valid membership.

New media operation

As of September 30, 2020, we operated 20 public social media accounts, with more than 2.2 million subscribers. We believe that we have gained extensive experience and expertise in new media operation, and established a robust network of public social media accounts, which generated diverse contents and maintained close interactions with our customers. As a result, our social media accounts were consistently ranked among the top 10 social media accounts of shopping centers in Shenzhen in terms of overall popularity by Independent Third Parties.

Discontinued Operation – Sports and Entertainment Business

During the Track Record Period, we also provided sports and entertainment services through Quhui Innovation (趣匯創新). We disposed of Quhui Innovation (趣匯創新) and ceased to provide sports and entertainment services in January 2019, as its business was not in line with our business development strategy and not related to the core business of our Group. See "History, Reorganization and Corporate Structure—Disposal and Deregistration During The Track Record Period."

The COVID-19 Outbreak

The COVID-19 outbreak, which may have first appeared at the end of 2019, has spread globally. On March 11, 2020, WHO declared COVID-19 outbreak a pandemic. In response to the COVID-19 pandemic, governments across the world have imposed travel restrictions and/or lockdown to contain its transmission. For example, the PRC government imposed certain measures across the country including, but not limited to, travel restrictions and 14-day quarantine for travelers or returnees, whether infected or not, and an extended shutdown of business operations; United States expanded travel bans to all foreign nationals who had visited China, Iran, European countries in the Schengen Area, the United Kingdom and Ireland on March 16, 2020; Italy imposed national lockdown on March 9, 2020; and Spain imposed national lockdown on March 14, 2020. There is no assurance that more countries will not impose similar travel restrictions or lockdowns in response to the pandemic or that the current containment measures will be effective in halting the pandemic.

The outbreak, which is expected to result in a high number of fatalities, is likely to have an adverse impact on the livelihood of the people in and the economy of the PRC, particularly Wuhan city and Hubei province. The property market in the PRC, particularly Wuhan city and Hubei province, may be adversely impacted. The changes in the outlook of the property market, the slowdown of the personal consumption market and negative business sentiment could potentially have an indirect impact on the commercial property operational service market, and our business operation and financial condition may be adversely affected. However, according to China Index Academy, the outbreak of COVID-19 is expected to bring limited impacts to China's commercial property operational service industry in the long run due to the fact that (i) as of the end of March 2020, COVID-19 had been effectively contained in China. Production and consumption activities steadily recovered, and shopping centers across the country have gradually resumed normal operations, and consumer traffic and sales have rebounded; (ii) since March 2020, consumer demand has been recovering gradually; (iii) during the prevention and containment of COVID-19, commercial property operational management service providers have adopted comprehensive and strict prevention and control protocols to improve their ability to avoid and contain major safety and health incidents, and a safe and hygienic operational management system helps to increase the value of the commercial property and increase project revenue; (iv) shopping malls have launched online marketing and community marketing programs, which offered merchants reliefs while expanding sales channels, and is expected to further accelerate the integration of online and offline commerce; and (v) although the outbreak of COVID-19 has brought a certain impact on China's macro-economy in the short term, the fundamentals of China's macro-economy have not changed. For the Greater Bay Area, COVID-19 is not expected to affect the long-term regional macroeconomic development plan and talent attraction plan.

Effects of the COVID-19 Outbreak on Our Business Operations

As of the Latest Practicable Date, we had only one commercial property under management in Enshi, Hubei province with a contracted GFA of approximately 142,000 sq.m., which was not yet in operation but had contributed to our revenue during the Track Record Period. For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2020, our revenue derived from Hubei province was approximately RMB2.6 million, RMB6.0 million, RMB1.7 million and nil, respectively, accounting for 0.9%, 1.8%, 0.4% and nil of total revenue, respectively. Our revenue derived from Hubei province decreased since 2018 as the property owner of Enshi Galaxy COCO City (恩施星河COCO City) experienced financial difficulty and applied for bankruptcy restructuring with the local people's court in 2019 and as a result, we ceased to recognize the revenue from this project during 2019, amounting to RMB3.9 million, and the trade receivables from this customer with a gross amount of RMB4.3 million as of December 31, 2019 were fully impaired.

In an effort to cope with the COVID-19, the property owners of 16 commercial properties under our management have taken measures to waive all or a portion of the rent payable by certain tenants for a period of 15 to 67 days. As of March 31, 2020, all the rent deduction measures taken by the property owners had expired. In addition, we waived all or a portion of the rent payable by certain tenants of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City), our sublease project, for a period of 15 to 67 days in general. As of March 31, 2020, substantially all the rent deduction measures taken by us had expired, except a limited number of tenants (such as cinema and educational and training institutions), for which rent deduction measures taken by us had expired as of May 31, 2020 and July 31, 2020, respectively. The aggregate amount of rent deducted by us was approximately RMB3.2 million. Moreover, some of our projects in operation were subject to the containment measures taken by the local governments of the cities where they are located, such as lockdown of cities. These measures and the outbreak of COVID-19 had negative impact on the occupancy rates and consumer traffic of commercial properties in operation under our management. Please see "—Our Business—Portfolio of Commercial Properties under Management" in this prospectus. Seven commercial properties under our management were temporarily closed due to the influence of COVID-19, certain tenants in the commercial properties under our management suspended operations, particularly cinemas and educational and training institutions. As of March 31, 2020, all commercial properties under our management had resumed business. These measures had led to decreases in the revenue and profit of the commercial properties in operation, which in turn reduced our revenue from property owners and revenue from value-added services. Furthermore, seven projects in the preparatory stage are expected to postpone their openings due to the COVID-19. Please see "Summary—Recent Developments—The COVID-19 Outbreak" in this prospectus.

The table below sets forth the actual/expected opening dates of the seven projects that were postponed due to the impact of COVID-19:

Commercial property	Actual/expected opening date[(1)]
Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park(南區))	July 2020
Shenzhen Galaxy Legend Project (深圳星河傳奇項目)	August 2020
Shenzhen Shajing Galaxy COCO Garden (深圳沙井星河COCO Garden)	August 2020
Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City)	November 2020
Ningxiang Galaxy COCO City (寧鄉星河COCO City)	January 2021
Nanchang B-Energy Galaxy iCO (南昌博能星河iCO)	May 2021
Ordos Bronze Ware Square (鄂爾多斯青銅器廣場項目)	September 2021

Note:

(1) Expected opening date is based on our estimation with reference to the communication between the property developer or owner and us. The expected opening date of the commercial property may change subject to various factors, including but not limited to construction process, tenant sourcing progress and other unforeseen circumstances.

We believe the impact of such postponed openings on our results of operations are limited, primarily because (i) as of the Latest Practicable Date, four out of seven postponed projects were opened; and (ii) although as of the Latest Practicable Date, three out of seven postponed projects were in the preparatory stage, we generated revenue from the positioning, construction consultancy and tenant sourcing services we provided in the preparation stage of these projects during the Track Record Period. Subsequent to the Latest Practicable Date, three postponed projects, Ningxiang Galaxy COCO City (寧鄉星河COCO City), Nanchang B-Energy Galaxy iCO (南昌博能星河iCO) and Ordos Bronze Ware Square (鄂爾多斯青銅器廣場項目), are expected to open in January 2021, May 2021 and September 2021, respectively. As of the Latest Practicable Date, to the best knowledge of our Directors, none of our employees were infected with COVID-19.

Certain of our major suppliers operated in cities subject to lockdown or experienced disruptions in operations due to the outbreak of COVID-19. As of the Latest Practicable Date, we had not encountered any significant shortage in supply of services due to the COVID-19 outbreak.

Certain of our shopping centers' occupancy rate and consumer traffic have been adversely affected by the COVID-19 outbreak. For example, our occupancy rate of Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)) and Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO) decreased from 98.5% and 94.0% as of December 31, 2019, respectively, to 94.5% and 75.2% as of September 30, 2020, respectively, and our consumer traffic of Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)) and Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO) decreased from 18.4 million and 3.6 million for the nine months ended September 30, 2019, respectively, to 12.7 million and 1.4 million for the nine months ended September 30, 2020, respectively. See "Our Business—Commercial Property Operational Services—Portfolio of Commercial Properties under Management—In Operation and Had Contributed to Our Revenue" for details of occupancy rate and consumer traffic for the projects in operation as of September 30, 2020. Although we agreed to relatively slow settlement to help property owners and tenants to help them cope with the COVID-19 pandemic and therefore increased the amount of trade receivables as of September 30, 2020 as compared to the amount of trade receivables as of December 31, 2020, we are of the view that we have not experienced and will not experience material difficulties in collecting property management fees. Although the COVID-19 outbreak had adversely affected occupancy rate and consumer traffic of and revenue received from commercial properties in operation under our management in the nine months ended September 30, 2020, we are of the view that the COVID-19 outbreak will not have a material adverse impact on our business and financial performance in the year ending December 31, 2020 and our prospects, as (i) according to China Index Academy, it is believed that the impact of the COVID-19 outbreak is short-term and the pandemic had been, to a large extent, contained in the PRC toward the end of March 2020. As of March 31, 2020, all the commercial properties in operation under our management had resumed business; (ii) the COVID-19 has limited impact on our revenue since 62.4%, 59.5%, 61.1% and 69.0% of our revenue during the Track Record Period derived from service fees excluding pre-agreed percentage on project revenue or profits, rents and value-added services, which have not been waived or materially affected; (iii) for our seven projects in the preparatory stage that have postponed, or expected to postpone, opening, four of them had subsequently opened in 2020 and one is expected to open in December 2020, and the impact of such postponed opening on our results of operations is expected to be limited; (iv) the central and local governments in the PRC have implemented various measures to help enterprises cope with the pandemic and boost the recovery of the economy, such as the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax Policies Supporting the Prevention and Control of the Outbreak of Novel Coronavirus Pneumonia (關於支持新型冠狀病毒感染的肺炎疫情防控有關稅收政策的公告) issued in February 2020 which stipulated preferential tax treatments such as enterprise income tax deduction and VAT refund for enterprises that manufactured key supplies for the prevention and control of the COVID-19 pandemic, VAT exemption for income generated from transportation of key supplies, public transportation services, daily life related services and delivery services, and government policies, such as the Notice by the

Ministry of Human Resources and Social Security, the Ministry of Finance and the State Taxation Administration of Extending the Implementation Period of the Policies Regarding the Temporary Reduction and Exemption of Enterprises' Social Insurance Contributions and Other Issues (關於延長階段性見面企業社會保險費政策實施期限等問題的通知) issued in June 2020 which defers and/or waives in the first half of 2020 to defer and/or waive payment of social insurance contributions; and (v) according to China Index Academy, the personal consumption market, including the retail industry, is expected to recover once the COVID-19 outbreak has been contained. See "Risk Factors—We are subject to risks beyond our control relating to epidemics, acts of terrorism or wars in the PRC and globally."

In the unlikely event that we are forced to reduce or suspend a substantial part of our business operations, due to the COVID-19 pandemic, we estimate our existing financial resources (including cash and bank balances) as of October 31, 2020 could satisfy our necessary expenses for approximately 24 months based on the assumptions below. We also estimate that, in the unlikely event mentioned above and based on the assumptions below, taking into account 10% of the proceeds from the Global Offering as allocated for general business operations and working capital, we will remain financially viable for approximately 38 months. Key assumptions for the above estimates include: (i) we will not generate any revenue due to complete suspension of business; (ii) we will incur expenses to maintain its operations at a minimum level, primarily including minimal operating costs and administrative expenses; (iii) there will be no further internal or external financing from its shareholders or financial institutions; (iv) no dividend will be declared and paid; (v) the expansion plan is suspended; (vi) we take into account prudent estimates of settlement of trade receivables based on historical settlement pattern and settlement of trade payables when due based on the worst case scenario; and (vii) there will be 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 COVID-19 pandemic will depend on its subsequent development; and its impact on us may be out of our control and beyond our estimation and assessment.

Our Contingency Plan and Response towards the COVID-19 Outbreak

In response to the COVID-19 outbreak, we have implemented a contingency plan and adopted enhanced hygiene and precautionary measures across our projects, including (i) regularly cleaning and disinfecting the common areas and the central air-conditioning system in our managed properties; (ii) monitoring the medical symptoms of the customers at our managed properties by measuring their body temperatures; (iii) requiring our staff and tenants to wear suitable protective gear such as face masks; and (iv) promoting personal hygiene among our employees as well as tenants of the properties we manage. The additional costs for implementing these enhanced measures were approximately RMB163,000 for the nine months ended September 30, 2020. This mainly represents the material costs for face masks, ethanol hand wash and disinfectants. Our Directors confirm that the additional costs associated with the enhanced measures would not have a significant impact on our financial position and results of operations for the year ending December 31, 2021.

Effects of the COVID-19 Outbreak on Our Business Strategies

Headquartered in Shenzhen and deeply rooted in the Greater Bay Area, we plan to further solidify our existing market leading position in the Greater Bay Area. While the commercial property operational service market in the PRC may experience certain extent of impact as a result of the COVID-19 outbreak, given the economic growth, population agglomeration, industrial transformation and consumption upgrading in cities like Shenzhen, we believe that the demand for commercial property operational services in these areas still will remain high. According to China Index Academy, 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 retail industry and related commercial property operational services will remain positive. See "Industry Overview—Outbreak of COVID-19 in China and Its Impact on the PRC Commercial Property Operational Markets" in this prospectus. We therefore believe that our expansion plan as discussed in "Business—Our 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.

RELATIONSHIP WITH GALAXY HOLDING AND ITS ASSOCIATES

Commercial Property Operational Services Provided to Galaxy Holding and Its Associates

Overview

We have a well-established and stable business relationship with Galaxy Holding and its associates. Our business was built on the success of the commercial property operational service business of Galaxy Suhuo Park Industrial, a property development company controlled by Mr. Huang, our Ultimate Controlling Shareholder, back in 2004 when a commercial property operational service team was formed to provide commercial property operational services in respect of Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park (北區)).

We commenced business relationship with Galaxy Holding and its associates in November 2014 when we entered an entrusted management service agreement with Galaxy Holding and its associates. During the Track Record Period, we provided commercial property operational services, including positioning, construction consultancy and tenant sourcing services, operational management services, property leasing services and value-added services, to Galaxy Holding and its associates.

We believe the success of a commercial property depends on a number of factors, including location, positioning, design, tenant mix, efficient promotion and effective management. Therefore, based on our experience, we believe a commercial property developer tends to engage a commercial property operational service provider at an early stage to conduct various preliminary market research and feasibility study and provide support for its decision-making relating to site selection and land acquisition, positioning, and design of the commercial properties. As a result of our strong positioning, construction consultancy and tenant sourcing capability as well as our deep understanding of the strategies and requirements of Galaxy Holding and its associates, we are often invited by Galaxy Holding and its associates to engage in the preparatory stage of a project. We conduct feasibility study, preliminary positioning, site selection consultancy, product and tenant mix planning and construction and design consultancy, and submit a research report to Galaxy Holding and its associates. By providing such services, we believe we are able to assist them in making informed investment decisions. If we are awarded with the commercial property operational service contract, we will then conduct research with respect to the design, positioning, and tenant mix for the commercial property and provide tenant-sourcing and operational management services according to the contract terms.

As of the Latest Practicable Date, we managed all the retail commercial properties and commercial complex developed or owned by Galaxy Holding and its associates, which we attribute to our long-term cooperation with Galaxy Holding and its associates and our ability to meet their relatively high requirements on quality. It is common in the industry, according to China Index Academy, that commercial property operational service providers have a close working relationship with property developers under the same ultimate controlling shareholder. We expect to continue to provide commercial property operational services to Galaxy Holding and its associates and derive revenue from the provision of such services.

Based on the foregoing, we believe our long and close working relationship with Galaxy Holding and its associates is mutually beneficial to both parties and has contributed to our success, and our Directors are of the view that it is unlikely that our current business relationships with Galaxy Holding and its associates would be materially and adversely changed or terminated. See "Relationship with Controlling Shareholders—Our Business Relationship with Galaxy Holding and its associates" for details.

Revenue Contribution and GFA of Projects Developed or Owned by Independent Third Parties

We strive to expand our business by securing projects from Independent Third Party property developers. Our number of projects, contracted GFA, GFA in operation and revenue of properties developed or owned by Independent Third Parties increased during the Track Record Period.

The table below sets forth our aggregate contracted GFA, GFA in operation and revenue by type of developers/owners for the years/periods indicated:

	As of/for the year ended December 31,									
	2017					2018				
	Number of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue		Number of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue	
		sq.m.	sq.m.	RMB	%		sq.m.	sq.m.	RMB	%
	(in thousands, except for numbers of properties and percentages)									
Properties developed or owned by:										
Galaxy Holding and its associates[1]	13	657	657	250,852	90.2	12	696	696	290,589	88.4
Independent Third Party property developers[2]	7	967	418	27,215	9.8	10	1,377	591	38,105	11.6
Total	**20**	**1,624**	**1,075**	**278,067**	**100.0**	**22**	**2,073**	**1,287**	**328,694**	**100.0**

	As of/for the year ended December 31,					As of/for the nine months ended September 30,				
	2019					2019				
	Number of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue		No. of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue	
		sq.m.	sq.m.	RMB	%		sq.m.	sq.m.	RMB	%
									(unaudited)	
	(in thousands, except for numbers of properties and percentages)									
Properties developed or owned by:										
Galaxy Holding and its associates[1]	27	1,256	716	346,458	89.5	25	1,230	716	256,492	89.5
Independent Third Party property developers[2]	15	1,714	591	40,856	10.5	13	1,641	591	30,206	10.5
Total	**42**	**2,970**	**1,307**	**387,314**	**100.0**	**38**	**2,871**	**1,307**	**286,698**	**100.0**

	As of/for the nine months ended September 30,				
	2020				
	No. of properties[3]	Contracted GFA[3]	GFA in operation[4]	Revenue	
		sq.m.	sq.m.	RMB	%
	(in thousands, except for numbers of properties and percentages)				
Properties developed or owned by:					
Galaxy Holding and its associates[1]	31	1,256	779	264,793	86.6
Independent Third Party property developers[2]	14	1,743	631	41,069	13.4
Total	**45**	**2,999**	**1,410**	**305,862**	**100.0**

Notes:

(1) Including properties developed or owned solely by Galaxy Holding and its associates, and properties developed or owned jointly by Galaxy Holding and Independent Third Parties in which Galaxy Holding holds a controlling interest. Our revenue generated from properties developed or owned by Galaxy Holding and its associates included revenue from Galaxy Holding and its associates, and revenue from Independent Third-Party tenants.

(2) Refers to properties developed or owned solely by Independent Third Parties. Independent Third Party property developers include property developers other than Galaxy Holding and its associates.

(3) The number of properties and contracted GFA as of the end of year include all commercial property projects for which we had contracted to provide services (including those that had yet to contribute to our revenue).

(4) GFA in operation refers to the GFA of commercial properties under our management that had opened for business.

While commercial properties developed or owned by Galaxy Holding and its associates remained our stable source of revenue and the absolute amount of revenue generated from commercial property operational services for commercial properties developed or owned by Galaxy Holding and its associates increased during the Track Record Period, the percentage of our total revenue derived from such properties decreased from 90.2% in the year ended December 31, 2017 to 86.6% in the nine months ended September 30, 2020. Our revenue derived from commercial properties developed or owned by Independent Third Parties increased during the Track Record Period, and the percentage of our total revenue derived from commercial properties developed or owned by Independent Third Parties increased from 9.8% in 2017 to 13.4% in the nine months ended September 30, 2020. In particular, we started to generate revenue under the entrusted management service model from commercial properties developed or owned by Independent Third Parties in the nine months ended September 30, 2020. We have established strategic cooperative relationship with Jiangxi B-Energy, a third-party property developer, to jointly manage commercial properties and entered into three commercial property operational service contracts with respect to commercial properties developed or owned by Independent Third Parties under the entrusted management service model as of the Latest Practicable Date. Among the revenue derived from the entrusted management service model, the percentage of revenue from commercial properties developed or owned by Independent Third Parties increased from nil for the three years ended December 31, 2019 to 3.3% for the nine months ended September 30, 2020. Such increase was primarily due to our continuous effort in seeking more service contracts related to commercial properties developed or owned by Independent Third Parties.

During the Track Record Period, a majority of our contracted GFA was contributed by commercial properties developed or owned by Independent Third Parties. Our number of commercial properties developed or owned by Independent Third Parties under our management increased from seven as of December 31, 2017 to 17 as of September 30, 2020. Our contracted GFA of properties developed or owned by Independent Third Parties increased from approximately 967,000 sq.m. as of December 31, 2017 to approximately 1,743,000 sq.m. as of September 30, 2020. As of December 31, 2017, 2018 and 2019 and September 30, 2020, our contracted GFA of projects developed by Independent Third Parties represented 59.5%, 66.4%, 57.7% and 58.1%, respectively, of our total contracted GFA. The number of, the contracted GFA of, and revenue generated from, commercial properties developed or owned by Independent Third Parties all continuously increased during the Track Record Period, primarily attributable to our efforts to search for and capture market opportunities independent from our affiliation with Galaxy Holding and the market recognition we have built up over the years.

During the Track Record Period, although commercial properties developed or owned by Independent Third Parties contributed a majority of our contracted GFA, revenue generated from such properties was relatively lower, primarily as (i) we managed such properties under the brand and management output service model, under which we charge a pre-agreed percentage of the revenue and/or profit and/or a fixed fee to the property owners only and do not charge fees to tenants, while certain commercial properties developed or owned by Galaxy Holding and its associates were managed under the entrusted management service model, for which we charged services fees to both the property owners and tenants and (ii) some commercial properties developed or owned by Independent Third Parties with relatively large contracted GFA was not yet in operation during the Track Record Period. Among the contracted GFA of commercial properties developed or owned by Independent Third Parties of approximately 1,743,000 sq.m. as of September 30, 2020, approximately 631,000 sq.m. was in operation while the rest of approximately 1,112,000 sq.m. was in the preparatory stage. Subsequent to September 30, 2020 and as of the Latest Practicable Date, Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City) was opened, with a total GFA in operation of approximately 146,909 sq.m., which is developed or owned by an Independent Third Party.

The above demonstrates that we have been able to secure commercial property operational service projects with Independent Third Parties and will continue to reduce our reliance on Galaxy Holding and its associates.

For further details on the fluctuations of the number of, contracted GFA of and revenue generated from commercial properties developed or owned by each of Galaxy Holding and its associates and Independent Third Parties during the Track Record Period, please see "Financial Information—Results of Operations—Revenue" in this prospectus.

Revenue Derived from Independent Third Parties

The table below sets forth the breakdown of our total revenue by type of customers.

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	Revenue RMB	*%*	*Revenue RMB*	*%*	*Revenue RMB*	*%*	*Revenue RMB (unaudited)*	*%*	*Revenue RMB*	*%*
	(in thousands except for percentage)									
Galaxy Holding and its associates	63,264	22.8	66,584	20.3	95,152	24.6	70,372	24.5	90,781	29.7
Independent Third Parties	214,803	77.2	262,110	79.7	292,162	75.4	216,326	75.5	215,081	70.3
Total	278,067	100.0	328,694	100.0	387,314	100.0	286,698	100.0	305,862	100.0

As of September 30, 2020, the majority of our customers were Independent Third Parties, including property developers, owners and tenants. During the Track Record Period, a majority of our revenue was generated from such Independent Third Party customers. In the nine months ended September 30, 2020, the proportion of revenue contributed by Independent Third Parties decreased, and the proportion of revenue contributed by Galaxy Holding and its associates increased, as compared to the same period in 2019, primarily as (i) our revenue from other value-added services, substantially all of which were provided to Independent Third Parties, decreased by 20.5% in the nine months ended September 30, 2020 as compared with the same period in 2019, primarily as a result of the suspension of the commercial properties in operation during the COVID-19 pandemic; and (ii) the proportion of revenue contributed by Independent Third Parties decreased, and the proportion of revenue contributed by Galaxy Holding and its associates increased, as compared to the same period in 2019, primarily due to the increase in our revenue derived from Galaxy Holding and its associates as a result of the increase in revenue derived from our new consultancy agreements, such as Pudong • Galaxy Century Project (浦東•星河世紀項目). During the Track Record Period, the revenue derived from commercial properties developed or owned by Galaxy Holding and its associates was significantly higher than the revenue derived from services provided to Galaxy Holding and its associates as customers, primarily as revenue derived from some commercial properties under the entrusted management service model developed or owned by Galaxy Holding and its associates included not only revenue derived directly from Galaxy Holding and its associates as customers, but also revenue from operational management fee paid by Independent Third-Party tenants and value-added service fee from Independent Third-Party customers.

Our Capabilities and Efforts to Explore Market Opportunities with Independent Third Parties

Proven Track Record in Sourcing and Operating Independent Third Party Projects

We take pride in our efforts in expanding our portfolio of commercial properties developed or owned by Independent Third Parties. We attribute such success to our strong operational capabilities, well-recognized brands and flexible operational models. We have established comprehensive commercial property operational service capabilities, including (i) tailor-made positioning; (ii) strong tenant sourcing capability; (iii) digitalized operational capability; and (iv) upgrading capability tailored to local conditions. See "—Our Strengths—Strong Profitability Underpinned by Comprehensive Operational Capabilities" for details. Through our management, we have built up a successful track record with a number of benchmark projects with Independent Third Party developers. In 2014, Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO), our first project developed or owned by an Independent Third Parties managed under the brand and management output service model, was officially opened for business and received over 210,000 customer visits on the first day of opening. According to China Index Academy, the average monthly consumer traffic of Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO) from January to December 2019 reached approximately 1.3 million, which is more than twice the average monthly consumer traffic of surrounding competing projects. As of September 30, 2020, the occupancy rate of Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO) was 84.0%. We believe that benchmark projects like this are a testament of our strong operational capability, significantly enhanced our brand recognition and laid the foundation for our expansion and cooperation with Independent Third Party property developers or owners across the country.

Self-owned and Well-recognized Brands

We own a comprehensive system of widely recognized brands. "COCO Park" is for city shopping centers (城市型購物中心) that target customers within the city. Our brand "COCO Park" expresses our unique "fashion, trend and experience" concept. "Galaxy COCO Park (星河COCO Park)" was ranked fourth among the "2019 Top 10 Commercial Property Brands in China (2019中國商業地產項目品牌價值Top 10)" by Real Estate Top 10 Research Team. "COCO City" and "iCO" are for regional shopping centers (區域型購物中心) that target customers within a five-kilometer radius from such shopping centers. "COCO Garden" is for community shopping centers (社區型購物中心) that primarily target customers within a radius of one to three kilometers from such shopping centers and provides relatively affordable choices. "Top Living" is a brand for our themed shopping center for quality home furnishings, providing high-end one-stop comprehensive home furnishing solutions for high-end customers with a focus on quality and experience. In addition, we have five brands for themed shopping areas within commercial properties, covering home living, family and children, women and fashion, sports and fitness, as well as catering and socializing. We believe these themed shopping areas are usually "go-to" places for customers who want premium shopping experience and help attract large consumer traffic to the commercial properties. See "—Our Strengths—A Comprehensive and Well-known Brand Matrix Enhancing Customer Loyalty" and "—Our Brands" for details. According to China Real Estate Top 10 Research

Team, we have been ranked as 2020 China Top 10 Commercial Property Operator (2020年中國商業地產運營十強企業). As our brands are widely recognized in the market, we believe our comprehensive brand system is our core assets and brings us a competitive edge in sourcing projects from Independent Third Parties.

Visible Growth in Revenue from Independent Third Party Projects

We believe our three operational models, namely the entrusted management service model, brand and management output service model and sublease service model, can adapt to the features and conditions of various commercial properties and enable us to meet the differentiated requirements of their owners. In particular, our brand and management output service model is not capital or resource intensive and as a result, we have been proactively exploring market opportunities with respect to properties developed or owned by Independent Third Parties. Leveraging our experience from successful projects developed or owned by Independent Third Parties, we have increased our contracted GFA steadily. As of September 30, 2020, we managed a total of 14 commercial properties developed or owned by Independent Third Parties, with an aggregate contracted GFA of approximately 1,743,000 sq.m., accounting for 58.1% of our total contracted GFA.

We believe our revenue generated from commercial properties developed or owned by Independent Third Parties will continue to increase in the future. As of the Latest Practicable Date, we had (i) contracted to provide services for 22 commercial properties developed or owned by Independent Third Parties, including 11 projects not yet in operation and five consultancy projects; and (ii) entered into a strategic cooperation agreement with certain local government, pursuant to which the local government welcomes our management of commercial properties in the district and a strategic cooperation agreement with an Independent Third Party property developer. Subsequent to the Latest Practicable Date, we entered into a strategic cooperation agreement with an Independent Third Party property developer. Our Changhua Galaxy COCO City (佛山長華星河COCO City) was named a "2019-2020 Long-awaited Commercial Property Project (2019-2020年度備受期待商業地產項目)" by Commercial Real Estate Golden Awards Evaluation Committee (商業地產金座標獎評選委員會) and Winshang.com (贏商網). Those projects, once in operation, are expected to contribute higher revenue from commercial properties developed or owned by Independent Third Party property developers.

Our Continuous Efforts to Secure Independent Third Party Projects

Our development department strives to find and secure commercial property operational service projects with Independent Third Parties. Through our development department at the headquarters and regional branches, we receive solicitations from Independent Third Party property owners for cooperation and referrals from other Independent Third Parties for potential market opportunities, and proactively source quality Independent Third Party projects. They conduct initial information collection, onsite assessment and market research on the potential project and report their findings to our management. Once our management approves in-principle to proceed, our development department negotiates contract terms with property developers or owners and reaches agreement on the terms of contract. We will then sign the commercial property operational service contract with the property owner. According to China Index Academy, the demand of Independent Third Party property developers or owners for commercial property operational services is high, particularly for those Independent Third Party property developers or owners that do not have their own commercial property operational service teams.

We will continue to explore potential business opportunities on operating and managing commercial properties developed or owned by Independent Third Parties to enlarge our project portfolio.

Going forward, we plan to continue to leverage our strong operational capabilities, well-recognized brands and flexible operational models to expand our portfolio of commercial properties developed or owned by Independent Third Parties. We are committed to operating more commercial properties developed or owned by Independent Third Parties. To better explore and capture market opportunities, we have established four business development teams at our regional companies, each focusing on a designated geographic region. We have an internal incentive and evaluation system, which drives our continuous business development. Taking into account our past achievements in seeking engagements from Independent Third Parties, we expect that the aggregate contracted GFA of commercial properties developed or owned by Independent Third Parties will continue to increase.

In addition to securing Independent Third Party projects directly, we also plan to capture more market opportunities in respect of commercial properties developed or owned by Independent Third Parties through multiple channels, including mergers and acquisitions, joint ventures and investment in minority equity interests. We plan to acquire Independent Third Party commercial property operational service providers with good reputation, sound management and stable business development in the Greater Bay Area and other areas that we currently or plan to cover, to enhance our regional and overall competitiveness. We plan to invest in minority equity interests in Independent Third Party project companies or joint ventures. We believe through such investments, we can have a higher opportunity in securing the commercial property operational service contracts. Please see "—Our Business Strategies—Continue to Expand through Multiple Channels and Seek New Growth Drivers" for details.

Services Provided by Galaxy Holding and Its Associates

During the Track Record Period, we also engaged Galaxy Holding and its associates (specifically, Galaxy Smart Living Group) to provide certain services, primarily property management services, including security services to keep the shopping centers safe, comprising access control, order maintenance, patrolling and surveillance, and maintenance of equipment such as the fire extinguishing system in avoidance of accidents and injuries, to our Group for the shopping centers under entrusted management service and sublease service model. In the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2020, the total fee charged by Galaxy Smart Living Group for the provision of property management services amounted to RMB39.7 million, RMB45.1 million, RMB57.2 million, RMB42.0 million, respectively, accounting for 28.5%, 28.4%, 30.7% and 30.7%, respectively, of our total cost of services. See "—Suppliers" for details.

During the Track Record Period, we were engaged by Galaxy Holding and its associates as the commercial property operational service provider for their commercial properties, and we engaged Galaxy Smart Living Group, a subsidiary of Galaxy Holding, to provide certain property management services to such commercial properties we managed under the entrusted management service model and sublease service model (the "**Arrangement**").

I. Reasons for Galaxy Holding and its associates to engage us as the commercial property operational service provider and services that we provided to Galaxy Holding and its associates

Given our positioning, construction consultancy, tenant sourcing and operational management capabilities as well as our deep understanding of the strategies and requirements of Galaxy Holding and its associates, we are often invited by Galaxy Holding and its associates to engage in the early stage of a project. The services we provide to Galaxy Holding and its associates are different from conventional property management services. During the Track Record Period, we provided commercial property operational services, including positioning, construction consultancy and tenant sourcing services, operational management services, property leasing services and value-added services, to Galaxy Holding and its associates. Our services are aimed at improving the performance of the commercial properties under management primarily through increasing the consumer traffic and popularity of such properties, and increasing the overall value of the commercial properties. In comparison, conventional property management services (primarily including security, cleaning, gardening, repair and maintenance, among others) are labor-intensive in nature and aimed at keeping the properties under management safe, clean and functional.

According to China Index Academy, where a property owner appoints a commercial property operational service provider to manage and operate its commercial property, it is industry practice for the commercial property operational service provider to subcontract certain labor intensive property management services. The commercial property operational service provider is responsible to oversee and manage all aspects of the operations of the commercial property, and the property owner acts as the stakeholder who receives relevant income generated from the commercial property without getting involved in the daily management and operation of the commercial property. Property owners do not get involved in the day to day management of the commercial property and lack the information necessary to supervise, instruct and evaluate the performance of the property management service provider in a timely and efficient manner. Property owners can save costs and other resources by having a commercial property operational service provider to engage and interact with property management service providers and other subcontractors. As we engage and coordinate with Galaxy Smart Living Group and other subcontractors to provide conventional property management and other services, we set the service standards, supervises their service process, evaluate the service results and give ad hoc instructions, which is an integral part of our daily operations of commercial properties. We believe that we are also in a better position to negotiate with the property management service provider for any adjustment of service schedules and service standards when necessary.

II. Reasons for us to engage Galaxy Smart Living Group to provide certain property management services

1. Reasons for us to outsource the property management services to subcontractors

As a commercial property operational service provider, we focus on development and growth of our commercial property operational services, and our strengths lie in our capability and expertise to operate commercial properties to improve consumer traffic and results of operations of commercial properties. We are not a conventional property management service provider and do not focus on providing property management services, which are relatively labor intensive and are not in line with our competitive strengths or business strategies. By outsourcing the labor-intensive property management services to qualified subcontractors, we can concentrate our resources on the development and growth of commercial property operational services. During the Track Record Period, we outsourced property management services to Galaxy Smart Living Group and other third party subcontractors for properties managed under the entrusted management service model and sublease service model.

2. *Reasons for us to engage Galaxy Smart Living Group*

Galaxy Smart Living Group is a reputable property management service provider, with which our Group has a long and stable cooperative relationship. Galaxy Smart Living Group has been named a Top 100 Property Management Company in China (中國物業服務百強企業) by China Index Academy since 2016. As a property management service provider, which started to provide services in 1999 in the PRC. we believe that it is efficient for us to cooperate with Galaxy Smart Living Group, since Galaxy Smart Living Group has a deeper understanding of its requirements and high standards as a result of long term cooperation with us.

Moreover, as confirmed by China Index Academy, the service fee rates charged by Galaxy Smart Living Group during the Track Record Period were within the range of fee rates charged by other market players for similar services. Therefore, it is respectfully submitted that it is commercially reasonable for us to engage Galaxy Smart Living Group to provide the property management services for certain commercial properties we manage under the entrusted management service model and sublease service model.

III. Parties to pay for the property management services

Galaxy Holding and its associates as the property owners did not bear property management costs, as they are not recipient of property management services. Instead, the cost of property management services was charged, and the property management services were provided, to tenants in the commercial properties, substantially all of whom are our Independent Third Parties. Pursuant to the property lease agreements entered into between property owners and tenants and the management contracts entered into between tenants and us: (i) we shall provide or procure to provide, among others, property management services, to tenants; and in return (ii) tenants shall pay us operational management fees, which include property management fees for cleaning, security, repair and maintenance services and public utilities, among others. Such property management services are provided to tenants of the commercial properties that we managed, but not to the property owner, Galaxy Holding and its associates. We receive operational management fees (which include property management fees) from tenants, and pay property management service fees to Galaxy Smart Living Group and other subcontractors for their property management services.

IV. To engage other subcontractors to provide property management services

The Arrangement is through commercial negotiation at arm's length and we can at our discretion engage alternative service providers upon expiry of service contracts with Galaxy Smart Living Group. According to China Index Academy, the property management industry where Galaxy Smart Living Group operates is highly competitive with a large number of quality players. Companies that provide services comparable to those provided by Galaxy Smart Living Group, such as security services, are readily available in the market. With a view to reducing the amount of continuing connected transactions between our Group and our connected persons, we decided to engage quality Independent Third Party property management service providers to provide property management service for the shopping centers operated by us under the entrusted management service model and subleasing service model. Galaxy Smart Living Group will cease providing property management services to shopping centers operated by us after March 31, 2021. See the section entitled "Connected Transactions." Considering the availability of alternative property management service providers in the market that offer such services at similar fee rates and with similar contract terms and the service quality provided by such property management service providers, we believe engaging Independent Third Party subcontractors in lieu of Galaxy Smart Living Group to provide such services will not have a material adverse impact on our business or results of operations.

For the annual caps for our continuing connected transactions with Galaxy Holding and its associates for the three years ending December 31, 2022, please see the section entitled "Connected Transactions" in this prospectus.

OUR TECHNOLOGICAL INITIATIVES AND DIGITALIZATION EFFORTS

Information Technology Systems

In order to reduce our reliance on manual labor and improve our overall competitiveness, we strive to employ technological solutions and digitalize our key business operations as much as possible. In the meantime, we strive to formulate our business strategy based on scientific data analysis results and employ technology to further digitalize and visualize our dynamic management process. Our multi-layer, multi-facet information technology systems include intelligent operation data center (for comprehensive business management), ERP system (for tenancy contract management), POS system (for sales cashier system), CRM system (for membership management), Kingdee EAS system (for financial management), and Xingyitong (星意通) program (for tenant sourcing). In addition, we also employ the human resource system and EIP system for office administration functions.

Our intelligent operation data center is a comprehensive operation management system, which integrates real time, remote onsite monitoring and tenant business performance analysis. Our BI (business intelligence) system provides the underlying data to the intelligent operation data center through preset analytical modules. Our ERP system is our tenancy contract management system, which records contractual arrangements and facilitates our interaction with tenants. Our POS system processes tenants' sales, record sales data and facilitates daily reconciliation of sales figures. Our ERP system and POS system feed tenant's contractual information and business performance data to the intelligent operation data center through the BI system.

Our CRM system is our membership management system, which facilitates our interactions with our members. The Kingdee EAS system is our financial management platform, which effectively facilitates financial management and other business operations. Our Xingyitong (星意通) program is a tenant sourcing tool, which allows us to publicly announce vacancies and other tenant sourcing information to the market.

Besides our technological initiatives and digitalization efforts, we regularly evaluate our financial information to balance the pressures of rising labor and subcontract costs with the need to provide quality and efficient services. We are also constantly on the lookout for subcontractors who provide quality services and competitive prices. For more information on our subcontractors, see "—Suppliers."

Data

With customer's consent, we collect customer data to the extent necessary for us to provide services pursuant to relevant PRC laws and regulations, including personal data such as phone number, gender, age, name through our membership program; and behavioral data such as purchase amount, frequency, brand, purchased items and time, through the membership reward program. We have established a tamper-proof, anti-leakage, anti-attack and anti-virus data security system through the adoption of data control and management measures including user identification systems, behavior tracking systems and management of confidential data.

Access to Data

We require employees of any business department or city branch, when archiving newly-obtained data, to (i) sign into the data system with their respective employee ID, and (ii) create operation history and an operation log for new entry of data. Archived data cannot be revised at will. An employee may, after verification of valid identification documents provided by a customer, sign into the data system with his/her employee ID, update the customer's basic information, and thus create a new entry of operation history and an operation log.

Use of Data

We prohibit sharing certain types of data, including (i) data relating to customer privacy, (ii) personal information of our employees, (iii) data relating to our financials and (iv) information prohibited from sharing according to relevant PRC laws and regulations, unless (i) the sharing is practically necessary and legitimate, (ii) application for the sharing is filed per our data sharing procedures, and (iii) the purpose of sharing is vetted by us and the scope of sharing is/will be strictly under control. Processing, sorting, management and use of data shall be carried out in accordance with our data privacy and data security policies and relevant PRC laws and regulations.

Data Privacy

The data management department and the business department have established a sound system for the management of confidential data, and closely manage the extraction, duplication, transmission and destruction of data. To the extent that any information to be shared involves confidential data, the data management department shall report the type, scope and usage of the confidential data pursuant to our confidentiality management procedures, and the sharing of the confidential data is subject to approval. Upon approval and before the confidential data may be shared, a confidentiality agreement must be reached with the receiving party. In the event of any violation of our data management policies or any abuse of customer data, we may, depending on the seriousness of the case, order the relevant persons and/or entities to rectify their actions, circulate a notice of criticism, impose certain disciplinary sanctions, or otherwise take legal actions against such persons and/or entities. For those persons and/or entities that violate relevant laws and regulations, we will take actions pursuant to the respective laws and regulations.

Data Protection

We have implemented relevant internal procedures and controls to ensure that use data are protected and that leakage and loss of such data can be avoided. We have formulated policies for data administration which set out the overall responsibilities and procedures for our staff to adhere to.

- We have installed anti-virus software in our system. We update such software from time to time and carry out inspections to detect virus on a regular basis;

- We have adopted procedures such as regular system check, password policy, user authorization and approval, data backup and data recovery test to safeguard user data;

- We have designated our IT management department to conduct frequent review of our digital platforms to ensure that our collection, storage and use of user data comply with our internal policies and applicable laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material data privacy breach, leakage or dispute.

Marketing Data

Our marketing department is primarily responsible for archiving and accuracy check of our marketing data published via public social media accounts and public media. The marketing department is also charged with archiving our project-specific data, including, without limitation, website URLs, back-end database URLs and passwords.

To ensure our database stays current and secure, we require that our IT management department also conduct daily accuracy check for these data and document relevant updates.

SALES AND MARKETING

Our marketing department, operation department and tenant sourcing department is primarily responsible for planning overall marketing events, formulating our overall marketing strategy, conducting market research for attracting new customers, maintaining our relationships with members to increase sales revenue and strengthening our relationships with tenants to increase revenue for both parties. Our headquarters manage our overall sales and marketing strategies and focus on brand building and promotion. Our regional companies implement our sales and marketing strategies within their respective regions and provide specific activities to their target customers.

We introduced a public image "Lotus Galaxy" (荷小星) in 2016. We display Lotus Galaxy at our commercial properties to enhance customer relations and our brand image. To promote the brand value and recognition of Lotus Galaxy, we organize various online and offline activities in properties under our management. In addition, we host various promotion events and customer appreciation events, and participated in events or programs to further promote our brand and publicity.

We have taken sales and marketing measures that are tailored to the following categories of customers:

Property Developers and Owners

- ***Galaxy Holding and its associates*** – For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, a majority of our revenue from our continuing operations was derived from properties developed or owned by Galaxy Holding and its associates. As of September 30, 2020, the properties developed or owned by Galaxy Holding and its associates accounted for 41.9% of our total contracted GFA. We expect that our provision of commercial property operational services to properties developed or owned by Galaxy Holding and its associates will continue to be our stable source of revenue in the foreseeable future. We will maintain long-term cooperative relationships with Galaxy Holding and its associates.

- ***Third-party developers and owners*** **–** We endeavor to expand our cooperation with Independent Third Party property developers and owners by providing quality services. Furthermore, we establish regional business development team in strategic development region to obtain new projects from Independent Third Party property developers and owners.

Tenants

We provide our services to property owners and tenants at our managed properties, including commercial properties such as shopping centers and commercial complexes. For shopping centers and commercial complexes, we formulate yearly marketing plan and our headquarter will be responsible for marketing events such as charity events, social responsibility events, customer appreciation events and brand image improvement events, while our regional offices will launch various promotional activities according to local needs. Our purpose is to increase consumer traffic and facilitate interaction among property owners, tenants, consumers and us.

CUSTOMERS

We have a large and growing customer base primarily consisting of property developers, property owners and tenants. We had established stable business relationships with most of our major customers, ranging from one to five years as of the Latest Practicable Date. The table below sets forth the types of our major customers for each of our business segments:

Type of Services	Major Customers
Positioning, construction consultancy and tenant sourcing services	Property developers and property owners
Operational management services	Property developers, property owners and business tenants
Sublease services	Tenants
Value-added services	Relevant customers

For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2020, revenue generated from our five largest customers amounted to approximately RMB85.7 million, RMB96.1 million, RMB127.2 million and RMB112.7 million, respectively, accounting for 30.8%, 29.3%, 32.8% and 36.8% of our total revenue from our continuing operations, respectively. For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2020, revenue generated from our largest customer, Galaxy Holding and its associates (specifically, Galaxy Property Development Group), amounted to approximately RMB63.3 million, RMB66.6 million, RMB95.2 million and RMB90.8 million, respectively, accounting for 22.8%, 20.3%, 24.6% and 29.7% of our total revenue from our continuing operations, respectively. The transactions with our connected developers constituted connected transactions. As of the Latest Practicable Date, none of our Directors, Shareholders, members of senior management, the close associates of the aforementioned or any other member of our Group who owned more than 5% of our issued share capital held any interest in any of our five largest customers expect for Galaxy Holding and its associates.

For more information, see "Connected Transactions," "Relationship with Our Controlling Shareholders" and "Risk Factors—Risks Relating to our Business and Industry—A significant portion of our revenue is from commercial property operational services provided in relation to properties developed and/or owned by Galaxy Holding and its associates, which, collectively, was also our largest customer during the Track Record Period."

SUPPLIERS

We have established stable and long-term business relationship with most of our major suppliers, which primarily comprise subcontractors. Our major suppliers include companies providing comprehensive or specific property management services and property owners under our sublease service model.

For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2020, purchases from our five largest suppliers amounted to approximately RMB49.6 million, RMB56.6 million, RMB72.6 million and RMB56.2 million, respectively, accounting for 35.6%, 35.7%, 38.9% and 41.0% of our total purchase for our continuing operations, respectively, and purchases from our largest supplier, Galaxy Holding and its associates (specifically, Galaxy Smart Living Group), amounted to approximately RMB39.7 million, RMB45.1 million, RMB57.2 million and RMB42.0 million, respectively, accounting for 28.5%, 28.4%, 30.7% and 30.7%, respectively, of our total purchases for our continuing operations.

As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers, except for our largest supplier during the Track Record Period, Galaxy Holding and its associates. We do not have any long-term agreements with our top five suppliers. We typically enter into one- or two-year agreements with our suppliers and renew them on an annual or biennial basis.

One of our major customers, Galaxy Holding and its associates (specifically, Galaxy Property Development Group), was also one of our suppliers, Galaxy Holding and its associates (specifically, Galaxy Smart Living Group), for the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020. During the Track Record Period, we generated revenue from providing commercial property operational services to Galaxy Holding and its associates, and purchased services, primarily property management services provided by Galaxy Smart Living Group, from Galaxy Holding and its associates. With a view to reducing the amount of continuing connected transactions between our Group and our connected persons, we decided to engage quality Independent Third Party property management service providers to provide property management service for the shopping centers operated by us under the entrusted management service model and subleasing service model. Galaxy Smart Living Group will cease providing property management services to shopping centers operated by us after March 31, 2021. See "—Relationship with Galaxy Holding and Its Associates—Services Provided by Galaxy Holding and Its Associates" for details.

Selection and Management of Suppliers

The business departments of our headquarters and our projects may submit a procurement application, such as for the subcontracting of property management services, based on their needs for approval. Our procurement department reviews the procurement application which is then reported to our senior management for approval. Our senior management may consider a number of factors, such as whether the proposed procurement is within the annual budget, the types and details of the procurement, whether bidding is required, any relevant cooperation record in the past, the selection requirements such as pricing and quality, service scope and other selection criteria. Once the application is approved, our procurement department will begin procurement. We generally procure through tender and bidding when the procurement amount is above RMB500,000. Our procurement department will (i) organize a bidding team to select the supplier among more than three candidates, (ii) assess, review and collect the suppliers' information and data during the procurement process and (iii) draft, inspect, finalize and approve the contract.

We maintain a supplier panel which is subject to our evaluation every year based on suppliers' background, qualifications and industry reputation, as well as the quality of products or services provided to us. The procurement department conducts an annual evaluation of each supplier. We will only add new suppliers to such panel after assessment of their background, qualifications and industry reputation.

After a selected supplier commences to provide the products or services, we regularly monitor and evaluate its performance on an annual basis. If a selected supplier delivered repeated sub-standard performances, we may remove such supplier from our panel list. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes with our suppliers that may have a material adverse effect on our business, financial position and results of operations.

Subcontracting

We subcontract certain labor-intensive services, primarily including security and cleaning services, to subcontractors, which enables us to lower our operating costs, improve service quality, dedicate more resources to management and enhance the overall profitability of our operations. Our subcontractors specialize in the services they perform and, therefore, operate in an efficient manner. For the years ended December 31, 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our subcontracting costs for our continuing operations amounted to RMB51.4 million, RMB57.2 million, RMB71.0 million, RMB52.3 million and RMB55.4 million, respectively.

Management of Our Subcontractors

For details, please see "—Selection and Management of Suppliers."

Key Terms of Subcontracting Agreements

Our subcontracting agreements typically include the following key terms:

- *Term.* Such agreements are typically signed for a one-to-two-year term and may be renewed by mutual consent. We will consider re-engaging the subcontractors based on the quality of their services.

- *Service scope and standards.* The subcontracting agreement would set forth the scope and expected standards of the subcontractor's services, including the areas to which the property management services relate. We also require our subcontractors to adhere to our internal policies, such as those to do with service standards, safety, uniforms and etiquette.

- *Our rights and obligations.* Generally, we have both the right and obligation to supervise and evaluate our subcontractors. We generally pay subcontracting fees on a monthly basis. We are entitled to reduce payments if our subcontractors fail to adhere to our service scope and standards.

- *Rights and obligations of subcontractors.* Our subcontractors are responsible for compliance 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. They are responsible for damages to person or property caused by substandard property management.

- *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 service standards and fail to improve the service quality in a timely manner, and if major service quality issues, fire safety and safety accident were caused by mismanagement.

QUALITY CONTROL

We prioritize quality in our services and believe that quality control is crucial to the long-term success of our business. Our professional quality control team in our operation management 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.

Quality Control over Our Services

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 clean parking lots, bathrooms, elevators and other common areas and how to maintain and operate technical facilities such as elevator systems and fire-extinguishing equipment.

Quality Control over Supplier

For details, please see "—Selection and Management of Suppliers."

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 communicating with our customer service center staff, filling in customer feedback report, dialing our service hotline, or providing feedback through our social media accounts. Customer feedback and complaints may relate to, for example, services by tenants, quality of products sold by tenants, services in the shopping centers, facilities, property management services, constructive comments and praises.

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 projects.

Our customer service personnel at each shopping center will record complaints and suggestions, and follow up with our customers for reviews on our responses after conclusion of the case. If our customers' feedback or complaints cannot be handled on the spot, then our customer service leader will report up the command chain and follow up with the settlement regularly. 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 intellectual property rights are critical to our continued success. We primarily rely on the applicable laws and regulations on trademarks, trade names, trade secrets as well as confidentiality agreements to protect our intellectual property rights. As of the Latest Practicable Date, we owned 322 trademarks and 5 copyrights and registered 5 domain names.

AWARDS AND RECOGNITIONS

The table below sets forth a selection of the notable awards and accreditations we received:

Year of award or recognition	Name of award or recognition	Awarding entity
2020	Innovative Commercial Property Management and Operation in China (中國商業地產運營管理創新獎)	China Real Estate Chamber of Commerce (全聯房地產商會)
2020	Commercial Property Social Impact Achievement in China (中國商業地產社會責任獎)	China Real Estate Chamber of Commerce (全聯房地產商會)
2020	2020 Top 100 China Commercial Real Estate (2020中國商業地產Top 100)	Guandian Index Academy (觀點指數研究院)
2020	Most Impressive Commercial Property Enterprise in China (2020中國商業地產年度影響力企業)	Guandian Index Academy (觀點指數研究院)
2020	2020 Top 30 China Commercial Real Estate in terms of management (2020中國商業地產管理能力Top 30)	Guandian Index Academy (觀點指數研究院)
2020	2020 Top 10 Commercial Real Estate Project in China in Terms of Brand Value (2020中國商業地產項目品牌價值Top 10)	Real Estate Top 10 Research Team
2020	2020 Outstanding Commercial Property Operational Service Brand in the Guangdong-Hong Kong-Macau Greater Bay Area (2020粵港澳大灣區商業運營品牌優秀企業)	Real Estate Top 10 Research Team
2020	2020 Top 100 Commercial Property Companies in China (2020中國商業地產百強企業) (Ranked 14th)	China Index Academy
2020	2020 China Top 10 Commercial Property Operator (2020中國商業地產運營十強企業)	China Index Academy

Year of award or recognition	Name of award or recognition	Awarding entity
2019-2020	2019-2020 Outstanding Commercial Real Estate Operational Service Provider (2019-2020年度商業地產優秀運營商)	Commercial Real Estate Golden Awards Evaluation Committee (商業地產金座標獎評選委員會) and Winshang.com (贏商網)
2019-2020	2019-2020 Attractive Commercial Property Project (2019-2020年度投資價值商業地產項目)	Commercial Real Estate Golden Awards Evaluation Committee (商業地產金座標獎評選委員會) and Winshang.com (贏商網)
2019-2020	2019-2020 Long-awaited Commercial Property Project (2019-2020年度備受期待商業地產項目)	Commercial Real Estate Golden Awards Evaluation Committee (商業地產金座標獎評選委員會) and Winshang.com (贏商網)
2018-2020	Top 10 Commercial Property Operational Service Providers in China in Terms of Brand Value (中國商業地產公司品牌價值Top 10)	Real Estate Top 10 Research Team
2019	2019 Outstanding Service Provider in Shenzhen (Commercial Property) (深圳產業(商業類)優秀運營商)	CRIC of E-House (China) Enterprise Holding Limited (易居企業集團克爾瑞)
2019	2019 Top 100 Commercial Property Companies in China (2019中國商業地產百強企業) (Ranked 15th)	China Index Academy
2019	2019 Outstanding Commercial Property Operational Service Brand in the Guangdong-Hong Kong-Macau Greater Bay Area (2019粵港澳大灣區商業運營品牌優秀企業)	Real Estate Top 10 Research Team
2019	Outstanding Commercial Property Operator of the Year (年度商業地產卓越企業)	Winshang.com (贏商網)

Year of award or recognition	Name of award or recognition	Awarding entity
2017-2019	Innovative Commercial Property Management and Operation in China (中國商業地產運營管理創新獎)	China Commercial Property Union (中國商業地產聯盟)
2018	2018 Top 10 Commercial Real Estate Project in China in Terms of Brand Value (2018中國商業地產項目品牌價值Top 10)	Real Estate Top 10 Research Team
2017-2018	China Shopping Mall Industry – Potential Star (中購聯中國購物中心行業年度星秀獎)	China Shopping Center Development Association of Mall China (中購聯購物中心發展委員會) ("**Mall China**")
2018	2017-2018 Excellent Asset-Light Commercial Property Operator (2017-2018年度商業地產優秀輕資產運營商)	Winshang.com (贏商網)
2018	Most Impressive Commercial Property Enterprise in China (2018中國商業地產年度影響力企業)	Guandian Index Academy (觀點指數研究院)
2017-2018	Innovative Commercial Property Management and Operation in China (中國商業地產管理運營創新獎)	China Commercial Property Union (中國商業地產聯盟)
2017-2018	China Shopping Mall Industry – Outstanding Commercial Property Operational Company (中國購物中心行業優秀商業管理公司獎)	Mall China
2017-2018	Mall China Golden Mall Awards City Advancement (中購聯中國購物中心行業城市發展推動獎)	Mall China
2017-2018	Top 100 Commercial Real Estate Project in China (中國商業地產Top 100)	Guandian Index Academy (觀點指數研究院)
2017	Innovative Commercial Property in China (中國商業地產創新項目)	China Commercial Property Union (中國商業地產聯盟)

COMPETITION

According to China Index Academy, the commercial property operational service market in the PRC is relatively fragmented, with the top five commercial property operational service providers accounting for 11.0% of the market measured by the number of shopping centers in operation as of December 31, 2019.

Comparison between the Top 5 Players and Our Group

- **Service model:** We have adopted flexible operational models (namely, entrusted management service model, brand and management output service model and sublease service model). Most of the top 5 players offer some of the three operational models that we provide and some are still in the process of developing more flexible operational models.

- **Geographic focus:** Compared with the top 5 players in the industry, we primarily focus on the Greater Bay Area, with a national presence while each of the top 5 players focus on more regions and cities than we do.

- **Occupancy rate:** As of December 31, 2019, the average occupancy rate of the commercial properties in operation under our management was 95.6%, comparable to those of the top 5 players ranging from 89.2% to 99.3% (to the extent available).

We are one of the few leading commercial property operational service companies with extensive experience in managing retail commercial properties in the Greater Bay Area and Shenzhen. As of September 30, 2020, we were ranked fourth in the Greater Bay Area in terms of the number of shopping centers in operation, with a market share of approximately 1.7%, and the seventh in terms of GFA in operation. As of September 30, 2020, we were ranked first in Shenzhen in terms of the number of shopping centers in operation, with a market share of approximately 5.5%, and the second in terms of GFA in operation.

We believe that we are able to continue competing with other industry players with our competitive strengths. Moreover, new market entrants are faced with entry barriers such as brand value, established industry knowledge and experience, capital requirements, quality of management and availability of talent and technical expertise, all of which we believe we have and will continue to overcome. For more information on the industry and the markets that we operate in, see "Industry Overview" and "Risk Factors —Risks relating to our Business and Industry—We face a wide range of competition and may fail to compete effectively and operate profitably."

OCCUPATIONAL HEALTH AND SAFETY

We are subject to PRC laws in relation to occupational health and safety matters. We provide training to our employees regarding how to react during selected emergencies. For more information, see "—Employees." 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 which have materially and adversely affected our operations.

ENVIRONMENTAL PROTECTION

We are committed to operating our business in compliance with applicable environmental protection laws and regulations and have implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations.

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.

EMPLOYEES

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

As of September 30, 2020, we had a total of 428 full-time employees. The table below sets forth a breakdown of our full-time employees by function:

	Number of employees	% of total
Senior management	6	1.4
Project management	29	6.8
Development and research department	22	5.1
Tenant sourcing and operation department	231	54.0
Human resource and administrative department	60	14.0
Engineering procurement department	19	4.4
Financial and contractual management department	61	14.3
Total	**428**	**100.0**

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

	Number of employees	% of total
Headquarters	118	27.6
Greater Bay Area	259	60.5
Central China Region	9	2.1
Yangtze River Delta	33	7.7
Others	9	2.1
Total	**428**	**100.0**

As of the Latest Practicable Date, our employees did not form or join labor unions. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material strikes or labor disputes with our employees, nor did we receive any complaints, notices or orders from relevant government authorities or third parties for the period.

We maintain a set of internal rules governing potential conflict of interests among our Group and our employees, directors and senior management ("**Relevant Persons**"). Under such internal rules, Relevant Persons shall not engage in certain activities, including, among others, engaging in competing business, which conflicts with their duties as employees or members of our Group. Relevant Persons are required to fill out a declaration form on conflict of interests every year and we will review such form and take appropriate action to mitigate the impact of potential conflict of interests.

For the historical non-compliance incidents regarding social insurance and housing provident funds, see "—Legal Proceedings and Non-compliances—Historical Non-compliance Incidents Regarding Social Insurance and Housing Provident Funds."

Recruiting

We endeavor to recruit talented employees in the market by offering competitive wages and benefits, systematic training opportunities and internal upward mobility.

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.

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, campus recruit events, headhunters, 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 and invite the candidates who progress to second round for written test, and further face to face interview.

- *Internal evaluation.* Once we select our candidates, we set their salaries based on our budget and their individual qualifications. We also commence 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.

- *Post-hiring.* We will contact the candidates three days before their commencement and keep close attention to them within the probation period in order to help them adapt to the new environment.

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.

Our Training Programs

We have multiple training programs tailored to different levels of employment, the details of which are as follows:

- *"Future Star Program"* (未來星). We target our "Future Star" training program toward talented entry-level employees hired through our campus recruitment programs. We provide introductory courses covering, among other topics, general knowledge about the commercial property operational service industry, promotions and planning marketing events and the nature of our services. We also provide one-to-one mentorship program, whereby every new joiner will be assigned to a mentor, a more experienced employee. The mentor will train and supervise the new employee, and provide periodic evaluation.

- *"Morning Star Program"* (啟明星). We target our "Morning Star" training program toward employees in back-bone positions. We provide courses such as team management to enhance communication and expression abilities. In the "Morning Star" training program, such issues would be discussed in greater depth. We also provide courses that are tailored to assisting employees in adjusting and succeeding in their managerial positions. These include acting as project leader, understanding functions of project leader, gaining experiences and executing strategy among others.

- *"Navigation Star Program"* (領航星). We target our "Navigation Star" training program toward management positions to be project leaders with capabilities to lead and operate a project. We provide courses such as management awareness, inter-department communication techniques and project preparatory and operational stage on-site trainings, among others. In the Navigation Star training program, we emphasize on experiential learning by simulating key operation stages, practicing operational skills, focusing on application and other diverse training programs.

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 training program, combined with on-the-job learning, will facilitate advancement for our employees. We also provide various business study trips, both domestic and international, for employees of all levels and all departments.

OUR BANK AND 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, details of which are set out below:

Cash flow transactions	Cash handling policies and internal control measures
Cash inflow in relation to receipts of commercial property operational service fees, deposits, sales revenue from tenants, management fees, rent or other service fees	Our finance department is responsible for issuing payment notice to relevant parties calculated in accordance with contractual arrangements. We have treasurers specifically responsible for cash collection. The treasurers will check amounts receivable from property owners and tenants in the payment record is the same amount that we received in our bank account on daily basis. We generally require all cash received to be verified within one business day.
Cash receipt on behalf of tenants	We have a bank account to receive sales proceeds on behalf of certain tenants. Such sales proceeds of tenants are registered on POS system. The bank usually settles the payment on the next business day. Our cash receipt manager reviews bank settlement amount against sales amount registered on POS system and generate review sheet on a daily basis. Our accountants reviews the review sheet on a daily basis. Our accountant reviews the consistency between the bank settlement amount and sales amount registered on POS system at the end of each month.

Cash outflow in relation to refunding deposits, sales revenue paid to tenants, service fees or costs and expenses	We return sales proceeds collected on behalf of tenants in the following month. We generate a settlement sheet for each tenant on or around the fifth of each month and submit such settlement sheet to relevant tenants for their review. Once they approve the settlement sheet, they can send invoice in the agreed amount to our treasury department. Our treasury department then generates a payment approval form. Our financial manager reviews such payment approval form. We issue payment in an amount equivalent to receipts on behalf of any tenant accrued in the last month less amounts payable by such tenant to us, including operational management fees, rents and value-added service fees, from such balance on our ERP system to the tenant after approval, on or around 15th or 25th of each month. For project operation costs and expenses, our operation personnel will initiate payment settlement process in accordance with contracts or internal control procedures. We will settle the payments upon approval from finance department and relevant operational department supervisors. We require all payments to be recorded within the same month. Our treasury department prepare a budget analysis toward the end of each month to estimate the cash needs for the following three months, such that we can maintain a sufficient amount of bank balances and cash to cover such needs.
Cash inventory and deposits	Our subsidiaries and branch offices typically are not allowed to keep more than RMB10,000 in cash on hand. We require that excess amounts be deposited into the bank accounts of our subsidiaries and branch offices within the day they are received. 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. 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 bank transfers. Our employees are required to verify that key payment received are in good order. They are also required to timely file all proofs of payment.
Cash transfers out of our centralized bank account or the bank accounts of our subsidiaries and branch offices	We make cash payments generally through bank transfers or issuing cheques. We designate specific personnel to keep blank chequebooks and issue cheques for our business. They are required to keep detailed records of issued cheques including details such as issuing time, cheque numbers, amounts and payment reasons. It is also our policy to keep records of unissued cheques.
Opening and managing bank accounts of our subsidiaries and branch offices	Our subsidiaries and branch offices must adhere to our internal policies and procedures in relation to the opening of bank accounts. They are required to make an application before opening any bank accounts. Our subsidiaries and branch offices are required to reconcile and check bank balances on a monthly basis.

During the Track Record Period, we made short-term wealth management investments from time to time to generate higher return on our cash in hand. See "Financial Information—Results of Operations—Other Income" in this prospectus.

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. For more information, see "Risk Factors—Risks Relating to Our Business and Industry—Our insurance coverage may not sufficiently cover the risks related to our business."

CERTIFICATES, LICENSES AND PERMITS

We are required to obtain and maintain various certificates, licenses and permits in relation to our operations. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we obtained all certificates, licenses and permits from relevant regulatory authorities that are material for our business operations in the PRC, and such certificates, licenses and permits were in force as of the Latest Practicable Date. We are required to renew such certificates, licenses and permits from time to time.

LEGAL PROCEEDINGS AND NON-COMPLIANCES

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 or arbitration 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.

Non-compliance

Historical Non-compliance Incidents Regarding Social Insurance and Housing Provident Funds

According to the relevant PRC laws and regulations, we are required make contributions to social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund for the benefit of our PRC employees. During the Track Record Period and up to December 2019, some of our PRC subsidiaries failed to make full contribution to the social insurance and housing provident funds for some of our employees as required under PRC law. Our Directors have assessed and estimated the amount of shortfall of social insurance for the three years ended December 31, 2019 was approximately RMB1.5 million, RMB2.2 million and RMB2.4 million, respectively and the shortfall of contributions to the housing provident funds was approximately RMB0.4 million, RMB0.6 million and RMB0.7 million, respectively, for the same periods. Such failure was primarily as the staff who were formerly in charge of this matter did not fully understand the different regulatory requirements in areas where we operated.

Possible legal consequences and maximum penalties

According to the relevant PRC laws and regulations in respect of social insurance contributions, if we fail to pay the full amount of social insurance contributions as required, the relevant PRC authorities may demand us to pay the outstanding social insurance contributions within a stipulated deadline and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments, we will be liable to a fine from one to three times to the amount of the outstanding contributions. In respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period. If the payment is not made within such time limit, an application may be made to PRC courts for compulsory enforcement. In addition, we will be fined RMB10,000 to RMB50,000 for failing to make the housing provident fund registration within the prescribed time limit.

Our Directors believe that such failure to make full contribution to the social insurance and housing provident funds would not have any material and adverse effect on our business and results of operations, considering that:

- we have obtained written confirmations dated March 10, 2020, October 21, 2020, November 20, 2020 and November 26, 2020 from relevant authorities, namely Shenzhen Social Insurance Fund Management Bureau (深圳市社會保險基金管理局), Shenzhen Housing Fund Management Center (深圳市住房公積金管理中心), Changzhou Human Resources and Social Security Bureau of Wujin District (常州市武進區人力資源和社會保障局) and Changzhou Housing Fund Management Center of Wujin Branch (常州市住房公積金管理中心武進分中心), confirming that during the Track Record Period and up to September 30, 2020, there was no administrative penalty imposed by the relevant authorities on us with respect to social insurance and housing provident funds contributions;

- Futian Branch of Shenzhen Human Resources and Social Security Bureau (深圳市人力資源和社會保障局福田分局), Futian Branch of Shenzhen Social Insurance Fund Administration (深圳市社會保險基金管理局福田分局), Futian Management Department of Shenzhen Housing Provident Fund Management Center (深圳市住房公積金管理中心福田管理部), Changzhou Wujin Human Resources and Social Security Bureau (常州市武進區人力資源和社會保障局), Social Insurance Center of Changzhou Wujin Human Resources and Social Security Bureau (常州市武進區人力資源和社會保障局社保中心) and Wujin Branch of Changzhou Housing Fund Management Center (常州市住房公積金管理中心武進分中心) have orally confirmed that we would not be required to pay any shortfall or penalty unless complained by our employees in relation to historical contributions, and such authorities had not received any employee complaints with respect to social insurance and housing provident funds during the Track Record Period and up to November 27, 2020;

- we are advised by our PRC Legal Advisors that the relevant written and oral confirmations were issued or made by the competent authorities, and the relevant government authorities are the competent government authorities to issue such written and oral confirmations because such government authorities have the relevant social insurance and housing provident fund administration powers according to their official website;

- we have been making social insurance and housing provident funds contributions in the manner and amount required by relevant laws and regulations since December 2019 and our employees were aware of and acknowledged the historical social insurance and housing provident funds contributions and we have not received any objections or complaints from our employees regarding the manner and amount of social insurance and housing provident funds contributions which we have been making;

- as of the Latest Practicable Date, we had not received any notifications requiring us to pay shortfalls or penalties with respect to social insurance and housing provident funds contributions;

- our Controlling Shareholders have undertaken to indemnify us if we are required to pay any shortfall or penalty in the future;

- according to the urgent notice on stabilize collection of social insurances pursuant to the executive meeting of State Council (《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》) issued by General Office of Ministry of Human Resources and Social Security (人力資源社會保障部辦公廳) in September 2018, local governments are prohibited from collecting historical outstanding social insurance contributions by it self; and

- based on the foregoing, our PRC Legal Advisors had advised us that the possibility that we will be required to pay any shortfall and/or administrative penalties due to such failure to make full contribution to the social insurance and housing provident funds is remote. As such, we did not make provision with respect to social insurance and housing provident funds contributions.

Rectification Measures

We have enhanced our internal control to prevent similar occurrences in the future, including: (i) establishing an internal control policy that requires full compliance with the relevant laws and regulations on social insurance and housing provident funds and designating an officer who is familiar with the relevant laws and regulations on social insurance and housing provident funds to enforce our internal control policy. Our human resource department will monitor and review the payment status regarding our contribution amounts; (ii) conducting internal trainings for our Directors, members of senior management and certain employees on the relevant laws and regulations on social insurance and housing provident funds; (iii) keeping abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds and communicating with government agencies to ensure that our calculation and payment methods are in compliance with the relevant laws and regulations; and (iv) regularly consulting external counsel to understand whether we are at risk of non-compliance with laws and regulations in relation to social insurance and housing provident funds. See "Risk Factors—Risks Relating to Our Business—We may be subject to fines for our failure to register for and/or contribute to social insurance fund and housing provident fund for some of our employees" in this prospectus.

Except as disclosed above, based on the confirmation of our Company, our PRC Legal Advisors are of the view that we had not been subject to significant fines or legal actions involving any material non-compliance with PRC laws or regulations relating to our business during the Track Record Period and up to the Latest Practicable Date.

PROPERTIES

Owned Property

As of the Latest Practicable Date, we did not own any properties.

Leased Property

As of the Latest Practicable Date, we leased a total of five properties in the PRC with an aggregate GFA of approximately 127,289 sq.m. primarily for operation of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) and Jiaxing Galaxy COCO City (嘉興星河COCO City) under sublease service model and offices. Please refer to "Financial Information—Description of Certain Consolidated Balance Sheet Items—Investment Properties" and "Financial Information—Property Valuation" for more details.

As of the Latest Practicable Date, the lessor for one leased property with a GFA of 2,092.6 sq.m. had not provided us with the relevant property title certificates or the proof of right to lease such property. As a result, the lease may be deemed invalid, and we might not be able to continue to use such property, should such lease be deemed invalid. Further, the lessor promised to us that if we need to vacate the leased property due to the lessor's title defect, the lessor will provide us with a comparable replacement property suitable for our use and indemnify us for any expenses or damages suffered relating to the relocation. Our Directors are of the view that, as such leased property without building title certificates is used as offices, and replacement premises are readily available on the market, such defect will not have a material adverse effect on our business or financial condition taken as a whole.

As of the Latest Practicable Date, we had not registered the lease agreements for the leased property referenced above with the local housing administration authorities as required under PRC law, primarily due to the fact that the title certificate and proof of ownership were not obtained by our landlord for the leased property. It is a factor beyond our control. Our PRC Legal Advisors have 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 will 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 Advisors have also advised us that the failure to register the lease agreement would not affect the validity of the lease agreement, 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—Some of our lease agreements have not been filed with the relevant PRC authorities and, as a result, we might be subject to administrative fines" in this prospectus. We plan to take all reasonable steps to register the lease agreement as soon as our landlord provide us with title certificate or the proof of right to lease such property.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. For more details, see "Risk Factors." 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 Tse Yat Hong, who serves as chairman of the committee, Guo Limin and Guo Zengli. For the qualifications and experience of these committee members, see "Directors and Senior Management."

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 December 20, 2019 in relation to the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;

- We have appointed Ms. Wen Yi as our financial director and Mr. Wong Kai Hing as our company secretary to ensure our compliance with relevant laws and regulations. For their biographical details, see "Directors and Senior Management;"

- We have appointed China Securities (International) Corporate Finance Company 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 to review our internal control system, based on an agreed scope covering controls and procedures in the following aspects: our provision of services, management of subcontractors, cash and treasury management, salary payments, finance and accounting, tax payments, management of our informational technology systems, purchase of insurance policies, occupational health and safety, intellectual property protection and other general control measures. Our internal control consultant recommended certain 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. Our internal control consultant has also completed procedures to follow up on the actions 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.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (but excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme), Go Star and Virtue Investment will directly hold 60% and 15% of the total issued share capital of our Company, respectively. All the issued shares and interest in Go Star are held by the trustee of the Family Trust, through its holding vehicle, Long Harmony Holding Limited. The entire issued share capital of Virtue Investment is held by Mr. Huang De-Lin Benny who was entrusted by Mr. Huang to hold such shares for the purpose of a share incentive scheme to be adopted after Listing. Thus, Mr. Huang, as the investment decision maker of the Family Trust and the beneficial owner of Virtue Investment, through Go Star and Virtue Investment, controls more than 30% of the voting power at general meetings of our Company. Accordingly, Mr. Huang, Go Star and Virtue Investment are our Controlling Shareholders.

Mr. Huang, our Ultimate Controlling Shareholder, commenced property development business by establishing Shenzhen Galaxy Property Development in 1994. Leveraging the experience gained and foundation built from the success of property development business, Mr. Huang has expanded his investment portfolio to other area of businesses. For details, see "—Excluded Businesses" below.

Delineation of Business

Our Group engages principally in the provision of commercial property operational services to commercial properties including shopping centers and commercial complexes.

Other than our Group, our Controlling Shareholders have invested in the businesses of property development, property management services mainly for the residential properties, finance services, leisure entertainment and industrial park operation (the "**Excluded Businesses**"). Our commercial property operational services business and the Excluded Businesses are driven by different business models, strategies and objectives. Our Directors therefore believe that there is clear delineation between the Excluded Businesses and our business and it is not appropriate to include the Excluded Businesses in our Group. For further details, please see the paragraph headed "Excluded Businesses" below.

Excluded Businesses

Property development

Shenzhen Galaxy Property Development was established by Mr. Huang in 1994 for the purpose of engaging in property development business. Through years of accumulating extensive experience in the property development industry, Shenzhen Galaxy Property Development, together with its subsidiaries and associates ("**Galaxy Property Development Group**") has expanded its property development business to various Provinces and Municipalities in the PRC including Guangdong, Jiangsu, Tianjin and Shanghai. Galaxy Property Development Group developed its first commercial property in Shenzhen, namely Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park（北區）) in 2004. As of December 31, 2019, Galaxy Property Development Group had delivered more than 40 projects, among which were mainly developed for residential use. As of the same date, Galaxy Property Development Group had developed around 15 commercial properties. In 2020, Galaxy Property Development Group, through Galaxy Holding, was named a "2019 China Top 100 Real Estate Developers (2019中國房地產百強企業)" by CIA for the ninth consecutive years.

Industrial parks operation

Having seen the potential for growth in the business of industrial park development, in line with the national strategy of development of high-technology industry and the national and provincial incentive policies for the development of startups and high-tech companies, Galaxy Industrial Investment was established by Galaxy Holding in 2015 for the purpose of provision of operation and management services in the industrial parks developed by Galaxy Property Development Group. Galaxy Industrial Investment, together with its subsidiaries and its associates ("**Galaxy Industrial Investment Group**"), provides one-stop integrated industrial park operational services (the "**Industrial Park Operational Services**"), including but not limited to providing workplace and research and development centers, assisting in application for governmental funding and financing, providing property management services and other incubation services to startups and high-tech companies in information technology, artificial intelligence, cultural and creative and finance industries. Galaxy World, the first industrial park under the management of Galaxy Industrial Investment Group, was opened in January 2016. As of December 31, 2019, five industrial parks located in Shenzhen, Zhuhai, Puning and Chongqing were under the management of Galaxy Industrial Investment Group. In 2019, Galaxy Industrial Investment was named a "2019 Top 6 Industrial Real Estate Operators (2019中國產業地產運營商6強)" by Guandian Index (觀點指數).

Property management

In order to provide quality property management services to properties developed or owned by Galaxy Property Development Group, Galaxy Smart Living was established in 1999. Galaxy Smart Living and its subsidiaries or associates ("**Galaxy Smart Living Group**") are focused on the provision of high quality property management services to the residential properties. As of December 31, 2019, the property management services provided by Galaxy Smart Living Group covered 15 cities across six provinces in China. Galaxy Smart Living Group managed 71 properties, comprised 51 residential properties and 20 non-residential properties as of December 31, 2019. Galaxy Smart Living was quoted on NEEQ (stock code: 836397) in 2016. In 2019, Galaxy Smart Living ranked 57th in the "2019 Top 100 Property Management Companies in China (2019中國物業服務百強企業)" in terms of overall strength by CIA.

During the Track Record Period and up to the Latest Practicable Date, we engaged Galaxy Smart Living Group to provide property management services to certain shopping centers under our management through entrusted management and subleasing service models. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, the total service fee paid by our Group to Galaxy Smart Living Group in respect of the property management services amounted to approximately RMB41.1 million, RMB45.7 million, RMB57.8 million and RMB41.8 million, respectively.

Given both of our business and the business conducted by Galaxy Smart Living Group include the provision of property management services to shopping centers, the business of Galaxy Smart Living Group would compete with our business. According to the annual reports of Galaxy Smart Living prepared in accordance with PRC Generally Accepted Accounting Principles, revenue and gross profit derived from the provision of property management services to us accounted for approximately 18.5%, 14.3% and 14.0% of the total revenue of Galaxy Smart Living Group and approximately 8.0%, 5.9% and 5.7% of the gross profit of Galaxy Smart Living Group for the three years ended December 31, 2019, respectively. During the Track Record Period, Galaxy Smart Living Group did not generate revenue and gross profit from the provision of property management services to the commercial property owned or developed by Independent Third Parties. Majority of the revenue of Galaxy Smart Living Group was generated from the provision of property management services to the residential properties during the three years ended December 31, 2019.

With a view to avoiding the potential competition between the business of our Group and the business of Galaxy Smart Living Group and reducing the continuing connected transactions with Galaxy Smart Living Group, we decided to engage quality Independent Third Party property management service providers to provide property management service for the shopping centers operated by us under the entrusted management service model and subleasing service model. Galaxy Smart Living Group will cease providing property management services to shopping centers after March 31, 2021. In addition, Mr. Huang has undertaken to procure Galaxy Smart Living Group not to engage in the property management or commercial property operational services of shopping centres.

Notwithstanding that there exists a competition between our business and the business conducted by Galaxy Smart Living Group, our Directors consider that the competition is immaterial as our business can be clearly delineated from the property management business operated by Galaxy Smart Living Group and details of the business delineation are set out below:

- ***Different type of properties*** – We focus on the commercial property operational services for large-scale shopping centers while Galaxy Smart Living Group focuses on property management services for residential properties.

- ***Different business goal*** – Different from property management services provided by Galaxy Smart Living Group which are aimed at keeping the properties under management safe, clean and functional, the commercial property operational services we provide are aimed at maximizing the brand awareness and occupancy of the shopping centers under operation primarily through increasing the consumer traffic and popularity of such properties, and increasing the overall value of the shopping centers.

- ***Different business focus and skill set*** – Commercial property operational services require industry knowledge and expertise in tailor-made market positioning, commercial properties' project management, tenant sourcing abilities and digitalized operation, whereas the skillset required for property management of residential properties is mainly related to cleaning, security and other related services. We will continue to focus on the provision of commercial property operational services to the shopping centers and have no intention to change our business focus. Based on our understanding and public available information, Galaxy Smart Living Group will continue to focus on the provision of property management services to residential properties and it has no intention and capacity to expand its business to commercial property operational services nor continue to provide property management services to non-residential properties such as shopping centers in the future.

- ***Different management team*** – Our business and property management business of Galaxy Smart Living Group have been managed and operated by two different and independent management teams composing of directors and senior management since the commencement of the respective business and we believe that each management team has their respective skill set and abundant experience at commercial property operational services area and property management services area, respectively.

- ***Different source of revenue*** – The majority of revenue of our Group is generated from the service fees charged for the provision of commercial property operational services to the developers or owners of large-scale shopping centers or operational management fee charged for the provision of operational management services to the tenants of shopping centers under our management. Galaxy Smart Living Group mainly generates its revenue from the provision of property management services and other value-added services to residential properties. The source of revenue between our business and the property management business of Galaxy Smart Living Group is different.

Given (i) the immateriality of competition between our business and the business conducted by Galaxy Smart Living Group; (ii) Galaxy Smart Living Group will cease to provide property management services to shopping centers after March 31, 2021; and (iii) Mr. Huang has undertaken to procure Galaxy Smart Living Group not to initiatively engage in the property management or commercial property operational services of shopping centers, our Directors are of view that the competition between Galaxy Smart Living Group and our Group could be mitigated.

Given that our commercial property operational services business is different from the property management business operated by Galaxy Smart Living Group and the expertise required in the two businesses are different, and it is our current business development strategy not to include property management business in our Group and to concentrate on commercial property operational service business in the PRC, our Directors are of the view that it is in our best interest not to include the property management business operated by Galaxy Smart Living Group in our Group and to concentrate our resources on the development and growth of our core business, notwithstanding that the provision of property management services forms an integral part of our commercial property operational services.

Finance service

Galaxy Investment was established in 2009 by Mr. Huang for the provision of finance services in China. The scope of finance service provided by Galaxy Investment, together with its subsidiaries ("**Galaxy Finance Group**") includes equity investment in the PRC enterprises, debt investment such as micro-financing, financial leasing and commercial factoring. As of December 31, 2019, Galaxy Finance Group indirectly invested in certain PRC enterprises in different industries such as aerospace, IT communication, new materials, biomedical, new energy and chemicals. As of December 31, 2019, the balance of debt investments under Galaxy Finance Group's management was approximately RMB3.7 billion.

Our Group has formed a cooperative relationship with certain retail brands indirectly invested by Galaxy Finance Group through an investment fund. Such retail brands operate shops in several shopping centers under our Group's management and become our Group's tenant customers.

Leisure entertainment

Shenzhen Galaxy Cinema Investment was established by Galaxy Property Group in 2013 for operating cinemas in the shopping centers and commercial complexes in China. As of December 31, 2019, Shenzhen Galaxy Cinema Investment, together with its subsidiaries, operated four cinemas, all of which located in the shopping centers managed by our Group in Shenzhen, Guangzhou and Huizhou of Guangdong Province.

Quhui Innovation was established as a wholly-owned subsidiary of Galaxy Commercial Property Group for operating certain children's facilities, such as children's amusement parks and children's sports hall in the commercial properties.

Given the different business models and nature of the business operated by our Group and the companies controlled by our Controlling Shareholders (excluding our Group) (the "**Excluded Group**"), our Directors are of the view that there is a clear business delineation between the business of our Group and the business operated by the Excluded Group. As confirmed by our Directors, we do not have intention to include any of the Excluded Businesses in our Group.

Office Building Management Services in Industrial Parks

As part of the Industrial Park Operational Business, Galaxy Industrial Investment Group also provides operational management services to the offices and research and development centers in industrial parks developed or operated by Galaxy Property Development Group in Shenzhen, Zhuhai, Puning and Chongqing. As of September 30, 2020, the total GFA of office buildings under the management of Galaxy Industrial Investment Group was approximately 0.4 million sq.m.

We were first contracted to provide commercial property operational services to an office building in December 2014 which is physically attached to Galaxy Top Living (深圳星河第三空間), the first home furnishing shopping center under our management and forms part of the commercial complexes, namely Galaxy Century Tower. Back then, the industrial park of Galaxy World had not been developed and Galaxy Industrial Investment had not been established. As of September 30, 2020, the total contracted GFA of the office buildings under our management, namely Galaxy Century Tower and Shenzhen Galaxy Center, was approximately 27,801 sq.m. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, approximately RMB4.2 million, RMB5.8 million, RMB6.7 million and RMB4.9 million of the service fees were generated from the management of such office buildings, representing approximately 1.5%, 1.8%, 1.7% and 1.6% of our total revenue in the same corresponding periods.

As a leading commercial property operational service provider in the Greater Bay Area, we focus on providing commercial property operational services to shopping centers and commercial complexes. Notwithstanding that we also provide operational services to the office buildings in the commercial complexes, we consider that the office building management services in the industrial park provided by Galaxy Industrial Investment Group can be distinguished from that of our Group for the following reasons:

- ***Different business models with different pricing policies*** – The Industrial Park Operational Business developed and operated by Galaxy Industrial Investment Group are integrated industrial operation and incubation services mainly for startups and high-tech companies. The management of office buildings in the industrial park is part of the Industrial Park Operational Business and Galaxy Industrial Investment Group is focus on the provision of comprehensive services package to the startups and high-tech companies including but not limited to providing workplace and research and development centers, assisting in application for governmental funding, providing property management services and other incubation services. For details of the Industrial Park Operational Business, please refer to "—Excluded Businesses—Industrial parks operation" in this section.

Different industrial parks have different positioning. To attract the startups and high-tech companies which are in line with the industrial parks' positioning, the pricing model for offices in the industrial park is different from that of office buildings we manage. Apart from the monthly rental paid by the startups and high-tech companies, Galaxy Industrial Investment Group may invest and hold minority equity interest in the startups and high-tech companies to gain profit as a result of the provision of incubation services. The rental charged by Galaxy Industrial Investment Group is relatively lower than the average rental of office buildings in the same district. In order to support the high-tech companies, the local government would provide certain preferential policies and financial subsidies to those industrial parks which fulfill the relevant requirements. We mainly focus on property leasing services in relation to the office buildings under our management, which is completely different from the services in the industrial parks. In respect of the office buildings managed by our Group, the rental payable by the tenants is determined based on the prevailing market rent. The management fee for our operational management services to those office buildings is charged as a percentage of the total rental income.

- ***Different geographical locations*** – In respect of the office buildings managed by Galaxy Industrial Investment Group, those are office buildings in the suburbs and are built on the industrial land according to the local government's positioning. In contrast, the offices buildings managed by our Group are located in the central business district of Shenzhen and are built on the commercial land.

- ***Different target tenants*** – The Galaxy Industrial Investment Group targets at tenants who are startups and innovative companies that may not be able to afford high rent rate, and in line with the positioning of the industrial park, whereas there is no requirement on the size and nature of business operated by the tenants of the office buildings under our management. There is no overlap between the independent tenants of the office buildings in the industrial park and the independent tenants of the office buildings under our management. Hence, the target tenants of our Group can be distinguished from that of the Industrial Park Operational Business.

- ***Different management expertise and resources*** – The management of office buildings in the industrial park is part of the Industrial Park Operational Services, which in our view that requires management expertise in provision of the Industrial Park Operational Services and sourcing capability on the startups and high-tech companies. The office buildings under our management is attached to the commercial complexes in the central business districts which requires management expertise in commercial property operational services and tenant sourcing in the central business district.

- ***Different office design and usage*** – The office buildings under our management are located in the central business district of Shenzhen, which are designed as high-end offices to meet the requirements of high-grade commercial customers. The office buildings in the industrial parks are designed to meet the needs of startups and high-tech companies and the usage of science innovation centers, laboratories and research centers are included. Its space design provides more flexibility to those startups and high-tech companies.

Consistent with our Group's past business strategy, our Group will continue to focus on providing commercial property operational services to shopping centers and commercial complexes in the PRC. While both our Group and Galaxy Industrial Investment Group have engaged and will continue to engage in office building management services, Galaxy Industrial Investment Group will be restricted from providing management services to office buildings outside industrial parks and will focus on office building management services in the industrial parks. Since our establishment, we have not provided commercial property operational services to any properties other than retail commercial properties and commercial complexes. As we focus our resources on commercial property operational services in the PRC, we have no current intention of providing commercial property operational services to office buildings located in any industrial park. As confirmed by our Controlling Shareholders, Galaxy Industrial Investment Group does not and will not conduct any office buildings management business as a standalone business outside the industrial park.

Our Directors are of the view that (i) the office building management services provided by our Group and Galaxy Industrial Investment Group have different business models and objectives which require different management expertise, skills and resources; and (ii) the office building management services provided by Galaxy Industrial Investment Group will not be in extreme competition with the office building management services provided by our Group due to the differences in business model, pricing policy, target tenants with different business needs. In view of the above differences and given that the office building management services business operated by our Group only accounted for 1.5%, 1.8%, 1.7% and 1.6% of the total revenue of our Group for the three years ended December 31, 2019 and the nine months ended September 30, 2020, our Directors are of the view that it is in our best interests to concentrate our resources on the development and growth of our core business, than to put in substantial amount of resources and management focus in developing the office building management services business in industrial parks, which is all along not our business focus and strategy.

To ensure that competition will not exist in the future, our Ultimate Controlling Shareholder has entered into the Deed of Non-Competition in favor of our Company to the effect that he will not, and will procure his respective close associates not to, directly or indirectly participate in, or hold any right or interest, or otherwise be involved in, interested in any business which may be in competition with our Group's business, further details of which are set out in the paragraph entitled "—Deed of Non-Competition" below.

OUR BUSINESS RELATIONSHIP WITH GALAXY HOLDING AND ITS ASSOCIATES

Mutual and complementary relationship

Our Group has a well-established and ongoing business relationship with Galaxy Holding and its associates. Our business was built on the success of the commercial property operational service business of Galaxy Suhuo Park Industrial a property development company controlled by Mr. Huang, our Ultimate Controlling Shareholder, back in 2004 when a commercial property operational service team was formed to provide commercial property operational services in respect of Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park（北區）). Approximately 41.9% of the contracted GFA under management by our Group as of September 30, 2020 were properties developed by Galaxy Holding and its associates and approximately 29.7% of the total revenue of our Group for the nine months ended September 30, 2020 was generated from the services provided to Galaxy Holding and its associates. Such business relationship between our Group and Galaxy Holding and its associates is common among PRC commercial property operational service companies and their associates, which are principally engaged in property development and property investment, according to China Index Academy, the industry consultant of our Company. Based on our understanding, substantially all of the shopping centers and commercial complexes developed and owned by Galaxy Holding and its associates are under our Group's management. Given the relatively long history of business relationship, we and Galaxy Holding and its associates have developed a well-established mutual understanding in our business collaborations. Benefiting from such long standing relationship, we are able to provide tailored services to Galaxy Holding and its associates to meet their specific needs and our management team is familiar with the standards and requirements of Galaxy Holding and its associates.

There are numerous independent commercial property operational management service providers available in the PRC market, and some of them have larger business scale than our Group. Based on our understanding, during the selection process, Galaxy Holding and its associates would consider several criteria when selecting the commercial property operational service providers, including quality of service, brand influence, level of cooperation, understanding of service instructions and speed of response. Therefore, despite the vast choices of similar service providers in the market, we believe it might not be in the best interest of Galaxy Holding and its associates to select and engage another new service provider considering the amount of time and relevant experience required for such new service provider to provide equally satisfying services that are comparable to ours.

As disclosed above, given there is a certain degree of mutuality and complementarity of ongoing business between Galaxy Holding and its associates and our Group, we consider we will continue to be able to secure future engagements from it and be able to maintain our revenue from Galaxy Holding and its associates upon Listing.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

We believe that we are capable of carrying on the business independently of our Controlling Shareholders and their respective close associates after Listing for the following reasons:

Management Independence

Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. Two of our Directors hold various directorships or positions in our Controlling Shareholders or their respective associates, namely Mr. Huang De-Lin Benny who serves as an executive Director in our Company and vice president to the director in Galaxy Holding, and Mr. Huang De'An Tony who serves as the executive vice president of Galaxy Holding while serving as a non-executive Director in our Company.

Other than Mr. Huang De-Lin Benny and Mr. Huang De'An Tony, none of our Directors holds any directorship or senior management role in our Controlling Shareholders or their respective associates. Since Mr. Huang De'An Tony is our non-executive Director, he will not be involved in the day-to-day management or affairs and operations of our businesses. Although Mr. Huang De-Lin Benny is an executive Director of our Company and vice president to the director of Galaxy Holding, when performing his duty, he has been and will continue to be supported by the separate and independent senior management team of our Group and Galaxy Holding. In addition, there is no overlap of other senior management members between our Group and our Controlling Shareholders and their respective associates.

During the Track Record Period, each of Ms. Huang Chunling and her spouse Mr. Li Xiaoming (both of whom were a former director of Galaxy Commercial Property Group) served as a director and/or a legal representative in several companies controlled by Mr. Huang prior to her/his resignation as a director of Galaxy Commercial Property Group in November 2019. Mr. Ran Chongyong, a former deputy general manager of Galaxy Commercial Property Group, following the disposal of Quhui Innovation, left our Group in November 2019 to join Galaxy Property Group as a deputy general manager. Other than Ms. Huang, Mr. Li and Mr. Ran, none of the directors or senior management of any members of our Group held any directorship or senior management role in the Excluded Group during the Track Record Period and up to the Latest Practicable Date.

In the event that the two overlapping Directors are required to abstain from any board meeting of our Company on any matter which may give rise to a potential conflict of interest, the remaining Directors will have sufficient expertise and experience to fully consider any such matter. Notwithstanding the two overlapping Directors, our Directors, including our independent non-executive Directors, are of the view that our Board is able to manage our Group's business independently from our Controlling Shareholders for the following reasons:

(a) save as disclosed above, none of the businesses of the companies owned by our Controlling Shareholders competes, or is likely to compete, with our core business and with the corporate governance measures in place to manage existing and potential conflicts of interest, therefore, the dual roles assumed by the two overlapping Directors in most cases will not affect the requisite degree of impartiality of our Directors in discharging their fiduciary duties owed to our Company;

(b) we have three independent non-executive Directors, and certain matters of our Company, including continuing connected transactions and other matters referred to in the Deed of Non-Competition, details of which are set out in the paragraph entitled "—Deed of Non-Competition" below, must always be referred to our independent non-executive Directors for review and they will confirm in the annual report that the continuing connected transactions have been entered into in our Group's ordinary and usual course of business, are on normal commercial terms or better and on terms that are fair and reasonable and in the interests of our Shareholders as a whole; and

(c) in an event of conflict of interests, the relevant Director(s) will abstain from voting and will be excluded from deliberation by our Board. We believe our Directors with no overlapping directorships have the requisite qualifications, integrity and experience to maintain an effective board and observe their fiduciary duties in an event of conflict of interests. See "Directors and Senior Management—Board of Directors" in this prospectus for the relevant experience and qualifications of our Directors.

Operational Independence

The business operations of our Group are carried out separately from the Excluded Businesses operated by our Controlling Shareholders. In addition, the finance, information technology, human resources department and other administrative support of our Group are separate from those of the Excluded Group. 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.

The majority of our customers are third-party property owners or third-party lessees independent from our Controlling Shareholders. For the year ended December 31, 2019, 75.4% of our revenue was generated from independent customers.

Licenses for Operation

We hold and enjoy the benefit of all relevant licenses and permits material to the operation of our business.

Access to Customers/Suppliers/Business Partners

We have a large and diversified base of customers that are unrelated to our Controlling Shareholders and/or their respective close associates. We have independent access to the suppliers and other business partners as well.

Galaxy Property Development Group was the largest customer of our Company and Galaxy Smart Living Group was the largest supplier of our Company for each of the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020.

In addition, certain top five customers and suppliers of our Group overlapped with those of Galaxy Holding and its associates, details of which are set forth below:

- Shenzhen Cheng Yuan Industrial Development Co., Ltd. (深圳市鋮源實業發展有限公司) ("**Cheng Yuan**"), the property owner of Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO), was one of our top five customers during the Track Record Period and contributed approximately 0.8%, 1.6%, 2.2% and 1.3% of our Group's total revenue for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, respectively. At the same time, Cheng Yuan was also a customer of Galaxy Property Development Group and Galaxy Smart Living Group where Galaxy Property Development Group provided construction services in 2017 and 2018 and Galaxy Smart Living Group provided property management service to Cheng Yuan during the Track Record Period. Based on unaudited management accounts of Galaxy Property Development Group and Galaxy Smart Living Group, the transaction amounts between Cheng Yuan and Galaxy Property Development Group amounted to approximately RMB23.8 million and RMB48.1 million for the years ended December 31, 2017 and 2018, while the transaction amounts between Cheng Yuan and Galaxy Smart Living Group amounted to approximately RMB1.7 million, RMB1.5 million and RMB2.5 million for the three years ended December 31, 2019.

- The property owner of Enshi Galaxy COCO City (恩施星河COCO City), a commercial property project under construction and not yet in operation, was a borrower of a commercial loan of RMB280 million extended by Galaxy Finance Group in December 2017. Such commercial loan accounted for 6.14% and 6.41% of the total loans of Galaxy Finance Group as of December 31, 2018 and 2019. We have been providing positioning, construction consultancy and tenant sourcing services to Enshi Galaxy COCO City (恩施星河COCO City) under brand and management output service model since August 2017. Revenue recognized from Enshi Galaxy COCO City accounted for approximately 0.9%, 1.8% and 0.4% of our total revenue for the year ended December 31, 2017, 2018 and 2019, respectively. We did not recognize revenue from positioning construction consultancy and tenant sourcing services provided to Enshi Galaxy COCO City for the nine months ended September 30, 2020. For details, please see "Financial Information—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables" in this prospectus. The commercial loan was made independently by Galaxy Finance Group and was a standalone transaction not related to or inter-conditional with the services provided by our Group.

- Certain our top five suppliers which provided cleaning services to our Group during the Track Record Period also provided similar services to Galaxy Smart Living Group during the same period. For the three years ended December 31, 2019, the transaction amounts in respect of their provision of cleaning services to our Group amounted to approximately RMB6.6 million, RMB5.1 million and RMB4.4 million, respectively, which account for 4.7%, 3.2% and 2.4% of our total cost of services. Based on unaudited management account of Galaxy Smart Living Group, the transaction amounts between such suppliers and Galaxy Smart Living Group amounted to approximately RMB1.8 million, RMB0.3 million and RMB1.6 million for the three years ended December 31, 2019.

Our Directors have confirmed that save for the aforesaid, none of our top five customers and top five suppliers were customers or suppliers of the Excluded Group for each of the years ended December 31, 2017, 2018 and 2019 and up to the Latest Practicable Date.

Operational Facilities

As of the Latest Practicable Date, we leased three properties in Shenzhen from the associates of our Controlling Shareholders with a total GFA of approximately 2,152.6 sq.m. mainly for office use. Meanwhile, under the entrusted management service model, we have used three commercial management offices with a total GFA of approximately 1,410 sq.m. in the shopping centers under our management for free. The landlord of each of the occupied commercial management offices is Galaxy Property Development Group. As confirmed by China Index Academy, it is an industry norm that the property owner of a commercial property would designate an area within the commercial property to the commercial property operational service provider to use as an office on a royalty-free basis. Save as disclosed above, all the properties and facilities necessary to our business operations are independent from our Controlling Shareholders and their respective close associates.

Employees

As of the Latest Practicable Date, our full-time employees were recruited primarily through recruitment websites, on-campus recruitment programs, job fair, recruiting firms and internal and external referrals.

Connected Transactions with Our Controlling Shareholders

The section headed "Connected Transactions" in this prospectus sets out the continuing connected transactions between our Group and our Controlling Shareholders or their respective associates which will continue after completion of Listing. All such transactions are determined after arm's length negotiations and on normal commercial terms. In determining the fees for services between our Group and our Controlling Shareholders or their respective associates, factors such as location and condition of the project, the service scope, labor and other costs are taken into consideration where applicable. The fees are then determined with reference to prevailing market rates.

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, our Group did not share any fund flows with the Excluded Group. Our Group had no outstanding bank loans and did not rely on our Controlling Shareholders and their respective close associates for any guarantee or security. Accordingly, we believe we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

In addition, our Group has our own internal control and accounting systems, accounts department for cash receipts and payment and independent access to third-party financing.

DEED OF NON-COMPETITION

Mr. Huang has entered into a Deed of Non-competition in favor of our Company, pursuant to which Mr. Huang has unconditionally and irrevocably undertaken to our Company that he will not, and will procure his close associates including Galaxy Smart Living Group (save as members of our Group) not to directly or indirectly be involved in, interested in or undertake any business that directly or indirectly competes, or may compete, with our business, including but not limited to the provision of property management or commercial property operational services to shopping centers (the "**Restricted Businesses**"), or hold shares or interest in any company or business that competes or may compete directly or indirectly with the business engaged by us from time to time, or conduct any Restricted Businesses, except where Mr. Huang and his respective close associates collectively hold (i) less than 30% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange); or (ii) less than 50% of interest of any private company, which is engaged in any business that is or may be in competition with any business engaged by any member of our Group and they do not possess the right to control the board of directors of such company.

Further, Mr. Huang 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 or any of his close associates, he shall, and shall procure that his close associates shall, refer such Competing Business Opportunity to us 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 us to consider whether to pursue such Competing Business Opportunity.

Upon receiving the Offer Notice, we shall seek approval from a board committee who does 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 strategies and development plans and the general market conditions of our business. If appropriate, the Independent Board may appoint independent financial advisors and legal advisors to assist in the decision making process in relation to such Competing Business Opportunity. The Independent Board shall, within 30 business days of receipt of the Offer Notice, inform Mr. Huang in writing, on behalf of us, its decision whether to pursue or decline the Competing Business Opportunity.

Mr. Huang shall be entitled but not obliged to pursue such Competing Business Opportunity if he 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 Mr. Huang, he shall refer such revised Competing Business Opportunity to us as if it were a new Competing Business Opportunity.

The Deed of Non-Competition will lapse automatically if Mr. Huang ceases to control, whether directly or indirectly, 30% or above of our Shares with voting rights or our Shares cease to be listed on the Stock Exchange.

Mr. Huang has further undertaken to us that he will provide and procure his 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. He will make an annual declaration in our annual report on the compliance with the Deed of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report.

In order to promote good corporate governance practices and to improve transparency, the Deed of Non-Competition includes the following provisions:

- our independent non-executive Directors shall review, at least on an annual basis, the compliance with the Deed of Non-Competition by our Controlling Shareholders;

- we will disclose the decisions on matters reviewed by our 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 the Deed of Non-Competition, he/she may not vote on the resolutions of our Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles of Association.

CORPORATE GOVERNANCE MEASURES

Mr. Huang and his respective close associates may not compete with us as provided in the Deed of Non-Competition. Our Controlling Shareholders have confirmed that they fully comprehend their 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 the preparation for the Listing, we have amended the Articles of Association to comply with the Listing Rules. In particular, the Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest and abstain from the board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of our 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 and external opinion to protect the interests of the public Shareholders. For details of our independent non-executive Directors, see "Directors and Senior Management—Board of Directors—Independent non-executive Directors" in this prospectus;

(d) we have appointed China Securities (International) Corporate Finance Company 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 the 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 Mr. Huang and his compliance with such undertakings.

Our Group has entered into a number of transactions with parties who will become our connected persons upon the completion of Listing. The transactions disclosed in this section will continue following the Listing Date thus constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon the Listing of our Shares on the Stock Exchange.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Tenant Management Services

On December 22, 2020, we entered into a tenant management services framework agreement (the "**Tenant Management Services Framework Agreement**") with Mr. Huang, pursuant to which our Group agreed to provide (i) operational management services, including but not limited to commercial property operational management and property management services to stores and cinemas owned or operated by associates of Mr. Huang ("**Mr. Huang's Companies**") and located in the shopping centers managed by our Group; and (ii) management services in respect of common area of shopping centers managed by our Group to Mr. Huang's Companies for marketing and promotion activities (the "**Tenant Management Services**"). The Tenant Management Services Framework Agreement has a term commencing from the Listing Date to December 31, 2022.

Mr. Huang's Companies started to open stores and cinemas in shopping centers we managed in 2018 and became tenants of such shopping centers since then. Meanwhile, Mr. Huang's Companies did not purchase management services in respect of common area of shopping centers we managed for marketing and promotion activities from our Group in 2017. For the two years ended December 31, 2019 and the nine months ended September 30, 2020, the total fees payable by Mr. Huang's Companies to our Group for the Tenant Management Services amounted to RMB3.4 million, RMB5.6 million and RMB6.9 million, respectively.

The fees to be paid by Mr. Huang's Companies under the Tenant Management Services Framework Agreement are determined after arm's length negotiations taking into account the prevailing market price of similar services in the open market and the historical fee rate during the Track Record Period. Our development and research department would review and compare the service fee charged for the Tenant Management Services and those offered to the independent tenants and approve it.

The service fees for the provision of management services are charged based on the GFA of stores and cinema under our management and the monthly service fee per square meter. While the service fees for the marketing and promotion activities in the common area of shopping centers under our management are charged taking into account the size and location of common area to be used, daily or monthly service fee and the service period.

Our Directors estimated that the maximum annual amounts of service fee payable by Mr. Huang's Companies in relation to the Tenant Management Services for the two years ending December 31, 2022 will not exceed RMB11.6 million and RMB18.5 million, respectively.

In arriving at the above annual caps of Tenant Management Services, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- the historical transaction amounts and growth trend during the Track Record Period;

- the estimated transaction amounts in relation to the Tenant Management Services to be recognized for the two years ending December 31, 2022 based on the existing contracts;

- our estimation of the total GFA of stores and cinemas to be managed by our Group for the two years ending December 31, 2022, which are approximately 13,100 sq.m. and 22,100 sq.m., based on the existing management contracts entered into with the relevant tenants and the development plan of properties to be developed by Mr. Huang's Companies; and

- the estimated increased number of shopping centers to be opened under our management for the two years ending December 31, 2022.

Mr. Huang is our Ultimate Controlling Shareholder and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions under the Tenant Management Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the Tenant Management Services Framework Agreement are expected to be more than 0.1% but less than 5% on an annual basis, such transactions constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

2. Commercial Property Operational Services

On December 22, 2020, we entered into a commercial property operational services framework agreement (the "**Commercial Property Operational Services Framework Agreement**") with Mr. Huang, pursuant to which our Group agreed to provide to Mr. Huang's Companies commercial property operational services with respect to shopping centers and commercial complexes owned by Mr. Huang's Companies, including but not limited to (i) site selection consultancy, land sourcing assistance, construction consultancy, positioning, layout design and tenant sourcing services prior to the opening of such properties; (ii) operational management services after the opening of such properties; and (iii) licensing our trademarks which will be used in the commercial properties managed by us (the "**Commercial Property Operational Services**") with a term commencing from the Listing Date to December 31, 2022.

For each of the three years ended December 31, 2019 and the nine months ended September 30, 2020, the total amount of fees payable by Mr. Huang's Companies for the Commercial Property Operational Services provided by our Group amounted to approximately RMB63.3 million, RMB63.8 million, RMB89.5 million and RMB83.8 million, respectively. The increase in the total amount of fees payable by Mr. Huang's Companies for the Commercial Property Operational Services in 2019 was primarily attributable to the opening of Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) in September 2018 and increase of service fee for land sourcing assistance.

The breakdown of transaction amounts of Commercial Property Operational Services for the three years ended December 31, 2019 and the nine months ended September 30, 2020 is set out below.

	For the year ended December 31,			For the nine months ended September 30,
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Positioning, construction consultancy and tenant sourcing services	8,302	–	19,605	32,686
Operational management services	54,962	63,844	69,906	51,160
Revenue from Commercial Property Operational Services	**63,264**	**63,844**	**89,511**	**83,846**

The service fees to be charged by our Group for the Commercial Property Operational Services shall be determined after arm's length negotiations with reference to (i) the positioning, location and size of the properties, (ii) the anticipated operational cost (including labor costs) for providing such services, and (iii) the price offered by us to independent property owners for similar services. Our development and research department would review and approve the service fee charged for the Commercial Property Operational Services.

In respect of the land sourcing assistance and the construction consultancy services, monthly service fees are charged for the provision of such services. In respect of the positioning, layout design, and tenancy sourcing services, the service fees are estimated based on the total GFA of properties newly obtained or developed by Mr. Huang's Companies, where the services are provided and the service fee per square meter. In respect of the operational management services, the service fees are estimated taking into account the average GFA of properties under our management and the monthly service fees per square meter.

Our Directors estimate that the maximum annual fee payable by Mr. Huang's Companies under the Commercial Property Operational Services Framework Agreement for each of the two years ending December 31, 2022 will not exceed RMB138.3 million and RMB155.5 million, respectively. For details, please refer to the table below.

	For the year ending December 31,	
	2021	**2022**
	RMB'000	*RMB'000*
Positioning, construction consultancy and tenant sourcing services	49,057	61,947
Operational management services	89,219	93,586
Estimated revenue from Commercial Property Operational Services	**138,276**	**155,533**

In arriving at the above annual caps of Commercial Property Operational Services, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- the historical transaction amounts and growth trend during the Track Record Period;
- the existing four contracts in respect of the land sourcing assistance services;
- the GFA of shopping centers and commercial complexes developed by Mr. Huang's Companies under our management during the Track Record Period;

- our estimation of the GFA of the commercial properties developed or owned by Mr. Huang's Companies which yet to open and manage by us for the two years ending December 31, 2022, which is approximately 0.7 million sq.m. and 0.8 million sq.m., respectively. Our estimation of the GFA of the commercial properties developed or owned by Mr. Huang's Companies have commenced operation and under our management for the two years ending December 31, 2022, which is approximately 0.8 million sq.m. and 0.9 million sq.m., respectively;

- our estimation of the GFA of shopping centers and commercial complexes to be developed by Mr. Huang's Companies for the two years ending December 31, 2022 pursuant to the development plan of Mr. Huang's Companies and the opening time of such commercial properties, which are approximately 0.2 million sq.m. and 0.3 million sq.m., respectively, where the market positioning and design services will be provided by our Group;

- our estimation of the GFA of shopping centers and commercial complexes to be developed by Mr. Huang's Companies for the two years ending December 31, 2022 pursuant to the development plan of Mr. Huang's Companies and the opening time of such commercial properties, which are approximately 0.06 million sq.m. and 0.2 million sq.m., respectively, where the tenant sourcing services will be provided by our Group; and

- our estimation of the total GFA of commercial properties developed by Mr. Huang's Companies to be managed by our Group for the two years ending December 31, 2022 pursuant to the existing contracts, development plan of Mr. Huang's Companies and the opening time of such commercial properties, which are approximately 0.7 million sq.m. and 0.8 million sq.m., respectively, where operational management services will be provided by our Group.

Mr. Huang is our Ultimate Controlling Shareholder and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions under the Commercial Property Operational Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps in relation to the Commercial Property Operational Services is expected to be more than 5% on an annual basis, the transactions under the Commercial Property Operational Services Framework Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Master Services Procurement

On December 22, 2020, we entered into a master services procurement agreement (the "**Master Services Procurement Agreement**") with Mr. Huang, pursuant to which our Group agreed to engage Mr. Huang's Companies to provide services, including but not limited to (i) property management services such as security services for properties managed or operated by our Group provided by Galaxy Smart Living Group; (ii) catering services to employees of our Group as our Group's employee benefits provided by Galaxy Smart Living Group; and (iii) hotel accommodation services to our Group for our employees or our clients during their business trips provided by Galaxy Holding and its associates (the "**Purchased Services**"). The Master Services Procurement Agreement has a term commencing from the Listing Date to December 31, 2022.

The historical transaction amounts under the Purchased Services during the Track Record Period are set forth in the table below.

	For the year ended December 31,			**For the nine months ended September 30,**
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property management services	41,107	45,722	57,799	41,765
Catering and hotel accommodation services	458	1,514	2,769	1,661
Total	**41,565**	**47,236**	**60,568**	**43,426**

The fees to be paid by our Group under the Master Services Procurement Agreement are determined after arm's length negotiations taking into account the prevailing market price of similar services in the open market and the historical fee rate during the Track Record Period. The service fees of each of the Purchased Services would be reviewed and approved by our procurement department or operational department and shall be no less favorable than those quoted by Independent Third Parties.

In respect of property management services, the fees are estimated based on the prevailing market price, the anticipated labor cost and the commission for the services and taking into account the total GFA of properties under our management. In respect of catering services and hotel accommodation services, the fees are charged based on the number of employees or business partners who are provided with such services and the average cost per person.

Galaxy Smart Living Group will cease providing property management services to shopping centers after March 31, 2021. However, in respect of the provision of basic property management to public area outside certain shopping centers under our management, we do not have the right to select or dismiss the property management service provider which was engaged by the property owners. Hence, we will pay property management fees to Galaxy Smart Living Group for its basic property management services provided to the shared public area outside certain shopping centers under our management after we cease to purchase its property management services in the shopping centers after March 31, 2021. Our Directors estimated that the maximum annual amounts of service fee payable by our Group in relation to the Purchased Services for the two years ending December 31, 2022 will not exceed RMB26.4 million and RMB23.6 million, respectively. Please refer to the table below for an estimated breakdown of such annual caps.

	For the years ending December 31,	
	2021	**2022**
	RMB'000	*RMB'000*
Property management services	23,392	20,362
Catering and hotel accommodation services	3,053	3,205
Total	**26,445**	**23,567**

In arriving at the above annual caps, our Directors have considered the following factors which are considered to be reasonable and justiciable in the circumstances:

- the historical transaction amounts and growth trend during the Track Record Period;
- the estimated transaction amounts in relation to the Purchased Services to be recognized for the two years ending December 31, 2022 based on the existing contracts;

- the estimated increase in the transaction amounts of catering services and hotel accommodation services for the two years ending December 31, 2022 of around 5% per annum based on the estimated demand of such services for the business development of our Group; and

- our estimation of the aggregate GFA of shared public area outside the shopping malls under our Group's management where the property management services will be purchased for the two years ending December 31, 2022.

Mr. Huang is our Ultimate Controlling Shareholder and is therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions under the Master Services Procurement Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the Master Services Procurement Agreement are expected to be more than 5% on an annual basis, such transactions constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

APPLICATION FOR WAIVER

Since both the Tenant Management Services Framework Agreement and the Commercial Property Operational Services Framework Agreement were entered into between our Group and Mr. Huang and the transactions are similar in nature, the transactions contemplated under the two agreements will be aggregated and treated as if they were one transaction pursuant to Rules 14A.82(1) and 14A.83 of the Listing Rules. Accordingly, the annual caps in respect of transactions contemplated under the Tenant Management Services Framework Agreement and the Commercial Property Operational Services Framework Agreement are aggregated, and such aggregated amount is used when calculating the relevant percentage ratios under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the amounts payable by Mr. Huang's Companies to our Group under the Tenant Management Services Framework Agreement and the Commercial Property Operational Services Framework Agreement, on an annual basis and as aggregated, is expected to be more than 5%, the transactions contemplated thereunder are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the continuing connected transactions described in this section, 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 the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "Non-exempt Continuing Connected Transactions" in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described under the sub-section entitled "Non-exempt Continuing Connected Transactions" have been and will be carried out: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better; and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the annual caps of the continuing connected transactions under the sub-section entitled "Non-exempt Continuing Connected Transactions" in this section 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 the sub-section entitled "Non-exempt Continuing Connected Transactions" have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (ii) that the proposed annual caps (where applicable) of such continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

BOARD OF DIRECTORS

Our Board is responsible and has general power for the management and conduct of our business. Our Board consists of nine Directors, of whom four are executive Directors, two are non-executive Directors and three are independent non-executive Directors. The following table sets forth the information concerning our Directors:

Name	Age	Position	Date of Joining our Group	Date of appointment as Director	Roles and responsibilities in our Group	Relationship with other Directors and senior management
Mr. Huang De-Lin Benny (黃德林)	37	Executive Director and chairman of our Board	October 2014	September 13, 2019	Responsible for the overall business development, formulation and implementation of business strategies of our Group	Brother of Mr. Huang De'An Tony
Mr. Tao Muming (陶慕明)	60	Executive Director and president	October 2014	December 20, 2019	Responsible for overseeing business development, implementation of business strategies and the day-to-day operations of our Group	None
Mr. Niu Lin (牛林)	44	Executive Director and executive deputy general manager	October 2014	December 20, 2019	Responsible for the implementation of the business strategies and operational targets of our Group, the management of brand and all commercial property operational projects of our Group	None
Ms. Wen Yi (文藝)	52	Executive Director, deputy general manager and financial director	October 2014	December 20, 2019	Responsible for the overall accounting management, information technology systems management, legal affairs and contract management of our Group	None

Name	Age	Position	Date of Joining our Group	Date of appointment as Director	Roles and responsibilities in our Group	Relationship with other Directors and senior management
Mr. Guo Limin (郭立民)	57	Non-executive Director	December 20, 2019	December 20, 2019	Responsible for providing guidance for the overall development of our Group	None
Mr. Huang De'An Tony (黃德安)	39	Non-executive Director	December 20, 2019	December 20, 2019	Responsible for providing guidance for the overall development of our Group	Brother of Mr. Huang De-Lin Benny
Mr. Zhang Liqing (張禮卿)	57	Independent non-executive Director	December 21, 2020	December 21, 2020	Providing independent advice on the operations and management to our Board	None
Mr. Guo Zengli (郭增利)	50	Independent non-executive Director	December 21, 2020	December 21, 2020	Providing independent advice on the operations and management to our Board	None
Mr. Tse Yat Hong (謝日康)	51	Independent non-executive Director	December 21, 2020	December 21, 2020	Providing independent advice on the operations and management to our Board	None

Executive Directors

Mr. Huang De-Lin Benny (黃德林), aged 37, was appointed as our Director on September 13, 2019 and was re-designated as our executive Director and the chairman of our Board on December 20, 2019. He is primarily responsible for the overall business development, formulation and implementation of business strategies of our Group. He joined our Group in October 2014 as the deputy general manager of Galaxy Commercial Property Group, where he has been primarily responsible for assisting the day-to-day operation, as well as in charge of the investment department and corporate planning department of our Group.

Prior to joining our Group, from August 2008 to September 2014, Mr. Huang De-Lin Benny worked as an assistant to general manager in Galaxy Suhuo Park Industrial, a property developer founded and controlled by Mr. Huang, our Ultimate Controlling Shareholder, where he was primarily responsible for assisting the day-to-day operation of such company. Since February 2015, Mr. Huang De-Lin Benny has also been working in Galaxy Holding, a comprehensive investment group controlled by Mr. Huang, with his current position as vice president to the director and was primarily responsible for assisting in daily operation of Galaxy Holding.

Mr. Huang De-Lin Benny has been the vice chairman of Shenzhen Chaoshan Junior Chamber of Commerce (深圳市潮汕青年商會) since November 2019. He obtained a bachelor's degree in business administration from York University in Canada in June 2008. He also obtained a master's degree in enterprise management from Peking University HSBC Business School (北京大學匯豐商學院) in the PRC in July 2016.

Mr. Huang De-Lin Benny is the brother of Mr. Huang De'An Tony, our non-executive Director.

Mr. Tao Muming (陶慕明), aged 60, was appointed as our executive Director and president on December 20, 2019 and is primarily responsible for overseeing business development, implementation of business strategies and the day-to-day operations of our Group. He joined our Group in October 2014 as the general manager of Galaxy Commercial Property Group and subsequently served as a director in May 2016, where he was primarily responsible for the day-to-day operations of our Group.

Prior to joining our Group, from September 1993 to January 2012, he worked in Shenzhen China Merchants Real Estate Co., Ltd. (深圳招商房地產有限公司), a property development company, with his last position as a general manger in commercial property center. From January 2012 to June 2012, he worked in Shenzhen China Merchants Commercial Property Investment Co., Ltd. (深圳招商商置投資有限公司), a property management company, with his last position as deputy general manager. From July 2012 to September 2014, Mr. Tao worked as a general manager at Galaxy Suhuo Park Industrial, a property developer, where he was primarily responsible for overall management of such company.

Mr. Tao was awarded various honors and awards, including 2013 Chinese Commercial Real Estate Influential Person (2013年度中國商業地產風雲人物) by Chinese Commercial Real Estate Golden Awards Evaluation Committee (中國商業地產金座標獎評選委員會) in 2013, China Commercial Property Influential Person (中國商業地產影響力人物) by China Commercial Real Estate Summit (中國商業地產行業發展論壇) in 2016, Times Person (時代人物) by China Experience Commercial Real Estate Development Forum (中國體驗式商業地產發展論壇) in October 2018, Mall China Golden Mall Awards 2019 Professional Leader Award (中購聯2019年度購物中心行業專業領袖獎) by China Shopping Center Development Association of Mall China (中購聯購物中心發展委員會) in 2019 and Chinese Commercial Real Estate Industry Development Award (中國商業地產行業發展推動獎) by China Commercial Real Estate Summit in April 2019.

Mr. Tao obtained a bachelor's degree in electrical engineering and automation from Nanchang University (南昌大學) (formerly known as Jiangxi Institute of Technology (江西工學院)) in the PRC in January 1982. He also obtained Engineer Certification recognized by the Bureau of Jiangxi Electricity and Industry (江西省電力工業局) in September 1989.

Mr. Niu Lin (牛林), aged 44, was appointed as our executive Director and executive deputy general manager on December 20, 2019 and is primarily responsible for the implementation of the business strategies and operational targets of our Group, the management of brand and all commercial property operational projects of our Group. He joined our Group as the chief of the planning department and project manager of Galaxy Commercial Property Group in October 2014 and has held senior positions within our Group, including deputy general manager, board secretary, executive deputy general manager and director.

Prior to joining our Group, from December 2004 to September 2014, Mr. Niu worked in Galaxy Suhuo Park Industrial with his last position as the deputy director of the planning department, where he was primarily responsible for the promotion of company brand and corporate planning.

Mr. Niu was awarded Well-known Trader in PRC Commercial Property (中國商業地產知名操盤手) by China Commercial Real Estate Summit in March 2014, 2017 Mall China Golden Mall Awards Youth Professional Leader (中購聯中國購物中心2017年度青年專業領袖) by China Shopping Center Development Association of Mall China in September 2017 and 2019 Annual Experiential Commercial Real Estate Influential Leading Person (2019年度體驗商業地產影響力領航人物) by Winshang.com (贏商網) in October 2019.

Mr. Niu obtained a master's degree in real estate from University of Greenwich in Britain in April 2018. He is currently pursuing an executive master of business administration (EMBA) degree from Cheung Kong Graduate School of Business in the PRC.

Ms. Wen Yi (文藝), aged 52, was appointed as our executive Director, deputy general manager and financial director on December 20, 2019 and is primarily responsible for the overall accounting management, information technology systems management, legal affairs and contract management of our Group. She joined our Group as the director of financial management department of Galaxy Commercial Property Group in October 2014 and has held senior positions within our Group, including the assistant to general manager, deputy general manager and director.

Prior to joining our Group, from March 1987 to December 1997, Ms. Wen worked in the financial department of Hunan Dong'an Department Store Textile Group Co., Ltd. (湖南省東安縣百貨紡織品集團有限公司), a department store. From December 2002 to August 2004, Ms. Wen worked in Shenzhen Minrun Agriculture Product Delivery Chain Commercial Co., Ltd. (深圳市民潤農產品配送連鎖商業有限公司), a supermarket chain, where she was primarily responsible for financial management. From August 2004 to July 2005, Ms. Wen worked as a director of financial management department settlement center in Shenzhen Yihaojia Commercial Chain Co., Ltd. (深圳易好家商業連鎖有限公司), a home appliance chain, where she was primarily responsible for financial settlement management. From August 2005 to March 2007, Ms. Wen worked as financial director in Shenzhen Lilian Sun Department Store Co., Ltd. (深圳市利聯太陽百貨有限公司), a department store, where she was primarily responsible for financial management. From April 2007 to May 2012, Ms. Wen worked in Galaxy Suhuo Park Industrial with her last position as a vice director of the financial department and was primarily responsible for financial management. From May 2012 to September 2012, Ms. Wen worked as a director of the financial department in Sanya Ocean Sonic Group Co., Ltd. (三亞海韻集團有限公司), a commercial service company where she was primarily responsible for financial management. In September 2012, Ms. Wen rejoined Shenzhen Galaxy Suhuo Park Industrial with her last position as chief of the financial management department and was primarily responsible for financial management.

Ms. Wen obtained a diploma in computerized accounting from Hunan Radio and TV University (湖南廣播電視大學) in the PRC in June 2000. She also obtained a master's degree in business administration from the University of Wales in Britain in November 2013. She obtained the qualification of accountant recognized by Ministry of Finance of the PRC (中華人民共和國財政部) in May 1997.

Non-executive Directors

Mr. Guo Limin (郭立民), aged 57, was appointed as our non-executive Director on December 20, 2019. Mr. Guo is primarily responsible for providing guidance for the overall development of our Group.

From August 2001 to January 2003, Mr. Guo worked as a deputy director of Development and Reform Commission of Shenzhen Municipality (深圳市發展和改革委員會) (formerly known as Development and Planning Bureau of Shenzhen Municipality (深圳市發展計畫局)), a governmental department coordinating the economic and social development of Shenzhen, where he was primarily responsible for the daily operation of the department. From January 2003 to April 2004, Mr. Guo worked as the chairman of Shenzhen Airport (Group) Co., Ltd. (深圳市機場(集團)有限公司), an airport company, where he was primarily responsible for the decision-making and the overall management. From May 2003 to May 2004, Mr. Guo worked as the chairman of Shenzhen Airport Co., Ltd. (深圳市機場股份有限公司), a subsidiary of Shenzhen Airport (Group) Co., Ltd., whose shares are listed on the Shenzhen Stock Exchange (stock code: 000089), where he was primarily responsible for the decision-making and the overall management. In April 2004, Mr. Guo was appointed as the chairman of State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal (深圳市人民政府國有資產監督管理委員會), a governmental department supervising the state-owned assets, where he was primarily responsible for the daily operation of the department. From August 2009 to February 2013, Mr. Guo worked as a chairman of the board in Shum Yip Group Ltd. (深業集團有限公司), a real estate development company, where he was primarily responsible for the decision-making and the overall management. From February 2012 to July 2015, Mr. Guo worked as a director of the Bureau of Industry and Information Technology of Shenzhen (深圳市工業和信息化局) (formerly known as Economy, Trade and Information Commission of Shenzhen Municipal (深圳市經濟貿易和信息化委員會)), a governmental department providing development strategies and policy for industrial and information technology industry, where he was primarily responsible for the daily operation of the department.

Mr. Guo obtained a bachelor's degree in chemical engineering from Beijing University of Chemical Technology (北京化工大學) in the PRC in July 1985. He also obtained a master's degree in international trade from Hunan University (湖南大學) in the PRC in December 1999 and an executive master of business administration (EMBA) degree from The Hong Kong University of Science and Technology (香港科技大學) in Hong Kong in June 2012. He also obtained the qualification of senior engineer granted by Central Research Institute of China Chemical Science and Technology (化學工業部科學技術研究總院).

Mr. Huang De'An Tony (黃德安), aged 39, was appointed as our non-executive Director on December 20, 2019. Mr. Huang De'An Tony is primarily responsible for providing guidance for the overall development of our Group. Since February 2008, he has been serving in Galaxy Holding with his current position as executive vice president, where he has been primarily responsible for assisting the overall operation management of Galaxy Holding.

Mr. Huang De'An Tony obtained a bachelor's degree in architecture from Ryerson University in Canada in June 2005. He obtained a master's degree in business administration from Sun Yat-sen University (中山大學) in the PRC in December 2010. He also obtained an executive master of business administration (EMBA) degree from Cheung Kong Graduate School of Business in the PRC in September 2014.

Mr. Huang De'An Tony is the brother of Mr. Huang De-Lin Benny, our executive Director.

Independent non-executive Directors

Mr. Zhang Liqing (張禮卿), aged 57, was appointed as our independent non-executive Director on December 21, 2020. Mr. Zhang is primarily responsible for providing independent advice on the operations and management to our Board.

Since July 1987, he has been engaged in teaching and research in Central University of Finance and Economics (中央財經大學) (formerly known as Central Institute of Banking and Finance (中央財政金融學院)) in the PRC. He became an associate professor and professor in Central University of Finance and Economics in 1994 and 1999, respectively.

Mr. Zhang is currently an independent non-executive director in Gome Finance Technology Co., Ltd. (國美金融科技有限公司), a financial factoring and financial leasing company whose shares are listed on the Stock Exchange (stock code: 0628) from September 2016, and an independent director of Zhejiang Shaoxing Ruifeng Rural Commercial Bank Co., Ltd. (浙江紹興瑞豐農村商業銀行股份有限公司), a commercial bank, from April 2016. Mr. Zhang has been a consultant of PricewaterhouseCoopers China since January 2020. He has also been an external supervisor of China Minsheng Bank Corp., Ltd. (中國民生銀行股份有限公司), a commercial bank in the PRC whose shares are listed on the Stock Exchange (stock code: 1988) and the Shanghai Stock Exchange (stock code: 600016) since October 2020. From February 2008 to September 2015, Mr. Zhang served as an independent director in Chongqing Three Gorges Bank Co., Ltd. (重慶三峽銀行股份有限公司), a commercial bank in Chongqing. From December 2008 to April 2015, Mr. Zhang served as an independent non-executive director in CSC Financial Co., Ltd. (中信建投證券股份有限公司), a full-service investment bank in the PRC whose shares are listed on the Stock Exchange (stock code: 6066) and the Shanghai Stock Exchange (stock code: 601066). From March 2011 to September 2018, Mr. Zhang also served as an independent director in Poly Real Estate Group Co., Ltd. (保利發展控股集團股份有限公司), a real estate development company whose shares are listed on the Shanghai Stock Exchange (stock code: 600048).

Mr. Zhang obtained a bachelor's degree in global economics, a master's degree in economics and a doctor's degree in global economics from Renmin University of China (中國人民大學) in July 1984, November 1988 and January 2003, respectively. He is an executive member of the fifth executive council of the China International Finance Society (中國國際金融學會) and China Urban Financial Society (中國城市金融學會) and a vice president of China Society of Global Economics (中國世界經濟學會).

Mr. Guo Zengli (郭增利), aged 50, was appointed as our independent non-executive Director on December 21, 2020. Mr. Guo is primarily responsible for providing independent advice on the operations and management to our Board.

From July 1992 to March 1994, Mr. Guo worked at Chinese Academy of business scientific. From March 1994 to March 2001, Mr. Guo worked at Ministry of Internal Trade of the PRC (中華人民共和國國內貿易部) with his last position as a commissioner of commercial development center management department. From April 2001 to April 2008, Mr. Guo worked as a general manager in Beijing Xundian Technology Co., Ltd. (北京訊典科技有限公司), where he was primarily responsible for the industry research of the shopping center websites. Since April 2008, Mr. Guo has worked as a general manager in Beijing Mall China Information Technology Co., Ltd. (北京中購聯信息技術有限公司), a shopping center industry service company, where he is primarily responsible for the overall management and operation of such company.

Mr. Guo obtained an associate's degree in economics management from Beijing Youth Politics College (北京青年政治學院) in July 1992. He also obtained a master's degree in economics from Party School of the Central Committee of the Communist Party of China (中共中央黨校) in the PRC in July 2002. He obtained the qualification certificate of speciality in intermediate commercial economic management granted by MOHRSS. Currently, he is a vice president of China Shopping Center Development Association of Mall China and a vice president of China Federation of Urban Commercial Outlets Construction Administration (中國城市商業網點建設管理聯合會).

Mr. Tse Yat Hong (謝日康), aged 51, was appointed as our independent non-executive Director on December 21, 2020. Mr. Tse is primarily responsible for providing independent advice on the operations and management to our Board.

From January 1994 to May 2000, Mr. Tse worked as an audit manager in PricewaterhouseCoopers, an accounting firm, where he was primarily responsible for providing audit and other accounting related services to a portfolio of clients comprising listed and multi-national corporations. From June 2000 to May 2019, Mr. Tse worked as the chief financial officer in Shenzhen International Holdings Limited (深圳國際控股有限公司), a company engages in the investment, construction and operation of logistics infrastructure facilities, whose shares are listed on the Stock Exchange (stock code: 0152), where he was primarily responsible for the overall financial management and capital market operation of such company. From August 2000 to March 2008, Mr. Tse also worked as the company secretary of Shenzhen International Holdings Limited. From September 2004 to September 2007, Mr. Tse worked as a joint company secretary of Shenzhen Expressway Company Limited (深圳高速公路股份有限公司).

Mr. Tse is currently an independent non-executive director of China Bohai Bank Co., Ltd. (渤海銀行股份有限公司), a national joint-stock commercial bank in China (stock code: 9668), Radiance Holdings (Group) Company Limited (金輝控股(集團)有限公司), a property developer in China (stock code: 9993), China Huirong Financial Holdings Limited (中國匯融金融控股有限公司), a company engages in the provision of diversified financial services in China, whose shares are listed on the Stock Exchange (stock code: 1290) and an independent non-executive director of Sky Light Holdings Limited (天彩控股有限公司), a developer and manufacturer of home surveillance cameras and other digital imaging products, whose shares are listed on the Stock Exchange (stock code: 3882). Mr. Tse served as a non-executive director of Shenzhen Expressway Company Limited from January 2009 to December 2017, a toll road operator in China, whose shares are listed on the Stock Exchange (stock code: 0548) and the Shanghai Stock Exchange (stock code: 600548).

Mr. Tse obtained a bachelor's degree in science from Monash University in Australia in April 1992. He is a Fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a FCPA of CPA Australia.

Saved as disclosed in this section above, none of our Directors has any other directorships in any other listed on Hong Kong or overseas during the three years immediately prior to the date of this prospectus.

Please refer to the section headed "Statutory and General Information—C. Further Information about Our Directors and Substantial Shareholders" in Appendix V to this prospectus for details of our Director's respective interests or short positions (if any) in our Shares and particulars of our Directors' service contracts and letters of appointment.

Saved as disclosed in this section above, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Senior management

Our executive Directors and other members of senior management are responsible for the day-to-day management of our business. For the biographical details of our executive Directors, please refer to "Executive Directors" in this section. The following table sets forth certain information concerning our senior management.

Name	Age	Position	Date of joining our Group	Roles and responsibilities in our Group
Mr. Ling Yun (淩雲)	47	Deputy general manager of our Group	January 2016	Responsible for the external projects development of our Group
Ms. Li Xiaoqin (李小琴)	43	Assistant to general manager of our Group	November 2013	Responsible for the management of human resources and administrative department of our Group

Mr. Ling Yun (淩雲), aged 47, was appointed as our deputy general manager in March 2018 and is primarily responsible for the external projects development of our Group. Mr. Ling joined our Group as the assistant to deputy general manger of Galaxy Commercial Property Group in January 2016.

Prior to joining our Group, from October 1999 to May 2002, Mr. Ling worked as a project manager in Walmart China (Investment) Co., Ltd. (沃爾瑪中國(投資)有限公司), an investment company, where he was primarily responsible for assisting to develop new projects. From November 2004 to February 2006, Mr. Ling worked in China Resources Vanguard Co., Ltd. (華潤萬家有限公司), a retail corporation that operates supermarket chains of China Resources and a subsidiary of China Resources Beer (Holdings) Co., Ltd. (華潤啤酒(控股)有限公司), whose shares are listed on the Stock Exchange (stock code: 291), where he was primarily responsible for assisting to develop new supermarkets in South China. From April 2006 to June 2010, Mr. Ling worked in Shenzhen Jiuzhou Prospect Real Estate Co., Ltd. (深圳九洲遠景置業有限公司), a commercial property operational service company, where he was primarily responsible for the positioning and consulting of the commercial property operational projects. From September 2012 to February 2013, Mr. Ling worked as a deputy general manager of Shenzhen Huaqiang Commercial Management Co., Ltd. (深圳華強商業管理有限公司), a real estate development and operation company and is a subsidiary of Shenzhen Huaqiang Industrial Co., Ltd. (深圳華強實業股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 000062), where he was primarily responsible for assisting the management of such company. From July 2013 to March 2015, Mr. Ling worked in Shanghai Aegean Commercial Group Co., Ltd. (上海愛琴海商業集團) (formerly known as Shanghai Red Star Macalline Group Corporation Co., Ltd. (上海紅星美凱龍商業管理有限公司)), a commercial property operational service company focusing on shopping centers.

Mr. Ling obtained a bachelor's degree in public business management from Southwest University (西南大學) in the PRC in January 2006.

Ms. Li Xiaoqin (李小琴), aged 43, was appointed as the assistant to our general manager in February 2018 and is primarily responsible for the management of human resources and administrative department of Galaxy Commercial Property Group. Ms. Li joined our Group as the director of Galaxy Commercial Property Group in November 2013.

Prior to joining our Group, from November 1999 to March 2005, Ms. Li worked as a director of human resources department in Shenzhen Galaxy Smart Living Co., Ltd. (深圳星河智善生活股份有限公司) (formerly known as Shenzhen Galaxy Property Management Co., Ltd. (深圳星河物業管理有限公司)), a property management company whose shares are quoted on NEEQ (stock code: 836397) which is also controlled by Mr. Huang, one of our Controlling Shareholder, where she was primarily responsible for the administration and human resources management. From March 2005 to July 2008, Ms. Li worked as a director of human resources department in Shenzhen Galaxy Real Estate Development Co., Ltd. (深圳星河房地產開發有限公司), where she was primarily responsible for the human resources management. From August 2008 to September 2014, Ms. Li worked in Galaxy Suhuo Park Industrial with her last position as the manager of the human resources department, where she was primarily responsible for the human resources management.

Ms. Li obtained a bachelor's degree in human resources management from South China Normal University (華南師範大學) in the PRC in December 2005. She also obtained the Certificate of Assistant Human Resources Manager recognized by 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 November 2003.

COMPANY SECRETARY

Mr. Wong Kai Hing (黃繼興), aged 45, was appointed as our company secretary on December 20, 2019 and is responsible for company secretarial matters of our Group.

Mr. Wong has extensive experience in accounting, auditing and company secretarial practice in Hong Kong. From September 1997 to March 2012, Mr. Wong worked at KPMG, Shun Tak Holdings Limited (信德集團有限公司), Kwonnie Electrical Products (光榮電業產品有限公司), Tse Sui Luen Jewellery (International) Limited (謝瑞麟珠寶(國際)有限公司) and ITC Properties Group Limited (德祥地產集團有限公司) and was primarily responsible for auditing and accounting. From April 2012 to October 2015, Mr. Wong worked as financial controller, investor relationship director and company secretary in China Modern Dairy Holdings Ltd. (中國現代牧業控股有限公司), a raw milk producer whose shares are listed on the Stock Exchange (stock code: 1117). From November 2015 to October 2019, Mr. Wong worked as chief financial officer and company secretary in Xiwang Special Steel Company Limited (西王特鋼有限公司), an integrated steel manufacturer whose shares are listed on the Stock Exchange (stock code: 1266). From November 2015 to October 2019, Mr. Wong worked as chief financial officer and company secretary in Xiwang Property Holdings Company Limited (西王置業控股有限公司), a real estate development company whose shares are listed on the Stock Exchange (stock code: 2088).

Mr. Wong obtained a bachelor's degree in accounting and a master's degree in business administration from the Chinese University of Hong Kong (香港中文大學) in May 1997 and December 2006, respectively. Currently, he is a member of Hong Kong Institute of Certified Public Accountants (香港會計師公會) and a Chartered Financial Analyst (CFA) charter holder.

BOARD COMMITTEES

Audit Committee

Our Group established an audit committee on December 21, 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraphs C.3 of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Listing Rules. The audit committee consists of three members, namely, Mr. Tse Yat Hong, Mr. Guo Limin and Mr. Guo Zengli. Mr. Tse Yat Hong is the chairman of the audit committee. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management system, to oversee the audit process, to develop and review our policies and to perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

Our Group established a remuneration committee on December 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, Mr. Guo Zengli, Mr. Guo Limin and Mr. Tse Yat Hong. Mr. Guo Zengli is the chairman of the remuneration committee. The primary duties of the remuneration committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations on employee benefit arrangement.

Nomination Committee

Our Group also established a nomination committee on December 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. Huang De-Lin Benny, Mr. Guo Zengli and Mr. Zhang Liqing. Mr. Huang De-Lin Benny is the chairman of the nomination committee. The primary duties of the nomination committee are to make recommendations to our Board on the appointment of members of our Board.

Board Diversity Policy

Our Board has adopted a board diversity policy which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at our Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board comprises of nine members, including one female executive Director. Our Directors also have a balanced mix of knowledge, skills and experience, including commercial property operation, overall business management, finance and investment. They obtained degrees in various majors including business administration, electrical engineering and automation, real estate, computerized accounting. We have three independent non-executive Directors who have different industry backgrounds, representing one-third of our Board members. Furthermore, our Board has a wide range of age, ranging from 36 years old to 59 years old. We have taken and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Taking into account our business model and specific needs as well as the presence of one female Director out of a total of nine Board members, we consider that the composition of our Board satisfies our board diversity policy.

Our nomination committee is responsible for ensuring the diversity of our Board members. After Listing, our nomination committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of our board diversity policy in our corporate governance report on an annual basis.

Corporate Governance

Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal procedures of our Group so as to achieve effective accountability.

Our Company has adopted the code provisions stated in the CG Code. Our Company is committed to the view that our Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on our Board, which can effectively exercise independent judgment.

Compliance Advisor

In compliance with Rule 3A.19 of the Listing Rules, we have appointed China Securities (International) Corporate Finance Company 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 on the following matters:

- Before the publication of any regulatory announcement, circular and financial report;
- Where a transaction, which might be notifiable or connected transaction, is contemplated including shares issues and share repurchases;
- Where 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 deviated 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.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate remuneration (including fees, salaries, allowances and other benefits, retirement benefit scheme contributions, performance related bonus) paid to our Directors for each of the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 was RMB12.8 million, RMB5.5 million, RMB6.3 million and RMB5.2 million, respectively. Save as disclosed in the sections headed "Appendix I—Accountants' Report" and "Appendix V—Statutory and General Information" in this prospectus, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The remuneration (including salaries, allowances and other benefits, retirement benefit scheme contributions and performance related bonus) paid to our Company's five highest paid individuals included three, three, three and two Directors for each of the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, respectively.

No remuneration was paid by our Group 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 years ended December 31, 2017, 2018 and 2019 and the nine months ended September 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 fees, salaries, allowances and other benefits, retirement benefit scheme contributions and performance related bonus) of our Directors for the year ending December 31, 2021 is estimated to be no more than RMB8.8 million. Our Board will review and determine the remuneration and compensation packages of our Directors and senior management which, following the Listing, will 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.

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the Global Offering and the Capitalization Issue (taking no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Name of Shareholder	Nature of Interest	Shares held immediately prior to the completion of the Global Offering and the Capitalization Issue(1)		Shares held immediately following the completion of the Global Offering and the Capitalization Issue(1)	
		Number	*Approximate Percentage*	*Number*	*Approximate Percentage*
Mr. Huang(2)(3)	Settlor and protector of the Family Trust and interest in a controlled corporation	1,000 Shares (L)	100%	750,000,000 Shares (L)	75%
TMF (Cayman) Ltd(2)	Trustee of a trust	800 Shares (L)	80%	600,000,000 Shares (L)	60%
Long Harmony Holding Limited(2)	Interest in a controlled corporation	800 Shares (L)	80%	600,000,000 Shares (L)	60%
Go Star	Beneficial owner	800 Shares (L)	80%	600,000,000 Shares (L)	60%
Mr. Huang De-Lin Benny(3)	Interest in a controlled corporation	200 Shares (L)	20%	150,000,000 Shares (L)	15%
Virtue Investment	Beneficial owner	200 Shares (L)	20%	150,000,000 Shares (L)	15%

Notes:

(1) The letter "L" denotes a long position in our Shares.

(2) The entire issued share capital of Go Star is held by Long Harmony Holding Limited, a company incorporated in the BVI by TMF (Cayman) Ltd., the trustee of the Family Trust, which is a discretionary trust established by Mr. Huang as the settlor and protector. The beneficiaries of the Family Trust are Mr. Huang's family members. Accordingly, each of Mr. Huang, TMF (Cayman) Ltd. and Long Harmony Holding Limited is deemed to be interested in the Shares held by Go Star in our Company under the SFO.

(3) The entire issued share capital of Virtue Investment is held by Mr. Huang De-Lin Benny, who was entrusted by Mr. Huang to hold such shares for the purpose of a share incentive scheme to be adopted after Listing. Pursuant to the confirmation letter signed by Mr. Huang De-Lin Benny and Mr. Huang, Mr. Huang De-Lin Benny will exercise the voting rights in Virtue Investment or exercise the voting rights in our Company through Virtue Investment in accordance with the instructions of Mr. Huang. Therefore, each of Mr. Huang and Mr. Huang De-Lin Benny is deemed to be interested in the Shares held by Virtue Investment in our Company under the SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Global Offering and the Capitalization Issue (assuming that the Over-allotment Option is not exercised and taking no account of any option which may be granted under the Share Option Scheme), have beneficial interests or short positions in any Shares or underlying Shares, which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

The 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 Global Offering and the Capitalization Issue (without taking into account the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme):

		Nominal value
		(HK$)
Authorized share capital:		
2,000,000,000	Shares of HK$0.01 each	20,000,000
Issued and to be issued, fully paid or credited as fully paid:		
1,000	Shares in issue as of the date of this prospectus	10
749,999,000	Shares to be issued pursuant to the Capitalization Issue	7,499,990
250,000,000	Shares to be issued under the Global Offering	2,500,000
1,000,000,000	Total	10,000,000

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the issue of Shares pursuant to the Global Offering and Capitalization Issue are made. It takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKINGS

The Offer Shares will be ordinary shares in the share capital of our Company and will carry the same rights in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalization Issue.

GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES

Subject to the Global Offering becoming unconditional, general mandates have been granted to our Directors to allot and issue Shares and to repurchase Shares. For details of such general mandates, please see "Appendix V—Statutory and General Information—A. Further Information about Our Company" to this prospectus.

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements set forth in our Accountant's Report in Appendix I to this prospectus. Our consolidated financial statements were prepared in accordance with the HKFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain certain forward-looking statements which involve risks and uncertainties. These forward-looking statements are based on assumptions and analysis we made in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus. ***Except as otherwise noted, all statements of profit or loss items in this Financial Information refer to our continuing operations.***

OVERVIEW

We are a leading commercial property operational service provider in the Greater Bay Area with a national presence. According to China Index Academy, as of September 30, 2020, we were ranked first in terms of the number of shopping centers in operation in Shenzhen, second in terms of GFA in operation in Shenzhen, fourth in terms of the number of shopping centers in operation in the Greater Bay Area and seventh in terms of GFA in operation in the Greater Bay Area. According to China Index Academy, we were ranked 14th among the "2020 Top 100 Commercial Property Companies in China" in terms of overall strength. As of the Latest Practicable Date, we entered into contracts to provide services for 53 commercial property projects located in 20 cities in China, with an aggregate contracted GFA of approximately 3,284,000 sq.m., 61.6% of which was developed or owned by Independent Third Parties.

We believe our successful experience accumulated through benchmark projects is replicable through our flexible operational models, namely the entrusted management service model, the brand and management output service model and the sublease service model. Such models enable us to adapt to different client requirements and achieve steady growth. We provide customers with comprehensive commercial property operational services, including (i) positioning, construction consultancy and tenant sourcing services, (ii) operational management services, (iii) property leasing services and (iv) value-added services. With our flexible operational models and comprehensive services, we are able to provide consumers with premium shopping experience, provide tenants with effective management services and provide property owners with high operating income.

Our major subsidiary that holds our business and operations in the PRC, Galaxy Commercial Property Group, was incorporated on November 18, 2013. Before the 2014 Acquisition (as defined in the "History, Reorganization and Corporate Structure" section), Galaxy Commercial Property Group had only limited business activities in 2014. Galaxy Commercial Property Group had low revenue and a net loss in 2014, primarily due to that it entered into only two commercial property operational service contracts, with respect to Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City) in November 2014 and Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO) in December 2014, respectively, while at the same time incurred costs as a start-up company. Leveraging the experience of the commercial property operational service team that joined Galaxy Commercial Property Group, in 2015, it entered into six commercial property operational service contracts, including the contract with respect to Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park（北區）), one of its benchmark projects, and significantly ramped up its business. As a result, Galaxy Commercial Property Group experienced a significant growth in revenue and recorded a net profit in 2015. Since then, we have experienced a steady growth in our business scale and results of operations. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our revenue was RMB278.1 million, RMB328.7 million, RMB387.3 million, RMB286.7 million and RMB305.9 million, respectively, and our profit and total comprehensive income for the year/period from continuing operations was RMB50.4 million, RMB85.1 million, RMB95.6 million, RMB78.8 million and RMB90.1 million, respectively. As of December 31, 2017, 2018 and 2019 and September 30, 2020, our total contracted GFA was approximately 1,624,000 sq.m., 2,073,000 sq.m., 2,970,000 sq.m. and 2,999,000 sq.m., respectively, among which contracted GFA of commercial properties developed or owned by Independent Third Parties was approximately 967,000 sq.m., 1,377,000 sq.m., 1,714,000 sq.m. and 1,743,000 sq.m., respectively.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 13, 2019. See "History, Reorganization and Corporate Structure" in this prospectus for details. Pursuant to the reorganization, our Company has become the holding company of the companies now constituting our Group in December 2019. Our Group, comprising our Company and its subsidiaries resulting from the reorganization, have always been under the control of Mr. Huang regardless of the actual date when our Company formally becomes the holding company of our Group. Therefore, our Group is regarded as a continuing entity and the Historical Financial Information has been prepared as if our Company had always been the holding company of our Group throughout the Track Record Period.

Our consolidated financial statements were prepared and presented using the carrying amounts of assets and liabilities in the consolidated financial statements of our Company for all periods presented, and in accordance with the HKFRS issued by the HKICPA. In addition, our consolidated financial statements has included the applicable disclosure required under the Listing Rules and the Companies Ordinance. For more information on the basis of presentation of the financial information included in this section, see Note 2 to the Accountant's Report in Appendix I to this prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Contracted GFA

During the Track Record Period, we generated all of our revenue from commercial property operational services, which amounted to RMB278.1 million, RMB328.7 million, RMB387.3 million, RMB286.7 million and RMB305.9 million in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively. The number of commercial properties for which we had contracted to provide services increased from 20 as of December 31, 2017 to 22 as of December 31, 2018, 42 as of December 31, 2019, and further to 45 as of September 30, 2020. Our aggregate contracted GFA amounted to approximately 1,624,000 sq.m., 2,073,000 sq.m., 2,970,000 sq.m. and 2,999,000 sq.m. as of December 31, 2017, 2018 and 2019 and September 30, 2020, respectively.

Our revenue growth primarily depends on our ability to grow property portfolio under our management. We seek to expand our portfolio through multiple channels. For example, we plan to continue to leverage our existing business relationship with Galaxy Holding and its associates for organic growth. Moreover, we plan to pursue new projects from Independent Third Party property developers by capitalizing on our brand and high quality services. In addition, we intend to explore selective strategic investment and acquisition opportunities. See "Business—Our Business Strategies—Continue to Expand through Multiple Channels and Seek New Growth Drivers" and "Risk Factors—Risks Relating to Our Business and Industry—We may not be able to secure new or renew our existing commercial property operational service contracts on favorable terms, or at all." for details.

Our Operational Model Mix

Our results of operations are affected by our operational model mix. We provided commercial property operational services under different models, namely entrusted management, brand and management output and sublease service models, which were of different profit margins. Our profit margins of different operational models depend on types of services provided, fees received and costs borne by us under different contractual arrangements. Any change in the structure of revenue contribution from our operational models or change in gross profit margin of any of such business segments may have a corresponding impact on our overall gross profit margin.

The table below sets forth the revenue contribution by each operational model for our commercial property operational services and the respective gross profit margins for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	Revenue RMB	*Gross profit margin %*	*Revenue RMB*	*Gross profit margin %*	*Revenue RMB*	*Gross profit margin %*	*Revenue RMB*	*Gross profit margin %*	*Revenue RMB*	*Gross profit margin %*
							(unaudited)			
	(in thousands, except percentages)									
Entrusted management services	212,453	47.1	253,548	49.3	294,970	48.6	218,274	48.0	218,731	49.5
Brand and management output services	53,674	68.1	58,885	66.9	72,606	67.0	53,882	67.1	73,049	74.2
Sublease services	11,940	17.6	16,261	33.7	19,738	44.4	14,542	43.2	14,082	45.4
Total/Overall	278,067	49.9	328,694	51.7	387,314	51.8	286,698	51.3	305,862	55.2

The table below sets forth the breakdown of our total contracted GFA and number of commercial properties as of the dates by business segment for the years/periods indicated:

	As of December 31,						As of September 30,	
	2017		2018		2019		2020	
	No. of properties	*Contracted GFA(1) sq.m.*	*No. of properties*	*Contracted GFA(1) sq.m.*	*No. of properties*	*Contracted GFA(1) sq.m.*	*No. of properties*	*Contracted GFA(1) sq.m.*
	(in thousands, except for numbers of properties)							
Entrusted management services	4	438	5	478	17	1,117	17	1,117
Brand and management output services	15	1,142	16	1,551	24	1,809	27	1,839
Sublease services	1	44	1	44	1	44	1	44
Total	**20**	**1,624**	**22**	**2,073**	**42**	**2,970**	**45**	**2,999**

Note:

(1) We did not include four consultancy contracts that were terminated upon completion in the calculation of GFA as they did not involve specific commercial properties and were mainly related to the consultancy services we provided in the early preparatory stage of the potential projects.

In general, the gross profit margin of our brand and management output services is the highest among the three operational models because we only bear our staff costs related to the projects. The gross profit margin of our entrusted management services is the lower than that of brand and management output services because we bear operating costs of managing the commercial properties. The gross profit margin of our sublease services is the lowest among the three operational models because we bear operating costs of managing the commercial property and costs related to the lease of the property. The increase in gross profit margin of our sublease services during the Track Record Period was primarily because the average rent from Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) increased due to the increase in market recognition. For further details regarding the change in our gross profit margin during the Track Record Period, see "—Results of Operations—Gross Profit and Gross Profit Margin" in this section.

Our Brand Positioning and Pricing of Our Services

Our results of operations are affected by our ability to maintain and enhance our brand recognition and industry position. We have a comprehensive and well-recognized brand matrix, including "COCO Park," "COCO City," "COCO Garden," "iCO" and "Top Living (第三空間)." We intend to further enhance our brand recognition by providing quality commercial property operational services, and strengthen our brand image to expand our commercial property operational service scale.

For our operational management services charged on a revenue-and/or-profit-sharing basis, we price our services mainly with reference to the rate charged by competitors and positioning of a retail commercial property. For our operational management services charged on a fixed fee basis, we price mainly with reference to the local market price and property management related expenses.

For property leasing services, we generally set the rent with reference to the prices of comparable commercial properties in the local market, tenant and product mix planning of the commercial properties and the location and conditions of the shops.

For value-added services, we generally set the common area use fee with reference to the location and size of common area and period needed of such spaces.

We aim to achieve a balance between pricing our projects sufficiently competitive while ensuring an attractive profit margin. Failure to balance various factors in determining our pricing could materially and adversely affect our financial condition and results of operations.

Impact of Rising Staff Costs

Staff costs constitute a significant portion of our cost of services and administrative expenses. Staff costs in our cost of services amounted to RMB45.2 million, RMB56.5 million, RMB70.3 million, RMB53.5 million and RMB50.6 million in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively, representing 32.4%, 35.6%, 37.6%, 38.3% and 36.9%, respectively, of our total cost of services for the same periods. Staff costs in our administrative expenses amounted to RMB35.9 million, RMB36.4 million, RMB45.0 million, RMB32.8 million and RMB28.6 million in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively, representing 52.8%, 59.6%, 65.1%, 68.8% and 72.5%, respectively, of our total administrative expenses for the same periods.

We recruit professionals in the industry and the supply of experienced personnel in the market is limited. Competition in the labor market for personnel with related expertise and experience may increase the salary level and correspondingly, our costs associated with hiring and retaining such personnel, and in turn adversely affect our results of operations.

To cope with rising staff costs, we have implemented a number of cost-saving measures, including implementing technology initiatives and digitalization efforts to reduce our reliance on manual labor. We have also outsourced certain services, such as property management services, to both independent and affiliated service providers while maintaining close supervision of their services to ensure service quality. See "Business—Suppliers—Subcontracting." In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, we incurred subcontracting costs, including property management costs and environment costs, of RMB51.4 million, RMB57.2 million, RMB71.0 million, RMB52.3 million and RMB55.4 million, respectively, representing 36.9%, 36.0%, 38.0%, 37.5% and 40.4% respectively, of our cost of services for the same periods. However, our subcontracting costs may also increase as a result of the rising subcontractor's staff costs.

For illustration purpose only, we set out below a sensitivity analysis of our profit for the year/period with reference to the fluctuation of our staff costs during the Track Record Period. The table below demonstrates the impact of a hypothetical increase in our staff costs and subcontracting costs on our profit, while all other factors remain unchanged:

	For the year ended December 31,			For the nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB	*RMB*	*RMB*	*RMB* (unaudited)	*RMB*
			(in thousands)		
Profit for the year/period from continuing operations	50,424	85,058	95,600	78,814	90,141
Assuming 5% increase in our staff costs and subcontracting costs					
Impact on our profit before tax	(6,622)	(7,504)	(9,312)	(6,931)	(6,734)
Impact on profit for the year/period	(4,967)	(5,628)	(6,984)	(5,198)	(5,050)
Assuming 10% increase in our staff costs and subcontracting costs					
Impact on our profit before tax	(13,244)	(15,007)	(18,625)	(13,861)	(13,468)
Impact on profit for the year/period	(9,933)	(11,255)	(13,969)	(10,396)	(10,101)

Competition

The commercial property operational service market is relatively fragmented in the PRC. For example, the top five companies in aggregate had a market share of approximately 11.0% in terms of the number of shopping centers in operation as of December 31, 2019, according to China Index Academy. We primarily compete against large national, regional and local commercial property operational service companies based on a number of factors, including scale, branding, profitability, operational capability and service quality.

In a competitive market, our ability to maintain and improve our market position depends on our ability to provide property owners and tenants with differentiated, competitive and quality commercial property operational service. In addition, our ability to maintain our reputation as a leading commercial property operational service provider for retail commercial properties will affect our ability to source new and renew existing commercial property operational service contracts and expand our contracted GFA. If we fail to source new and renew existing commercial property operational services contracts and expand our contracted GFA, our business, financial condition and results of operations may be adversely affected.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. We set out below some of the accounting policies and estimates that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our financial statements. Our significant accounting policies, judgments and estimates, which are important for understanding our financial position and results of operations, are set out in further details in Note 4 to the Accountant's Report in Appendix I to this prospectus.

Revenue Recognition

Revenue from contracts with customers

We recognize revenue when (or as) a performance obligation is satisfied, which is when control of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Except for granting of a license (i.e. our trademark and logo) that is distinct from other promised services, control is transferred over time and we recognize revenue over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by our performance as we perform;
- our performance creates or enhances an asset that the customer controls as we perform; or
- our performance does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

Otherwise, we recognize revenue at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents our obligation to transfer services to a customer for which we have received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

We measure the progress towards complete satisfaction of a performance obligation based on output method, which is to recognize revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depicts our performance in transferring control of services. We measure revenue based on the consideration specified in a contract with customer and excluded amounts collected on behalf of third parties. We recognize revenue when it transfers control of service to a customer.

Variable consideration

For contracts that contain variable consideration, we estimate the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which we will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, we update the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Principal versus agent

When another party is involved in providing services to a customer, we determine whether the nature of our promise is a performance obligation to provide the specified services itself (i.e. we are a principal) or to arrange for those services to be provided by the other party (i.e. we are an agent).

We are a principal if we control the specified service before that service is transferred to a customer.

We are an agent if our performance obligation is to arrange for the provision of the specified service by another party. In this case, we do not control the specified service provided by another party before that service is transferred to the customer. When we act as an agent, we recognize revenue in the amount of any fee or commission to which are expect to be entitled in exchange for arranging for the specified services to be provided by the other party.

Adoption of HKFRS 9 and HKFRS 16

We have applied HKFRS 9 "Financial Instruments" and HKFRS 16 consistently during the Track Record Period.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, we assess whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

We as a lessee

Short-term leases

We applied the short-term lease recognition exemption to leases of office room that has a lease term of 12 months or less from the commencement date and do not contain a purchase option. We recognize lease payments on short-term leases as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and

- any initial direct costs incurred by our Group.

We measure right-of-use assets at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which we are reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, we depreciate right-of-use assets on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets that meet the definition of investment property are presented within "investment properties."

Refundable rental deposits

We account refundable rental deposits paid under HKFRS 9 Financial Instruments ("**HKFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, we recognize and measure the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, we use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, we adjust lease liabilities by interest accretion and lease payments.

We remeasure lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) when the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

Lease modifications

We account for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, we remeasure the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

We account for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, we allocate the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Amendment to HKFRS 16: Covid-19-Related Rent Concessions

Effective for annual periods beginning on or after June 1, 2020, the amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments affects only payments originally due on or before June 30, 2021; and

- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes were not a lease modification. Forgiveness or waiver of lease payment are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognized in the profit or loss in the period in which the event occurs. We do not early apply this amendment during the Track Record Period.

We as a lessor

Classification and measurement of leases

We classify leases for which we are a lessor as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, we classify the contract as a finance lease. All other leases are classified as operating leases. Amounts due from lessees under finance leases are recognized as receivables as commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on our net investment outstanding in respect of the leases. Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, we apply HKFRS 15 to allocate consideration in a contract to lease and non-lease components. We separate non-lease components from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

We account for refundable rental deposits received under HKFRS 9 and initially measure refundable rental deposits received at fair value. We consider adjustments to fair value at initial recognition as additional lease payments from lessees.

Sublease

When we are an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

We account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Impact of HKFRS9, 15 and 16

The adoption of HKFRS 9 and HKFRS 15 did not have significant impact on our financial position and performance when compared to that of HKAS 39 and HKAS 18.

Our Group leases various properties. Under HKFRS 16, which have previously been classified as "operating leases" under HKAS 17, are recognized as a right-of-use asset and "Investment Properties" and corresponding liability at the date of which the lease asset for use by our Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period. The right-of-use asset and investment properties are depreciated over the lease term on a straight-line basis. Our Director confirm that, comparing to HKAS 17, the adoption of HKFRS 16 did not have a significant impact on our Group's financial position (net assets) and performance (net profit) during the Track Record Period.

The table below sets forth the impacts of the adopting of HKFRS 16 on financial position (net asset) and performance (net profit) and key ratios:

	Currently reported under HKFRS 16				As if reported under HKAS 17				Difference			
	As of December 31,			As of September	As of December 31,			As of September	As of December 31,			As of September
	2017	2018	2019	30, 2020	2017	2018	2019	30, 2020	2017	2018	2019	30, 2020
Liabilities to assets ratio *(%)*(1)	59.6	52.2	87.9	68.1	50.9	45.1	83.6	60.0	8.7	7.1	4.3	8.1
Current ratio(2)	1.8	2.2	1.2	1.6	1.8	2.2	1.2	1.7	–	–	–	–
Quick ratio(3)	1.8	2.2	1.2	1.6	1.8	2.2	1.2	1.7	–	–	–	–
Net assets *(RMB'000)*	140,812	218,607	35,669	125,810	142,009	219,993	37,445	129,957	(1,197)	(1,386)	(1,776)	(4,147)
Net profit *(RMB'000)*	50,424	85,058	95,600	90,141	52,502	85,246	95,989	92,847	(2,078)	(188)	(389)	(2,707)

Notes:

(1) Liabilities to assets ratio is calculated based on our total liabilities as of the end of the relevant periods divided by our total assets as of the end of the corresponding periods.

(2) Current ratio is calculated based on our total current assets as of the end of the relevant periods divided by our total current liabilities as of the end of the corresponding periods.

(3) Quick ratio is calculated based on our total current assets minus stock as of the end of the relevant periods divided by our total current liabilities as of the end of the corresponding periods.

RESULTS OF OPERATIONS

The table below sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB	*RMB*	*RMB*	*RMB* (*unaudited*)	*RMB*
			(in thousands)		
Revenue	278,067	328,694	387,314	286,698	305,862
Cost of services	(139,341)	(158,712)	(186,711)	(139,594)	(137,098)
Gross profit	138,726	169,982	200,603	147,104	168,764
Other income	10,023	13,512	18,807	15,431	8,245
Other gains and losses	(25)	48	5,040	4,151	941
Impairment losses under expected credit loss model, net of reversal	(2,288)	–	(4,245)	(4,570)	(2,361)
Selling expenses	(7,834)	(5,592)	(5,321)	(2,431)	(2,216)
Administrative expenses	(67,946)	(60,971)	(69,074)	(47,617)	(39,466)
Finance costs	(3,323)	(3,261)	(3,150)	(2,373)	(3,125)
Listing expenses	–	–	(13,718)	(7,545)	(7,773)
Profit before tax	67,333	113,718	128,942	102,150	123,009
Income tax expenses	(16,909)	(28,660)	(33,342)	(23,336)	(32,868)
Profit and total comprehensive income for the year/period from continuing operations	50,424	85,058	95,600	78,814	90,141
Discontinued operation: Loss for the year/period from discontinued operation	(2,484)	(7,263)	–	–	–
Profit for the year/period	**47,940**	**77,795**	**95,600**	**78,814**	**90,141**
Continuing operation	43,203	73,367	84,632	67,652	89,586
Discontinued operation	(2,286)	(7,117)	–	–	–
Profit for the year/period attributable to owners of our Company	**40,917**	**66,250**	**84,632**	**67,652**	**89,586**
Continuing operation	7,221	11,691	10,968	11,162	555
Discontinued operation	(198)	(146)	–	–	–
Profit for the year/period attributable to owners of non-controlling interests	**7,023**	**11,545**	**10,968**	**11,162**	**555**

Revenue

During the Track Record Period, we generated revenue from commercial property operational services, which primarily include (i) entrusted management services; (ii) brand and management output services; and (iii) sublease services.

The table below sets forth a further breakdown of our revenue by operational model for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB* *(unaudited)*	*%*	*RMB*	*%*
	(in thousands, except percentages)									
Entrusted management services	**212,453**	**76.4**	**253,548**	**77.1**	**294,970**	**76.2**	**218,274**	**76.1**	**218,731**	**71.5**
– Positioning, construction consultancy and tenant sourcing services	–	–	–	–	10,547	2.7	9,699	3.4	16,297	5.3
– Operational management services	162,494	58.4	190,842	58.0	216,322	55.9	162,981	56.8	166,572	54.5
– Value-added services	49,959	18.0	62,706	19.1	68,101	17.6	45,594	15.9	35,862	11.7
Brand and management output services	**53,674**	**19.3**	**58,885**	**17.9**	**72,606**	**18.7**	**53,882**	**18.8**	**73,049**	**23.9**
– Positioning, construction consultancy and tenant sourcing services	19,932	7.2	10,022	3.0	16,303	4.2	12,195	4.3	30,402	9.9
– Operational management services	33,742	12.1	48,863	14.9	56,303	14.5	41,687	14.5	42,647	14.0
Sublease services	**11,940**	**4.3**	**16,261**	**5.0**	**19,738**	**5.1**	**14,542**	**5.1**	**14,082**	**4.6**
– Property leasing services	6,091	2.2	8,764	2.7	12,028	3.1	8,733	3.0	8,151	2.7
– Operational management services	5,047	1.8	5,899	1.8	6,441	1.7	4,755	1.7	4,719	1.5
– Value-added services	802	0.3	1,598	0.5	1,269	0.3	1,054	0.4	1,212	0.4
Total	**278,067**	**100.0**	**328,694**	**100.0**	**387,314**	**100.0**	**286,698**	**100.0**	**305,862**	**100.0**

Our revenue increased during the Track Record Period, primarily driven by the increase in aggregate contracted GFA and our business expansion. Our aggregate contracted GFA increased from approximately 1,624,000 sq.m. as of December 31, 2017 to approximately 2,999,000 sq.m. as of September 30, 2020. Our revenue from the entrusted management service model has accounted for a substantial majority of our revenue during the Track Record Period, primarily because we charge service fees to property owners and management fees to tenants and provide value-added services to relevant customers under the entrusted management service model, while we charge service fees only to property owners under the brand and management output service model.

Entrusted management services

Our entrusted management services primarily include (i) positioning, construction consultancy and tenant sourcing services, (ii) operational management services and (iii) value-added services. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, revenue derived from entrusted management services amounted to RMB212.5 million, RMB253.5 million, RMB295.0 million, RMB218.3 million and RMB218.7 million, accounting for 76.4%, 77.1%, 76.2%, 76.1% and 71.5%, respectively, of our total revenue for the same periods. The increase in our revenue from entrusted management services during the Track Record Period was primarily due to the increases in (i) operational management fee and value-added service fee from projects in operation, such as Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park（北區）), Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City) and Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park), as a result of our adjustment of tenant mix and their enhanced market recognition; (ii) operational management fee and value-added service fee from newly opened projects, such as Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) which was opened in September 2018; and (iii) revenue from positioning, construction consultancy and tenant sourcing services in 2019 as a result of an increase in the number of projects in the preparatory stage, such as Guangzhou Dongwan International Project (廣州東灣國際項目) and Jiangyin Qinwangshan Commercial Project (江陰秦望山商業項目) in the preparation stage. The decrease in the percentage of our revenue derived from entrusted management services to 71.5% in the nine months ended September 30, 2020 from 76.1% in the same period of 2019, primarily due to the negative impact of COVID-19 outbreak. See "Business—The COVID-19 Outbreak."

Brand and management output services

Our brand and management output services primarily include (i) positioning, construction consultancy and tenant sourcing services and (ii) operational management service. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, revenue derived from brand and management output services amounted to RMB53.7 million, RMB58.9 million, RMB72.6 million, RMB53.9 million and RMB73.0 million, accounting for 19.3%, 17.9%, 18.7%, 18.8% and 23.9%, respectively, of our total revenue for the same periods. The increases in our revenue from commercial operation and management services from 2017 to 2019 were primarily due to increases in (i) operational management fee from projects in operation, such as Shenzhen Galaxy Center (深圳星河中心), as a result of increase in rental revenue primarily arising from our adjustment of tenant mix and their enhanced market recognition; (ii) operational management fee from newly opened projects, such as Shenzhen

Longgang Galaxy iCO (深圳龍崗星河iCO) and Shanwei Galaxy COCO City (汕尾星河COCO City) which was opened in December 2018, February 2018, respectively; and (iii) revenue from positioning, construction consultancy and tenant sourcing services as a result of an increase in the number of projects in the preparatory stage from 2017 to 2019, such as Ningxiang Galaxy COCO City (寧鄉星河COCO City) and Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City). Our revenue derived from brand and management output services increased from the nine months ended September 30, 2019 to the nine months ended September 30, 2020 primarily due to increases in revenue derived from positioning, construction consultancy and tenant sourcing services primarily as a result of an increase in the number of projects in the preparatory stage, such as Ordos Bronze Ware Square (鄂爾多斯青銅器廣場), Ningxiang Galaxy COCO City (寧鄉星河COCO City), Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City) and Foshan Changhua Galaxy COCO City (佛山長華星河COCO City), and an increase revenue derived from consultancy services provided to Pudong • Galaxy Century Project (浦東•星河世紀項目), partially offset by the decrease in our revenue derived from projects in operation primarily as a result of COVID-19 pandemic. Regarding the Pudong • Galaxy Century Project (浦東•星河世紀項目), a project jointly developed by Galaxy Holding and its associates and a leading international retailer, which is an Independent Third Party to us, we provided consultancy services during the site selection and land acquisition process, for which we charged consultancy service fee. As we helped our customers successfully acquire the land, we received an additional service fee.

Sublease services

For the sublease services, we enter into a lease agreement for the entire commercial property with the property owner, sublease commercial spaces within the commercial property to tenants and recognize the rental income, operational management fees from tenants and value-added service fees from relevant customers as our revenue. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, revenue derived from sublease services accounted for 4.3%, 5.0%, 5.1%, 5.1% and 4.6%, respectively, of our total revenue for the same periods. We managed one project under the sublease service model, namely Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) since 2016. The increase in our revenue from sublease services from 2017 to 2019 was primarily attributable to increases in the average rent of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) due to increase in market recognition and improvement of tenant mix. Our revenue derived from sublease services remained relatively stable from the nine months ended September 30, 2019 to the nine months ended September 30, 2020.

Out of the 45 commercial property projects that we provided services for as of September 30, 2020, 31 were developed or owned by Galaxy Holding and its associates and 14 by Independent Third Party property developers. The table below sets forth a breakdown of the number of commercial property projects for which we were contracted to provide services, our aggregate contracted GFA and GFA in operation as of the dates, and revenue and gross profit margin by type of property developers/owners for the years/periods, indicated:

As of/for the year ended December 31, — 2017

	Number of properties(3)	Contracted GFA(3)	GFA in operation(4)	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
Properties developed or owned by:						
Galaxy Holding and its associates(1)	13	657	657	250,852	90.2	48.7
Independent Third Parties(2)	7	967	418	27,215	9.8	60.6
Total/Overall	**20**	**1,624**	**1,075**	**278,067**	**100.0**	**49.9**

As of/for the year ended December 31, — 2018

	Number of properties(3)	Contracted GFA(3)	GFA in operation(4)	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
Properties developed or owned by:						
Galaxy Holding and its associates(1)	12	696	696	290,589	88.4	50.4
Independent Third Parties(2)	10	1,377	591	38,105	11.6	61.6
Total/Overall	**22**	**2,073**	**1,287**	**328,694**	**100.0**	**51.7**

As of/for the year ended December 31, — 2019

	Number of properties(3)	Contracted GFA(3)	GFA in operation(4)	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
	(in thousands, except for numbers of properties and percentage)					
Properties developed or owned by:						
Galaxy Holding and its associates(1)	27	1,256	716	346,458	89.5	51.8
Independent Third Parties(2)	15	1,714	591	40,856	10.5	51.7
Total/Overall	**42**	**2,970**	**1,307**	**387,314**	**100.0**	**51.8**

As of /for the nine months ended September 30, — 2019

	Number of properties(3)	Contracted GFA(3)	GFA in operation(4)	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
					(unaudited)	
Properties developed or owned by:						
Galaxy Holding and its associates(1)	25	1,230	716	256,492	89.5	51.2
Independent Third Parties(2)	13	1,641	591	30,206	10.5	52.0
Total/Overall	**38**	**2,871**	**1,307**	**286,698**	**100.0**	**51.3**

As of /for the nine months ended September 30, — 2020

	Number of properties(3)	Contracted GFA(3)	GFA in operation(4)	Revenue		Gross profit margin
		sq.m.	sq.m.	RMB	%	%
Properties developed or owned by:						
Galaxy Holding and its associates(1)	31	1,256	779	264,793	86.6	53.7
Independent Third Parties(2)	14	1,743	631	41,069	13.4	64.4
Total/Overall	**45**	**2,999**	**1,410**	**305,862**	**100.0**	**55.2**

Notes:

(1) Refers to properties solely developed or owned by Galaxy Holding and its associates, and properties jointly developed or owned by Galaxy Holding and Independent Third Parties in which Galaxy Holding holds a controlling interest. For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, our revenue generated from properties developed or owned by Galaxy Holding and its associates includes revenue generated from provision of entrusted management services of RMB212.4 million, RMB253.5 million, RMB295.0 million, RMB218.3 million and RMB211.6 million, respectively, revenue generated from provision of brand and management output services of RMB26.4 million, RMB20.8 million, RMB31.8 million, RMB23.7 million and RMB39.1 million, respectively, and revenue generated from provision of sublease services of RMB11.9 million, RMB16.3 million, RMB19.7 million, RMB14.5 million and RMB14.1 million, respectively. Our revenue generated from properties developed or owned by Galaxy Holding and its associates included both revenue from Galaxy Holding and its associates, and revenue from Independent Third-Party tenants. During the Track Record Period and as of the Latest Practicable Date, we managed all retail commercial properties and commercial complex developed or owned by Galaxy Holding and its associates.

(2) Refers to properties developed or owned solely by Independent Third Parties. Independent Third Parties include property developers other than Galaxy Holding and its associates.

(3) The number of properties and contracted GFA as of the end of year include all commercial property projects for which we had contracted to provide services (including those that had yet to contribute to our revenue).

(4) GFA in operation refers to the GFA of commercial properties under our management that had opened for business.

During the Track Record Period, a majority of our revenue was derived from services provided with respect to commercial properties developed or owned by Galaxy Holding and its associates, which accounted for 90.2%, 88.4%, 89.5%, 89.5% and 86.6% of our total revenue in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively. According to China Index Academy, it is common that commercial property operational service providers generally generate a significant portion of revenue from projects developed or owned by affiliated property developers or property owners.

The decreases in the percentage of our total revenue derived from properties developed or owned by Galaxy Holding and its associates from 2017 to 2018 and from the nine months ended September 30, 2019 to the same period in 2020 were primarily due to our continuous effort in seeking more service contracts related to commercial properties developed or owned by Independent Third Parties. The slight increase in revenue derived from properties developed or owned by Galaxy Holding and its associates as a percentage of our total revenue from 2018 to 2019 was primarily due to that (i) certain projects developed or owned by Galaxy Holding and its associates entered into the preparatory stage and started to contribute to our revenue, such as Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park(南區)), and consultancy services provided to Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司); (ii) revenue from projects in operation, such as Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park) and Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City), as a result of our adjustment of tenant mix and their enhanced market recognition; and (iii) revenue from newly opened projects, such as Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park).

Our contracted GFA of properties developed or owned by Galaxy Holding and its associates increased by 80.4% from December 31, 2018 to December 31, 2019 and further increased by 2.1% from September 30, 2019 to September 30, 2020, while our revenue generated from properties developed or owned by Galaxy Holding and its associates increased by 19.2% from 2018 to 2019 and further increased by 3.2% from the nine months ended September 30, 2019 to the same period in 2020. The disproportionate increases in contracted GFA and revenue were primarily due to that a significant portion of the increase in contracted GFA of properties developed or owned by Galaxy Holding and its associates was in preparatory stage and not yet in operation, and hence had limited or no contribution to our revenue in 2019.

Our number of projects developed or owned by Galaxy Holding and its associates decreased from 13 as of December 31, 2017 to 12 as of December 31, 2018, primarily due to the completion of our consultancy agreement with Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) and Shenzhen Galaxy Gengxin Investment Co., Ltd (深圳星河更新投資有限公司) and entering into a new entrusted management service contact, increased to 27 as of December 31, 2019 and 31 as of September 30, 2020 in line with our business expansion. Our contracted GFA of properties developed or owned by Galaxy Holding and its associates increased from approximately 657,000 sq.m. as of December 31, 2017 to approximately 696,000 sq.m. as of December 31, 2018, to approximately 1,256,000 sq.m. as of December 31, 2019 and September 30, 2020. We attribute this to our long-term cooperation with Galaxy Holding and its associates.

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our gross profit margin for properties developed or owned by Galaxy Holding and its associates were 48.7%, 50.4%, 51.8%, 51.2% and 53.7%, respectively. We attribute such increase primarily to (i) increases in rents and our service fees in relation to the relevant commercial properties as a result of their increasing popularity, while costs remained relatively stable; and (ii) increase in revenue from positioning, construction consultancy and tenant sourcing services in 2019 and the nine months ended September 30, 2020 which generally have higher margins.

During the Track Record Period, our revenue derived from services provided with respect to commercial properties developed or owned by Independent Third Parties accounted for 9.8%, 11.6%, 10.5%, 10.5% and 13.4% of our total revenue in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively. Our number of projects developed or owned by Independent Third Parties increased from seven as of December 31, 2017 to 10 as of December 31, 2018, to 15 as of December 31, 2019, and increased from 13 as of September 30, 2019 to 17 as of September 30, 2020 and the relevant contracted GFA increased from approximately 967,000 sq.m. as of December 31, 2017 to 1,377,000 sq.m. as of December 31, 2018, to approximately 1,714,000 sq.m. as of December 31, 2019. We attribute this growth from 2017 to 2019 to our ability to search for and capture market opportunities independent from our affiliation with Galaxy Holding and the market recognition we have built up over the years. We attribute the increase in the relevant contracted GFA developed or owned by Independent Third Party from 1,714,000 sq.m. as of December 31, 2019 to 1,743,000 sq.m. as of September 30, 2020 primarily to our contracted new projects such as Changhua Galaxy COCO City (佛山長華星河COCO City).

During the Track Record Period, revenue generated from projects developed or owned by Independent Third Parties was relatively lower, primarily because we managed such projects under the brand and management output service model, under which we primarily charge a pre-agreed percentage of the revenue and/or profit and/or a fixed fee only to the property owners and do not charge management fees to tenants, whilst for commercial properties developed or owned by Galaxy Holding and its associates that were managed under the entrusted management service model, we charge services fees to both the property owners and tenants and relevant customers for value-added services.

Our GFA in operation as a percentage of contracted GFA was 66.2%, 62.1%, 44.0% and 47.0% as of December 31, 2017, 2018 and 2019 and September 30, 2020. The percentages as of December 31, 2017 and 2018 were higher than those as of December 31, 2019 and September 30, 2020, and our GFA in operation remained largely stagnant since 2018 despite the increase in contracted GFA, primarily as we accelerated our expansion and entered into more commercial property operational service contracts in 2019 and some of these commercial properties were not yet in operation as of September 30, 2020.

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our gross profit margin for properties developed or owned by Independent Third Parties were 60.6%, 61.6%, 51.7%, 52.0% and 64.4%, respectively. We attribute the increases in gross profit margin from 2017 to 2018 and from the nine months ended September 30, 2019 to the same period in 2020 primarily to increases in our revenue from projects in preparatory stages. We attribute the decrease in gross profit margin from 2018 to 2019 primarily to (i) the increase in staff costs due to increases in both the headcount and average salary to support our further expansion; and (ii) the loss we incurred on Enshi Galaxy COCO City (恩施星河COCO City) due to the cease in recognizing revenue from such project as a result of the bankruptcy restructuring of the property owner, see "—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables." In 2017 and 2018, the gross profit margins for properties developed or owned by Independent Third Parties were generally higher than those for properties developed or owned by Galaxy Holding and its associates, primarily as all of the properties developed or owned by Independent Third Parties were managed under the brand and management output service model which had relatively higher gross profit margins while some of the properties developed or owned by Galaxy Holding and its associates were managed under the entrusted management service model and sublease service model which had relatively lower gross profit margins.

The table below set forth a breakdown of our revenue by type of customers:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands except for percentage)									
Galaxy Holding and its associates	63,264	22.8	66,584	20.3	95,152	24.6	70,372	24.5	90,781	29.7
Independent Third Parties	214,803	77.2	262,110	79.7	292,162	75.4	216,326	75.5	215,081	70.3
Total	278,067	100.0	328,694	100.0	387,314	100.0	286,698	100.0	305,862	100.0

During the Track Record Period, a majority of our revenue was derived from Independent Third Parties, which included tenants, property developers and owners and relevant customers for value-added services. During the Track Record Period, the revenue derived from commercial properties developed or owned by Galaxy Holding and its associates was significantly higher than the revenue derived from services provided to Galaxy Holding and its associates as customers, primarily as revenue derived from some commercial properties under the entrusted management service model developed or owned by Galaxy Holding and its associates included not only revenue derived directly from Galaxy Holding and its associates as customers, but also revenue from operational management fee paid by Independent Third Party tenants and value-added service fee from Independent Third Party customers.

Revenue from Independent Third Parties continuously increased in 2017, 2018 and 2019, primarily due to increases in (i) revenue from positioning, construction consultancy and tenant sourcing services as a result of an increase in the number of projects in the preparatory stage, such as Ningxiang Galaxy COCO City (寧鄉星河COCO City) and Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City); (ii) revenue from projects in operation, such as operational management fee from Independent Third Party tenants in Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)) and Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park) and rental income from Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City), as a result of our adjustment of tenant mix and their enhanced market recognition; and (iii) revenue from newly opened projects, such as revenue from Independent Third Party tenants of Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) and revenue from Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO).

The decrease in revenue derived from Independent Third Parties as a percentage of our total revenue from 2018 to 2019 was primarily due to increases in services provided to Galaxy Holding and its associates as a result of (i) the increase in revenue from positioning, construction consultancy and tenant sourcing services, such as Guangzhou Dongwan International Project (廣州東灣國際項目), and consultancy services provided to Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司); and (ii) opening of new commercial properties developed or owned by Galaxy Holding and its associates, such as Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park), and growth of existing commercial properties developed or owned by Galaxy Holding and its associates, which resulted in an increase in operational management fee from Galaxy Holding and its associates. The decrease in revenue derived from Independent Third Parties as a percentage of our total revenue from the nine months ended September 30, 2019 to the same period in 2020 was primarily due to (i) our revenue from other value-added services, substantially all of which were provided to Independent Third Parties, decreased by 20.5% in the nine months ended September 30, 2020, as a result of the suspension of the commercial properties in operation during the COVID-19 pandemic; (ii) our revenue from positioning, construction consultancy and tenant sourcing services provided to Galaxy Holding and its associates increased in the nine months ended September 30, 2020, primarily due to revenue from consultancy services provided to Pudong • Galaxy Century Project (浦東 • 星河世紀項目) in relation to land sourcing; and (iii) our revenue generated from newly opened projects such as Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park(南區)).

Our commercial property operational services primarily include positioning, construction consultancy and tenant sourcing services, operational management services, property leasing services and value-added services. The table below sets forth a breakdown of our revenue by type of service for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Positioning, construction consultancy and tenant sourcing services	**19,932**	**7.2**	**10,022**	**3.0**	**26,850**	**6.9**	**21,894**	**7.6**	**46,699**	**15.3**
Operational management services	**201,283**	**72.4**	**245,604**	**74.7**	**279,066**	**72.1**	**209,423**	**73.1**	**213,938**	**69.9**
– Fixed fees	153,679	55.3	185,699	56.5	209,771	54.2	159,562	55.7	164,400	53.7
– Pre-agreed percentage of revenue or profit sharing	47,604	17.1	59,905	18.2	69,295	17.9	49,861	17.4	49,538	16.2
Property leasing services	**6,091**	**2.2**	**8,764**	**2.7**	**12,028**	**3.1**	**8,733**	**3.0**	**8,151**	**2.7**
Value-added services	**50,761**	**18.2**	**64,304**	**19.6**	**69,370**	**17.9**	**46,648**	**16.3**	**37,074**	**12.1**
Total	**278,067**	**100.0**	**328,694**	**100.0**	**387,314**	**100.0**	**286,698**	**100.0**	**305,862**	**100.0**

Positioning, construction consultancy and tenant sourcing services

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, revenue derived from positioning, construction consultancy and tenant sourcing services accounted for 7.2%, 3.0%, 6.9%, 7.6% and 15.3%, respectively, of our total revenue. Our revenue from positioning, construction consultancy and tenant sourcing services decreased from 2017 to 2018 primarily due to the decrease in consultancy services to Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) as a result of less demand for consultancy services from it in 2018; increased from 2018 to 2019, primarily due to (i) an increase in GFA of commercial properties in preparatory stage that required positioning, construction consultancy and tenant sourcing services, including Guangzhou Dongwan International Project (廣州東灣國際項目) and Jiangyin Qinwangshan Commercial Project (江陰秦望山商業項目) and (ii) an increase in consultancy services to Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) as a result of more demand for site selection consultancy services from such customer in 2019; and increased from the nine months ended September 30, 2019 to the same period in 2020, primarily due to the increase in revenue derived from consultancy projects such as Pudong • Galaxy Century Project (浦東 • 星河世紀項目) and increases in positioning and construction consultancy service fees charged to a number of projects in the preparatory stage such as Nanchang Shanglian Galaxy COCO Park (南昌商聯星河COCO Park) and Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City).

Operational management services

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, revenue derived from operational management services accounted for 72.4%, 74.7%, 72.1%, 73.1% and 69.9%, respectively of our total revenue. The increase in our revenue from operational management services from 2017 to 2019 was primarily due to (i) the opening of new projects such as Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) in September 2018 and Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO) in December 2018 and (ii) the growth of existing projects such as Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park), primarily driven by their improved tenant mix and increased popularity. The decrease in our revenue from operational management services from the nine months ended September 30, 2019 to the same period in 2020 was primarily due to the temporary suspension of business and substantially decreased consumer flow of the commercial properties under management and thus causes decreases in revenue from other value-added services and our share of the revenue and profit of the commercial properties as a result of the COVID-19 pandemic.

Property leasing services

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, revenue derived from property leasing services accounted for 2.2%, 2.7%, 3.1%, 3.0% and 2.7%, respectively of our total revenue. The increase in our revenue from property leasing services from 2017 to 2019 was primarily because the average rent of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) increased due to the increase in its market recognition and improved tenant mix. The slight decrease in our revenue from property leasing services from the nine months ended September 30, 2019 to the nine months ended September 30, 2020 was the result of the waived rent to help tenants cope with the COVID-19 pandemic, partially offset by the growth of rental income from Changzhou Wujin Huatang Galaxy COCO City (常州武進湖塘星河COCO City) due to the upgrade of tenant mix and annual increment in monthly rent pursuant to the lease agreements with certain tenants.

Value-added services

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, revenue derived from value-added services accounted for 18.2%, 19.6%, 17.9%, 16.3% and 12.1%, respectively of our total revenue. During the Track Record Period, we generated revenue from value-added services in commercial properties managed under the entrusted management service model and sublease service model. The increases in our revenue from value-added services from 2017 to 2019 were primarily due to (i) the opening of new project, Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) in September 2018 and (ii) the increased demand of our value-added services in our existing projects, primarily such as Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park) and Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City), as a result of the improved popularity and brand recognition of such projects. The decrease in our revenue from value-added services from the nine months ended September 30, 2019 to the same period in 2020 was primarily due to decrease in revenue derived from projects in operation primarily as a result of COVID-19 pandemic. In particular, certain commercial properties experienced temporary suspension of business and substantially decreased consumer flow of the commercial properties under management in the first quarter of 2020 as a result of the COVID-19 pandemic.

Revenue by Geographic Region

We divide our geographic coverage into four major regions in the PRC, namely, the Greater Bay Area, Yangtze River Delta, Central China region and other regions. The table below sets forth a breakdown of our revenue by geographic region for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Greater Bay Area(1)	**250,193**	**90.0**	**287,477**	**87.5**	**344,148**	**88.9**	**254,428**	**88.8**	**246,272**	**80.5**
– Shenzhen	235,843	84.8	280,521	85.3	333,734	86.2	247,040	86.2	231,120	75.6
Yangtze River Delta(2)	**13,884**	**5.0**	**18,354**	**5.5**	**22,931**	**5.9**	**17,259**	**6.0**	**32,816**	**10.7**
Central China Region(3)	**2,584**	**0.9**	**8,092**	**2.5**	**5,125**	**1.3**	**3,406**	**1.2**	**11,909**	**3.9**
Other regions(4)	**11,406**	**4.1**	**14,771**	**4.5**	**15,110**	**3.9**	**11,605**	**4.0**	**14,865**	**4.9**
Total	**278,067**	**100.0**	**328,694**	**100.0**	**387,314**	**100.0**	**286,698**	**100.0**	**305,862**	**100.0**

Notes:

(1) Include Shenzhen, Guangzhou, Zhongshan, Huizhou, Foshan and Dongguan.

(2) Include Shanghai, Nanjing, Changzhou and Wuxi.

(3) Include Nanchang, Enshi and Changsha.

(4) Include Tianjin, Putian, Shanwei, Jieyang and Ordos.

During the Track Record Period, commercial properties managed by us were primarily located in the Greater Bay Area and revenue generated from this area continued to increase, accounting for 90.0%, 87.5%, 88.9%, 88.8% and 80.5%, respectively, of our total revenue in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020. Our revenue generated from commercial properties in the Greater Bay Area increased at a CAGR of 17.3% from RMB250.2 million in 2017 to RMB344.1 million in 2019, primarily due to (i) increases in revenue from positioning, construction consultancy and tenant sourcing services to projects in the preparatory stage, and consultancy services to Shenzhen Galaxy Real Estate Development Co., Ltd (深圳星河房地產開發有限公司) as a result of more demand for site selection consultancy services from such customer in 2019; (ii) the growth of existing properties in this region such as Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park（北區）), Shenzhen Longhua Galaxy COCO City(深圳龍華星河COCO City) and Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park) due to their increased popularity and improved tenant mix; and (iii) the opening of new commercial properties in this region, including Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park), which was opened in September 2018, and Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO) which was opened in December 2018. Our revenue generated from commercial properties in the Greater Bay Area decreased by 3.2% from RMB254.4 million in the nine months ended September 30, 2019 to RMB246.3 million in the same period of 2020 primarily due to decrease in revenue from projects in operation in the Greater Bay Area as a result of COVID-19 pandemic.

We also expanded our operations into other regions in China, including Central China Region, Yangtze River Delta Area and other regions. Our revenue generated from commercial properties in the Yangtze River Delta region increased by 32.4% from RMB13.9 million in 2017 to RMB18.4 million in 2018, and further increased by 24.5% from RMB18.4 million in 2018 to RMB22.9 million in 2019, primarily due to the ramp-up of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) as a result of an increase in its average rent due to its increased market recognition. Our revenue generated from commercial properties in the Yangtze River Delta region increased from RMB17.3 million in the nine months ended September 30, 2019 to RMB32.8 million in the same period of 2020, primarily due to increased revenue derived from projects in the preparatory stage, such as Changzhou Galaxy Dandi Commercial Project (常州星河丹堤商業項目) and revenue derived from consultancy services provided to Pudong • Galaxy Century Project (浦東 • 星河世紀項目).

Our revenue generated from commercial properties in the Central China Region increased significantly from RMB2.6 million in 2017 to RMB8.1 million in 2018, primarily as we provided more positioning, construction consultancy and tenant sourcing services to Enshi Galaxy COCO City (恩施星河COCO City) and Ningxiang Galaxy COCO City (寧鄉星河COCO City) in 2018; and decreased to RMB5.1 million in 2019, primarily due to the cease in recognizing revenue generated from Enshi Galaxy COCO City (恩施星河COCO City) as a result of the bankruptcy restructuring of the property owner. See "—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables." Our revenue generated from commercial properties in the Central China Region increased from RMB3.4 million in the nine months ended September 30, 2019 to RMB11.9 million in the same period of 2020, primarily due to increase in revenue derived from projects in the preparatory stage, such as Nanchang Shanglian Galaxy COCO Park (南昌商聯星河COCO Park) and Nanchang B-Energy Galaxy iCo (南昌博能星河iCO).

Our revenue generated from commercial properties in other regions increased by 29.8% from RMB11.4 million in 2017 to RMB14.8 million in 2018, primarily due to the opening of Shanwei Galaxy COCO City (汕尾星河COCO City) in February 2018 and an increase in revenue from Ordos Galaxy COCO City (鄂爾多斯星河COCO City) which was reopened in October 2017 and further increased by 2.0% from RMB14.8 million in 2018 to RMB15.1 million in 2019, primarily due to the ramp-up of Ordos Galaxy COCO City (鄂爾多斯星河COCO City) due to its increased popularity. Our revenue generated from commercial properties in other regions increased from RMB11.6 million in the nine months ended September 30, 2019 to RMB14.9 million in the same period of 2020, primarily due to increase in revenue derived from projects in the preparatory stage, such as Tianjin Beichen Commercial Project (天津北辰商業項目) and Ordos Bronze Ware Square Project (鄂爾多斯青銅器廣場項目).

We expect that properties in the Greater Bay Area will continue to account for a significant portion of properties under our management in the near future.

Cost of Services

Our cost of services primarily consists of (i) staff costs, (ii) subcontracting costs and (iii) utilities, among others. The table below sets forth a breakdown of our cost of services by expense nature for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Staff costs	45,166	32.4	56,523	35.6	70,281	37.6	53,518	38.3	50,577	36.9
Subcontracting costs	51,416	36.9	57,189	36.0	70,969	38.0	52,327	37.5	55,407	40.4
Utilities	30,070	21.6	30,009	18.9	31,106	16.7	23,508	16.8	20,705	15.1
Repair costs	7,235	5.2	8,788	5.6	9,121	4.9	6,499	4.7	5,075	3.7
Depreciation	2,809	2.0	2,717	1.7	2,672	1.4	2,008	1.5	2,609	1.9
Taxes	858	0.6	1,812	1.1	1,513	0.8	1,112	0.8	1,183	0.9
Others	1,787	1.3	1,674	1.1	1,049	0.6	622	0.4	1,542	1.1
Total	139,341	100.0	158,712	100.0	186,711	100.0	139,594	100.0	137,098	100.0

During the Track Record Period, key factors affecting our cost of services were staff costs, subcontracting costs and utilities. Under the entrusted management service model and sublease service model, we are responsible for the project operating costs and subcontract certain labor-intensive services, primarily including security and cleaning services to subcontractors. Under the brand and management output service model, we only bear our staff costs related to the project, a portion of which will be reimbursed by the property owners. From 2017 to 2019, our cost of services continuously increased, primarily due to increases in (i) staff costs, subcontracting costs and utilities incurred on newly opened projects managed under the entrusted management service model, such as Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park); and (ii) staff costs incurred on projects managed under the brand and management output service model due to increases in the number of projects under management and GFA in operation. Our cost of services slightly decreased from the nine months ended September 30, 2019 to the nine months ended September 30, 2020 primarily due to (i) decrease in staff costs as a result of (a) government policies to waive social insurance contributions to help enterprises cope with the COVID-19 pandemic; and (b) temporary suspension of operation of some of our projects; and (ii) decreases in utilities due to the suspension of projects in operation due to COVID-19 pandemic.

As we operate and provide services in the commercial property operational service industry, which do not involve significant fixed assets for the service provision, our cost of services during the Track Record Period only consisted of immaterial depreciation expenses, which accounted for 2.0%, 1.7%, 1.4%, 1.5% and 1.9% of our total costs of services in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively. We therefore consider substantially all of our cost of service for the Track Record Period was variable costs and would generally increase as a result of an increase in our total contracted GFA and number of projects under management. For illustrative purposes only, assuming 5% increase in our depreciation in the cost of services during the Track Record Period, while keeping all other factors unchanged, our gross profit margin would be reduced by approximately 0.1% in 2017, 2018 and 2019 and the nine months ended September 30, 2020, respectively.

Gross Profit and Gross Profit Margin

Our gross profit in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020 amounted to RMB138.7 million, RMB170.0 million, RMB200.6 million, RMB147.1 million and RMB168.8 million, respectively. During the same periods, we recorded gross profit margin of 49.9%, 51.7%, 51.8%, 51.3% and 55.2%, respectively. The table below sets forth the breakdown of our gross profit and gross profit margin for each business segment by properties developed or owned by Galaxy Holding and its associates and Independent Third Parties for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	Gross profit RMB	*Gross profit margin %*	*Gross profit RMB*	*Gross profit margin %*	*Gross profit RMB*	*Gross profit margin %*	*Gross profit RMB*	*Gross profit margin %*	*Gross profit RMB*	*Gross profit margin %*
							(unaudited)			
	(in thousands, except percentages)									
Entrusted management services	**100,085**	**47.1**	**125,106**	**49.3**	**143,213**	**48.6**	**104,670**	**48.0**	**108,354**	**49.5**
– Galaxy Holding and its associates	100,085	47.1	125,106	49.3	143,213	48.6	104,670	48.0	103,423	48.9
– Independent Third Parties	–	–	–	–	–	–	–	–	4,931	68.9
Brand and management output services	**36,540**	**68.1**	**39,395**	**66.9**	**48,620**	**67.0**	**36,146**	**67.1**	**54,010**	**74.2**
– Galaxy Holding and its associates	20,057	75.8	15,913	76.6	27,507	86.6	20,441	86.3	32,501	83.0
– Independent Third Parties	16,483	60.6	23,482	61.6	21,113	51.7	15,705	52.0	21,509	63.4
Sublease services	**2,101**	**17.6**	**5,481**	**33.7**	**8,770**	**44.4**	**6,288**	**43.2**	**6,400**	**45.4**
– Galaxy Holding and its associates	2,101	17.6	5,481	33.7	8,770	44.4	6,288	43.2	6,400	45.4
– Independent Third Parties	–	–	–	–	–	–	–	–	–	–
Total/Overall	**138,726**	**49.9**	**169,982**	**51.7**	**200,603**	**51.8**	**147,104**	**51.3**	**168,764**	**55.2**

Our overall gross profit margin is primarily affected by the mix of our operational models for commercial property operational services. In general, the gross profit margin of our brand and management output services model is the highest among the three operational models as we only bear our staff costs related to the projects. The gross profit margin of our brand and management output services was 68.1%, 66.9%, 67.0%, 67.1% and 74.2% in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively. Our gross profit margin of brand and management output services increased from 67.1% in the nine months ended September 30, 2019 to 74.2% in the same period of 2020, primarily due to increase in revenue from positioning, construction consultancy and tenant sourcing services provided to projects in the preparatory stage, such as Ningxiang Galaxy COCO City (寧鄉星河COCO City), Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City) and Ordos Bronze Ware Square (鄂爾多斯青銅器廣場), and consultancy services provided to Pudong • Galaxy Century Project (浦東 • 星河世紀項目), which had higher gross profit margins. In particular, regarding the Pudong • Galaxy Century Project (浦東 • 星河世紀項目), a project jointly developed by Galaxy Holding and its associates and a leading international retailer, which is an Independent Third Party to us, we (i) provided consultancy services during the site selection and land acquisition process and helped our clients successfully acquire the land and received consultancy service fee; and (ii) provided preliminary positioning and business planning consultancy services after land acquisition and charged a separate service fee for the nine months ended September 30, 2020.

Under the brand and management output service model, we only employ the core management team to the projects, usually consisting of the general project manager and/or heads of certain functional departments and bear our staff costs related to the projects. We do not bear the costs of managing the commercial properties (including costs associated with subcontracting property management services), which will be borne by the property owners. Under the brand and management output service model, the gross profit margins for properties developed or owned by Independent Third Parties were lower than those for properties developed or owned by Galaxy Holding and its associates during the Track Record Period, primarily for the following reasons:

(1) We incurred and allocated higher costs on onsite staff for Independent Third Party projects in operation. Our brand and management output projects in operation developed or owned by Independent Third Parties typically had a much larger GFA and more tenants as compared to those developed or owned by Galaxy Holding and its associates during the Track Record Period, and therefore we incurred and allocated higher costs on onsite staff for Independent Third Party projects in operation. Specifically, we had 13 commercial properties in operation managed under the brand and management output service model with a total GFA in operation of 834,538 sq.m. as of September 30, 2020, among which (a) 5 projects were developed or owned by Independent Third Parties with a total GFA in operation of 631,307 sq.m. and an average GFA in operation of 126,261 sq.m., and (b) 8 projects were developed or owned by Galaxy Holding and its associates with a total GFA in operation of 203,231 sq.m. and an average GFA in operation of 25,404 sq.m. As of September 30, 2020, the average GFA in operation of brand and management output projects developed or owned by Independent Third Parties was approximately five times that of brand and management output projects developed or owned by Galaxy Holding and its associates.

In addition, as of September 30, 2020, brand and management output projects in operation developed or owned by Independent Third Parties had approximately 146 tenants on average, as compared to approximately 32 tenants on average for projects developed or owned by Galaxy Holding and its associates.

Under the brand and management output service model, we only employ the core management team of the projects, usually consisting of the general project manager and/or heads of certain functional departments. Pursuant to the brand and management output service contracts with both Galaxy Holding and its associates and Independent Third Parties, the costs of staff deployed to a project onsite (including project manager and/or heads of functional departments) are ultimately borne by property owners, and generally reimbursed by property owners and recorded as part of our revenue. As such, higher staff costs recognized in the Independent Third Party projects under the brand and management output model generally did not affect the amount of gross profit earned by us, but lowered our gross profit margin for the Independent Third Party projects under the brand and management output service model, as higher staff costs reimbursed increase the denominator (revenue) and do not change the numerator (gross profit). As a result, the number of staff deployed for each project is determined solely on an as-needed basis. In 2017, 2018, 2019 and the nine months ended September 30, 2020, reimbursed staff costs for Independent Third Party projects amounted to RMB4.6 million, RMB8.2 million, RMB10.7 million and RMB10.5 million, respectively.

Moreover, certain projects developed or owned by Galaxy Holding and its associates under the brand and management output model shared the same project manager or were managed by our staff at the headquarters who closely supervise and manage the onsite staff employed by the property owners and evaluate their performance during the Track Record Period. Such arrangements were primarily due to the relatively small GFA in operation and small number of tenants of such projects, as well as the relatively simple nature of the project (i.e. some projects are open air shopping streets or office building, and one project was substantially leased to one tenant. These projects generally required fewer onsite personnel).

(2) We incurred higher staff costs for business development of Independent Third Party projects. To drive the expansion and management of Independent Third Party projects, we paid staff incentives to our employees in the departments of the headquarter that had contributions to the procurement and management of Independent Third Party projects to reward their efforts. Such incentives were recognized and allocated in the cost of services for the Independent Third Party projects during the Track Record Period. In contrast, we incurred lower staff costs on business development of projects from Galaxy Holding and its associates as we are often invited by Galaxy Holding and its associates to engage in the early stage of a project. In 2017, 2018, 2019 and the nine months ended September 30, 2020, staff incentives for Independent Third Party projects amounted to RMB4.0 million, RMB5.3 million, RMB8.4 million and RMB2.6 million, respectively.

(3) We ceased in recognizing revenue generated from, and incurred loss on, Enshi Galaxy COCO City (恩施星河COCO City) as a result of the bankruptcy restructuring of the property owner in 2019. See "—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables;" and

(4) the gross profit margin for properties developed or owned by Galaxy Holding and its associates under the brand and management output service model in 2019 and the nine months ended September 30, 2020 was much higher, primarily as we generated more revenue from land sourcing consultancy services to Galaxy Holding and its associates, which had higher gross profit margins. Land sourcing consultancy services generally have relatively higher gross profit margins, as (i) the location of a commercial property and the acquisition of a land parcel at a prime location are crucial to the success of a commercial property; (ii) such services required expertise and high added value; and (iii) we have a competitive edge and extensive experience in providing such services gained through the years of providing commercial property operational services. As advised by China Index Academy, it is common for commercial property operational providers to provide such services and such services typically enjoy higher gross profit margins due to the high added value and expertise required.

The gross profit margin of our entrusted management services is lower than that of brand and management output services as we bear operating costs of managing the commercial properties, primarily including costs for our staff, subcontracting costs for security and cleaning services, utilities and maintenance costs of the commercial properties under entrusted management services. The gross profit margin of our entrusted management services was 47.1%, 49.3%, 48.6%, 48.0% and 49.5% in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively. We started to manage entrusted management projects developed or owned by Independent Third Parties in 2019. In the nine months ended September 30, 2020, for our projects managed under the entrusted management service model, the gross profit margin of our commercial properties developed or owned by Independent Third Parties was 68.9%, which was higher than that of commercial properties developed or owned by Galaxy Holding and its associates, which was 48.9%, primarily due to the fact that the commercial properties developed or owned by Independent Third Parties were in the preparatory stage and we provided positioning, construction consultancy and tenant sourcing services which had higher margin.

The gross profit margin of our sublease services is the lowest among the three operational models as we bear costs related to the lease of the property and operating costs of managing the commercial property. The gross profit margin of our sublease services was 17.6%, 33.7%, 44.4%, 43.2% and 45.4% in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively. Our gross profit margin for the sublease service model increased from 2017 to 2019, primarily as the average rent from Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) increased due to the increase in its market recognition and improvement of tenant mix. Our gross profit margin for the sublease service model increased from the nine months ended September 30, 2019 to the same period in 2020, primarily attributable to the decrease in costs of sales due to the temporary suspension of operation of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) and government policy to waive social insurance contribution while revenue remained relatively stable.

Our gross profit margin is also affected by the locations of commercial properties. As advised by China Index Academy, the commercial properties in developed cities and regions, such as Shenzhen in the Greater Bay Area, generally have higher average rents and management fees driven by large and growing populations and higher per capita disposable incomes in such regions, which typically lead to higher gross profit margins for commercial property operational service providers. Our overall gross profit margin was 49.9%, 51.7%, 51.8%, 51.3% and 55.2% for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively. Our gross profit margins remained relatively high during the Track Record Period, partially as a significant portion of our revenue and gross profit were generated from commercial properties in operation in the Greater Bay Area, in particular Shenzhen, which was one of the most economically developed and affluent cities in the PRC. Our revenue generated from the Greater Bay Area accounted for 90.0%, 87.5%, 88.9%, 88.8% and 80.5% of our total revenue in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, respectively, and our revenue generated from Shenzhen accounted for 84.8%, 85.3%, 86.2%, 86.2% and 75.6% in the same periods, respectively. As we continue to expand into other regions, including lower-tier cities, our projects in such regions may not be as profitable as those in Shenzhen, in which case our overall gross profit margin may decrease.

During the Track Record Period, increases in our gross profit margin were also due to the increases in management fees and the increase in revenue from positioning, construction consultancy and tenant sourcing services for projects in the preparatory stage and consultancy projects in 2019 and the nine months ended September 30, 2020, which generally had higher gross profit margins.

Other Income

Our other income primarily consists of bank interest income, government grants and others. The table below sets forth a breakdown of our other income for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB* (unaudited)	*%*	*RMB*	*%*
	(in thousands, except percentages)									
Interest income from bank deposits	730	7.3	432	3.2	1,148	6.1	816	5.3	1,099	13.3
Government grant	943	9.4	1,065	7.9	2,355	12.5	1,402	9.1	4,188	50.8
Compensation and penalty received from tenants	860	8.6	612	4.5	2,399	12.8	1,092	7.1	668	8.1
Investment income of financial assets at FVTPL	7,490	74.7	11,403	84.4	12,905	68.6	12,121	78.5	2,290	27.8
Total	**10,023**	**100.0**	**13,512**	**100.0**	**18,807**	**100.0**	**15,431**	**100.0**	**8,245**	**100.0**

Our interest income from bank deposit primarily derived from interest on our bank deposits. Our government grant was primarily for the support of development in the modern service industry. Our compensation and penalty received from tenants primarily consist of penalties paid by tenants when they failed to open shops on time in accordance with lease contracts. Our investment income of financial assets at FVTPL mainly related to our wealth management investments. As of December 31, 2017, 2018 and 2019 and September 30, 2020, our financial assets at fair value through profit or loss were RMB160.0 million, RMB275.0 million, RMB66.0 million and RMB144.3 million, respectively.

We have entered into entrusted investment contracts with Shenzhen Zhongjinhui Asset Management Co., Ltd (深圳眾金匯資產管理有限公司) (the "**Zhongjinhui**"), an Independent Third Party company incorporated on August 10, 2015. Zhongjinhui is primarily engaged in management of entrusted assets, equity investment, investment management, investment consultancy, financial information consultancy, among other things. Since its inception, Zhongjinhui's investment focus has been on finance of supply chain businesses. The nature of Zhongjinhui's investments is to provide the following financings to supply chain businesses (i) order-pledged financings: financings secured by the borrowers' contracted backlog orders; and (ii) trade receivable-pledged financings: financings secured by the borrowers' outstanding trade receivables supported by contracts. As of December 31, 2019, Zhongjinhui managed a total asset portfolio of over RMB50.0 billion.

As of the Latest Practicable Date, we did not have any equity interest in the funds managed by Zhongjinhui. Pursuant to the entrusted investment contract, we are entitled to redeem our investment with one-day written notice. Zhongjinhui is entitled to make investment decisions with full discretion. Zhongjinhui's sole shareholder as of the Latest Practicable Date was Shenzhen Pengding Chuangying Financial Information Service Co., Ltd. (深圳市鵬鼎創盈金融信息服務股份有限公司) ("**Pengding Chuangying**"), an Independent Third Party whose principal shareholders included a number of listed companies. We and our subsidiaries, and their shareholders, directors, senior management or their respective associates have no past or present relationship with Zhongjinhui, other than our and Galaxy Holding and its associates' investment contracts with Zhongjinhui.

Key terms of entrusted investment contracts

Our entrusted investment contracts with Zhongjinhui include the following key terms:

- *Service Scope* – we entrust Zhongjinhui to invest our funds with full authority. Zhongjinhui agrees to make investment decision in accordance with its duty of diligence;

- *Our rights and obligations* – we need to ensure legality of the source of funds and apply to funds to legal uses the principal amount of our investments and return on investment up to the date of redemption. We are entitled to redeem our fixed-term investment on the expiration date, and non-fixed term investment on demand with one-day written notice. For non-fixed term investment, we need to specify a "longest possible term." If we redeem our funds prior to expiration of the longest possible term, our entitled return on investment will be downward adjusted by 0.5%;

- *Zhongjinhui's rights and obligations* – Zhongjinhui is entitled to make investment decisions with full discretion. Zhongjinhui needs to adhere to duty of diligence in the course of investment. Zhongjinhui is entitled to retain any excess of return on investment in addition to our entitlement; and

- *Termination and renewal* – the contract has a term of one year and will be automatically renewed upon the completion of contract term, unless either party terminates the contract by serving a written notice prior to the completion.

Such wealth management investments were either redeemable upon our request or have a fixed term of up to three months to ensure liquidity. The expected annual return on such wealth management investments ranges from 5.0% to 7.5%, primarily depending on liquidity and redemption terms. According to the underlying contracts, the investment allocation decisions of these funds were generally made by the counterparty on a discretionary basis. We made these wealth management investments primarily for the purposes of enhancing our income without interfering with our business operation and capital expenditures. As of September 30, 2020, we had additional wealth management products in an aggregate principal amount of RMB115.0 million, which were primarily low risk products from licensed commercial banks with expected annual rate of return ranges from 2.35% to 3.5% and typically redeemable by demand. We also invested in certain low-risk debt securities issued by a PRC policy bank through a commercial bank in China with a fixed interest rate of 3.23% per annum. Such investments are redeemable upon demand. As of September 30, 2020, the balances of such debt securities was RMB2.0 million. We made such investments primarily for the purposes of gaining higher short-term investment returns than the fixed rate returns from cash deposits at banks.

Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, including operating capital, market and investment conditions, economic developments, investment cost, duration of investment and the expected returns and potential losses of such investment. We have set up an investment review team. Our general manager is the head of our investment review team, principally responsible for the collection, collation and preliminary evaluation of wealth investment opportunities and making investment recommendations. Our financial director and executive Director, Ms. Wen Yi (文藝), a qualified accountant in the PRC with 33 years of experience in accounting and financing practice is responsible for reviewing investment recommendations and make decisions on wealth management investment. Our finance department is responsible for the follow-up management of our wealth investments. Our finance department also participates in research, evaluates and reviews investment opportunities, and makes recommendations. In addition, our finance department provides our cash flow status and projections of working capital needs. We only consider making wealth investments to achieve reasonably higher return on our excess cash if our cash on hand exceeds our projected working capital needs. If the amount of a single investment accounts for less than 25% of the our most recent audited total assets, our general manager shall make the investment decision; if the amount of a single investment accounts for more than 25% of our most recent audited total assets, it shall be approved by our board of directors. We believe that our internal control policies regarding investment in financial assets and risk management mechanism are adequate. During the Track Record Period, we did not suffer any loss on our principal investment amounts and our actual rate of return for these wealth management products ranges from 2.35% to 7.5%, generally in line with their respective expected return rates when we purchased such products. As of September 30, 2020, the principal amount of our total wealth management investment was RMB25.0 million with the Zhongjinhui and RMB117.0 million with licensed commercial banks. We may continue to take a prudent approach in making selective investment in similar low-risk, highly-liquid wealth management products after the Listing, following our criteria for investment, including, among others, (i) the wealth management products are offered by licensed commercial banks; (ii) the maturity of the products is no more than three months; and (iii) the expected annualized return rate should be above the bank deposit interest rate.

Other Gains and Losses

The table below sets forth a breakdown of our other gains and losses for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Gains on disposal of investments in a subsidiary	–	–	–	–	4,403	87.4	4,403	106.1	–	–
Fair value changes of financial asset at FVTPL	–	–	–	–	995	19.7	–	–	1,274	135.4
Donations	(50)	200.0	–	–	(561)	(11.1)	(461)	(11.1)	–	–
Others	25	(100.0)	48	100.0	203	4.0	209	5.0	(333)	(35.4)
Total	**(25)**	**100.0**	**48**	**100.0**	**5,040**	**100.0**	**4,151**	**100.0**	**941**	**100.0**

Our other gains and losses primarily consist of gains on disposal of investment in a subsidiary, fair value changes of financial asset at FVTPL, donations and others. Our gains on disposal of investment in a subsidiary primarily relate to our disposal of Quhui Innovation. See "Financial Information—Discontinued Operation." Our fair value changes of financial assets at FVTPL reflect the changes in fair value of our wealth management investments.

Selling Expenses

Our selling expenses primarily consist of our brand building expenses. During the Track Record Period, the key factor affecting our selling expenses were the channels and frequency of brand promotion. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our selling expenses were RMB7.8 million, RMB5.6 million, RMB5.3 million, RMB2.4 million and RMB2.2 million. Our selling expenses continuously decreased from 2017 to 2019, primarily due to reduced marketing activities as a result of our enhanced market recognition. Our selling expenses slightly decreased from the nine months ended September 30, 2019 to the same period in 2020 primarily due to certain suspended marketing activities as a result of COVID-19 pandemic.

Administrative Expenses

Our administrative expenses primarily consist of staff costs for our administrative personnel and office expenses, among others. The table below sets forth the components of our administrative expenses for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Staff costs	35,860	52.8	36,360	59.6	44,999	65.1	32,769	68.8	28,607	72.5
Office expenses	14,907	21.9	18,616	30.5	19,508	28.2	11,259	23.6	7,121	18.0
Professional expenses	1,146	1.7	2,048	3.4	1,665	2.4	1,264	2.7	630	1.6
Depreciation and amortization expenses	1,480	2.2	1,941	3.2	1,349	2.0	1,151	2.4	2,889	7.3
Share based payments	13,017	19.1	–	–	–	–	–	–	–	–
Others	1,536	2.3	2,006	3.3	1,553	2.3	1,174	2.5	219	0.6
Total	**67,946**	**100.0**	**60,971**	**100.0**	**69,074**	**100.0**	**47,617**	**100.0**	**39,466**	**100.0**

Our administrative expenses decreased from 2017 to 2018, primarily due to the share-based payment expense of RMB13.0 million in 2017. The share-based payments refer to investments in Galaxy Commercial Property Group by then 11 employees of Galaxy Commercial Property Group through Yongxing Hongtai in 2017 for the purpose of recognizing their contribution to the Galaxy Commercial Property Group. See "History, Reorganization and Corporate Structure—Our Corporate Development—Galaxy Commercial Property Group" for details. Our administrative expenses increased from 2018 to 2019, primarily due to the increase in staff costs. The increases in staff costs were primarily due to the increases in the number of our administrative staff at the headquarters and average salary in line with our business expansion. Our administrative expenses decreased for the nine months ended September 30, 2019 and 2020 due to decrease in staff costs and office expenses primarily as a result of COVID-19 pandemic. Our professional expenses decreased from the nine months ended September 30, 2019 to the nine months ended September 30, 2020 as a result of our delisting from the NEEQ.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal primarily consist of impairment losses recognized on trade receivables. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our impairment losses under expected credit loss model, net of reversal were RMB2.3 million, nil, RMB4.2 million, RMB4.6 million and RMB2.4 million, respectively.

Finance Costs

Our finance costs mainly consist of interest expenses on lease liabilities related to the lease contract between the property owner and us with respect to our Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City). The lease liabilities were amortized over a period pursuant to the terms of the lease contract. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our finance costs were RMB3.3 million, RMB3.3 million, RMB3.2 million, RMB2.4 million and RMB3.1 million, respectively.

Income Tax Expenses

Our income tax expenses mainly comprise PRC enterprise income tax.

	For the year ended December 31,			For the nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB	*RMB*	*RMB*	*RMB* *(unaudited)*	*RMB*
			(in thousands)		
Current tax					
– PRC Enterprise Income Tax	18,081	28,843	34,578	24,594	32,980
Deferred tax	(1,172)	(183)	(1,236)	(1,258)	(112)
Total	**16,909**	**28,660**	**33,342**	**23,336**	**32,868**

In 2017, 2018, 2019 and the nine months ended September 30, 2020, our effective tax rates were 25.1%, 25.2%, 25.9% and 26.7%, respectively. Our effective income tax rates in 2017 and 2018 were slightly higher than the statutory EIT rate of 25%, primarily due to certain expenses not deductible for tax purposes. Our effective income tax rate for 2019 and the nine months ended September 30, 2020 was higher than 25%, primarily due to that the listing expenses incurred were not deductible for tax purposes, and for 2019, partially offset by the effect of disposal of investment in Quhui Innovation.

Profit and Total Comprehensive Income for the Year/Period from Continuing Operations

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our profit and total comprehensive income for the year/period from continuing operations were RMB50.4 million, RMB85.1 million, RMB95.6 million, RMB78.8 million and RMB90.1 million, respectively.

DISCONTINUED OPERATION

In January 2019, we disposed of the entire interest in Quhui Innovation (趣匯創新), which provided sports and entertainment services for children. Such disposal was because the services provided by Quhui Innovation were not in line with our business development strategy and not related to our core business. After the disposal, Quhui Innovation was no longer our subsidiary. Accordingly, we have presented the operations conducted by Quhui Innovation as discontinued operation in our consolidated financial statements during the Track Record Period. The loss from the discontinued operation in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020 were RMB2.5 million, RMB7.3 million, nil, nil and nil, respectively.

PERIOD TO PERIOD COMPARISONS OF OUR RESULTS OF OPERATIONS

Nine Months Ended September 30, 2020 Compared to Nine Months Ended September 30, 2019

Revenue

Our revenue increased by 6.7% from RMB286.7 million in the nine months ended September 30, 2019 to RMB305.9 million in the same period of 2020. This increase was primarily attributable to an increase in revenue from our consultancy services and new projects in the preparatory stage.

- Entrusted management services: Revenue from entrusted management services stayed relatively stable at RMB218.3 million in the nine months ended September 30, 2019 and RMB218.7 million in the same period of 2020.

- Brand and management output services: Revenue from brand and management output services increased by 35.4% from RMB53.9 million in the nine months ended September 30, 2019 to RMB73.0 million in the same period of 2020, which was primarily attributable to revenue from (i) positioning, construction consultancy and tenant sourcing services provided to projects in the preparatory stage, such as Ningxiang Galaxy COCO City (寧鄉星河COCO City), Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City) and Ordos Bronze Ware Square Project (鄂爾多斯青銅器廣場), and (ii) consultancy services provided to Pudong • Galaxy Century Project (浦東 • 星河世紀項目), partially offset by decrease in revenue received from our commercial properties in operation due to suspension of operations as a result of COVID-19 pandemic.

- Sublease services: Revenue from sublease services remained relatively stable in the nine months ended September 30, 2019 and the same period of 2020.

Cost of Services

Our cost of services decreased from RMB139.6 million in the nine months ended September 30, 2019 to RMB137.1 million in the same period of 2020. This decrease was primarily due to the decreases in our staff costs which were the results of government policies to waive social insurance contributions to help enterprises cope with the COVID-19 pandemic and decreases in utilities due to the suspension of certain projects in operation due to COVID-19 pandemic.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 14.8% from RMB147.1 million in the nine months ended September 30, 2019 to RMB168.8 million in the same period of 2020.

The gross profit margin increased from 51.3% in the nine months ended September 30, 2019 to 55.2% in the same period of 2020, primarily due to the increase in gross profit margin for projects under brand and management output services as a result of the increase in revenue from positioning, construction consultancy and tenant sourcing services, which had relatively higher gross profit margin, in the nine months ended September 30, 2020.

- Entrusted management services: Gross profit margin for entrusted management services increased from 48.0% in the nine months ended September 30, 2019 to 49.5% in the same period of 2020, primarily due to decrease in cost of sales for our projects in operation as a result of COVID-19 pandemic.

- Brand and management output services: Gross profit margin for brand and management output services increased from 67.1% in the nine months ended September 30, 2019 to 74.2% in the same period of 2020, primarily due to increase in revenue from positioning, construction consultancy and tenant sourcing services provided to projects in the preparatory stage, such as Ningxiang Galaxy COCO City (寧鄉星河COCO City), Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City) and Ordos Bronze Ware Square (鄂爾多斯青銅器廣場), and consultancy services provided to Pudong • Galaxy Century Project (浦東•星河世紀項目), which had higher gross profit margins.

- Sublease services: Gross profit margin for sublease services increased from 43.2% in the nine months ended September 30, 2019 to 45.4% in the same period of 2020, which was primarily attributable to the decrease in costs of sales due to the temporary suspension of operation of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) and government policy to waive social insurance contribution while revenue remained relatively stable.

Other Income

Our other income decreased by 46.8% from RMB15.4 million in the nine months ended September 30, 2019 to RMB8.2 million in the same period of 2020. The decrease was primarily due to the decrease in investment income of financial assets at FVTPL.

Other Gains and Losses

We recorded other gains of RMB4.2 million in the nine months ended September 30, 2019 as we realized gains from fair value changes of financial asset at FVTPL.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

We recorded net impairment losses under expected credit loss model, net of reversal of RMB4.6 million in the nine months ended September 30, 2019 and RMB2.4 million in the same period of 2020. The decrease in impairment losses under expected credit loss model, net of reversal in the nine months ended September 30, 2020 as compared to the same period in 2019 was primarily due to long aged trade receivables with respect to Enshi Galaxy COCO City (恩施星河COCO City). See "—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables."

Selling Expenses

Our selling expenses remained relatively stable at RMB2.4 million in the nine months ended September 30, 2019 and RMB2.2 million in the same period of 2020.The slight decrease in selling expenses was primarily due to suspended marketing activities in the nine months ended September 30, 2020 as a result of COVID-19 pandemic.

Administrative Expenses

Our administrative expenses decreased by 17.0% from RMB47.6 million in the nine months ended September 30, 2019 to RMB39.5 million in the same period of 2020, primarily due to (i) government policies to waive social insurance contributions to help enterprises cope with the COVID-19 pandemic; and (ii) decrease in provision for staff bonus.

Finance Costs

Our finance costs increased by 29.2% from RMB2.4 million in the nine months ended September 30, 2019 to RMB3.1 million in the same period of 2020. This increase was primarily due to the increase in interest on lease liabilities primarily related to the three-year lease agreement for the office at Shenzhen Galaxy WORLD (深圳星河WORLD) under HKFRS 16.

Profit before tax

As a result of the foregoing, we recognized a profit before tax of RMB123.0 million in the nine months ended September 30, 2020, compared to RMB102.2 million in the same period of 2019. Our profit before tax as a percentage of revenue increased at 40.2% in the nine months ended September 30, 2020 and 35.6% in the same period of 2019.

Income Tax Expenses

Our income tax expenses increased by 41.2% from RMB23.3 million in the nine months ended September 30, 2019 to RMB32.9 million in the same period of 2020. This increase was primarily attributable to (i) increase in profit before tax; and (ii) tax deductible of investment income from the disposal of Quhui Innovation in 2019.

Profit and Total Comprehensive Income for the Period from Continuing Operations

As a result of the foregoing, our profit and total comprehensive income for the period from continuing operations increased by 14.3% from RMB78.8 million in the nine months ended September 30, 2019 to RMB90.1 million in the same period of 2020.

2019 Compared to 2018

Revenue

Our revenue increased by 17.8% from RMB328.7 million in 2018 to RMB387.3 million in 2019. This increase was primarily attributable to an increase in revenue from our existing projects and the increase in GFA in operation of commercial properties under our management.

- Entrusted management services: Revenue from entrusted management services increased by 16.4% from RMB253.5 million in 2018 to RMB295.0 million in 2019, which was primarily attributable to increases in (i) operational management fee and value-added service fee from projects in operation, such as Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park), as a result of our adjustment of tenant mix and their enhanced market recognition; (ii) operational management fee and value-added service fee from newly opened projects, such as Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park); and (iii) revenue from positioning, construction consultancy and tenant sourcing services as a result of an increase in the number of projects in the preparatory stage, such as Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park(南區)), Guangzhou Dongwan International Project (廣州東灣國際項目) and Jiangyin Qinwangshan Commercial Project (江陰秦望山商業項目) in the preparation stage.

- Brand and management output services: Revenue from brand and management output services increased by 23.3% from RMB58.9 million in 2018 to RMB72.6 million in 2019, which was primarily attributable to increases in (i) operational management fee from projects in operation, such as Shenzhen Galaxy Center (深圳星河中心), as a result of increase in project rental income primarily arising from our adjustment of tenant mix and their enhanced market recognition; (ii) operational management fee from newly opened projects, such as Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO); and (iii) revenue from positioning, construction consultancy and tenant sourcing services as a result of an increase in the number of projects in the preparatory stage, such as Ningxiang Galaxy COCO City (寧鄉星河COCO City) and Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City).

- Sublease services: Revenue from sublease services increased by 20.9% from RMB16.3 million in 2018 to RMB19.7 million in 2019, which was primarily attributable to increase in the average rent of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) due to the increase in its market recognition and improved tenant mix while the area leased to tenants remained relatively stable.

Cost of Services

Our cost of services increased by 17.6% from RMB158.7 million in 2018 to RMB186.7 million in 2019. This increase was primarily due to the increases in our staff costs and subcontracting costs, which were primarily due to our business expansion. In particular, our costs of services incurred on Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park), which was opened in September 2018 and managed under the entrusted management service model, increased in 2019.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 18.0% from RMB170.0 million in 2018 to RMB200.6 million in 2019.

The gross profit margin remained relatively stable at 51.7% in 2018 and at 51.8% in 2019.

- Entrusted management services: Gross profit margin for entrusted management services decreased slightly from 49.3% in 2018 to 48.6% in 2019, primarily due to the cost we incurred on Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park), which was opened in September 2018.

- Brand and management output services: Gross profit margin for brand and management output services increased slightly from 66.9% in 2018 to 67.0% in 2019, primarily due to the increase in our revenue from positioning, construction consultancy and tenant sourcing services as well as site selection consultancy service which had a relatively higher gross profit margin.

- Sublease services: Gross profit margin for sublease services increased from 33.7% in 2018 to 44.4% in 2019, which was primarily attributable to increase in the average rent of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) due to the increase in its market recognition and improvement in tenant mix while the area leased to tenants remained relatively stable.

Other Income

Our other income increased by 39.3% from RMB13.5 million in 2018 to RMB18.8 million in 2019. The increase was primarily due to (i) an increase in government grant; (ii) an increase in bank interest income as a result of the increase in bank deposits; (iii) an increase in investment income as a result of the increase in average balances of wealth management investments; and (iv) an increase in compensation and penalty received from tenants primarily in relation to their violation of our operational management policies.

Other Gains and Losses

Our other gains increased significantly from RMB0.05 million in 2018 to RMB5.0 million in 2019. The increase was primarily due to an increase in gain on disposal of equity interest in Quhui Innovation.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

We recorded net impairment losses under expected credit loss model, net of reversal of nil and RMB4.2 million, respectively, in 2018 and 2019. The impairment losses under expected credit loss model, net of reversal in 2019 arose primarily from long aged trade receivables with respect to Enshi Galaxy COCO City (恩施星河COCO City). See "—Description of Certain Consolidated Balance Sheet Items—Trade and Other Receivables—Trade Receivables" in this prospectus.

Selling Expenses

Our selling expenses decreased by 5.4% from RMB5.6 million in 2018 to RMB5.3 million in 2019. The decrease in selling expenses was primarily due to less marketing events conducted in 2019 as a result of our enhanced brand awareness.

Administrative Expenses

Our administrative expenses increased by 13.3% from RMB61.0 million in 2018 to RMB69.1 million in 2019. This increase in administrative expenses was primarily due to an increase in staff costs as a result of increases in headcount and average salary, which was in line with our business expansion.

Finance Costs

Our finance costs stayed relatively stable in 2018 and 2019.

Profit before tax

As a result of the foregoing, we recognized a profit before tax of RMB128.9 million in 2019, compared to RMB113.7 million in 2018. Our profit before tax as a percentage of revenue was 33.3% in 2019, compared to 34.6% in 2018, primarily due to the listing expenses incurred in 2019.

Income Tax Expenses

Our income tax expenses increased by 16.0% from RMB28.7 million in 2018 to RMB33.3 million in 2019. This increase was primarily attributable to the increase in taxable income.

Profit and Total Comprehensive Income for the Year from Continuing Operations

As a result of the foregoing, our profit and total comprehensive income for the year from continuing operations increased by 12.3% from RMB85.1 million in 2018 to RMB95.6 million in 2019.

2018 Compared to 2017

Revenue

Our revenue increased by 18.2% from RMB278.1 million in 2017 to RMB328.7 million in 2018. This increase was primarily attributable to an increase in revenue from our existing projects and the increase in contracted GFA of commercial properties under our management.

- Entrusted management services: Revenue from entrusted management services increased by 19.3% from RMB212.5 million in 2017 to RMB253.5 million in 2018, which was primarily attributable to (i) increases in operational management fee and value-added service fee from newly opened projects, such as Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) in September 2018; and (ii) the increase in operational management fee and value-added service fee from our existing commercial properties under entrusted management, such as Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區)), Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City) and Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park), driven by the increase in popularity and our continuous optimization of tenant mix.

- Brand and management output services: Revenue from brand and management output services increased by 9.7% from RMB53.7 million in 2017 to RMB58.9 million in 2018, which was primarily attributable to (i) increases in operational management fee from newly opened projects, such as Shanwei Galaxy COCO City (汕尾星河COCO City) which was opened in February 2018; (ii) the increase in operational management fee from our existing commercial properties in operation primarily as a result of an increase in their popularities and improved tenant mix, such as Shenzhen Galaxy Center (深圳星河中心); and (iii) an increase in revenue from positioning, construction consultancy and tenant sourcing services provided to Enshi Galaxy COCO City (恩施星河COCO City), in the preparatory stage.

- Sublease services: Revenue from sublease services increased by 37.0% from RMB11.9 million in 2017 to RMB16.3 million in 2018, which was primarily attributable to the increase in average rent of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) due to the increase in its market recognition and improvement in tenant mix while the area leased to tenants remained relatively stable.

Cost of Services

Our cost of services increased by 13.9% from RMB139.3 million in 2017 to RMB158.7 million in 2018. This increase was primarily due to increases in staff cost and subcontracting costs, which were in line with our business expansion. In particular, our costs of services incurred on Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park), which was opened in September 2018.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 22.6% from RMB138.7 million in 2017 to RMB170.0 million in 2018.

Our gross profit margin stayed relatively stable at 49.9% in 2017 and 51.7% in 2018.

- Entrusted management services: Gross profit margin for entrusted management services increased slightly from 47.1% in 2017 to 49.3% in 2018, primarily due to the increase in rents and service fees in the relevant commercial properties as a result of increasing popularity, while costs remained relatively stable.

- Brand and management output services: Gross profit margin brand and management output services decreased slightly to 66.9% in 2018 from 68.1% in 2017, primarily due to the decrease in our revenue from positioning, construction consultancy and tenant sourcing services which generally had a relatively higher gross profit margin.

- Sublease services: Gross profit margin for sublease services increased from 17.6% in 2017 to 33.7% in 2018, which was primarily attributable to increases in the average rent of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) due to the increase in its market recognition and improvement in tenant mix while the area leased to tenants remained relatively stable.

Other Income

Our other income increased by 35.0% from RMB10.0 million in 2017 to RMB13.5 million in 2018 primarily as a result of the increase in investment income, which in turn was due to the increase in wealth management investments.

Other Gains and Losses

Our other gains increased from other losses of RMB0.03 million in 2017 to other gains of RMB0.05 million in 2018.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

We recorded net impairment losses under expected credit loss model, net of reversal of RMB2.3 million and nil, respectively, in 2017 and 2018. The impairment losses under expected credit loss model, net of reversal in 2017 arose primarily from long aged trade receivables for Putian Galaxy COCO Park (莆田星河COCO Park) and Shenzhen Buji Galaxy COCO City (深圳布吉星河COCO City).

Selling Expenses

Our selling expenses decrease by 28.2% from RMB7.8 million in 2017 to RMB5.6 million in 2018. The decrease in selling expenses was primarily because we conducted less marketing events in 2018 as a result of our enhanced brand awareness.

Administrative Expenses

Our administrative expenses decreased by 10.2% from RMB67.9 million in 2017 to RMB61.0 million in 2018, primarily due to our share-based payment in 2017.

Finance Costs

Our finance costs remained relatively stable in 2017 and 2018.

Profit before Tax

As a result of the foregoing, our profit before tax increased by 68.9% from RMB67.3 million in 2017 to RMB113.7 million in 2018.

Income Tax Expenses

Our income tax expenses increased by 69.8% from RMB16.9 million in 2017 to RMB28.7 million in 2018. This increase was primarily attributable to an increase in our taxable income.

Profit and Total Comprehensive Income for the Year from Continuing Operations

As a result of the foregoing, our profit and total comprehensive income for the year from continuing operations increased by 68.8% from RMB50.4 million in 2017 to RMB85.1 million in 2018.

DESCRIPTION OF CERTAIN CONSOLIDATED BALANCE SHEET ITEMS

The table below sets forth a summary of our consolidated balance sheets as of the dates indicated:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB	*RMB* *(in thousands)*	*RMB*	*RMB*
Non-current assets				
Property and equipment	20,248	6,182	1,605	8,975
Investment properties	48,145	45,507	55,296	51,562
Deposit paid for acquisition of property, plant and equipment	–	1,115	–	–
Interests in an associate	–	543	–	–
Finance lease receivables	7,770	7,922	7,672	7,312
Deferred tax assets	3,886	4,052	5,251	5,892
	80,049	**65,321**	**69,824**	**73,741**
Current assets				
Finance lease receivable	–	158	432	471
Trade and other receivables	17,136	27,250	23,338	49,326
Financial assets at fair value through profit or loss	160,000	275,000	65,995	144,259
Amount due from related parties	9,301	2,919	1,835	2,995
Bank balances and cash	81,749	86,862	133,909	123,943
	268,186	**392,189**	**225,509**	**320,994**
Current liabilities				
Trade and other payables	139,516	166,003	162,294	158,712
Lease liabilities	1,975	2,086	1,503	4,522
Contract liabilities	393	1,513	9,017	12,150
Amounts due to related parties	143	628	686	1,851
Tax payable	6,598	11,978	18,582	20,758
	148,625	**182,208**	**192,082**	**197,993**
Net current assets	**119,561**	**209,981**	**33,427**	**123,001**
Total assets less current liabilities	199,610	275,302	103,251	196,742

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB	*RMB*	*RMB*	*RMB*
		(in thousands)		
Non-current liabilities				
Lease liabilities	58,278	56,192	67,116	69,937
Deferred tax liabilities	520	503	466	995
	58,798	56,695	67,582	70,932
Capital and reserves				
Share capital	30,000	30,000	–	–
Reserves	92,059	158,309	32,913	122,499
Equity attributable to owners of our Company	122,059	188,309	32,913	122,499
Non-controlling interests	18,753	30,298	2,756	3,311
Total equity	140,812	218,607	35,669	125,810

Property and Equipment

Our property and equipment primarily consist of machine and equipment, motor vehicles, electronic equipment, fixtures and equipment, other equipment and construction in progress. Our property and equipment decreased from RMB20.2 million as of December 31, 2017 to RMB6.2 million as of December 31, 2018, primarily due to disposal of construction in progress of RMB16.2 million. The construction in progress as of December 31, 2017 represents the cost incurred for the decoration of Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park), which is owned by Galaxy Holding. We capitalized the cost incurred for the decoration of Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) in the preparatory stage in 2017 as we planned to manage such project under the sublease service model and we were responsible for the decoration of the commercial property pursuant to the lease agreement. However, to better support and fund our expansion plan and to reduce our capital investment and risk exposure, through subsequent negotiation with Galaxy Holding, we eventually managed such property under the entrusted management service model instead in 2018. As a result of the change to entrusted management service model for this project, the costs for the decoration were borne by the property owner, and therefore we recorded the disposal in the construction in progress to the property owner at cost in 2018. Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) was opened in September 2018 and the terms of the commercial property operational service contract for this project were generally consistent with other entrusted management projects in operation during the Track Record Period. Our property and equipment further decreased to RMB1.6 million as of December 31, 2019, primarily due to disposal of Quhui Innovation. Our property and equipment increased to RMB9.0 million as of September 30, 2020, primarily due to increases in right-of-use asset and other equipment related to the three-year lease agreement for the office at Shenzhen Galaxy WORLD (深圳星河WORLD) under HKFRS 16.

Investment Properties

Our investment properties primarily relate to our long term lease agreement with Galaxy Holding, the owner of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) which was managed under the sublease service model. The fair value of such property was RMB120.0 million, RMB123.0 million, RMB130.0 million and RMB127.9 million as of December 31, 2017, 2018 and 2019 and September 30, 2020, respectively, by an independent valuer. The fair value of such property was determined based on the income approach, where the sublease rental incomes (including existing contractual rental and market rental) of all lettable units of the property are capitalized and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in other lettings of similar properties in the neighborhood. The capitalization rate is determined by reference to the yields derived from analyzing the sales evidences of similar commercial properties in the PRC and adjusted to take into account the market expectation from property investors to reflect factors specific to our investment properties. We measure the carrying amounts of our investment properties at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. We depreciate our investment properties on a straight-line basis over the shorter of its estimated useful life and the lease term. The carrying amount of our investment properties decreased from RMB48.1 million as of December 31, 2017 to RMB45.5 million as of December 31, 2018, primarily due to depreciation of the lease assets. The carrying amount of our investment properties increased from RMB45.5 million as of December 31, 2018 to RMB55.3 million as of December 31, 2019, primarily due to the increase in the lease liabilities as the property owner renegotiated with us to increase the rent by 3% annually starting 2021 according to changed market conditions and the prevailing market prices of comparable commercial properties. The carrying amount of our investment properties decreased from RMB55.3 million as of December 31, 2019 to RMB51.6 million as of September 30, 2020 primarily due to depreciation.

Trade and Other Receivables

The table below sets forth a breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,			As of September 30,
	2017	**2018**	**2019**	**2020**
	RMB	*RMB*	*RMB*	*RMB*
		(in thousands)		
Trade receivables	8,800	13,820	10,957	39,138
Other receivables	8,336	13,430	12,381	10,188
Total	17,136	27,250	23,338	49,326

Trade receivables

Our trade receivables primarily consist of receivables due from our customers arising from the provision of commercial property operational services. Our trade receivables increased from RMB8.8 million as of December 31, 2017 to RMB13.8 million as of December 31, 2018, primarily due to the increase in our revenue, which was in line with our business expansion. Our trade receivables decreased to RMB11.0 million as of December 31, 2019 as compared to RMB13.8 million as of December 31, 2018, primarily due to the impairment loss in relation to the trade receivables for Enshi Galaxy COCO City (恩施星河COCO City). In November 2019, the property owner of Enshi Galaxy COCO City (恩施星河COCO City) experienced financial difficulty and commenced bankruptcy restructuring procedures. We are of the opinion that the revenue from this customer is expected to be subject to significant reversal and relevant trade receivables have become credit-impaired. As such, we ceased to recognize the revenue from this project during 2019 amounting to RMB3.9 million and the trade receivables from this customer with a gross amount of RMB4.3 million as of December 31, 2019 were fully impaired. See "Business—Our Business—Commercial Property Operational Services—Portfolio of Commercial Properties under Management—Not yet in Operation but Had Contributed to Our Revenue" in this prospectus. Our trade receivables further increased to RMB39.1 million as of September 30, 2020, primarily as we agreed to relatively slow settlement to help property owners and tenants cope with the COVID-19 pandemic.

The table below sets forth our trade receivable turnover days for the years/periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2017	**2018**	**2019**	**2020**
Trade receivable turnover days(1)	12	13	12	22
– Galaxy Holding and its associates	8	7	5	10
– Independent Third Parties	14	14	14	27

Note:

(1) The trade receivable turnover days for a period is the average trade receivables, net of balance of expected credit loss, divided by revenue for that period and multiplied by 365 days for 2017, 2018 and 2019, and 273 days for the nine months ended September 30, 2020.

Our trade receivable turnover days stayed relatively stable from 2017 to 2019. Our trade receivable turnover days increased to 22 days in the nine months ended September 30, 2020, primarily as we agreed to relatively slow settlement to help property owners and tenants to help them cope with the COVID-19 pandemic. We typically grant customers a credit term of 10–30 days. Our turnover days for trade receivables due from Independent Third Parties were relatively higher than those for trade receivables due from Galaxy Holding and its associates during the Track Record Period, primarily due to (i) the relatively fast settlement by Galaxy Holding and its associates primarily as a result of its long-term business relationship with our Group; and (ii) that it takes more time on administrative procedures with Independent Third Parties for confirming the balances and settlement. During the Track Record Period, our trade receivable turnover days from both Galaxy Holding and its associates and Independent Third Parties were generally within the credit period we granted.

The table below sets forth an aging analysis of our trade receivables based on the invoice date as of the dates indicated:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB	*RMB*	*RMB*	*RMB*
		(in thousands)		
0 to 10 days	5,606	6,030	6,599	16,141
– Galaxy Holding and its associates	325	1,465	77	2,830
– Independent Third Parties	5,281	4,565	6,522	13,311
11 to 30 days	2,120	6,701	1,335	7,405
– Galaxy Holding and its associates	37	598	110	3,745
– Independent Third Parties	2,083	6,103	1,225	3,660
31 to 60 days	86	–	160	3,780
– Galaxy Holding and its associates	–	–	160	–
– Independent Third Parties	86	–	–	3,780
61 to 90 days	89	484	762	3,867
– Galaxy Holding and its associates	–	–	–	–
– Independent Third Parties	89	484	762	3,867
Over 90 days	899	605	2,101	7,945
– Galaxy Holding and its associates	–	–	–	–
– Independent Third Parties	899	605	2,101	7,945
Total	8,800	13,820	10,957	39,138

Our trade receivables aged within 30 days decreased by 37.8% from RMB12.7 million as of December 31, 2018 to RMB7.9 million as of December 31, 2019 and in particular, our trade receivables with Independent Third Parties aged within 30 days decreased from RMB10.7 million as of December 31, 2018 to RMB7.7 million as of December 31, 2019, primarily due to the settlement of the trade receivables for Puning COCO City (普寧星河COCO City) and Shenzhen Longgang Galaxy iCO (深圳龍崗星河iCO) that accrued in December 2019, and the impairment loss in relation to the trade receivables for Enshi Galaxy COCO City (恩施星河COCO City), while our trade receivables aged over 30 days increased from RMB1.1 million as of December 31, 2018 to RMB3.0 million as of December 31, 2019, primarily due to the relatively long aged trade receivables for Shanwei Galaxy COCO City (汕尾星河COCO City) related to fees for the positioning, construction consultancy and tenant sourcing services we provided to the unopened part of Shanwei Galaxy COCO City (汕尾星河COCO City) which is expected to be settled according to the project timeline agreed between the property owner and us. Our trade receivables aged within 30 days increased from RMB7.9 million as of December 31, 2019 to RMB23.5 million as of September 30, 2020, primarily due to (i) our business expansion; and (ii) our agreed relatively slow settlement to help property owners and tenants to help them cope with the COVID-19 pandemic. Our trade receivables aged over 90 days from Independent Third Parties were RMB7.9 million as of September 30, 2020. Our Directors are of the view that we have no recoverability issue for trade receivables aged over 90 days from independent third parties as of September 30, 2020, primarily considering (i) the good payment records and continuous relationship between us and such Independent Third-party customers; (ii) the reviving economic condition and consumption level in the PRC; and (iii) the expected increase in consumer traffic of the commercial properties when the COVID-19 was well contained in the PRC. As at November 30, 2020, approximately RMB4.0 million, representing approximately 50% of the trade receivables with Independent Third Parties over 90 days as of September 30, 2020 had been settled.

We typically require our customers to make payments in accordance with the terms of contracts. We closely monitor the payments by our customers.

As of December 31, 2020, RMB23.8 million, or 60.8%, of our trade receivables as of September 30, 2020 had been settled, among which RMB6.6 million had been subsequently settled for Galaxy Holding and its associates, and RMB17.2 million had been settled for Independent Third Parties.

Other receivables

The table below sets forth a breakdown of our other receivables as of the dates indicated:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB	*RMB*	*RMB*	*RMB*
		(in thousands)		
Receivables from third-party payment platforms	6,013	7,891	3,313	1,903
Payments on behalf of tenants	658	3,310	4,096	686
Advance to employees	651	585	211	128
Prepayment	454	511	63	98
Other tax recoverable	531	716	468	750
Deposit	24	382	11	11
Deferred listing expenses	–	–	4,194	6,018
Others	5	35	25	594
Total	**8,336**	**13,430**	**12,381**	**10,188**

Receivables from third-party payment platforms are related to purchase money paid by consumers to tenants through third-party payment platforms in the commercial properties managed by us under entrusted management service model. Payments on behalf of tenants are related to utilities charges paid on behalf of tenants. Advance to employees is related to our Group's daily operations. Prepayment is related to prepayments for internal meetings and events. Other tax recoverable is related to provision made for VAT. Deposit is related to security deposits. Deferred listing expenses primarily represented prepayments for listing expenses in relation to the Global Offering capitalized.

Our other receivables increased from RMB8.3 million as of December 31, 2017 to RMB13.4 million as of December 31, 2018, primarily attributable to increases in receivables from third-party payment platforms and payments on behalf of tenants, as a result of our business expansion. Our other receivables decreased slightly from RMB13.4 million as of December 31, 2018 to RMB12.4 million as of December 31, 2019, primarily because receivables from third-party payment platforms decreased due to that December 31, 2018 was a public holiday in the PRC and settlement was delayed to the next business day while December 31, 2019 was a business day in the PRC, partially offset by an increase in deferred listing expenses in 2019. Our other receivables decreased from RMB12.4 million as of December 31, 2019 to RMB10.2 million as of September 30, 2020, primarily due to (i) decrease in receivables from third-party payment platforms, primarily due to decrease in tenant's sales proceeds as a result of the COVID-19 pandemic; and (ii) decrease in payments on behalf of tenants as we received some payments made by tenants.

Financial Assets at fair value through profit or loss

Our financial assets at fair value through profit or loss primarily consist of wealth management investments during the Track Record Period. For more details, please see "—Results of Operations—Other Income." Our other financial assets increased from RMB160.0 million as of December 31, 2017 to RMB275.0 million as of December 31, 2018, primarily attributable to an increase in our wealth management investments. Our financial assets at fair value through profit or loss decreased from RMB275.0 million as of December 31, 2018 to RMB66.0 million as of December 31, 2019, primarily attributable to redemption of some of our wealth management investments. Our financial assets at fair value through profit or loss increased from RMB66.0 million as of December 31, 2019 to RMB144.3 million as of September 30, 2020, primarily as we increased our wealth management investment.

Trade and Other Payables

The table below sets forth the breakdown of our trade and other payables and accruals as of the dates indicated:

	As of December 31,			As of September 30,
	2017	**2018**	**2019**	**2020**
	RMB	*RMB* (*in thousands*)	*RMB*	*RMB*
Trade payables	18,012	26,046	20,782	33,298
Receipts on behalf of tenants	88,601	95,884	88,560	79,030
Deposits received	8,416	12,417	14,901	17,310
Payroll payables	20,138	25,090	25,930	17,127
Accruals	1,914	3,803	1,093	3,774
Accrued issue costs	–	–	2,014	1,135
Accrued listing expenses	–	–	7,124	5,236
Other tax payables	2,435	2,763	1,890	1,802
Total	**139,516**	**166,003**	**162,294**	**158,712**

Trade Payables

Our trade payables primarily represent payables by us to our suppliers and subcontractors. Our suppliers/subcontractors generally offer us a credit period of up to 90 days after issuance of invoice. Our trade payables increased from RMB18.0 million as of December 31, 2017 to RMB26.0 million as of December 31, 2018, which was in line with our business expansion, such as the opening of Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park). Our trade payables decreased from RMB26.0 million as of December 31, 2018 to RMB20.8 million as of December 31, 2019, primarily as we had more trade payables for Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) as of December 31, 2018, which accrued since its opening in September 2018, as trade receivables are usually settled less timely when a project newly opens for operation. Our trade payables increased from RMB20.8 million as of December 31, 2019 to RMB33.3 million as of September 30, 2020 primarily due to relatively slow settlement as a result of the negative impact of the COVID-19 pandemic.

The table below sets forth an aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,			As of September 30,
	2017	**2018**	**2019**	**2020**
	RMB	*RMB*	*RMB*	*RMB*
		(in thousands)		
0 to 30 days	14,017	21,098	16,046	21,501
31 to 60 days	930	1,804	700	4,483
61 to 90 days	767	969	664	1,914
Over 90 days	2,298	2,175	3,372	5,400
Total	18,012	26,046	20,782	33,298

Our trade payables due more than thirty days increased as of September 30, 2020 primarily due to relatively slow settlement by us upon negotiation as a result of the COVID-19 pandemic.

The table below sets forth our trade payable turnover days for the years/periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2017	2018	2019	2020
Trade payable turnover days[(1)]	48	51	46	54

Note:

(1) The trade payable turnover days for a period is the average trade payables divided by cost of services for that period and multiplied by (i) 365 days for 2017, 2018 and 2019; and (ii) 273 days for the nine months ended September 30, 2020.

Our trade payable turnover days stayed relatively stable during the Track Record Period.

As of December 31, 2020, RMB30.1 million, or 90.5%, of our trade payables as of September 30, 2020 had been settled.

Receipts on behalf of tenants

Our receipts on behalf of tenants primarily represent the sales revenue of the tenants that we received on behalf of them using our cash receipt services in the commercial properties we managed under entrusted management and sublease service models. Our receipts on behalf of tenants increased from RMB88.6 million as of December 31, 2017 to RMB95.9 million as of December 31, 2018, primarily due to the opening of Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park), decreased to RMB88.6 million as of December 31, 2019, as tenants generally have significantly higher sales on weekends than weekdays and there were more weekend days in December 2018 than December 2019, and decreased to RMB79.0 million as of September 30, 2020 as a result of decreased tenants' sales revenue due to the COVID-19 pandemic. Our receipts on behalf of tenants as of December 31, 2017 and 2018 exceeded our bank balances and cash as of the same dates, primarily because as of such dates, a portion of receipts on behalf of tenants were still passing through third-party payment platforms and had not arrived at our bank accounts and, as such, was recorded under receivables from third-party payment platforms and not under bank balances and cash. Our receipts on behalf of tenants do not represent the entire amount to be paid to tenants as we are entitled to deduct operational management fees, rents and value-added service fees payable by tenants to us from such balance. Please see "Business—Our Bank and Cash Management Policy" for measures to manage the payments received on behalf of tenants.

Deposits received

Our deposits received primarily represent deposits received from tenants such as decoration deposit and performance deposit. Our deposit received increased from RMB8.4 million as of December 31, 2017 to RMB12.4 million as of December 31, 2018 and further increased to RMB14.9 million as of December 31, 2019, which was in line with our business expansion, such as the opening of Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park). Our deposits received increased at RMB14.9 million as of December 31, 2019 and RMB17.3 million as of September 30, 2020, primarily due to increase in deposits received as Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park(南區)) opened in July 2020.

Payroll Payables

Our payroll payables primarily represent wages and salaries payable to our employees. Our payroll payables increased from RMB20.1 million as of December 31, 2017 to RMB25.1 million as of December 31, 2018 and further to RMB25.9 million as of December 31, 2019, primarily due to the increase in the number of staff and average salary. Our payroll payables decreased to RMB17.1 million as of September 30, 2020, which was because we made provision for the bonuses of our employees for the full year as of December 31, 2019, while we made provision for the bonuses of our employees only for the first three quarters as of September 30, 2020.

Accruals and others

Our accruals and others primarily represent provision made for expenses payable. Our accruals and others increased from RMB1.9 million as of December 31, 2017 to RMB3.8 million as of December 31, 2018, in line with our business expansion. Our accruals and others decreased from RMB3.8 million as of December 31, 2018 to RMB1.1 million as of December 31, 2019, primarily due to our efforts to require timely disbursements to employees in 2019. Our accruals and others increased from RMB1.1 million as of December 31, 2019 to RMB3.8 million as of September 30, 2020, primarily due to government policies to defer payment of social insurance contributions to help enterprises cope with the COVID-19 pandemic.

Other tax payables

Our other tax payables primarily represent our VAT and other taxes payables. Our other tax payables increased from RMB2.4 million as of December 31, 2017 to RMB2.8 million as of December 31, 2018, primarily due to increases in revenue in line with our business expansion. Our other tax payables decreased from RMB2.8 million as of December 31, 2018 to RMB1.9 million as of December 31, 2019, primarily due to the preferential VAT deduction applicable to certain industries pursuant to applicable laws and regulations that became effective in April 2019. Our other tax payables stayed relatively stable at RMB1.9 million as of December 31, 2019 and RMB1.8 million as of September 30, 2020.

Accrued listing expenses

Our accrued listing expenses primarily represent accruals of our expenses related to the Listing.

Lease liabilities

Our lease liabilities are primarily related to the lease of commercial property under the sublease service model. The table below sets forth a breakdown of our lease liabilities as of the dates indicated:

	As of December 31,			As of September 30,
	2017	**2018**	**2019**	**2020**
	RMB	*RMB*	*RMB*	*RMB*
		(in thousands)		
Current	1,975	2,086	1,503	4,522
Non-current	58,278	56,192	67,116	69,937
Total	**60,253**	**58,278**	**68,619**	**74,459**

Our lease liabilities decreased from RMB60.3 million as of December 31, 2017 to RMB58.3 million as of December 31, 2018, mainly reflecting rent payments made under the lease of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City). The lease liabilities increased to RMB68.6 million as of December 31, 2019 as the property owner has negotiated and reached an agreement with us to increase the rent by 3% annually since 2021. Our lease liabilities increased from RMB68.6 million as of December 31, 2019 to RMB74.5 million as of September 30, 2020, primarily due to the three-year lease agreement for the office at Shenzhen Galaxy WORLD (深圳星河WORLD).

Contract Liabilities

During the Track Record Period, our contract liabilities mainly arose from the advance payments made by customers while the underlying services, primarily positioning and construction consultancy services and value-added services to customers were yet to be provided. The amounts to be received from customers prior to the performance of services are negotiated with customers on a contract by contract basis.

Amounts due to/from Related Parties

The balances of amount due to/from related parties as of December 31, 2017 and 2018 and the balance of amount due from related parties as of December 31, 2019 and September 30, 2020 were trade in nature and in the ordinary course of business. Among the balance of amount due to related parties of approximately RMB1.9 million as of September 30, 2020, approximately RMB1.5 million was non-trade in nature as of September 30, 2020 and represented advances we made from a related party for payment of Listing expenses incurred for the Listing. These advances were interest-free, unsecured and unguaranteed. We expect to fully settle these advances prior to the Listing.

Our amounts due from related parties decreased from RMB9.3 million as of December 31, 2017 to RMB2.9 million as of December 31, 2018, primarily attributable to the return of deposits. Our amounts due from related parties decreased from RMB2.9 million as of December 31, 2018 to RMB1.8 million as of December 31, 2019, primarily attributable to the settlement of operation related charges with the related parties. Our amounts due from related parties increased from RMB1.8 million as of December 31, 2019 to RMB3.0 million as of September 30, 2020, primarily attributable to increase in operation related charges with the related parties.

Our amounts due to related parties remained relatively stable at RMB0.1 million as of December 31, 2017, RMB0.6 million as of December 31, 2018 and RMB0.7 million as of December 31, 2019. Our amounts due to related parties increased from RMB0.7 million as of December 31, 2019 to RMB1.9 million as of September 30, 2020, primarily due to payments of Listing expenses on behalf of our Company.

The table below sets forth our average trade balance turnover days due from related parties for the years/periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2017	**2018**	**2019**	**2020**
Average turnover days of trade balances[(1)]	26	33	30	35

Note:

(1) The average trade balance turnover days due from related parties for a period is the average balances of recurring trade amount due from related parties divided by total accumulated amounts of such amount due from related parties for that period and multiplied by (i) 365 day for 2017, 2018 and 2019; and (ii) 273 days for the nine months ended September 30, 2020.

CURRENT ASSETS AND CURRENT LIABILITIES

The tables below sets out current assets and current liabilities as of the dates indicated.

	As of December 31,			As of September 30,	As of November 30,
	2017	2018	2019	2020	2020
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
			(in thousands)		*(Unaudited management accounts)*
Current assets					
Finance lease receivables	–	158	432	471	480
Trade and other receivables	17,136	27,250	23,338	49,326	42,929
Financial assets at fair value through profit or loss	160,000	275,000	65,995	144,259	137,499
Amounts due from related parties	9,301	2,919	1,835	2,995	2,018
Bank balances and cash	81,749	86,862	133,909	123,943	148,164
	268,186	392,189	225,509	320,994	331,090
Current liabilities					
Trade and other payables	139,516	166,003	162,294	158,712	161,240
Lease liabilities	1,975	2,086	1,503	4,522	4,629
Contract liabilities	393	1,513	9,017	12,150	4,399
Amounts due to related parties	143	628	686	1,851	1,952
Tax payable	6,598	11,978	18,582	20,758	17,273
	148,625	182,208	192,082	197,993	189,493
Net current assets	119,561	209,981	33,427	123,001	141,596

As of December 31, 2017, 2018 and 2019, September 30, 2020 and November 30, 2020, we had net current assets of RMB119.6 million, RMB210.0 million, RMB33.4 million, RMB123.0 million and RMB141.6 million, respectively. Our net current assets increased from December 31, 2017 to December 31, 2018 primarily due to an increase in financial assets at fair value through profit or loss of RMB115.0 million as we increased our wealth management investments, partially offset by an increase in trade and other payables of RMB26.5 million. Our net current assets decreased from December 31, 2018 to December 31, 2019 primarily as (i) one of our subsidiaries declared and paid a dividend of RMB200.5 million and (ii) deemed distribution to the then shareholders of Galaxy Commercial Property Group of RMB81.1 million under the reorganization in 2019, partially offset by the increase in bank balances and cash as a result of operating profit.

Our net current assets increased from RMB33.4 million as of December 31, 2019 to RMB123.0 million as of September 30, 2020, primarily due to the operating profit for the nine months ended September 30, 2020.

Our net current assets increased from RMB123.0 million as of September 30, 2020 to RMB141.6 million as of November 30, 2020, primarily due to profit from the operations.

INDEBTEDNESS

As of December 31, 2017, 2018 and 2019, our indebtedness primarily consisted of lease liabilities under the lease contract of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) and the office at Shenzhen Galaxy WORLD (深圳星河WORLD). As of September 30, and November 30, 2020, our indebtedness primarily consisted of the lease liabilities under the lease contracts of Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) and the office at Shenzhen Galaxy WORLD (深圳星河WORLD) and amount due to a related party in non-trade nature. As of December 31, 2017, 2018 and 2019, September 30, 2020 and November 30, 2020, our lease liabilities, which were unsecured and unguaranteed, were RMB60.3 million, RMB58.3 million, RMB68.6 million, RMB74.5 million and RMB73.8 million, respectively. The amount due to a related party, a Director of our Company, in non-trade nature, which was unsecured and unguaranteed, amounted to RMB1.5 million as of September 30, and November 30, 2020. Other than the above, we did not have any outstanding loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant in connection therewith as of November 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 November 30, 2020 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2017, 2018 and 2019 and September 30, 2020, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group. Our Directors have confirmed that there was no material adverse change in our Group's contingent liabilities since September 30, 2020 and up to the Latest Practicable Date.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund our working capital requirements. We have historically funded our operations primarily through cash generated from our operations. As of December 31, 2017, 2018 and 2019 and September 30, 2020, we had cash and cash equivalents of RMB81.7 million, RMB86.9 million, RMB133.9 million and RMB123.9 million, respectively.

Following the completion of the Global Offering, we expect to fund our future working capital, capital expenditure and other cash requirements through cash generated from our operations and the net proceeds from the Global Offering. Our ability to fund our working capital needs and finance other obligations depends on our future operating performance and cash flow, which are in turn subject to the prevailing economic conditions, the level of spending by our customers and other factors, many of which are beyond our control. In addition, any future significant acquisition or expansion may require additional capital, and we cannot assure you that such capital will be available to us on acceptable terms, or at all. We did not experience any liquidity shortage during the Track Record Period.

Working Capital Sufficiency

After taking into consideration the financial resources available to our Group, including our bank balances and cash on hand, operating cash flows and the estimated net proceeds from the Global Offering, and in the absence of unforeseeable circumstances, our Directors confirm that we have sufficient working capital to satisfy our present requirements, that is for at least the next 12 months from the date of this prospectus.

Cash Flows

The table below sets forth a summary of our consolidated statements of cash flows for the years/periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB	*RMB*	*RMB*	*RMB* *(unaudited)*	*RMB*
			(in thousands)		
Operating cash flow before movements in working capital	79,245	102,661	134,306	102,336	137,003
Change in working capital	8,370	24,360	3,944	(12,563)	(34,924)
Income tax paid	(19,655)	(23,463)	(27,974)	(24,139)	(30,804)
Finance income on the net investment in the lease	–	–	133	–	80
Net cash from operating activities	67,960	103,558	110,409	65,634	71,355
Net cash generated (used in)/from investing activities	(170,864)	(93,209)	222,696	169,931	(75,419)
Net cash used in financing activities	(2,553)	(5,236)	(286,058)	(205,258)	(5,902)
Net (decrease)/increase in cash and cash equivalents	**(105,457)**	**5,113**	**47,047**	**30,307**	**(9,966)**
Cash and cash equivalents at beginning of the year/period	187,206	81,749	86,862	86,862	133,909
Cash and cash equivalents at end of the year/period	**81,749**	**86,862**	**133,909**	**117,169**	**123,943**

Cash Flows from/(used in) Operating Activities

We generate cash from our operating activities primarily from provision of commercial property operational services, and cash used in our operating activities were primarily attributable to payments of staff costs and subcontracting costs, among others. Cash flows from operating activities can be significantly affected by factors such as the timing of collection of trade receivables from customers and the timing of payment of trade payables to suppliers during the ordinary course of our business, which also primarily accounted for the difference in the net cash generated from operating activities among the periods during the Track Record Period.

In the nine months ended September 30, 2020, net cash generated from operating activities amounted to of RMB71.4 million, primarily reflecting (i) profit for the period of RMB90.1 million; (ii) movement of operating cash flow before movements in working capital of RMB46.9 million, which primarily reflecting income tax expense of RMB32.9 million; (iii) negative movements in working capital of RMB34.9 million, which primarily reflected increase in trade and other receivables of RMB26.5 million, decrease in trade and other payables of RMB10.5 million and increase in amounts due from related parties of RMB1.2 million, partially offset by increase in contract liabilities of RMB3.1 million; and (iv) income taxes paid of RMB30.8 million.

Net cash from operating activities amounted to RMB110.4 million in 2019, primarily reflecting (i) profit for the year of RMB95.6 million; (ii) positive movement of operating cash flow before movements in working capital of RMB38.7 million, which primarily reflected income tax expense of RMB33.3 million and listing expenses of RMB13.7 million, as partially offset by investment income of financial assets at fair value through profit of RMB12.9 million; (iii) positive movements in working capital of RMB3.9 million, which primarily reflected increase in contract liabilities of RMB7.5 million and decrease in amount due from related parties of RMB1.1 million, and decrease in trade and other receivables of RMB2.0 million, partially offset by decrease in trade and other payables of RMB6.9 million; and (iv) income taxes paid of RMB28.0 million.

Net cash from operating activities amounted to RMB103.6 million in 2018, primarily reflecting (i) profit for the year of RMB77.8 million; (ii) positive movement of operating cash flow before movements in working capital of RMB24.9 million, which primarily reflected income tax expense of RMB28.7 million, finance costs of RMB3.3 million, as partially offset by investment income of financial assets at fair value through profit of RMB11.4 million; (iii) positive movements in working capital of RMB24.4 million, which primarily reflected increase in trade and other payables of RMB26.5 million and decrease in amount due from related parties of RMB6.4 million, partially offset by the increase in trade and other receivables of RMB10.1 million; and (iv) income tax paid of RMB23.5 million.

Net cash from operating activities amounted to RMB68.0 million in 2017, primarily reflecting (i) profit for the year of RMB47.9 million; (ii) positive movement of operating cash flow before movements in working capital of RMB31.3 million, which primarily reflected income tax expense of RMB16.9 million, finance costs of RMB3.3 million, equity-settled share-based payments of RMB13.0 million, as partially offset by investment income of financial assets at fair value through profit of RMB7.5 million; (iii) positive movements in working capital of RMB8.4 million, which primarily reflected increase in trade and other payables of RMB28.3 million, partially offset by the increase in trade and other receivables of RMB9.6 million; and (iv) income tax paid of RMB19.7 million.

Cash Flows from/(used in) Investing Activities

Our investing activities consist primarily of purchases of financial assets at fair value through profit or loss.

In the nine months ended September 30, 2020, net cash used in investing activities amounted RMB75.4 million, primarily reflecting purchases of financial assets at fair value through profit or loss of RMB500.0 million, partially offset by proceeds on redemption of financial assets at fair value through profit or loss of RMB423.0 million.

Net cash generated from investing activities amounted to RMB222.7 million in 2019, primarily reflecting proceeds on redemption of financial assets at fair value through profit or loss of RMB993.0 million, partially offset by purchase of financial assets at fair value through profit or loss of RMB783.0 million.

Net cash used in investing activities amounted to RMB93.2 million in 2018, primarily reflecting purchases of financial asset at fair value through profit or loss of RMB995.0 million, partially offset by redemption of financial assets at fair value through profit or loss of RMB880.0 million.

Net cash used in investing activities amounted to RMB170.9 million in 2017, primarily reflecting purchases of financial asset at fair value through profit or loss of RMB620.0 million, partially offset by redemption of financial assets at fair value through profit or loss of RMB460.0 million.

Cash Flows from/(used in) Financing Activities

Financing activities primarily include interest paid, repayment of lease liabilities, repayment of bank overdrafts and dividends paid.

In the nine months ended September 30, 2020, net cash used in financing activities amounted to RMB5.9 million, primarily reflecting (i) interests paid of RMB3.1 million; (ii) payment of accrued issue costs of RMB2.7 million; (iii) repayment of lease liabilities of RMB1.6 million; and (iv) advance from a related party of RMB1.5 million.

Net cash used in financing activities amounted to RMB286.1 million in 2019, primarily reflecting (i) dividends paid of RMB200.5 million and (ii) deemed distribution to the then shareholders of Galaxy Commercial Property Group of RMB81.1 million under the reorganization in 2019.

Net cash from financing activities amounted to RMB5.2 million in 2018, primarily reflecting (i) interest paid of RMB3.3 million; and (ii) repayment of lease liabilities of RMB2.0 million.

Net cash used in financing activities amounted to RMB2.6 million in 2017, primarily reflecting (i) interest paid of RMB2.8 million; and (ii) capital contribution from a non-controlling interest upon establishment of a subsidiary of RMB0.2 million.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

Our capital expenditure in 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020 was RMB19.2 million, RMB4.2 million, RMB0.6 million, RMB0.5 million and RMB1.8 million, respectively. Our capital expenditure was used primarily for decoration of a commercial property and payment for property and equipment for Quhui Innovation. The capital expenditure in 2017 primarily represented the construction in progress related to Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park). For details, please see "—Description of Certain Consolidated Balance Sheet Items —Property and Equipment." We financed our capital expenditure primarily through our cash flow generated from operating activities. We expect to incur capital expenditures of RMB44.8 million on decorations for a potential sublease project for the year ending December 31, 2021. We expect to finance these capital expenditures with cash generated from our operations and net proceeds from the Global Offering.

RELATED PARTY TRANSACTIONS

We entered into transactions with certain related party transactions from time to time.

Significant Related Party Transactions

During the Track Record Period, we had the following significant transactions with related parties.

Provision of Tenant Management Services

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, we recorded revenue for providing tenant services to related parties of nil, RMB2.7 million, RMB5.6 million, RMB3.8 million and RMB6.9 million, respectively. We mainly provided operational management services to related tenants, namely Shenzhen Galaxy Cinema Investment and Quhui Innovation, and value-added services in respect of common areas of shopping centers used by related parties for their marketing and promotion activities.

Provision of Commercial Property Operational and Related Services

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, we recorded revenue for providing commercial property operational and related services to related property owners, namely Galaxy Property Development Group of RMB63.3 million, RMB63.8 million, RMB89.5 million, RMB66.6 million and RMB83.8 million, respectively. We mainly provided positioning, construction consultancy and tenant sourcing services and operational management services.

Procurement of Property Management and Related Services

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, we recorded expenses for procurement of property management and other related services from related parties of RMB41.6 million, RMB47.3 million, RMB61.4 million, RMB43.9 million and RMB43.6 million, respectively.

Rental Expense for Office and Other Premises and Lease Repayments

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, we recorded amounts for renting office and other premises of RMB4.8 million, RMB4.8 million, RMB3.7 million, RMB4.0 million and nil, respectively, and lease repayments of RMB2.8 million, RMB5.2 million, RMB5.2 million, RMB3.9 million and RMB4.7 million, respectively, from related parties, namely Galaxy Property Development Group.

For details of the related parties mentioned above, please refer to "Relationship with our Controlling Shareholders—Excluded business" in this prospectus.

Our Directors have confirmed that all business transactions with related parties were conducted on normal commercial terms and on arm's length basis and did not have a material impact on our results of operations during the Track Record Period. For further details, see Note 31 to the Accountant's Report in Appendix I to this prospectus.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet commitments and transactions.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios as of the dates or for the years/periods indicated:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
Return on assets[(1)]	16.2%	21.1%	25.4%	34.8%
Return on equity[(2)]	45.8%	47.3%	75.2%	148.9%
Current ratio[(3)]	1.8	2.2	1.2	1.6
Liabilities to assets ratio[(4)]	59.6%	52.2%	87.9%	68.1%

Notes:

(1) Return on assets is calculated based on our (i) profit from our continuing operations for the years ended December 31, 2017, 2018 and 2019; or (ii) annualized profit for the nine months ended September 30, 2020, divided by our average total assets as of the beginning and the end of the corresponding periods and multiplied by 100%.

(2) Return on equity is calculated based on our (i) profit from our continuing operations for the years ended December 31, 2017, 2018 and 2019; or (ii) annualized profit for the nine months ended September 30, 2020, divided by our average total equity as of the beginning and the end of the corresponding periods and multiplied by 100%.

(3) Current ratio is calculated based on our total current assets as of the end of the relevant years/period divided by our total current liabilities as of the end of the corresponding years/period.

(4) Liabilities to assets ratio is calculated based on our total liabilities as of the end of the relevant years/period divided by our total assets as of the end of the corresponding years/period.

Return on Assets

Our return on assets increased from 16.2% in 2017 to 21.1% in 2018, to 25.4% in 2019, and increased to 34.8% as of September 30, 2020. These increases were primarily attributable to increase in profits and decrease in assets due to dividend payments and distribution to shareholders under the reorganization in 2019.

Return on Equity

Our return on equity increased from 45.8% in 2017 to 47.3% in 2018, and increased to 75.2% in 2019, and to 148.9% as of September 30, 2020. These increases were primarily due to increase in profits and decrease in total equity due to dividend payments and distribution to shareholders under the reorganization in 2019.

Current Ratio

Our current ratio increased from 1.8 as of December 31, 2017 to 2.2 as of December 31, 2018. This increase was primarily attributable to increase in financial assets. Our current ratio decreased from 2.2 as of December 31, 2018 to 1.2 as of December 31, 2019. This decrease was primarily attributable to decrease in current assets due to dividend payments and distribution to shareholders under the reorganization in 2019. Our current ratio increased from 1.2 as of December 31, 2019 to 1.6 as of September 30, 2020. This increase was primarily due to increase in current assets as a result of increase in the profit for the nine months ended September 30, 2020.

Liabilities to Assets Ratio

Our liabilities to assets ratio decreased from 59.6% as of December 31, 2017 to 52.2% as of December 31, 2018, primarily due to increase in asset as a result of operations. Our liabilities to assets ratio increased from 52.2% as of December 31, 2018 to 87.9% as of December 31, 2019, primarily due to dividend payments and distribution to shareholders under the reorganization in 2019. Our liabilities to assets ratio decreased from 87.9% as of December 31, 2019 to 68.1% as of September 30, 2020, primarily due to increase in the profit for the nine months ended September 30, 2020.

PROPERTY VALUATION

The independent valuer, in valuing Changzhou Galaxy Wujin Hutang COCO City (常州武進湖塘星河COCO City), which we leased under the sublease service model, has assigned no commercial value to the property, as we do not have the title of such leased property, and the property is prohibited from being assigned and therefore cannot be transferred by us in the market. See "Property Valuation Report—Property Categorization and Valuation Methodology" in Appendix III to this prospectus.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS

Our major financial instruments include trade receivables, other receivables, bank balances and cash, trade and other payables and accruals, amounts due from/to related parties. The risks associated with these financial instruments are (i) interest rate risk; (ii) credit risk; and (iii) liquidity risk. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Details of the relevant risks and our policies for mitigating these risks are set out below.

Market Risks

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to our certain fixed-rate lease liabilities. We are also exposed to cash flow interest rate risk in relation to variable-rate bank balances.

We currently do not have any interest rate hedging policy. Our management monitors our exposure on ongoing basis and will consider hedging interest rate risk should the need arises.

Our management closely monitors our exposure to future cash flow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

Credit Risk

Our credit risk is primarily attributable to our trade and other receivables, amounts due from related parties, bank balances and rent receivables.

Our maximum exposure to credit risk which will cause a financial loss to us due to failure to discharge the obligations by counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position at the end of each reporting period.

We do not have concentration of credit risks with our customers as our customers in respect of trade receivables and rent receivables are dispersed. In order to minimize the credit risk, our management has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, we use an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, our management considers that our Group's credit risk is significantly reduced.

For other receivables and amounts due from related parties, our management makes periodic individual assessment on the recoverability of other receivables and amounts due from related parties based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Our management believes that there is no significant increase in credit risk of these amounts since initial recognition, and we provided impairment based on 12-month expected credit loss ("**12m ECL**"), and considered them to have low credit risk, and thus the loss allowance was recognized.

With respect to our credit risk on bank balances, we consider the credit risk is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. We assess 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant.

Liquidity Risk

In the management of the liquidity risk, we monitors and maintains a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of unexpected fluctuations in cash flows.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2020

Our Directors estimate that, in the absence of unforeseeable circumstances and on the bases set out in "Appendix IIB—Profit Estimate" to this prospectus, the estimated consolidated profit attributable to our Shareholders is as follows.

Estimated consolidated profit attributable to our Shareholders for the year ended December 31, 2020[(1), (3)]	No less than RMB120.7 million (equivalent to approximately HK$143.1 million)
Unaudited pro forma estimated earnings per Share for the year ended December 31, 2020[(2), (3)]	No less than RMB12.07 cents (equivalent to approximately HK14.31 cents)

Notes:

(1) The bases on which the profit estimate has been prepared are set out in Appendix IIB to this prospectus.

(2) The calculation of the unaudited pro forma estimated earnings per Share is based on the estimated consolidated profit attributable to our Shareholders for the year ended December 31, 2020, assuming that the Capitalization Issue and the Global Offering had been completed on January 1, 2020 and a weighted average of 1,000,000,000 Shares were in issue for the year ended December 31, 2020. The calculation takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by our Company referred to the section headed "Share Capital—General mandate to allot and issue new Shares" in this prospectus.

(3) The estimated consolidated profit attributable to our Shareholders and the unaudited pro forma estimated earnings per Share are converted from RMB into HK$ at an exchange rate of RMB0.84363 to HK$1.00, which was the middle exchange rate published by the PBOC on January 4, 2021, the Latest Practicable Date for the purpose of ascertaining certain information contained in this prospectus prior to its publication. No representation is made that the RMB amount have been, could have been or could be converted to HK$, or vice versa, at that rate or at any other rates or at all.

DIVIDENDS POLICY AND DISTRIBUTABLE RESERVE

As we are a holding company, our ability to declare and pay dividends will depend on receipt of sufficient funds from our subsidiaries. Galaxy Commercial Property Group, the then holding company of our Group, paid a dividend of RMB200.5 million in the year ended December 31, 2019. The payment and the amount of any future dividends, if any, will be at the sole discretion of our Board of Directors and will also depend on various factors that our Board of Directors deem relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Board of Directors intends to recommend at the relevant shareholder meetings an annual dividend of no less than 30% of our profits available for distribution generated in each financial year beginning from the year ended December 31, 2020. The recommendation of the payment of dividend is subject to the absolute discretion of our Board of Directors, and, after the Listing, any declaration of final dividend for the year will be subject to the approval of our Shareholders.

As of September 30, 2020, we had no distributable reserves available for distribution to our Shareholders.

LISTING EXPENSES

The total amount of listing expenses that will be borne by us in connection with the Global Offering, including underwriting commissions, is estimated to be RMB68.4 million (based on the mid-point of the indicative Offer Price range) accounting for 9.2% of gross proceeds, of which RMB32.9 million is expected to be accounted for as a deduction from equity upon completion of the Listing. The remaining fees and expenses of RMB35.5 million were or are expected to be charged to our profit or loss account, of which approximately RMB21.5 million was charged for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 and the remaining of RMB14.0 million is expected to be charged subsequent to the Track Record Period.

Our Directors would like to emphasize that the estimated amount of listing expenses disclosed above is for reference only. The final amount of listing expenses in relation to the Listing to be recognized in our consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2020 will be subject to adjustment based on audit and the then changes in variables and assumptions. Prospective investors should note that our financial performance for the year ended December 31, 2020 is expected to be adversely affected by non-recurring listing expenses, and may or may not be comparable to our financial performance in the past.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The unaudited pro forma statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Global Offering on the audited consolidated net tangible assets of our Group attributable to owners of our Company as of September 30, 2020 as if the Global Offering had taken place on September 30, 2020.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of it hypothetical nature, it may not give a true picture of the consolidated net tangible assets attributable to the owners of our Company as of September 30, 2020 or any future dates.

	Audited consolidated net tangible assets of our Group attributable to owners of our Company as of September 30, 2020	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of September 30, 2020	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of September 30, 2020 per Share	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of September 30, 2020 per Share
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on Offer Price of HK$3.20 per Offer Share	122,499	630,356	752,855	0.75	0.89
Based on Offer Price of HK$3.88 per Offer Share	122,499	769,040	891,539	0.89	1.06

Notes:

(1) The audited consolidated net tangible assets of our Group attributable to owners of our Company as of September 30, 2020 is based on audited consolidated net assets of our Group attributable to owners of our Company of RMB122.5 million as extracted from the Accountant's Report in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on 250,000,000 new Shares at Offer Price of lower limit and upper limit of HK$3.20 and HK$3.88 per new Share, respectively, after taking into account the estimated underwriting fees and other related expenses to be incurred by our Group (excluding listing expenses which have been charged to profit or loss up to September 30, 2020). The calculation of such estimated net proceeds does not take into account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or options which may be granted under Share Option Scheme or any Shares which may be issued or repurchased by our Company referred to the section headed "Share Capital—General mandate to

allot and issue new Shares" in this prospectus. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into RMB at an exchange rate of HK$1 to RMB0.84363, which was the middle exchange rate published by the PBOC on January 4, 2021, the Latest Practicable Date for the purpose of ascertaining certain information contained in this prospectus prior to its publication. No representation is made that Hong Kong dollars amounts have been, could have been or could be converted to RMB, or vice versa, at the rate or at any other rates or at all.

(3) The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share is arrived at on the basis that 1,000,000,000 Shares were in issue assuming that the Capitalization Issue and the Global Offering had been completed on September 30, 2020 and does not take into account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or options which may be granted under Share Option Scheme or any Shares which may be issued or repurchased by our Company referred to the section headed "Share Capital—General mandate to allot and issue new Shares" in this prospectus.

(4) The unaudited pro forma adjusted net tangible assets of our Group attributable to the owners of our Company per Share is converted from RMB into HK$ at the rate of RMB0.84363 to HK$1, which was the middle exchange rate published by the PBOC on January 4, 2021, the Latest Practicable Date for the purpose of ascertaining certain information contained in this prospectus prior to its publication. No representation is made that RMB amounts have been, could have been or could be converted to HK$, or vice versa, at the rate or at any other rates or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company to reflect any trading results or other transactions of our Group entered into subsequent to September 30, 2020.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, save for the impact of the COVID-19 outbreak, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since September 30, 2020, being the end date of the periods reported on in the Consolidated Financial Statements included in Appendix I to this prospectus. For details of the impact of the COVID-19 outbreak, please see "Summary—Recent Development—The COVID-19 Outbreak" in this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this prospectus, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (the "**Cornerstone Investment Agreements**") with the cornerstone investors (the "**Cornerstone Investors**" and each a "**Cornerstone Investor**"), pursuant to which the Cornerstone Investors have agreed to subscribe, or cause their designated entities to subscribe, at the Offer Price a certain number of Offer Shares with certain investment amount (the "**Cornerstone Placing**").

The Cornerstone Investors have agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot) that may be subscribed for an aggregate amount of approximately HK$311.5 million.

Assuming an Offer Price of HK$3.88 (being the high-end of the indicative Offer Price range), the total number of Offer Shares subscribed for under the Cornerstone Placing would be 79,996,000, representing approximately 32.00% of the Offer Shares under the Global Offering and approximately 8.00% of the Shares in issue immediately upon completion of the Global Offering, in each case assuming the Over-allotment Option is not exercised and without taking into account any options that may be granted under the Share Option Scheme.

Assuming an Offer Price of HK$3.54 (being the mid-point of the indicative Offer Price range), the total number of Offer Shares subscribed for under the Cornerstone Placing would be 87,678,000, representing approximately 35.07% of the Offer Shares under the Global Offering and approximately 8.77% of the Shares in issue immediately upon completion of the Global Offering, in each case assuming the Over-allotment Option is not exercised and without taking into account any options that may be granted under the Share Option Scheme.

Assuming an Offer Price of HK$3.20 (being the low-end of the indicative Offer Price range), the total number of Offer Shares subscribed for under the Cornerstone Placing would be 96,994,000, representing approximately 38.80% of the Offer Shares under the Global Offering and approximately 9.70% of the Shares in issue immediately upon completion of the Global Offering, in each case assuming the Over-allotment Option is not exercised and without taking into account any options that may be granted under the Share Option Scheme. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be published by our Company on or around January 25, 2021.

The Cornerstone Placing will form part of the International Placing. The Offer Shares to be subscribed for by the Cornerstone Investors will rank pari passu in all respects with the other fully paid Shares then in issue upon completion of the Global Offering and to be listed on the Hong Kong Stock Exchange and will be counted towards the public float of our Company. The Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to their respective Cornerstone Investment Agreements). Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any board representation in our Company, nor will any of the Cornerstone Investors become a substantial shareholder of our Company (as defined under the Listing Rules).

The Offer Shares to be subscribed by the Cornerstone Investors account for less than 50% of the total number of the Offer Shares under the Global Offering. As such, the Offer Shares to be subscribed by the Cornerstone Investors may not be affected by reallocation of the Offer Shares between the International Placing and the Hong Kong Public Offering even in the event of over-subscription under the Hong Kong Public Offering as described in the section headed "Structure and Conditions of the Global Offering—The Hong Kong Public Offering—Reallocation" in this prospectus. There will be no delayed delivery or deferred settlement of Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Investment Agreements. All consideration will be settled before Listing.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around January 25, 2021.

To the best knowledge of our Company, each Cornerstone Investor is an Independent Third Party and is independent from our Company, its connected persons and their respective associates. Immediately following the completion of the Global Offering, none of the Cornerstone Investors will become a substantial Shareholder. In addition, to the best knowledge of our Company, each Cornerstone Investor is independent from each other and makes its own independent investment decisions.

CORNERSTONE INVESTORS

We have entered into the Cornerstone Investment Agreements with each of the following Cornerstone Investors in respect of the Cornerstone Placing:

Cornerstone Investors	Investment amount[1]	Indicative Offer Price[4]	Number of Offer Shares to be subscribed for (rounded down to the nearest whole board lot)	Approximate percentage of the Offer Shares (assuming that Over-allotment Option is not exercised)	Approximate percentage of the Offer Shares (assuming that Over-allotment Option is exercised in full)	Approximate percentages of the Shares in issue[5] immediately following the completion of the Global Offering (assuming that Over-allotment Option is not exercised)	Approximate percentages of the Shares in issue[5] immediately following the completion of the Global Offering (assuming that Over-allotment Option is exercised in full)
Pilgrim Ever	USD5,000,000[2]	High-end: HK$3.88	9,991,000	4.00%	3.48%	1.00%	0.96%
		Mid-point: HK$3.54	10,950,000	4.38%	3.81%	1.10%	1.06%
		Low-end: HK$3.20	12,114,000	4.85%	4.21%	1.21%	1.17%
SCGC Capital	HK$81,000,000[2]	High-end: HK$3.88	20,876,000	8.35%	7.26%	2.09%	2.01%
		Mid-point: HK$3.54	22,881,000	9.15%	7.96%	2.29%	2.21%
		Low-end: HK$3.20	25,312,000	10.12%	8.80%	2.53%	2.44%
Shenzhen Qichang	RMB99,500,000[3]	High-end: HK$3.88	29,348,000	11.74%	10.21%	2.93%	2.83%
		Mid-point: HK$3.54	32,167,000	12.87%	11.19%	3.22%	3.10%
		Low-end: HK$3.20	35,584,000	14.23%	12.38%	3.56%	3.43%
Virtues Origin SPC	USD10,000,000[2]	High-end: HK$3.88	19,781,000	7.91%	6.88%	1.98%	1.91%
		Mid-point: HK$3.54	21,680,000	8.67%	7.54%	2.17%	2.09%
		Low-end: HK$3.20	23,984,000	9.59%	8.34%	2.40%	2.31%

Notes:

(1) For reference only, calculated based on the exchange rate as described in the section headed "Information about this Prospectus and the Global Offering—Exchange Rate Conversion." The actual investment amount of the Cornerstone Investors in Hong Kong dollars may vary based on the actual exchange rate prescribed in the Cornerstone Investment Agreement, which is the exchange rate published by The Hongkong and Shanghai Banking Corporation Limited after the close of business on the day on which the Offer Price is determined.

(2) The investment amount is exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%.

(3) The investment amount is inclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%.

(4) Being the Offer Price at high-end, mid-point, low-end of the proposed Offer Price range set out in this prospectus, respectively.

(5) Without taking into account any options that may be granted under the Share Option Scheme.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing:

Information about Pilgrim Ever Project Company Limited

Pilgrim Ever Project Company Limited ("**Pilgrim Ever**") is a limited liability company incorporated on October 15, 2020 in the British Virgin Islands. It is wholly-owned by K11 Investment Company Limited, which is an indirect wholly-owned subsidiary of New World Development Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 0017) ("**NWD**"). NWD's core business areas include property development, investment in and/or operation of retail and commercial assets, roads, commercial aircraft leasing, construction, insurance, hotels and other strategic businesses.

As confirmed by our Company, our Company became acquainted with Pilgrim Ever through the introduction of the Joint Global Coordinators.

Information about SCGC Capital Holding Company Limited

SCGC Capital Holding Company Limited (SCGC資本控股有限公司) ("**SCGC Capital**") is a limited liability company incorporated on November 16, 2006 in the British Virgin Islands. It is an indirect wholly-owned subsidiary of Shenzhen Capital Group Co., Ltd.* (深圳市創新投資集團有限公司) ("**SCGC**"). SCGC is held as to (i) approximately 49.09% by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal Government* (深圳市人民政府國有資產監督管理委員會) ("**SASAC of Shenzhen Municipal Government**") directly and indirectly through its subsidiaries; (ii) approximately 20.00% by Shenzhen Galaxy Property Development, which is a company established in the PRC and owned as to approximately 99.85% by Mr. Huang, through his direct and indirect shareholding, and as to approximately 0.15% by Mr. Huang De'An Tony, the non-executive Director of our Company; and (iii) approximately 30.91% are held by other Independent Third Party shareholders that are independent from our Company, its connected persons and the Joint Sponsors. Shenzhen Galaxy Property Development Group first held approximately 16.05% equity interest in SCGC in June 2010, and after a few rounds of changes in investment amount in SCGC, Shenzhen Galaxy Property Development Group has been holding 20.00% equity interest in SCGC since November 2018. Investment decision for the cornerstone investment is made solely and independently by SCGC's investment committee (the "**Investment Committee**") and not influenced by the shareholders, and the committee is independent from Mr. Huang, Galaxy Holding and their respective associates and our Company. A total of 13 committee members of the Investment Committee members, who are experienced in, among other things, fund investments and start-up investments, participated in the investment-decision meeting for the subject cornerstone investment in our Company. Those committee members were neither selected by the board nor shareholders of SCGC. The investment criteria considered by the Investment Committee generally included, among other things, market environment and development prospects, ranking, position and performance of the investment target and the potential return from the investment. According to SCGC, the decision to proceed with the subject investment was considered to be consistent with the aforementioned investment criteria. The cornerstone investment by SCGC was introduced by one of the Joint Global Coordinators, and not introduced to our Company by Mr. Huang, Galaxy Holding and their respective associates. Based on the size of cornerstone investment in our Company and taking into account the internal policies of SCGC, no prior approval from or notification to the board of directors of SCGC or SCGC's shareholders are required to be made by the Investment Committee. Mr. Huang, Galaxy Holding and their respective associates and our Company were not involved in, and have no influences on the investment decision making process. Despite the shareholding of Shenzhen Galaxy Property Development in SCGC, SCGC is controlled by the SASAC of Shenzhen Municipal Government, a PRC Governmental Body under the Listing Rules, and Shenzhen Galaxy Property Development does not control the majority composition of the board of SCGC, and SCGC is not a close associate of any existing Shareholders. SCGC is a venture capital firm in the PRC with over RMB400.0 billion of assets under management, which mainly invests in the consumer goods, information technology, media, biotechnology, and new materials sectors. For further details of Shenzhen Galaxy Property Development, see "Relationship with our Controlling Shareholders—Excluded Business—Property development" in this prospectus.

As confirmed by our Company, our Company became acquainted with SCGC Capital through the introduction of the Joint Global Coordinators and SCGC Capital and its shareholders are respectively independent from the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Underwriters.

Information about Shenzhen Qichang Investment Holding Limited

Shenzhen Qichang Investment Holding Limited* (深圳市旗昌投資控股有限公司) ("**Shenzhen Qichang**"), was incorporated on April 2, 2020 in the PRC, which is indirectly held as to 50% of the equity interest by each of China Merchants Group Limited* (招商局集團有限公司) ("**CMG**") and GLP Capital Investment 5 (HK) Limited ("**GLP Capital**"), respectively. GLP Capital is indirectly wholly-owned by GLP China Holdings Limited, which in turn is controlled by GLP Bidco Limited (collectively, the "**GLP Group**"), an Independent Third Party. GLP Group and its associates were founded in 2009 as a real estate investor, developer and operator and revolutionized the modern logistics industry. GLP Group focuses on the provision of distribution facilities services, and financial services. GLP Group invests in companies in the logistics, real estate, infrastructure, finance and related technology fields. It has private equity investments that focus on equity investment in the logistics ecosystem, smart logistics and supply chain ecosystems. The asset under management of GLP Group amounts to USD89 billion in 2019. According to Shenzhen Qichang, GLP Group is indirectly held by Express Trend Resources Ltd. and a number of other sizeable investment funds, namely, Hillhouse GL Fund, L.P., Freesia Investment Fund, L.P., Spring Hill Fund, L.P. and V-Nesta Fund I, L.P., which are Independent Third Parties. According to public information, Express Trend Resources Ltd. is a company controlled by Bank of China Group Investment Limited and its affiliates, the financial service investment arm of Bank of China Limited, specializing in corporate equity investments.

CMG is a state-owned enterprise headquartered in Hong Kong, which engages in transportation and infrastructure, asset management and investments, and other alternative investments.

The Shares to be subscribed by Shenzhen Qichang pursuant to the relevant Cornerstone Investment Agreement were subscribed through and held on Shenzhen Qichang's behalf by the QDII Manager, which is a third party independent of our Company, its connected persons and their respective associates and is not a connected client of the lead broker or any distributors (as defined under paragraph 5 of the Placing Guidelines) according to the QDII Manager.

As confirmed by our Company, our Company became acquainted with Shenzhen Qichang through the introduction of the Joint Global Coordinators and Shenzhen Qichang and its shareholders are respectively independent from the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Underwriters.

Information about Virtues Origin SPC and Virtues Capital

Virtues Origin SPC is incorporated in the Cayman Islands as a segregated portfolio company and is wholly owned by Virtues Investment Management Limited ("**Virtues Capital**") which is in turn wholly owned by Mr. Feng Ye ("**Mr. Feng**"), the ultimate beneficial owner, an Independent Third Party. Mr. Feng has over 19 years of working experience in the Hong Kong and the PRC's finance field and he is a qualified fund practitioner in the PRC. As confirmed by Virtues Capital and its affiliated companies, the current assets under management amounts to US$150 million. Virtues Capital, together with its affiliates, is a private equity management firm first founded in 2016. It is focusing on investment opportunities in consumer services, TMT, and healthcare. Adhering to the concept of fundamental investment, with in-depth insights and independent perspectives, Virtues Capital is committed to investing in the best quality and growth potential companies in China.

As confirmed by our Company, our Company became acquainted with Virtues Origin SPC through the introduction of the Joint Global Coordinators.

CONDITIONS PRECEDENT

The subscription obligation of each of the Cornerstone Investors is 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 by no later than the time and date as specified in the Underwriting Agreements and not having been terminated;

(b) the Offer Price having been agreed upon between our Company and the Joint Representatives (for themselves and on behalf of the Underwriters);

(c) the Listing Committee of the Hong Kong Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares and such approval, permission or wavier having not been revoked prior to the commencement of dealings in the Shares on the Hong Kong Stock Exchange;

(d) the respective representations, warranties, undertakings, confirmations and acknowledgements of the relevant Cornerstone Investor and our Company under the relevant Cornerstone Investment Agreement are, at the relevant time, accurate and true in all material respects and not misleading and there being no material breach of the relevant Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor or our Company, respectively; and

(e) no laws shall have been enacted or promulgated by any government authority which prohibit the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there being no orders or injunctions from a governmental authority (as defined in the respective Cornerstone Investment Agreements) which in effect precludes or prohibits the consummation of such transactions.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed and undertaken that, without the prior written consent of our Company, the Joint Sponsors, the Joint Representatives and the Joint Global Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date, among other things, dispose of (as defined in the relevant Cornerstone Investment Agreements) any of the Offer Shares subscribed for by it pursuant to the relevant Cornerstone Investment Agreement, save for transfers to any of its wholly-owned subsidiaries which will be bound by the same obligations of the Cornerstone Investors, including the lock-up period restriction.

OTHER INFORMATION

To the best knowledge of our Company: (i) apart from the cornerstone investment agreements, there are no side arrangements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, such that the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements as compared with other public Shareholders; (ii) each of the Cornerstone Investors is not accustomed to take instructions from our Company, Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of our subsidiaries or their respective close associates; (iii) none of the subscriptions of the Offer Shares by the Cornerstone Investors is financed by our Company, Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of our subsidiaries or their respective associates; (iv) save as Pilgrim Ever, none of the Cornerstone Investors or their shareholders is listed on any stock exchange, and as confirmed by Pilgrim Ever, approval from the Hong Kong Stock Exchange or shareholders' approval of NWD is not required for the cornerstone investment by Pilgrim Ever, an indirect wholly-owned subsidiary of NWD; and (v) the source of funding of all the Cornerstone Investors are derived from their respective internal resources.

Our Company further confirms that, our Company became acquainted with each of the Cornerstone Investors through introduction by certain of the Joint Global Coordinators and Underwriters in the Global Offering. We believe that the Cornerstone Placing will help to boost and enhance the profile of our Company and to signify that the Cornerstone Investors have confidence in our business and prospect.

FUTURE PLANS AND PROSPECTS

See "Business—Our Business Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of HK$803.9 million from the Global Offering, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming that the Over-allotment Option is not exercised and assuming an Offer Price of HK$3.54 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:

- Approximately 55%, or HK$442.2 million, will be used to pursue strategic acquisition of and investment in other small- to mid-sized commercial property operational service providers in order to scale up our business and expand our project portfolio. We will prioritize in assessing potential acquisition or investment targets located within economically developed regions which we believe have significant growth potential, such as the Greater Bay Area. We believe our acquisition and investment targets are readily available as according to China Index Academy, there are a large number of small- to mid-sized commercial property operational service providers in the market. We plan to acquire or invest in commercial property operational service providers that meet our internal investment review standard. Generally, (i) the target should have a GFA in operation of at least 100,000 sq.m.; (ii) the target's commercial property operational service contracts should have an average remaining term of at least six years; (iii) the commercial properties under the target's management should have clear titles and no material legal risks; (iv) the target's profit before interest, tax, depreciation and amortization should be more than RMB20 million for the most recent financial year; (v) the target's debt-to-assets ratio should be no higher than 60% and the target should not have any off-balance-sheet indebtedness or contingent liabilities; and (vi) the target does not have any material non-compliance with laws and regulations, including those related to tax and labor issues. We plan to adhere to our established internal control process, target selection, project approval, due diligence, investment decision review and agreement execution. As of the Latest Practicable Date, we had not identified any acquisition or investment targets for our use of net proceeds from the Global Offering;

- Approximately 20%, or HK$160.8 million, will be used for the decoration or renovation of retail commercial properties under our sublease services segment. We plan to lease commercial properties that have significant revenue growth potential, and provide necessary equipment and decoration services to such commercial properties to meet the requirements of operation and subsequent sublease. We evaluate the target commercial properties based on the credit of business partner, geographical location, legal compliance, competitive landscape of local market, target customer group, local population, project scale, construction standards and investment returns.

- Approximately 10%, or HK$80.4 million, will be used for strategic investment of minority equity interest in project companies which own quality commercial properties. We believe through such investments, we can (i) have a higher opportunity in securing the commercial property operational service contract and maintain a stable and long-term business relationship with the business partners as we have a stake in the future of the project and have common interest with the business partners; and (ii) enjoy investment returns in addition to project management income. Our key criteria for assessing investment targets include the credit of business partner, geographical location, legal compliance, target customer group, local population, project scale, construction standards and investment returns.

- Approximately 5%, or HK$40.2 million, will be used to upgrade information technology systems to raise our management service quality, reduce labor costs and improve internal control, among which:

  - Approximately 2.5%, or HK$20.1 million, will be used for enhancement of our intelligent operation data center, which includes real time remote onsite monitoring, tenant's business data analysis, operational early-warning and tenant mix optimization based on tenant's business data analysis;

  - Approximately 2.5%, or HK$20.1 million, will be used to improve client services. We plan to utilize artificial intelligence, big data analysis to understand customer preferences and behaviors. We plan to optimize Xingyitong to provide online tenant management, including online leasing, online contract signing, online repair request generation, and online application.

- Approximately 10%, or HK$80.4 million, will be used as working capital and general corporate purposes. We expect the demand for working capital to increase as a result of our organic growth as well as plans for strategic acquisitions and investments.

If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds from the offering of these additional Shares will be HK$128.4 million, after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, assuming an Offer Price of HK$3.54 per Share, being the mid-point of the indicative Offer Price range. We intend to apply such additional net proceeds to the purposes stated above in the same proportions.

If the Offer Price is determined at HK$3.88 per Offer Share, being the high end of the indicative Offer Price range stated in this prospectus, we will receive additional net proceeds of HK$82.2 million. If the Offer Price is fixed at HK$3.20 per Offer Share, being the low end of the indicative Offer Price range stated in this prospectus, the net proceeds we receive will be reduced by HK$82.2 million. If the Offer Price is set above the mid-point of the indicative Offer Price range, we intend to apply the additional amounts to the purposes stated above in the same proportions. If the Offer Price is set below the mid-point of the indicative Offer Price range, we intend to reduce the allocation of the net proceeds to the purposes stated above on a pro rata basis.

To the extent that the net proceeds from the Global Offering are not immediately applied to the purposes stated above, and to the extent permitted by applicable laws and regulations, we intend to deposit the proceeds into accounts with licensed financial institutions. We will make a formal announcement in the event that there is any change in our use of net proceeds from the purposes stated above or in our allocation of the net proceeds in the proportions stated above.

HONG KONG UNDERWRITERS

CCB International Capital Limited
China Securities (International) Corporate Finance Company Limited
Shenwan Hongyuan Securities (H.K.) Limited
ABCI Securities Company Limited
China Industrial Securities International Capital Limited
UOB Kay Hian (Hong Kong) Limited
HeungKong Securities Limited
Futu Securities International (Hong Kong) Limited
AMTD Global Markets Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 25,000,000 Hong Kong Offer Shares (subject to reallocation as described in "Structure and Conditions of the Global Offering—The Hong Kong Public Offering") for subscription by way of a Hong Kong Public Offering at the Offer Price on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscriptions for their respective applicable proportions of the Hong Kong Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms or otherwise, prior to 8:00 a.m. on the Listing Date.

One of the conditions is that the Offer Price must be agreed between us and the Joint Representatives (for themselves and on behalf of the Underwriters). For applicants applying under the Hong Kong Public Offering, this prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offering. The International Placing will be fully underwritten by the International Underwriters. 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 Sunday, January 24, 2021, the Global Offering will lapse and not proceed.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or to procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination by written notice to us from the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) if at any time prior to 8:00 a.m. on the Listing Date:

1. there develops, occurs, exists or comes into effect:

   (a) any local, national, regional, or international event or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of infectious disease (excluding such epidemic, pandemic and large-scale outbreaks of diseases subsisting as at the date of the Hong Kong Underwriting Agreement which have not materially escalated thereafter), economic sanctions, strikes, lock-outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting the Cayman Islands, the BVI, Hong Kong, the PRC, the United States, the United Kingdom, any member of the European Union or any other jurisdiction relevant to any member of our Group or the Global Offering (each a "**Relevant Jurisdiction**"); or

   (b) any change, or any development involving a prospective change (whether or not permanent), or any event or circumstance likely to result in any change or development involving a prospective change in any local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any of the Relevant Jurisdiction; or

(c) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or

(d) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent authority), London, the PRC, the European Union (or any member thereof), or any other Relevant Jurisdiction, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of those places or jurisdictions; or

(e) any new law, or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in, or in the interpretation or application by any court or other competent authorities of, existing laws, in each case, in or affecting any Relevant Jurisdiction; or

(f) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(g) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a material devaluation of the United States dollar, Euro, Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any Relevant Jurisdiction; or

(h) any litigation, legal action (except for any investigation or other action as stipulated in the Hong Kong Underwriting Agreement) or claim being threatened or instigated against any member of our Group or any Director; or

(i) an authority or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of our Group, any executive Director or non-executive Director; or

(j) a Director or senior management member of our Company as named in this prospectus being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

(k) any executive Director vacating his office; or

(l) save as disclosed in "Business—Occupational Health and Safety," and "Business—Legal Proceedings and Compliance" in this prospectus, a contravention by any member of our Group of the Listing Rules or applicable laws; or

(m) a prohibition on our Company for whatever reason from offering, allotting, issuing, selling or delivering any of the Offer Shares (including the additional Shares issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering; or

(n) non-compliance of this prospectus (or any Offer Related Documents (as defined below)) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

(o) any breach or any event or circumstance rendering untrue or incorrect in any respect, any of the warranties; or

(p) except as otherwise agreed by the Joint Representatives (for themselves and on behalf of the other Hong Kong Underwriters), the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any Offer Related Documents (as defined below)) pursuant to the Companies Ordinance, the Companies (WUMP) Ordinance or the Listing Rules or any requirement or request of the Hong Kong Stock Exchange and/or the SFC; or

(q) an order or petition is presented for the winding up of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group, which, individually or in the aggregate, in the sole and absolute opinion of the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) and the Joint Sponsors:

(A) has or will have or is likely to have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or

(B) has or will have or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Placing; or

(C) makes or will make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to be performed or implemented as envisaged or to market the Global Offering; or

(D) has or will have or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting agreements thereof; or

2. there has come to the notice of the Joint Representatives and the Joint Sponsors:

(a) that any statement contained in any of the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement), the price determination agreement, the receiving bank agreement, the principal share registrar agreement, the Hong Kong branch share registrar agreement, the E-IPO agreement, the Stock Borrowing Agreement, the preliminary offering circular and/or in any notices or announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (collectively, the "**Offer Related Documents**") was, when it was issued, or has become, untrue, incorrect in any material respect or misleading, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Offer Related Documents is not fair and honest and based on reasonable assumptions; or

(b) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from any of the Offer Related Documents; or

(c) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or

(d) any event, act or omission which gives or is likely to give rise to any liability of our Company, the Chairman of our Board and the Controlling Shareholders pursuant to the indemnities given by any of them pursuant to the terms of the Hong Kong Underwriting Agreement; or

(e) any material adverse change, or any development involving a prospective material adverse change, in or affecting the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Company and the other members of our Group, taken as a whole; or affecting the ability of our Company, and the Controlling Shareholders and the executive Directors to execute, deliver and perform their obligations of the Underwriting Agreements and other transaction documents or to offer and issue Shares; or

(f) approval by the Listing Committee of the Hong Kong Stock Exchange of the listing of, and permission to deal in, the Shares to be issued (including any additional Shares that may be issued pursuant to the exercise of the Over-allotment Option and the Share Option Scheme) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(g) our Company withdraws this prospectus (and/or any other Offering Document (as defined in the Hong Kong Underwriting Agreement)) or terminates the Global Offering; or

(h) any of the reporting accountants, or any other experts named in this prospectus has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(i) the orders or investment commitments by any placee or any cornerstone investors after signing of agreements with such cornerstone investors, have been withdrawn, terminated or cancelled, which has or may have a material adverse effect on the success of the Global Offering.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, except for the Capitalization Issue, the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option and options which may be granted under the Share Option Scheme), or otherwise expressly permitted under Rule 10.08 of the Listing Rules during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-month Period**"), we have undertaken to each of the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters not to without the prior written consent of the Joint Sponsors and Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, or any interest in any of the foregoing), or deposit any Shares or other securities of our Company, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, or any interest in any of the foregoing); or

(c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above, in each case, whether any of the transactions specified in paragraphs (a), (b) or (c) above is to be settled by delivery of Shares or other securities of our Company (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-month Period). In the event that our Company enters into any of the transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company. Each of our Controlling Shareholders has undertaken to each of the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters to procure our Company to comply with the above undertaking.

Our Company has agreed and undertaken that it will not effect any purchase of Shares, or agree to do so, which may reduce the holdings of Shares held by the public (as defined in Rule 8.24 of the Listing Rules) below 25.0% on or before the date falling six months after the Listing Date without first having obtained the prior written consent of the Joint Sponsors and Joint Representatives (on behalf of the other Hong Kong Underwriters).

(B) Undertakings by our Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, 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 as pursuant to the Capitalization Issue, the Global Offering (including pursuant to the Capitalization Issue, the Global Offering (including pursuant to the exercise of the Over-allotment option)) and the Stock Borrowing Agreement without the prior written consent of the Joint Sponsors and the Joint Representatives (on behalf of the other Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) it will not, at any time during the First Six-month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing), or (iii) enter into any transaction with the same economic effect as any transaction specified in sub-paragraphs (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in sub-paragraphs (i), (ii) or (iii) above, in each case, whether any of the transactions specified in subparagraphs (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the transaction in respect of such Shares or other securities will be completed within the First Six-month Period);

(b) it will not, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), enter into any of the transactions specified in sub-paragraphs (a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, he or it, together with the other Controlling Shareholder(s) will cease to be a controlling shareholder (as the term is defined in the Listing Rules) of our Company; and

(c) until the expiry of the Second Six-Month Period, in the event that it enters into any of the transactions specified in sub-paragraphs (a)(i), (ii) or (iii) above or offer to or agrees to or announce any intention to effect any such transaction, he or it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company provided that, subject to strict compliance with any requirement of applicable law including the requirements of the Hong Kong Stock Exchange or of the SFC or of any other relevant authority.

Notwithstanding the above undertakings from our Controlling Shareholders, any of the Controlling Shareholders may use such Shares held by them respectively as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Indemnity

Each of our Company and the Controlling Shareholders has agreed to jointly and severally indemnify, among others, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach of our Company and the Controlling Shareholders of the Hong Kong Underwriting Agreement.

Lock-up undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Hong Kong Stock Exchange that no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or form the subject of any agreement or arrangement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except pursuant to the Global Offering (including the exercise of the Over-allotment Option) and the Capitalization Issue or in certain circumstances prescribed by Rule 10.08 of the Listing Rules which includes the grant of options and the issue of Shares pursuant to the Share Option Scheme.

Undertakings by our group of Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, our Controlling Shareholders has undertaken to the Hong Kong Stock Exchange that, except pursuant to the Global Offering, they shall not and shall procure that the relevant registered holder shall not:

(a) in the period commencing on the date by reference to which disclosure of the shareholding of the Controlling Shareholders is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of our Company in respect of which they are shown by this prospectus to be the beneficial owner(s); or

(b) in the period of six months commencing on the date on which the period referred to in Rule 10.07(1)(a) of the Listing Rules expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities referred to in Rule 10.07(1)(a) of the Listing Rules if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, our Controlling Shareholders would cease to be a controlling shareholder of our Company.

According to Note (2) to Rule 10.07(2) of the Listing Rules, nothing in Rule 10.07 shall prevent our Controlling Shareholders from using securities of our Company beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

International Underwriting Agreement

In connection with the International Placing, it is expected that our Company and our Controlling Shareholders, will enter into the International Underwriting Agreement with, among other parties, our Company, the Joint Representatives, the Joint Sponsors and the International Underwriters. Under the International Underwriting Agreement, it is expected that the International Underwriters would, subject to certain conditions set out therein, agree to subscribe for or procure subscribers to subscribe for the International Placing Shares. It is expected that upon the entering into the International Underwriting Agreement, the International Placing will be fully underwritten. It is also expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement.

Commission and expenses

The Underwriters will receive an underwriting commission of 2.3% and a discretionary commission bonus of up to 1.0% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions.

The Joint Global Coordinators may receive a discretionary incentive fee of up to 1.0% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

For any unsubscribed Hong Kong Offer Shares reallocated to the International Placing, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Placing, to the relevant International Underwriters.

The underwriting commission, financial advisory and documentation fees, Hong Kong Stock Exchange listing fees and trading fee, SFC transaction levy, legal and other professional fees together with applicable printing and other expenses relating to the Global Offering are estimated to amount to approximately HK$81.1 million in total (based on an Offer Price of HK$3.54 per Share, being the mid-point of the indicative Offer Price range of between HK$3.20 and HK$3.88 per Share, and on the assumption that the Over-allotment Option is not exercised).

The commissions and fees were determined after arm's length negotiation between our Company and the Underwriters, the Joint Sponsors or other parties by reference to the current market conditions.

Underwriters' interests in our Company

As at the Latest Practicable Date and save as disclosed in this prospectus and other than pursuant to the Underwriting Agreements, none of the Hong Kong Underwriters was interested, directly or indirectly, in any shares or securities in any 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 shares or securities in any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement and the International Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the International Underwriting Agreement.

MINIMUM PUBLIC FLOAT

Our Directors will ensure that there will be a minimum 25.0% of the total issued shares held in public hands in accordance with Rule 8.08 of the Listing Rules after completion of the Global Offering.

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 25,000,000 Offer Shares (subject to reallocation) in Hong Kong as described below in the paragraph headed "The Hong Kong Public Offering;" and
- the International Placing of initially 225,000,000 Offer Shares (subject to reallocation and the Over-allotment Option), as described below in the paragraph headed "The International Placing."

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 Placing Shares under the International Placing,

but may not do both.

The 250,000,000 Offer Shares in the Global Offering will represent 25.0% of our enlarged share capital immediately after the completion of the Global Offering, 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 27.71% of our enlarged share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option, assuming no Shares are issued under the Share Option Scheme.

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

Our Company is initially offering for subscription by the public in Hong Kong 25,000,000 Offer Shares, representing 10.0% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Placing 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, 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$5.0 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$5.0 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 undersubscribed, 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 50% of 25,000,000 Hong Kong Offer Shares initially included in the Hong Kong Public Offering (i.e. 12,500,000 Hong Kong Offer Shares) will be rejected.

Reallocation

Pursuant to Guidance Letter HKEX-GL91-18 issued by the Stock Exchange and Practice Note 18 to the Listing Rules, the allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing is subject to reallocation at the discretion of the Joint Representatives, subject to the following:

(a) where the International Placing 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 Placing, 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 25,000,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Placing, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 50,000,000 Offer Shares, representing 20.0% 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 Placing 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 75,000,000 Offer Shares (in the case of (1)), 100,000,000 Offer Shares (in the case of (2)) and 125,000,000 Offer Shares (in the case of (3)), representing approximately 30.0%, 40.0% and 50.0% of the Offer Shares initially available under the Global Offering, respectively;

(b) where the International Placing Shares are undersubscribed:

(i) if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe for or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus, the Application Forms and the Underwriting Agreements; and

(ii) if the Hong Kong Offer Shares are fully subscribed or oversubscribed (irrespective of the extent of over-subscription), then up to 25,000,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Placing, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 50,000,000 Offer Shares, representing 20.0% 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 Placing 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 low end of the indicative Offer Price Range (i.e. HK$3.20 per Offer Share) according to HKEX Guidance Letter HKEX-GL91-18 issued by the Stock Exchange.

In all cases of reallocation of Offer Shares from the International Placing to the Hong Kong Public Offering, 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 Placing will be correspondingly reduced. 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. In addition to any mandatory reallocation required as described above, the Joint Representatives may reallocate Offer Shares initially allocated for the International Placing to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In particular, if (i) the International Placing is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed (irrespective of the number of times); or (ii) the International Placing is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 15 times of the number of Shares initially available for subscription under the Hong Kong Public Offering, the Joint Representatives shall reallocate International Placing Shares originally included in the International Placing to the Hong Kong Public Offering, provided that, in accordance with Guidance Letter HKEX-GL91-18 issued by the Hong Kong Stock Exchange, (i) the International Placing is undersubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed irrespective of the number of times; or (ii) when the International Placing is fully subscribed or oversubscribed and the Hong Kong Public Offering is oversubscribed by less than 15 times, the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation shall not be more than 50,000,000 Offer Shares (representing two times the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering and 20% of the total number of Offer Shares initially available under the Global Offering) and the final Offer Price should be fixed at the bottom end of the indicative Offer Price range (i.e. HK$3.20 per Offer Share).

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 Placing Shares under the International Placing, 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 Placing Shares under the International Placing.

Applicants under the Hong Kong Public Offering are required to pay, on application, maximum price of HK$3.88 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$3,919.09 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$3.88 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."

THE INTERNATIONAL PLACING

Number of Offer Shares Initially Offered

We will be initially offering for subscription under the International Placing 225,000,000 Offer Shares, representing 90.0% of the Offer Shares under the Global Offering. Subject to the reallocation of Offer Shares between the International Placing and the Hong Kong Public Offering, the number of Offer Shares offered under the International Placing will represent approximately 22.5% of our enlarged issued share capital immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised.

Allocation

The International Placing 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 Placing Shares under the International Placing 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 Placing Shares pursuant to the International Placing will be determined by the Joint Representatives (for themselves and on behalf of the International Underwriters) 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 Placing Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of us 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 Placing 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 Placing 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 by the Joint Representatives (for themselves and on behalf of the International Underwriters) at any time after the Listing Date within 30 days from the last date for lodging applications under the Hong Kong Public Offering, to require us to issue up to 37,500,000 Shares, representing 15.0% of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Placing to, among other things (such as effecting the permitted stabilizing actions as set out in the section headed "Stabilization" below), cover over-allocations in the International Placing, 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. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the Offer Price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of our Shares at a level higher than that which might otherwise prevail 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 within 30 days of 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 minimizing 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 the Offer 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 expire on 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.

We 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 Go Star, one of our Controlling Shareholders, to borrow, whether on its own or through its affiliates, up to 37,500,000 Shares, representing 15.0% 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 Go Star 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 Go Star 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 Go Star by the Stabilizing Manager (or any person acting for it) in relation to such stock borrowing arrangement.

PRICING AND ALLOCATION

We 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 Tuesday, January 19, 2021, and in any event, not later than Sunday, January 24, 2021.

The Offer Price will not be more than HK$3.88 per Offer Share and is expected to be not less than HK$3.20 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$3.88 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$3,919.09 for one board lot of 1,000 Shares.

If the Offer Price, as finally determined in the manner described below, is lower than HK$3.88, 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" in this prospectus.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Placing. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Placing 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 us, 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 **www.g-cre.com** 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 us 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 indicative Offer Price Range is reduced, such applications can subsequently be withdrawn unless positive confirmation from the applicants to proceed are received.

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 Placing, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10.0% 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 Placing, the basis of allotment of Offer Shares available under the Hong Kong Public Offering and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public 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—11. Publication of Results."

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares is conditional on:

- 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 (for themselves and on behalf of 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 February 13, 2021, being 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 Sunday, January 24, 2021 the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Placing 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 on our website at **www.g-cre.com** 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—13. Refund of Application Monies." 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).

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 Placing on the Price Determination Date.

Certain terms of the underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in the section headed "Underwriting" in this prospectus.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, January 26, 2021, it is expected that dealings in our Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, January 26, 2021.

The Shares will be traded in board lots of 1,000 Shares each.

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Placing Shares.

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 on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

We, 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.

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 under a power of attorney, 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 us and/or any our subsidiaries;
- are a Director or chief executive officer of us and/or any of our subsidiaries;
- are a core connected person (as defined in the Listing Rules) of us or will become a core connected person of us immediately upon completion of the Global Offering;
- are a close associate (as defined in the Listing Rules) of any of the above; and
- have been allocated or have applied for any International Placing Shares or otherwise participate in the International Placing.

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 **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 between 9:00 a.m. on Thursday, January 14, 2021 and 12:00 noon on Tuesday, January 19, 2021:

(i) any of the following offices of the Hong Kong Underwriters:

CCB International Capital Limited	12/F., CCB Tower 3 Connaught Road Central Central Hong Kong
China Securities (International) Corporate Finance Company Limited	18th Floor, Two Exchange Square 8 Connaught Place Central Hong Kong
Shenwan Hongyuan Securities (H.K.) Limited	Level 19, 28 Hennessy Road Hong Kong
ABCI Securities Company Limited	10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
China Industrial Securities International Capital Limited	7/F, Three Exchange Square 8 Connaught Place Central Hong Kong
UOB Kay Hian (Hong Kong) Limited	6/F, Harcourt House 39 Gloucester Road Hong Kong
HeungKong Securities Limited	Suite 622, Ocean Centre Harbour City, Tsim Sha Tsui Kowloon Hong Kong
Futu Securities International (Hong Kong) Limited	Unit C1-2, 13/F, United Centre No. 95 Queensway Hong Kong
AMTD Global Markets Limited	23/F-25/F, Nexxus Building 41 Connaught Road Central Hong Kong

(ii) any of the following branches of the following receiving bank:

Bank of China (Hong Kong) Limited

District	Branch name	Address
Hong Kong Island	409 Hennessy Road Branch	409-415 Hennessy Road Wan Chai Hong Kong
Kowloon	Whampoa Garden Branch	Shop G8B, Site 1, Whampoa Garden Hung Hom Kowloon
New Territories	Tai Wai Branch	74-76 Tai Wai Road Sha Tin New Territories

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Thursday, January 14, 2021 until 12:00 noon on Tuesday, January 19, 2021 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 — E-STAR COMMERCIAL MANAGEMENT PUBLIC OFFER**" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- 9:00 a.m. to 4:00 p.m., Thursday, January 14, 2021
- 9:00 a.m. to 4:00 p.m., Friday, January 15, 2021
- 9:00 a.m. to 12:00 noon, Saturday, January 16, 2021
- 9:00 a.m. to 4:00 p.m., Monday, January 18, 2021
- 9:00 a.m. to 12:00 noon, Tuesday, January 19, 2021

The application lists will be open from 11:45 a.m. to 12:00 noon on Tuesday, January 19, 2021, the last application day or such later time as described in "Effect of Bad Weather on the Opening of the Applications Lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an 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 us and/or the Joint Representatives (or their agents or nominees), as agents of us, 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 (Winding Up and Miscellaneous Provisions) 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 us, 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 Placing nor participated in the International Placing;

(viii) agree to disclose to us, our Hong Kong Branch Share Registrar, receiving bank, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, 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 us, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, 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 us to place your name(s) or the name of the HKSCC Nominees, on our register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and us and/or our agents to send any Share certificate(s) and/or any e-Auto Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint 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;

(xvii) understand that we, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters 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 "2. 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. If you do not follow the instructions, your application may be rejected and may not be submitted to us. If you apply through the designated website, you authorize the **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 the **IPO App** (24 hours daily, except on the last application day) from 9:00 a.m. on Thursday, January 14, 2021 until 11:30 a.m. on Tuesday, January 19, 2021 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Tuesday, January 19, 2021 or such later time under the "Effects of Bad Weather on the Opening of the Applications 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** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, we and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

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 us, 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 Placing;

- 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 us, our Directors, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers 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 us to place HKSCC Nominees' name on our 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 us, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and 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 us, our Hong Kong Branch Share Registrar, receiving bank, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters and/or their 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 us 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 (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our 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 us, for ourselves and for the benefit of each Shareholder (and so that we will be deemed by our acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for ourselves and on behalf of each of our Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) 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 us or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy 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:

- 9:00 a.m. to 8:30 p.m., Thursday, January 14, 2021
- 8:00 a.m. to 8:30 p.m., Friday, January 15, 2021
- 8:00 a.m. to 8:30 p.m., Monday, January 18, 2021
- 8:00 a.m. to 12:00 noon, Tuesday, January 19, 2021

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Thursday, January 14, 2021 until 12:00 noon on Tuesday, January 19, 2021 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Tuesday, January 19, 2021, the last application day or such later time as described in "Effect of Bad Weather on the Opening of the Application Lists" in this section.

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 (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, we and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by us, the Hong Kong Branch Share Registrar, the receiving bankers, the Joint Global Coordinators, 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. We, our Directors, the Joint Bookrunners, the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators 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 Tuesday, January 19, 2021.

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.

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).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** 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 the **IPO App**.

If your application is successful, brokerage will be paid to the Exchange Participants, 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" for further details.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warming signal number 8 or above;
- a "black" rainstorm warning; or
- an announcement of "extreme conditions" by the Government in accordance with the revised "Code of Practice in Times of Typhoons and Rainstorms" issued by the Hong Kong Labour Department in June 2019,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, January 19, 2021. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in 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 Tuesday, January 19, 2021 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal or an announcement of "extreme conditions" by the Government in accordance with the revised "Code of Practice in Times of Typhoons and Rainstorms" issued by the Hong Kong Labour Department in June 2019 in force in Hong Kong that may affect the dates mentioned in the section headed "Expected Timetable," an announcement will be made in such event.

11. PUBLICATION OF RESULTS

We expect to announce the final Offer Price, the level of indication of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Monday, January 25, 2021 on our website at **www.g-cre.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the our website at **www.g-cre.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 8:00 a.m. on Monday, January 25, 2021;
- from the designated results of allocations website at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** or the **IPO App** with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Monday, January 25, 2021 to 12:00 midnight on Sunday, January 31, 2021;

- by telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Monday, January 25, 2021 to Thursday, January 28, 2021 on a Business Day;

- in the special allocation results booklets which will be available for inspection during opening hours from Monday, January 25, 2021 to Wednesday, January 27, 2021 at all the receiving bank's designated branches on a Business Day.

If the we accept 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 if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "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.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer 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 us.

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 (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section 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 we or our agents exercise their discretion to reject your application:

We, 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 is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies us 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;
- 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 Placing Shares;
- 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;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonored upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- we 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 50.0% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. 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$3.88 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—The Hong Kong Public 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 Monday, January 25, 2021.

14. 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).

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** or **YELLOW** 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 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 favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, 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 despatch/collection of Share certificates and refund monies as mentioned below, any refund cheques and Share certificates are expected to be posted on or around Monday, January 25, 2021. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Tuesday, January 26, 2021 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 Application Form

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, 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 Monday, January 25, 2021 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 authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong 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 less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or Share certificate(s) will be sent to the address on the relevant Application Form on Monday, January 25, 2021, 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 Monday, January 25, 2021, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Monday, January 25, 2021, 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**

We 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 us and report any discrepancies to HKSCC before 5:00 p.m. on Monday, January 25, 2021 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and 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 Monday, January 25, 2021, or such other date as notified by us as the date of despatch/collection of Share certificates/e-Auto Refund 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 Monday, January 25, 2021 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 Monday, January 25, 2021, or, on any other date determined by HKSCC or HKSCC Nominees.

- We expect to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, we will include information relating to the relevant beneficial owner), your Hong Kong identity card 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 Monday, January 25, 2021. You should check the announcement published by us and report any discrepancies to HKSCC before 5:00 p.m. on Monday, January 25, 2021 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares 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 Monday, January 25, 2021. 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 Monday, January 25, 2021.

15. 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-78, received from our Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong for the purpose of incorporation in this prospectus.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF E-STAR COMMERCIAL MANAGEMENT COMPANY LIMITED, CCB INTERNATIONAL CAPITAL LIMITED AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of E-Star Commercial Management Company Limited (the "**Company**"), and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-78, which comprises the consolidated statements of financial position of the Group as of December 31, 2017, 2018 and 2019 and September 30, 2020, the statement of financial position of the Company as of December 31, 2019 and September 30, 2020, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2019 and the nine months ended September 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-78 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated January 14, 2021 (the "**Prospectus**") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 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 of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as of December 31, 2017, 2018 and 2019 and September 30, 2020, of the Company's financial position as of December 31, 2019 and September 30, 2020, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 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 profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine months ended September 30, 2019 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 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 accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividend

We refer to Note 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company's subsidiary in respect of the Track Record Period and states that no dividend was declared or paid by the Company since its incorporation.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
January 14, 2021

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies conforming with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA and were audited by us in accordance with Hong Kong Standards of Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,			Nine months ended September 30,	
		2017	2018	2019	2019	2020
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations:						
Revenue	*5*	278,067	328,694	387,314	286,698	305,862
Cost of services		(139,341)	(158,712)	(186,711)	(139,594)	(137,098)
Gross profit		138,726	169,982	200,603	147,104	168,764
Other income	*6*	10,023	13,512	18,807	15,431	8,245
Other gains and losses		(25)	48	5,040	4,151	941
Impairment losses under expected credit loss model, net of reversal	*8*	(2,288)	–	(4,245)	(4,570)	(2,361)
Selling expenses		(7,834)	(5,592)	(5,321)	(2,431)	(2,216)
Administrative expenses		(67,946)	(60,971)	(69,074)	(47,617)	(39,466)
Finance costs	*7*	(3,323)	(3,261)	(3,150)	(2,373)	(3,125)
Listing expenses		–	–	(13,718)	(7,545)	(7,773)
Profit before tax		67,333	113,718	128,942	102,150	123,009
Income tax expense	*9*	(16,909)	(28,660)	(33,342)	(23,336)	(32,868)
Profit and total comprehensive income for the year/period from continuing operations		50,424	85,058	95,600	78,814	90,141
Discontinued operation:						
Loss for the year/period from discontinued operation	*10*	(2,484)	(7,263)	–	–	–
Profit for the year/period	*11*	47,940	77,795	95,600	78,814	90,141

		Year ended December 31,			Nine months ended September 30,	
		2017	2018	2019	2019	2020
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit (loss) for the year/period attributable to owners of the Company						
– Continuing operations		43,203	73,367	84,632	67,652	89,586
– Discontinued operation		(2,286)	(7,117)	–	–	–
		40,917	66,250	84,632	67,652	89,586
Profit (loss) for the year/period attributable to non-controlling interests						
– Continuing operations		7,221	11,691	10,968	11,162	555
– Discontinued operation		(198)	(146)	–	–	–
		7,023	11,545	10,968	11,162	555
		47,940	77,795	95,600	78,814	90,141
Earnings per share	*14*					
From continuing and discontinued operations						
– Basic *(RMB cents)*		6.42	10.39	12.54	10.42	11.94
From continuing operations						
– Basic *(RMB cents)*		6.78	11.51	12.54	10.42	11.94

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		THE GROUP				THE COMPANY	
		Year ended December 31,			As of September 30,	As of December 31,	As of September 30,
		2017	2018	2019	2020	2019	2020
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets							
Property and equipment	15	20,248	6,182	1,605	8,975	–	–
Investment properties	16	48,145	45,507	55,296	51,562	–	–
Deposits paid for acquisition of property and equipment		–	1,115	–	–	–	–
Interest in an associate	17	–	543	–	–	–	–
Finance lease receivables	18	7,770	7,922	7,672	7,312	–	–
Deferred tax assets	23	3,886	4,052	5,251	5,892	–	–
		80,049	65,321	69,824	73,741	–	–
Current assets							
Finance lease receivables	18	–	158	432	471	–	–
Trade and other receivables	19	17,136	27,250	23,338	49,326	4,194	6,078
Financial assets at fair value through profit or loss	20	160,000	275,000	65,995	144,259	–	–
Amounts due from related parties	31	9,301	2,919	1,835	2,995	–	–
Bank balances and cash	21	81,749	86,862	133,909	123,943	–	150
		268,186	392,189	225,509	320,994	4,194	6,228
Current liabilities							
Trade and other payables	22	139,516	166,003	162,294	158,712	9,138	6,371
Lease liabilities	24	1,975	2,086	1,503	4,522	–	–
Contract liabilities	22	393	1,513	9,017	12,150	–	–
Amounts due to related parties	31	143	628	686	1,851	8,774	21,348
Tax payable		6,598	11,978	18,582	20,758	–	–
		148,625	182,208	192,082	197,993	17,912	27,719
Net current assets (liabilities)		119,561	209,981	33,427	123,001	(13,718)	(21,491)
Total assets less current liabilities		199,610	275,302	103,251	196,742	(13,718)	(21,491)

		THE GROUP				THE COMPANY	
		Year ended December 31,			As of September 30,	As of December 31,	As of September 30,
		2017	2018	2019	2020	2019	2020
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Capital and reserves							
Share capital	25	30,000	30,000	–*	–*	–*	–*
Reserves	25	92,059	158,309	32,913	122,499	(13,718)	(21,491)
Equity attributable to owners of the Company		122,059	188,309	32,913	122,499	(13,718)	(21,491)
Non-controlling interests		18,753	30,298	2,756	3,311	–	–
Total equity		140,812	218,607	35,669	125,810	(13,718)	(21,491)
Non-current liabilities							
Deferred tax liabilities	23	520	503	466	995	–	–
Lease liabilities	24	58,278	56,192	67,116	69,937	–	–
		58,798	56,695	67,582	70,932	–	–
		199,610	275,302	103,251	196,742	(13,718)	(21,491)

* *Less than RMB1,000.*

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital/Paid in capital	Share premium	Equity-settled share-based payment reserve	Statutory surplus reserve	Other reserve	Accumulated profits (loss)	Total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000* *(note (iii))*	*RMB'000* *(note (i))*	*RMB'000* *(note (vi))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2017	30,000	15,008	–	3,888	–	19,228	68,124	11,490	79,614
Profit and total comprehensive income for the year	–	–	–	–	–	40,917	40,917	7,023	47,940
Capital contribution from non-controlling shareholders upon establishment of a subsidiary *(note (ii))*	–	–	–	–	–	–	–	240	240
Recognition of equity-settled share-based payments *(Note 27)*	–	–	13,018	–	–	–	13,018	–	13,018
Transfer	–	13,018	(13,018)	4,224	–	(4,224)	–	–	–
At December 31, 2017	30,000	28,026	–	8,112	–	55,921	122,059	18,753	140,812
Profit and total comprehensive income for the year	–	–	–	–	–	66,250	66,250	11,545	77,795
Transfer	–	–	–	6,835	–	(6,835)	–	–	–
At December 31, 2018	30,000	28,026	–	14,947	–	115,336	188,309	30,298	218,607
Profit and total comprehensive income for the year	–	–	–	–	–	84,632	84,632	10,968	95,600
Disposal of a subsidiary *(Note 26)*	–	–	–	–	–	–	–	104	104
Acquisition of non-controlling interests in a subsidiary *(note (iv))*	5,300	2,797	–	7,221	–	26,246	41,564	(41,564)	–
Capitalization of a subsidiary *(note (v))*	44,700	(30,823)	–	(8,825)	–	(5,052)	–	–	–
Deemed distribution as a part of the Group's reorganization *(note (vi))*	(80,000)	–	–	–	(1,088)	–	(81,088)	–	(81,088)
Transfer	–	–	–	12,650	–	(12,650)	–	–	–
Dividends recognized as distribution *(Note 13)*	–	–	–	–	–	(200,504)	(200,504)	–	(200,504)
Capital contribution from a non-controlling shareholder upon establishment of a subsidiary *(note (vii))*	–	–	–	–	–	–	–	2,950	2,950
At December 31, 2019	–*	–	–	25,993	(1,088)	8,008	32,913	2,756	35,669
Profit and total comprehensive income for the period	–	–	–	–	–	89,586	89,586	555	90,141
Transfer	–	–	–	8,121	–	(8,121)	–	–	–
At September 30, 2020	–*	–	–	34,114	(1,088)	89,473	122,499	3,311	125,810
At January 1, 2019	30,000	28,026	–	14,947	–	115,336	188,309	30,298	218,607
Profit and total comprehensive income for the period	–	–	–	–	–	67,652	67,652	11,162	78,814
Disposal of a subsidiary *(Note 26)*	–	–	–	–	–	–	–	104	104
Acquisition of non-controlling interests in a subsidiary *(note (iv))*	5,300	2,797	–	7,221	–	26,246	41,564	(41,564)	–
Transfer	–	–	–	10,299	–	(10,299)	–	–	–
Dividends recognized as distribution *(Note 13)*	–	–	–	–	–	(200,504)	(200,504)	–	(200,504)
At September 30, 2019 (unaudited)	35,300	30,823	–	32,467	–	(1,569)	97,021	–	97,021

* *Less than RMB1,000.*

Notes:

(i) Pursuant to the relevant laws in the People's Republic of China (the "**PRC**"), a company established in the PRC is required to transfer 10% of its profit after tax per its financial statements to the statutory surplus reserve. The statutory surplus reserve is discretionary until the reserve balance reaches 50% of the registered capital of the respective company and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the company.

(ii) During the year ended December 31, 2017, Rabbit & Bear (as defined in Note 10) was established by the Group with share capital of RMB600,000, of which an amount of RMB240,000 was contributed by non-controlling shareholders.

(iii) The grantees of the equity-settled share based payments were immediately entitled to shares of 深圳市星河商置集團有限公司 (Shenzhen Galaxy Commercial Property Group Co., Ltd.*) ("**Galaxy Commercial Property Group**") at the date of grant. Accordingly, the amount of RMB13,018,000 recognized in the equity-settled share-based payment reserve was transferred to share premium.

(iv) On September 2, 2019, 深圳市星河商用置業投資有限公司 (Shenzhen Galaxy Commercial Property Investment Co., Ltd*) ("**Galaxy Commercial Property Investment**") entered into share transfer agreements with 深圳市宏達利興投資有限合夥企業(有限合夥) (Shenzhen Hongda Lixing Investment Partnership (Limited Partnership)*) ("**Hongda Lixing**") and 深圳市永興宏泰企業管理諮詢合夥企業(有限合夥) (Shenzhen Yongxing Hongtai Corporate Management Consulting Partnership (Limited Partnership)*) ("**Yongxing Hongtai**"), pursuant to which Hongda Lixing and Yongxing Hongtai agreed to transfer 10.59% and 3.00%, respectively, in the share capital of Galaxy Commercial Property Group to Galaxy Commercial Property Investment. On the same day, 深圳市安林珊資產管理有限公司 (Shenzhen Anlinshan Asset Management Co., Ltd*) ("**Anlinshan Asset Management**") entered into a share transfer agreement with Yongxing Hongtai, pursuant to which Yongxing Hongtai agreed to transfer approximately 1.42% in the share capital of Galaxy Commercial Property Group to Anlinshan Asset Management. The transactions were completed on September 2, 2019, as the result, Galaxy Commercial Property Group became wholly owned by the Ultimate Controlling Shareholder (as defined in Note 1), to be specific, 90.08% owned by Galaxy Commercial Property Investment and 9.92% owned by Anlinshan Asset Management.

(v) On December 6, 2019, the paid-in capital of Galaxy Commercial Property Group was increased from RMB35,300,000 to RMB80,000,000 by way of capitalization of share premium, statutory surplus reserve and accumulated profits of Galaxy Commercial Property Group.

(vi) On December 16, 2019, Galaxy Commercial Property Investment and Anlinshan Asset Management entered into an equity interest transfer agreement with Xinghan Commercial (as defined in Note 33), respectively, pursuant to which Galaxy Commercial Property Investment and Anlinshan Asset Management agreed to transfer their respective entire equity interest in Galaxy Commercial Property Group to Xinghan Commercial at a total consideration of RMB81,088,300. As represented by the directors of the Company, the consideration was determined based on the manner as described in the "History, Reorganization and Corporate Structure" section in the Prospectus. The consideration was fully settled on December 30, 2019 in cash and this transaction is accounted for as a deemed distribution to the then shareholders of Galaxy Commercial Property Group during the year ended December 31, 2019. The difference between the paid-in capital of Galaxy Commercial Property Group of RMB80,000,000 and the cash consideration of RMB81,088,300 was recognized as other reserve.

Upon completion of Reorganization, Galaxy Commercial Property Group became an indirect wholly-owned subsidiary of the Company.

(vii) During the year ended December 31, 2019, Shanghai Xinglian (as defined in Note 33) was established by the Group with a registered capital of RMB10,000,000, of which an amount of RMB2,950,000 was contributed by non-controlling shareholders.

* The English name of this Company is translated from its registered Chinese name for identification purpose only.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
OPERATING ACTIVITIES					
Profit for the year/period	47,940	77,795	95,600	78,814	90,141
Adjustments for:					
Income tax expense	16,909	28,660	33,342	23,336	32,868
Depreciation of property and equipment	1,651	2,020	1,383	1,181	3,061
Depreciation of investment properties	2,638	2,638	2,638	1,978	2,436
Impairment losses under expected credit loss model, net of reversal	2,288	–	4,245	4,570	2,361
Finance income on the net investment in the lease	(298)	(310)	(319)	(121)	(228)
Interest income	(734)	(437)	(1,148)	(816)	(1,099)
Investment income of financial assets at fair value through profit or loss	(7,490)	(11,403)	(12,905)	(12,121)	(2,290)
Gain on fair value changes of financial assets at fair value through profit or loss	–	–	(995)	–	(1,274)
Loss on disposal of property and equipment	–	–	–	–	129
Gain on disposal of a subsidiary	–	–	(4,403)	(4,403)	–
Listing expenses	–	–	13,718	7,545	7,773
Finance costs	3,323	3,261	3,150	2,373	3,125
Share of results of an associate	–	437	–	–	–
Equity-settled share-based payments	13,018	–	–	–	–
Operating cash flow before movements in working capital	79,245	102,661	134,306	102,336	137,003
(Increase) decrease in trade and other receivables	(9,586)	(10,114)	2,007	(5,941)	(26,525)
(Decrease) increase in contract liabilities	(3,441)	1,120	7,504	2,172	3,133
Increase (decrease) in trade and other payables	28,333	26,487	(6,871)	(11,272)	(10,475)
(Increase) decrease in amounts due from related parties	(6,929)	6,382	1,084	2,887	(1,160)
(Decrease) increase in amounts due to related parties	(7)	485	58	(409)	(366)
Decrease in finance lease receivables	–	–	162	–	469
Cash generated from operations	87,615	127,021	138,250	89,773	102,079
Income tax paid	(19,655)	(23,463)	(27,974)	(24,139)	(30,804)
Finance income on the net investment in the lease	–	–	133	–	80
NET CASH FROM OPERATING ACTIVITIES	67,960	103,558	110,409	65,634	71,355

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
INVESTING ACTIVITIES					
Interest received	8,224	11,840	14,053	11,299	3,389
Purchases of property and equipment	(19,188)	(4,231)	(563)	(513)	(1,818)
Proceeds on disposal of property and equipment	100	16,277	74	13	–
Acquisition of an associate	–	(980)	–	–	–
Deposit paid for acquisition of property and equipment	–	(1,115)	–	–	–
Purchases of financial assets at fair value through profit or loss	(620,000)	(995,000)	(783,000)	(753,000)	(499,973)
Redemption of financial assets at fair value through profit or loss	460,000	880,000	993,000	913,000	422,983
Net cash outflow on disposal of a subsidiary	–	–	(868)	(868)	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(170,864)	(93,209)	222,696	169,931	(75,419)
FINANCING ACTIVITIES					
Capital contribution from a non-controlling interest upon establishment of a subsidiary	240	–	2,950	–	–
Interest paid	(2,793)	(3,261)	(3,150)	(2,373)	(3,125)
Repayment of lease liabilities	–	(1,975)	(2,086)	(1,553)	(1,605)
Dividend paid	–	–	(200,504)	(200,504)	–
Distribution to shareholders under Reorganization (as defined in Note 2)	–	–	(81,088)	–	–
Advances from a related party	–	–	–	–	1,531
Payment of accrued issue costs	–	–	(2,180)	(828)	(2,703)
NET CASH USED IN FINANCING ACTIVITIES	(2,553)	(5,236)	(286,058)	(205,258)	(5,902)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(105,457)	5,113	47,047	30,307	(9,966)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	187,206	81,749	86,862	86,862	133,909
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD represented by bank balances and cash	81,749	86,862	133,909	117,169	123,943

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on September 13, 2019. The addresses of the Company's registered office and principal place of business are disclosed in the section headed "Corporate Information" to the Prospectus. The Company is an investment holding company and the subsidiaries of the Company are principally engaged in provision of commercial property operational services to either owners or tenants in respect of commercial properties including shopping centers, commercial complexes, luxury home furnishing shopping centers and office buildings and leasing commercial spaces to tenants in the PRC.

Upon completion of the Reorganization (as set out in Note 2), the immediate holding company and the ultimate holding company of the Company are Go Star Investment Holding Limited ("**Go Star**") and Long Harmony Holding Limited respectively, which are incorporated in the British Virgin Islands ("**BVI**") with limited liability. The controlling shareholder of the Group is Mr. Huang Chu-Long ("**Mr. Huang**") (the "**Ultimate Controlling Shareholder**").

The functional currency of the Company is Renminbi ("**RMB**"), which is the same as the presentation currency of the Historical Financial Information.

2. GROUP REORGANIZATION AND BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Historically, the Group's operation was carried out by Galaxy Commercial Property Group and its subsidiaries.

Before the group reorganization as stated below, Galaxy Commercial Property Group, the operating subsidiary of the Group was 84.99% owned by Mr. Huang, the then ultimate controlling shareholder, of which 76.49% held by Galaxy Commercial Property Investment and 8.5% held by Anlinshan Asset Management which were indirectly wholly-owned by Mr. Huang at the time and 15.01% owned by the then non-controlling shareholders, of which 10.59% held by Hongda Lixing and 4.42% held by Yongxing Hongtai.

In preparation of the listing of the Company's shares on the Stock Exchange (the "**Listing**"), the companies now comprising the Group underwent the group reorganization (the "**Reorganization**") as below:

1. On August 23, 2019, Galaxy Commercial Property Group delisted from the National Equities Exchange and Quotations Co., Ltd..

2. On September 2, 2019, Galaxy Commercial Property Investment entered into share transfer agreements with Hongda Lixing and Yongxing Hongtai, pursuant to which Hongda Lixing agreed to transfer 3,740,000 shares and Yongxing Hongtai agreed to transfer 1,060,000 shares, representing approximately 10.59% and 3.00%, respectively, in the share capital of Galaxy Commercial Property Group to Galaxy Commercial Property Investment at a consideration of RMB26,217,400 and RMB7,430,600, respectively. In addition, on the same day, Anlinshan Asset Management entered into a share transfer agreement with Yongxing Hongtai, pursuant to which Yongxing Hongtai agreed to transfer 500,000 shares representing approximately 1.42% in the share capital of Galaxy Commercial Property Group to Anlinshan Asset Management at a consideration of RMB3,505,000. The considerations as mentioned above were determined with reference to the net asset value of Galaxy Commercial Property Group as of June 30, 2019 and the considerations were fully settled on September 2, 2019 in cash, resulting in Galaxy Commercial Property Group owned as to approximately 90.08% by Galaxy Commercial Property Investment and approximately 9.92% by Anlinshan Asset Management.

3. On November 8, 2019, Galaxy Commercial Property Group passed a resolution at extraordinary general meeting to approve, among other matters, the conversion of Galaxy Commercial Property Group from a joint stock company with limited liability into a limited liability company. Upon completion of such conversion, the registered capital of Galaxy Commercial Property Group was RMB35,300,000 and was owned as to approximately 90.08% by Galaxy Commercial Property Investment and approximately 9.92% by Anlinshan Asset Management.

4. On April 8, 2019, Go Star was incorporated in the BVI with limited liability. On August 16, 2019, 10,000 shares of Go Star were issued to Mr. Huang. On September 16, 2019, Glory High Corporate Development Limited ("**Glory High**") was incorporated in the BVI with limited liability. On October 22, 2019, 100 shares of Glory High were issued to Mr. Huang. On November 6, 2019, Mr. Huang transferred all shares he held in Go Star to Glory High, following which Mr. Huang owns the entire equity interest in Go Star through Glory High.

5. On September 13, 2019, the Company was incorporated in the Cayman Islands under the Cayman Islands Companies Act as an exempted company with limited liability. As of the date of its incorporation, the authorized share capital of the Company was HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each, among which one fully-paid share was issued to the initial subscriber at par value and such share was transferred to Go Star on the same day.

   On September 13, 2019, an additional 799 fully-paid shares of the Company were issued to Go Star at par.

   On December 20, 2019, 200 shares of the Company were allotted and issued to Virtue Investment Development Limited ("**Virtue Investment**") at par. Upon completion of such shares allotments, the Company was owned as to 80% by Go Star and 20% by Virtue Investment, respectively.

6. Sincerity Commercial (as defined in Note 33) was incorporated in the BVI as a company limited by shares on October 17, 2019, which was authorized to issue 50,000 shares with a par value of US$1.00 each. On October 17, 2019, Sincerity Commercial issued 100 ordinary shares to the Company at par, pursuant to which Sincerity Commercial became a direct wholly-owned subsidiary of the Company.

7. On November 12, 2019, Luxuriant Commercial (as defined in Note 33) was incorporated in Hong Kong as an exempted company. As of the date of its incorporation, 100 ordinary shares were allotted and issued to Sincerity Commercial and Luxuriant Commercial became an indirect wholly-owned subsidiary of the Company.

8. On December 12, 2019, Luxuriant Commercial, as the sole shareholder, established Xinghan Commercial (as defined in Note 33) as a wholly foreign-owned enterprise in the PRC with a registered capital of RMB5,000,000. It was established to principally serve as an intermediate holding company.

9. On December 16, 2019, Galaxy Commercial Property Investment and Anlinshan Asset Management entered into an equity interest transfer agreement with Xinghan Commercial, respectively, pursuant to which Galaxy Commercial Property Investment and Anlinshan Asset Management agreed to transfer their respective entire equity interests in Galaxy Commercial Property Group to Xinghan Commercial at a total consideration of RMB81,088,300, which was determined based on the manner as described in the "History, Reorganization and Corporate Structure" section in the Prospectus. The consideration was fully settled on December 30, 2019 in cash and this transaction is accounted for as a deemed distribution to the then shareholders of Galaxy Commercial Property Group.

   Upon completion of the Reorganization in December 2019, Galaxy Commercial Property Group became a directly wholly-owned subsidiary of Xinghan Commercial.

* *The English name of this Company is translated from its registered Chinese name for identification purpose only.*

The Group comprising the Company and its subsidiaries resulting from the Reorganization have been under common control of the Ultimate Controlling Shareholder throughout the Track Record Period or since their respective dates of incorporation, where there is a shorter period, and is regarded as continuing entity and merger accounting has been applied for the preparation of Historical Financial Information.

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with HKFRSs issued by the HKICPA and the principles of merger accounting under Accounting Guideline 5 "Merger Accounting for Common Control Combination" issued by the HKICPA.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the Track Record Period include the results, changes in equity and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the Track Record Period, or since their respective date of incorporation, where there is a shorter period taking into account the interest held by non-controlling shareholders in Galaxy Commercial Property Group. The consolidated statements of financial position of the Group as of December 31, 2017 and 2018 have been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence as at those dates or since their respective dates of the incorporation, where applicable, taking into account the interest held by non-controlling shareholders in Galaxy Commercial Property Group.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied Hong Kong Accounting Standards ("**HKAS**"), HKFRSs, amendments and interpretations issued by the HKICPA, which are effective for the accounting period beginning on January 1, 2020 throughout the Track Record Period. Specifically, the Group has adopted HKFRS 15 "Revenue from Contracts with Customers" ("**HKFRS 15**"), HKFRS 9 "Financial Instruments" ("**HKFRS 9**") and HKFRS 16 "Leases" ("**HKFRS 16**") on a consistent basis throughout the Track Record Period.

New and amendments to HKFRSs in issue but not yet effective

At the date of the report, the Group has not early applied the following new and amendments to HKFRSs which have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[2]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[5]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[4]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[4]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after January 1, 2023
3 Effective for annual periods beginning on or after June 1, 2020
4 Effective for annual periods beginning on or after January 1, 2022
5 Effective for annual periods beginning on or after January 1, 2021

Except as described below, the management of the Company anticipates that the application of other new and amendments to HKFRSs will have no material impact on the financial information of the Group in the foreseeable future.

Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*

The amendment is effective for annual periods beginning on or after June 1, 2020.

The amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes were not a lease modification. Forgiveness or waiver of lease payment are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognized in the profit or loss in the period in which the event occurs.

4. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with HKFRSs issued by the HKICPA. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set at below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this Historical Financial Information is determined on such a basis, except for share-based payment transaction that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 "Impairment of Assets".

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Merger accounting for business combination involving businesses under common control

The Historical Financial Information incorporates 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 control of the controlling entity.

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 statements of profit or loss and other 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.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Except for granting of a license (i.e. trademark and logo of the Group) that is distinct from other promised services, control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct service.

For granting of a license (i.e trademark and logo of the Group) that is distinct from other promised services, the nature of the Group's promise in granting a license is a promise to provide a right to access the Group's intellectual property if all of the following criteria are met:

- the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights;
- the rights granted by the license directly expose the customer to any positive or negative effects of the Group's activities; and
- those activities do not result in the transfer of a good or a service to the customer as those activities occur.

If the criteria above are met, the Group accounts for the promise to grant a license as a performance obligation satisfied over time. Otherwise, the Group considers the grant of license as providing the customers the right to use the Group's intellectual property and the performance obligation is satisfied at a point in time at which the license is granted.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognize revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognizes revenue in the amount to which the Group has the right to invoice.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the Group is a principal) or to arrange for those services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified service before that service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified service by another party. In this case, the Group does not control the specified service provided by another party before that service is transferred to the customer. When the Group acts as an agent, it recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified services to be provided by the other party.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office room that has a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property in "property and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, if any.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) when the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivables, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date.

For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss and the corresponding amount is credited to equity-settled share-based payment reserve.

When shares granted are vested, the amount previously recognized in equity-settled share-based payments reserve will be transferred to share premium.

Taxation

Taxation represents the sum of the income tax expense currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statements of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Property and equipment

Property and equipment are tangible assets that are held for use in the supply of services, or for administrative purposes. Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Leasehold improvement in the course of construction for supply or administrative purposes are carried at cost. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of items of property and equipment less their residual values, if any (other than construction in progress), over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment properties

Investment properties are properties held to earn rentals.

Investment properties also include leased properties which are being recognized as right-of-use assets upon application of HKFRS 16 and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognized as a right-of-use asset upon application of HKFRS 16 is derecognized if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Impairment on property and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment and right-of-use assets is estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Group's ordinary course of business (i.e. finance lease) is presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortized cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item, if any.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, other receivables and deposits, amounts due from related parties and bank balances), and other items (operating and finance lease receivables), which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and lease receivables (both operating and finance lease). The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

Financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and lease receivables (both operating and finance lease) where the corresponding adjustment is recognized through a loss allowance account.

Derecognition/modification of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset, after reducing gross carrying amount that has been written off.

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortized over the remaining term. Any adjustment to the carrying amount of the financial asset is recognized in profit or loss at the date of modification.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost

Financial liabilities including trade and other payables and amounts due to related parties are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

5. REVENUE AND SEGMENT INFORMATION

During the Track Record Period, the Group generates revenue primarily from provision of commercial property operational services to either owners of the commercial properties or their tenants in the PRC under three commercial property operational models as described below:

- Entrusted management service model;
- Brand and management output service model; and
- Sublease service model.

Revenue from commercial property operational services by type of operational model

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Entrusted management service	212,453	253,548	294,970	218,274	218,731
Brand and management output service	53,674	58,885	72,606	53,882	73,049
Sublease service	11,940	16,261	19,738	14,542	14,082
	278,067	328,694	387,314	286,698	305,862
Comprise of:					
– Revenue from contracts with customers	271,976	319,930	375,286	277,965	297,711
– Revenue from leases	6,091	8,764	12,028	8,733	8,151
	278,067	328,694	387,314	286,698	305,862

(i) Disaggregation of revenue from contracts with customers:

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Commercial property operational services:					
– Positioning, construction consultancy and tenant sourcing services	19,932	10,022	26,850	21,894	46,699
– Operational management services	201,283	245,604	279,066	209,423	213,938
– Value-added services *(note)*	50,761	64,304	69,370	46,648	37,074
	271,976	319,930	375,286	277,965	297,711
Timing of revenue recognition:					
– Over time	266,778	314,248	368,535	273,763	292,364
– A point in time	5,198	5,682	6,751	4,202	5,347
	271,976	319,930	375,286	277,965	297,711
Type of customers:					
– Property owners	90,479	105,341	131,153	108,243	119,118
– Tenants and other customers	181,497	214,589	244,133	169,722	178,593
	271,976	319,930	375,286	277,965	297,711

The Group acts as a principal for all of the services rendered except for certain portion of revenue generated from value-added services.

Note: Included in the value-added services, there were amounts of RMB3,774,000, RMB3,048,000, RMB3,074,000, RMB2,188,000 (unaudited) and RMB558,000 for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 respectively where the Group acts as an agent.

(ii) Performance obligations for contracts with customers

Entrusted management service model

The contracts under entrusted management service model represent property related management services rendered in respect of commercial properties owned by related parties. The services under this model comprise (i) consultancy services provided to property owners; (ii) tenant sourcing services provided to property owners; (iii) operational management services provided to property owners; (iv) operational management services provided to tenants; and (v) value-added services provided to tenants and/or other customers.

Brand and management output service model

The contracts under brand and management output service model represent property related management services rendered in respect of commercial properties owned by related parties or independent third parties. The operating costs of managing the commercial properties are borne by the property owners instead of the Group. The services under this model comprise (i) consultancy services provided to property owners; (ii) tenant sourcing services provided to property owners; (iii) operational management services provided to property owners (without rent collection); (iv) value-added services provided to tenants and/or other customers; (v) land sourcing assistance; and (vi) use of the Group's trademark and logo.

Sublease service model

The contracts under sublease service model represent leasing of commercial spaces within a commercial property to tenants (as described below in note (iv)) and property related management services in respect of commercial spaces leased by tenants. The services under this model comprise (i) operational management services provided to tenants and (ii) value-added services provided to tenants and/or other customers. The commercial property is leased from a property owner, who is a related party of the Group, and subleases to the tenants.

The details of each service and revenue recognition process are set out below:

1. Consultancy services, such as market positioning, business planning consultancy services and design and construction consultancy services, provided to property owners. The transaction price is fixed for each service and the revenue is recognized overtime in rendering of these services based on the progress of services using output method. The transaction price received before providing consultancy services to property owners is recognized as contract liabilities and released over the period of service.

2. Tenant sourcing services provided to property owners. The Group charges a pre-agreed amount in respect of each lease agreement entered and the revenue is recognized at a point in time when a tenant enters into a lease agreement with the property owner.

3. Operational management services provided to property owners, such as overall business operation management and rent collection. The Group charges an operational management fee based on a pre-agreed percentage of revenue and/or profit from property owners. The revenue is recognized over time as the customers simultaneously receive and consume the benefits in relation to services provided by the Group.

4. Operational management services provided to tenants, such as property management and marketing and promotion. The Group charges an operational management fee based on a per sq.m. basis or a pre-agreed fixed fee from tenants. The revenue is recognized over time as the customers simultaneously receive and consume the benefits in relation to services provided by the Group.

5. Value-added services provided to tenants and/or other customers, primarily including management of common areas and advertising spaces in the shopping centers. The Group charges a fixed fee for the use of these common areas and advertising spaces and the revenue is recognized over time as the tenants and/or other customers simultaneously receive and consume the benefits in relation to services provided by the Group. The transaction price received before providing value-added services to tenants and/or customers is recognized as contract liabilities and released on a straight-line basis over the period of service.

6. Land sourcing assistance services provided to customers. The Group charges monthly service fees for provision of such services and the revenue is recognized over time as the customers simultaneously receive and consume the benefits in relation to the services provided by the Group. Depending on the terms set out in each land sourcing assistance contract entered into with the customer, it may include a consideration where the amount and the payment may depend on the occurrence of a future event. The recognition of such revenue, which is subject to constrained as detailed above, is according to the Group's accounting policy set out in Note 4 under the heading "variable consideration".

7. Right of using of the Group's trademark and logo granted to property owners. The Group charges a fixed annual fee for use of these trademark and logo and the revenue is recognized over time.

(iii) Transaction price allocated to the remaining performance obligations

The Group has elected to apply the practical expedient under HKFRS 15 for not to disclose the information of remaining performance obligations which are part of a contract that has an original expected duration of one year or less; or from satisfaction of which the Group recognizes revenue in the amount that corresponds directly with the value to the customers of the Group's performance completed to date which the Group has the right to invoice. The transaction price allocated to the remaining performance obligations where the aforementioned practical expedients are not applicable is approximately RMB221 million, RMB354 million, RMB397 million and RMB591 million as of December 31, 2017, 2018 and 2019, September 30, 2020 and are expected to recognize as revenue within 15 years, 14 years, 13 years and 12 years respectively at the end of each reporting period, respectively.

(iv) Leases

The revenue from leases arises from the lease agreements entered into between the Group and tenants under sublease service model. The Group enters into a lease agreement with the property owner of a commercial property and subleases the commercial spaces within the commercial property to tenants.

	Year ended December 31,			**Nine months ended September 30,**	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
For operating leases:					
Lease payments that are fixed	4,286	6,059	8,918	6,546	6,613
Variable lease payments	1,507	2,395	2,791	2,066	1,310
	5,793	8,454	11,709	8,612	7,923
For finance leases:					
Finance income on the net investment in the lease	298	310	319	121	228
Total revenue arising from leases	6,091	8,764	12,028	8,733	8,151

Included in the operating lease income is contingent rental of RMB1,507,000, RMB2,395,000, RMB2,791,000, RMB2,066,000 (unaudited) and RMB1,310,000 for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 respectively.

Segment information

The Group's operations are solely derived from provision of commercial property operational services in the PRC during Track Record Period. For the purposes of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in Note 4. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Geographical information

No geographical segment information is presented as the Group's operation is mainly in the PRC and all its non-current assets are situated in the PRC. All of the Group's revenue from external customers is attributable to the group entities' place of domicile (i.e the PRC).

Information about major customers

Revenue from customers contributing over 10% of the Group's total revenue during the Track Record Period are as follows:

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Customer A *(note)*	63,264	66,584	95,152	70,372	90,781

Note: Customer A represents a group of related parties of the Group. Details of the transactions with these related parties are set out in Note 31(b).

6. OTHER INCOME

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Interest income from bank deposits	730	432	1,148	816	1,099
Investment income of financial assets at FVTPL	7,490	11,403	12,905	12,121	2,290
Government grants *(note)*	943	1,065	2,355	1,402	4,188
Compensation and penalty received from tenants	860	612	2,399	1,092	668
	10,023	13,512	18,807	15,431	8,245

Note: The government grants refer to unconditional subsidies granted by the government authorities in the PRC. During the nine months ended September 30, 2020, the Group recognized government grants of RMB2,625,000 in respect of COVID-19 related subsidies.

7. FINANCE COSTS

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Interest on lease liabilities	3,323	3,261	3,150	2,373	3,125

8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Net impairment losses recognized on:					
– trade receivables	2,288	–	4,245	4,570	2,361

Details of impairment assessment are set out in Note 30.

9. INCOME TAX EXPENSE

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Current tax:					
PRC Enterprise Income Tax ("**EIT**")	18,081	28,843	34,578	24,594	32,980
Deferred tax *(Note 23)*	(1,172)	(183)	(1,236)	(1,258)	(112)
	16,909	28,660	33,342	23,336	32,868

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the entities operating in the PRC is 25% for the Track Record Period.

The income tax expense for the Track Record Period can be reconciled to the profit before tax as follows:

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Profit before tax	67,333	113,718	128,942	102,150	123,009
Tax at PRC EIT rate of 25%	16,833	28,430	32,236	25,538	30,752
Tax effect of expense not deductible for tax purpose	76	230	3,374	149	2,199
Effect of disposal of a subsidiary	–	–	(2,351)	(2,351)	–
Unrecognized tax losses	–	–	83	–	–
Utilization of tax losses	–	–	–	–	(83)
Income tax expense	16,909	28,660	33,342	23,336	32,868

10. DISCONTINUED OPERATION

深圳市星河趣滙創新發展有限公司 (Shenzhen Galaxy Quhui Innovation Development Co., Ltd.) ("**Quhui Innovation**"), which was a parent company of 深圳市星河兔加熊健康服務有限公司 (Shenzhen Galaxy Rabbit & Bear Health Service Company Limited) ("**Rabbit & Bear**"), and had an interest in an associate as set out in Note 17, was established on February 20, 2017 for the purpose of providing sports and children's entertainment facilities services. As its business was not in line with the business development strategy of the Group, on January 16, 2019, the Group entered into an equity transfer agreement with 星河置業集團有限公司(Galaxy Property Group Co., Ltd) ("**Galaxy Property Group**"), a company controlled by Mr. Huang, pursuant to which the Group transferred the entire equity interest in Quhui Innovation to Galaxy Property Group at a consideration of RMB1 which was fully settled in cash. The disposal was completed on January 16, 2019, on which date control of Quhui Innovation passed to Galaxy Property Group, and the details of the disposal is set out in Note 26.

The figures of years ended December 31, 2017 and 2018 in the consolidated statement of profit or loss and other comprehensive income of the Track Record Period, have been restated to re-present the operation of providing sports and children entertainment facilities services as a discontinued operation. The results from the discontinued operation for the years ended December 31, 2017, 2018 and 2019, and the nine months ended September 30, 2019 (unaudited) which have been included in the consolidated statement of profit and loss and other comprehensive income are set out below.

	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2019	Nine months ended September 30, 2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Loss of discontinued operation	(2,484)	(7,263)	–	–
Gain on disposal of discontinued operation *(Note 26)*	–	–	4,403	4,403
Income tax expense on gain of the disposal	–	–	(1,101)	(1,101)
	–	–	3,302	3,302

	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2019	Nine months ended September 30, 2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Revenue	237	2,388	–	–
Cost of services	(672)	(1,687)	–	–
Other income *(note)*	5	5	–	–
Other gains and losses	–	(36)	–	–
Selling expenses	(136)	(638)	–	–
Administrative expenses	(1,918)	(6,858)	–	–
Share of results of an associate *(Note 17)*	–	(437)	–	–
Loss before tax	(2,484)	(7,263)	–	–
Income tax expense	–	–	–	–
Loss for the year/period	(2,484)	(7,263)	–	–

Note: Other income includes bank interest income of RMB4,000 and RMB5,000 for the years ended December 31, 2017 and 2018 respectively.

The cash flows contributed by Quhui Innovation to the Group during the Track Record Period are as follows:

	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2019	Nine months ended September 30, 2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Net cash (used in) from operating activities	(570)	1,678	–	–
Net cash used in investing activities	(1,624)	(4,209)	–	–
Net cash from financing activities	5,600	–	–	–
	3,406	(2,531)	–	–
Loss for the year/period from the discontinued operation includes the following:				
Loss on disposal of property and equipment	–	(24)	–	–

The carrying amounts of the assets and liabilities of Quhui Innovation at the date of disposal are set out in Note 26.

11. PROFIT FOR THE YEAR/PERIOD

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit for the year/period has been arrived at after charging (crediting):					
Auditor's remuneration	250	414	2,246	455	2,004
Depreciation of property and equipment	1,651	2,020	1,383	1,181	3,061
Depreciation of investment properties	2,638	2,638	2,638	1,978	2,436
Staff costs (including directors' emoluments):					
Salaries and other benefits	75,888	87,074	108,308	81,458	75,357
Equity-settled share-based payments *(Note 27)*	13,018	–	–	–	–
Retirement benefits schemes contributions	5,137	5,809	6,972	4,829	3,827
Total staff costs	94,043	92,883	115,280	86,287	79,184
Gain on disposal of a subsidiary (included in other gains and losses)	–	–	(4,403)	(4,403)	–
Gross rental income from investment properties	6,091	8,764	12,028	8,733	8,151
Less: direct operating expenses incurred for investment properties during the year/period	(4,421)	(4,423)	(4,914)	(3,642)	(3,610)
	1,670	4,341	7,114	5,091	4,541

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to the executive directors of the Company (including emoluments for the service as employees of the group entities prior to becoming the directors of the Company), during the Track Record Period are as follows:

For the year ended December 31, 2017

	Directors' fee	Salaries and other benefits	Performance related bonus	Retirement benefit schemes contributions	Equity-settled share based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Huang De-Lin Benny	–	–	–	–	–	–
Tao Muming	–	554	375	73	4,172	5,174
Niu Lin	–	1,712	845	50	2,503	5,110
Wen Yi	–	1,115	529	50	834	2,528
Total emoluments	–	3,381	1,749	173	7,509	12,812

For the year ended December 31, 2018

	Directors' fee	Salaries and other benefits	Performance related bonus	Retirement benefit schemes contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Huang De-Lin Benny	–	–	–	–	–
Tao Muming	–	697	293	73	1,063
Niu Lin	–	1,970	708	51	2,729
Wen Yi	–	1,163	496	36	1,695
Total emoluments	–	3,830	1,497	160	5,487

For the year ended December 31, 2019

	Directors' fee	Salaries and other benefits	Performance related bonus	Retirement benefit schemes contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Huang De-Lin Benny	–	–	–	–	–
Tao Muming	–	943	471	73	1,487
Niu Lin	–	2,007	541	73	2,621
Wen Yi	–	1,587	556	25	2,168
Total emoluments	–	4,537	1,568	171	6,276

For the nine months ended September 30, 2019 (unaudited)

	Directors' fee	Salaries and other benefits	Performance related bonus	Retirement benefit schemes contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Huang De-Lin Benny	–	–	–	–	–
Tao Muming	–	597	220	50	867
Niu Lin	–	1,473	531	50	2,054
Wen Yi	–	1,133	372	–	1,505
Total emoluments	–	3,203	1,123	100	4,426

For the nine months ended September 30, 2020

	Directors' fee	Salaries and other benefits	Performance related bonus	Retirement benefit schemes contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Huang De-Lin Benny	–	–	–	–	–
Tao Muming	–	1,607	326	32	1,965
Niu Lin	–	1,322	447	34	1,803
Wen Yi	–	940	485	16	1,441
Total emoluments	–	3,869	1,258	82	5,209

Note: The directors' emoluments are for their services in connection to the management of the affairs of the Group.

The performance related bonus are determined by reference to the individual performance.

During the Track Record Period, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company has waived any remuneration during the Track Record Period.

Mr. Huang De-Lin Benny was appointed as executive director of the Company on September 13, 2019 and Mr. Tao Muming, Mr. Niu Lin and Ms. Wen Yi were appointed as executive directors of the Company on December 20, 2019, respectively. Mr. Huang De-Lin Benny is also the chief executive of the Company.

Mr. Guo Limin and Mr. Huang De-An Tony were appointed as non-executive director of the Company on December 20, 2019 and no emoluments were paid to the non-executive directors by the Group during the Track Record Period.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three were the directors of the Company for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020. Details of their emoluments are included in Note 12 (a) above. The emoluments of the remaining two individuals for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 are as follows:

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries and other benefits	2,076	2,711	2,890	2,135	1,699
Performance related bonus	1,073	902	973	676	846
Equity-settled share-based payments	2,086	–	–	–	–
Retirement benefit schemes contributions	100	102	146	100	68
	5,335	3,715	4,009	2,911	2,613

Their emoluments are within the following bands:

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	Number of employees	*Number of employees*	*Number of employees*	*Number of employee* *(unaudited)*	*Number of employee*
HK$1,000,001 to HK$1,500,000	–	1	–	1	1
HK$1,500,001 to HK$2,000,000	1	–	1	–	1
HK$2,000,001 to HK$2,500,000	–	–	–	1	–
HK$2,500,001 to HK$3,000,000	–	1	1	–	–
HK$4,500,001 to HK$5,000,000	1	–	–	–	–

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

During the year ended December 31, 2019, Galaxy Commercial Property Group, the then holding company of the entities comprising the Group, declared dividend of RMB200,504,000 to its then shareholders. The dividend payable was settled through cash. The rate of dividends and number of shares ranking for the above dividends are not presented as such information is not considered meaningful having regard to the purpose of these consolidated financial statements.

Other than disclosed above, no dividend was paid or declared by the Company since its incorporation during the Track Record Period.

14. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

Earnings

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Earnings for the purpose of basic earnings per share, being profit for the year/period attributable to owners of the Company	40,917	66,250	84,632	67,652	89,586

Number of shares

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	'000	*'000*	*'000*	*'000* *(unaudited)*	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	637,425	637,425	674,744	649,384	750,000

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Company had been the holding company of the subsidiaries with shares issued and outstanding consistent with the basis of consolidation throughout the Track Record Period and the Reorganization was completed as described in the section headed "History, Reorganization and Corporate Structure" to the Prospectus had been effective on January 1, 2017.

From continuing operations

The calculation of the basic earnings per share from continuing operations attributable to the owners the Company is based on the following data:

Earnings

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Earnings for the purpose of basic earnings per share from continuing operations	43,203	73,367	84,632	67,652	89,586

The denominators used are the same as those detailed above.

From discontinued operations

Basic loss per share for the discontinued operations is RMB0.36 cents, RMB1.12 cents, nil, nil and nil per share for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively, based on the loss for the year/period from the discontinued operations of RMB2.29 million, RMB7.12 million, nil, nil and nil for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively and the denominators used are the same as those detailed above.

No diluted earnings per share for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020 were presented as there were no potential ordinary shares in issue for the Track Record Period.

15. PROPERTY AND EQUIPMENT

	Machine and equipment	Motor vehicles	Electronic equipment	Office equipment	Other equipment	Construction in progress	Leased property	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(note (i))*	*RMB'000* *(note (ii))*	*RMB'000*
COST								
At January 1, 2017	139	363	3,477	426	492	–	–	4,897
Additions	–	1,438	355	1,160	29	16,206	–	19,188
Disposals	–	–	–	(103)	–	–	–	(103)
At December 31, 2017	139	1,801	3,832	1,483	521	16,206	–	23,982
Additions	–	15	719	228	3,269	–	–	4,231
Disposals	–	(4)	(7)	(81)	(29)	(16,206)	–	(16,327)
At December 31, 2018	139	1,812	4,544	1,630	3,761	–	–	11,886
Additions	–	–	155	400	8	–	–	563
Disposals	–	(9)	(156)	(80)	(44)	–	–	(289)
Disposal of a subsidiary *(Note 26)*	–	–	(76)	(754)	(3,269)	–	–	(4,099)
At December 31, 2019	139	1,803	4,467	1,196	456	–	–	8,061
Additions	–	–	115	227	1,476	–	8,865	10,683
Disposals	–	–	(2,424)	(113)	–	–	–	(2,537)
Lease modification	–	–	–	–	–	–	(123)	(123)
At September 30, 2020	139	1,803	2,158	1,310	1,932	–	8,742	16,084
DEPRECIATION								
At January 1, 2017	18	41	1,646	273	108	–	–	2,086
Provided for the year	13	146	1,102	306	84	–	–	1,651
Eliminated on disposals	–	–	–	(3)	–	–	–	(3)
At December 31, 2017	31	187	2,748	576	192	–	–	3,734
Provided for the year	13	360	1,087	292	268	–	–	2,020
Eliminated on disposals	–	(4)	(6)	(13)	(27)	–	–	(50)
At December 31, 2018	44	543	3,829	855	433	–	–	5,704
Provided for the year	13	350	537	397	86	–	–	1,383
Eliminated on disposals	–	(9)	(153)	(26)	(27)	–	–	(215)
Disposal of a subsidiary *(Note 26)*	–	–	(76)	(183)	(157)	–	–	(416)
At December 31, 2019	57	884	4,137	1,043	335	–	–	6,456
Provided for the period	10	278	114	87	411	–	2,161	3,061
Eliminated on disposals	–	–	(2,303)	(105)	–	–	–	(2,408)
At September 30, 2020	67	1,162	1,948	1,025	746	–	2,161	7,109

	Machine and equipment	Motor vehicles	Electronic equipment	Office equipment	Other equipment	Construction in progress	Leased property	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(note (i))*	*RMB'000* *(note (ii))*	*RMB'000*
CARRYING AMOUNTS								
At December 31, 2017	108	1,614	1,084	907	329	16,206	–	20,248
At December 31, 2018	95	1,269	715	775	3,328	–	–	6,182
At December 31, 2019	82	919	330	153	121	–	–	1,605
At September 30, 2020	72	641	210	285	1,186	–	6,581	8,975

Notes:

(i) The construction in progress represents the cost incurred for the decoration of a commercial property in relation to a property management project and the Group disposed of the construction in progress subsequently to the property owner at cost.

(ii) During the nine months ended September 30, 2020, the Group leased two office premises from a related party for its operation. The lease contracts are entered into for fixed terms of 2.39 and 3 years respectively. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. The lease agreement does not impose any covenants (other than the security interest in the leased asset that is held by the lessor). The leased asset may not be used as security for borrowing purposes. The cash outflows for the leases for the nine months ended September 30, 2020 is RMB2,112,000.

The above items of property and equipment are depreciated on a straight-line basis at the following rates per annum:

Machine and equipment	10%
Motor vehicles	20%
Electronic equipment	33%
Office equipment	20%
Other equipment	20%
Leased property	Over the lease term

16. INVESTMENT PROPERTIES

	Investment properties
	RMB'000
COST	
At January 1, 2017, December 31, 2017 and December 31, 2018	52,860
Addition related to the lease modification	12,427
At December 31, 2019	65,287
Decrease related to the lease modification	(1,298)
At September 30, 2020	63,989
DEPRECIATION	
At January 1, 2017	2,077
Provided for the year	2,638
At December 31, 2017	4,715
Provided for the year	2,638
At December 31, 2018	7,353
Provided for the year	2,638
At December 31, 2019	9,991
Provided for the period	2,436
At September 30, 2020	12,427
CARRYING VALUES	
At December 31, 2017	48,145
At December 31, 2018	45,507
At December 31, 2019	55,296
At September 30, 2020	51,562

The Group as a lessee

The Group leased a commercial property in Changzhou of the PRC from a property owner, which is a related party of the Group, in April 2016 for fixed term of 20 years. The Group has an option to extend the lease beyond the initial agreed period but it is subject to the mutual agreement between the Group and the property owner. When recognizing the investment properties, the Group has applied the incremental borrowing rate of the relevant group entity. The incremental borrowing rate applied at lease commencement date is 5.64%. The Group recognized right-of-use assets that meet the definition of investment properties and lease liabilities of RMB58,640,000 respectively at the lease commencement date.

In December 2019, the Group entered into a lease modification agreement with the property owner of the commercial property in Changzhou, pursuant to which the rental will increase 3% per year since 2021. This lease modification was not accounted for as a separate lease, the Group remeasured the right-of-use assets that meet the definition of investment properties and lease liabilities of RMB12,427,000 respectively based on the revised lease payments using a revised discount rate at the effective date of the modification.

The lease agreement does not impose any particular covenants except for pre-approval from the property owner is required for, among others, the change of use or structure of the property.

Expenses relating to short-term leases with lease terms end within 12 months are RMB4,966,000, RMB5,641,000, RMB3,712,000 and nil for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 respectively.

The Group regularly entered into short-term leases for office premises. As of December 31, 2017, 2018 and 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses disclosed in this note above. During the nine months ended September 30, 2020, the Group entered into two long-term lease agreements with a related party for office premises. Accordingly, the Group recognized right-of-use assets and lease liabilities of RMB8,865,000 respectively. Details are set out in Note 15.

During the nine months ended September 30, 2020, the property owner of the commercial property in Changzhou provided rent concession to the Group through rent reduction. The Group opted not to apply the practical expedient under HKFRS 16.46A and concluded the changes in lease payments constitute a lease modification. The reduction of the Group's lease liabilities of RMB1,298,000 and a corresponding adjustment of the same amount to the investment properties were recognized.

The Group as a lessor

The Group leased out retail stores of a commercial property in Changzhou of the PRC as described above under subleasing arrangements to receive rental income. The leases typically run for an initial period of 1 to 15 years and the lessees have the option to extend the lease beyond initial agreed period but it is subject to mutual agreement between the Group and the lessees. The extension option is subject to market review clauses in the event the lessee exercises the option.

Leases of retail stores are either with only fixed lease payments or contain variable lease payments that are based on pre-agreed percentage of sales recognized by the tenants and the minimum annual lease payment that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in RMB which is the functional currency of the respective group entity. The lease contracts of the headlease and sublease do not contain residual value guarantee nor lessee's option to purchase the property at the end of lease term.

Total cash outflows for the leases, including the leased properties disclosed in Note 15, for years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 are RMB7,759,000 and RMB10,877,000, RMB8,948,000 and RMB4,730,000 which consist of RMB2,793,000, RMB5,236,000, RMB5,236,000 and RMB2,618,000 paid for leased properties under sub-leases respectively. The income from subleasing of properties for years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 are set out in Note 5(iv).

The fair values of the Group's investment properties as of December 31, 2017, 2018 and 2019 and September 30, 2020 were RMB120,000,000, RMB123,000,000, RMB130,000,000 and RMB127,900,000 respectively. The fair value has been arrived at based on a valuation carried out by Savills Valuation and Professional Services Limited, independent valuers not connected with the Group.

The fair value was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighborhood. The discount rate is determined by reference to the yields derived from analyzing the sales transactions of similar commercial properties in the PRC and adjusted to take into account the market expectation form property investors to reflect factors specific to the Group's investment properties. There has been no change from the valuation technique used in the previous years.

In estimating the fair value of the Group's investment properties, the highest and best use of the properties is their current use.

The above investment properties are depreciated on a straight-line basis over the lease term.

17. INTEREST IN AN ASSOCIATE

	As of December 31, 2018	**As of December 31, 2019**
	RMB'000	*RMB'000*
Cost of investment	980	–
Share of post-acquisition results	(437)	–
	543	–

Details of the Group's associate at the end of each reporting period are as follow:

Name of associate	Country of incorporation/ registration	Place of operation	Proportion of ownership interest held by the Group			Proportion of voting rights held by the Group			Principal activities
			2017	2018	2019	2017	2018	2019	
深圳市星河一諾教育科技有限公司Shenzhen Galaxy Yinuo Education Technology Co., Ltd (the "**Yinuo**") *(note)*	The PRC	Shenzhen	–	49%	–	–	49%	–	Sports and children's entertainment facilities services

Note: The Group acquired 49% equity interest in Yinuo at a consideration of RMB980,000 in year 2018. It was disposed of together with Quhui Innovation by the Group in January 2019. The details of the disposal of Quhui Innovation are set out in Note 26.

Summarized financial information of the Group's associate

Summarized financial information in respect of the Group's associate is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

The associate is accounted for using the equity method in these consolidated financial statements.

	As of December 31, 2018
	RMB'000
Non-current assets	540
Current assets	1,710
Current liabilities	1,143
Revenue	–

	Year ended December 31, 2018
	RMB'000
Loss and other comprehensive expense for the year	(893)
The Group's share of loss and other comprehensive expense of Yinuo for the year (included in the loss of discontinued operation of the Group)	(437)

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associate recognized in the consolidated financial statements is as follows:

	As of December 31, 2018
	RMB'000
Net assets of the Yinuo	1,107
Proportion of the Group's ownership interest in Yinuo	49%
Carrying amount of the Group's interest in Yinuo	543

18. FINANCE LEASE RECEIVABLES

The Group entered into a finance lease contract as a lessor for certain units located in a commercial property, which was leased by the Group from a property owner as disclosed in Note 16. The term of the finance lease entered into is 15 years starting from August 2016. The interest rate inherent in the lease is fixed at the contract date over the lease term.

For the years ended December 31, 2018 and 2019, the finance lease receivables increased due to the initial rent free period granted to the tenant which ended in August 2019.

	Minimum lease payments 09/30/2020	Present value of minimum lease payments 09/30/2020
	RMB'000	*RMB'000*
Finance lease receivables comprise:		
Within one year	767	471
In the second year	806	527
In the third year	846	588
In the fourth year	889	654
In the fifth year	933	723
After five years	5,392	5,269
	9,633	8,232
Gross investment in the lease	9,633	N/A
Less: unearned finance income	(1,401)	N/A
Present value of minimum lease payment receivables	8,232	8,232
Less: Allowance for credit loss		(449)
		7,783
Analyzed as:		
Non-current		7,312
Current		471
		7,783

	Minimum lease payments 12/31/2019	Present value of minimum lease payments 12/31/2019
	RMB'000	*RMB'000*
Finance lease receivables comprise:		
Within one year	740	432
In the second year	777	484
In the third year	816	542
In the fourth year	856	604
In the fifth year	900	671
After five years	6,096	5,820
	10,185	8,553
Gross investment in the lease	10,185	N/A
Less: unearned finance income	(1,632)	N/A
Present value of minimum lease payment receivables	8,553	8,553
Less: Allowance for credit loss		(449)
		8,104
Analyzed as:		
Non-current		7,672
Current		432
		8,104

	Minimum lease payments 12/31/2018	Present value of minimum lease payments 12/31/2018
	RMB'000	*RMB'000*
Finance lease receivables comprise:		
Within one year	296	159
In the second year	740	422
In the third year	777	474
In the fourth year	816	531
In the fifth year	856	591
After five years	6,996	6,352
	10,481	8,529
Gross investment in the lease	10,481	N/A
Less: unearned finance income	(1,952)	N/A
Present value of minimum lease payment receivables	8,529	8,529
Less: Allowance for credit loss		(449)
		8,080
Analyzed as:		
Non-current		7,922
Current		158
		8,080

	Minimum lease payments 12/31/2017	Present value of minimum lease payments 12/31/2017
	RMB'000	*RMB'000*
Finance lease receivables comprise:		
Within one year	–	–
In the second year	296	153
In the third year	740	407
In the fourth year	777	457
In the fifth year	816	511
After five years	7,852	6,691
	10,481	8,219
Gross investment in the lease	10,481	N/A
Less: unearned finance income	(2,262)	N/A
Present value of minimum lease payment receivables	8,219	8,219
Less: Allowance for credit loss		(449)
		7,770
Analyzed as:		
Non-current		7,770
Current		–
		7,770

As of December 31, 2017, 2018 and 2019 and September 30, 2020, the interest rate implicit in the above finance lease was approximately 0.3%, 0.3%, 0.3% and 0.3% per month.

19. TRADE AND OTHER RECEIVABLES

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables				
– Trade receivables	8,800	13,820	10,957	39,138
– Other receivables	8,336	13,430	12,381	10,188
	17,136	27,250	23,338	49,326

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
Contracts with customers				
– Third parties	9,344	12,734	15,978	36,656
– Related parties *(note)*	362	2,063	347	6,576
Leases				
– Third parties	2,080	2,009	1,863	2,708
	11,786	16,806	18,188	45,940
Less: Allowance for credit losses	(2,986)	(2,986)	(7,231)	(6,802)
	8,800	13,820	10,957	39,138

Note: The related parties are companies under common control of the Ultimate Controlling Shareholder.

The Group grants credit terms of 10 to 30 days to its customers from the date of invoices. The following is an aging analysis of the trade receivables, net of allowance of credit losses, presented based on the invoice date at the end of each reporting period:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-10 days	5,606	6,030	6,599	16,141
11-30 days	2,120	6,701	1,335	7,405
31-60 days	86	–	160	3,780
61-90 days	89	484	762	3,867
Over 90 days	899	605	2,101	7,945
	8,800	13,820	10,957	39,138

As of January 1, 2017, trade receivables from contracts with customers amounted to RMB9,838,000.

Included in the Group's trade receivables are past due debtors with aggregate carrying amount of RMB1,074,000, RMB1,089,000, RMB3,023,000 and RMB15,592,000 as of December 31, 2017, 2018 and 2019 and September 30, 2020, respectively, of which an amount of RMB899,000, RMB605,000, RMB2,101,000 and RMB7,436,000 as of December 31, 2017, 2018 and 2019 and September 30, 2020 were past due 90 days or more and not considered as in default. The Group rebutted the presumption of default under expected credit losses model for the trade receivables past due over 90 days based on no significant change in credit quality after understanding the customers' background, their good repayment records and continuous business relationship with those customers and were adjusted for forward-looking information, including but not limit to the reviving economic condition and consumption level in the PRC and the expected customers traffic of the commercial properties without undue cost or effect. The Group does not hold any collateral over these balances.

In November 2019, a customer of the Group, the property owner of Enshi Galaxy COCO City (恩施星河COCO City) experienced financial difficulty and applied for bankruptcy restructuring with the local people's court. The directors of the Company were of the opinion that the revenue from this customer was subject to significant reversal and relevant trade receivables became credit-impaired. Therefore, the Group ceased to recognize the revenue from this customer during 2019 amounting to RMB3.85 million and the trade receivables from this customer with gross amount of RMB4.29 million as of December 31, 2019 were fully impaired. As of September 30, 2020, the bankruptcy restructuring of this customer had not been completed and the opening date of the commercial property of this project had not been determined.

	THE GROUP				THE COMPANY	
	As of December 31,			As of September 30,	As of December 31,	As of September 30,
	2017	2018	2019	2020	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables						
Receivables from third-party payment platforms *(note (i))*	6,013	7,891	3,313	1,903	–	–
Payments on behalf of tenants *(note (ii))*	658	3,310	4,096	686	–	–
Advance to employees *(note (iii))*	651	585	211	128	–	–
Prepayment	454	511	63	98	–	–
Other tax recoverable	531	716	468	750	–	–
Deposits	24	382	11	11	–	–
Deferred issue costs	–	–	4,194	6,018	4,194	6,018
Others	5	35	25	594	–	60
	8,336	13,430	12,381	10,188	4,194	6,078

Notes:

(i) Customers usually pay the bills of tenants through third-party payment platforms in the commercial properties managed by the Group. The third party payment platforms normally settle the amounts received, net of handling charges, within a week after trade date. The Group will hold the money on behalf of tenants and repay to them upon monthly settlement. All receivables from third-party payment platforms aged within one month and not past due.

(ii) The Group sometimes pay the utilities expenses on behalf of tenants before their commencement of operations. The amounts have no specific repayment terms and they will normally be settled when the tenants commence the operations.

(iii) The amount represented advancements to employees for the Group's daily operations.

Details of impairment assessment of trade and other receivables for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 are set out in Note 30.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Financial assets at FVTPL	160,000	275,000	65,995	144,259

During the Track Record Period, the Group entered into several contracts of wealth management investments with a company engaged in asset management business in the PRC. The whole amount of principals of RMB160,000,000, RMB275,000,000, RMB65,000,000 and RMB25,000,000 as of December 31, 2017, 2018 and 2019 and September 30, 2020 respectively were unsecured and unguaranteed by this company and the expected return rates for these products are pre-determined and fixed.

During the nine months ended September 30, 2020, the Group entered into several contracts of wealth management investments with a bank in the PRC. The whole amount of principals of RMB115,000,000 as of September 30, 2020 was unsecured and unguaranteed by this bank and the expected return rates for these products are pre-determined and fixed.

In the opinion of the directors of the Company, the fair values of the wealth management investments as of December 31, 2017 and 2018 approximated their principal amounts and, as of December 31, 2019 and September 30, 2020, the fair values of wealth management investments were RMB65,995,000 and RMB142,269,000 respectively, including fair value changes of RMB995,000 and RMB1,274,000 respectively. The wealth management investments would be mature within twelve months from the date of purchase. Therefore, they are classified as current assets.

During the nine months ended September 30, 2020, the Group purchased listed bonds issued by China Development Bank through a commercial bank with an amount of RMB1,990,000. The bonds carry a fixed interest rate of 3.23% per annum and have a maturity date on January 10, 2025. In the opinion of the directors of the Company, the bonds may be disposed of in the market for acceptable return at any time prior to maturity. Therefore, they are classified as current assets. As of September 30, 2020, the fair value of the bonds approximated to the purchase amount of RMB1,990,000.

21. BANK BALANCES AND CASH

Bank balances and cash held by the Group are with maturity of three months or less and carry interest at prevailing market rates ranging from 0.40% to 0.55% per annum at December 31, 2017, 2018 and ranging from 0.3% to 1% per annum at December 31, 2019 and 0.01% to 1.61% per annum at September 30, 2020.

All of the Group's bank balances and cash are denominated in RMB and Hong Kong Dollars.

22. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

(a) Trade and other payables

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables				
– Trade payables	18,012	26,046	20,782	33,298
– Other payables	121,504	139,957	141,512	125,414
	139,516	166,003	162,294	158,712

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
Contracts with suppliers				
– Third parties	15,351	19,862	18,309	19,067
– Related parties *(note)*	2,661	6,184	2,473	14,231
	18,012	26,046	20,782	33,298

Note: The related parties are companies under common control of the Ultimate Controlling Shareholder.

The credit period grants to the Group by suppliers normally being 30 to 90 days. The following is an aging analysis of trade payables based on the invoice date at the end of each reporting period:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-30 days	14,017	21,098	16,046	21,501
31-60 days	930	1,804	700	4,483
61-90 days	767	969	664	1,914
Over 90 days	2,298	2,175	3,372	5,400
	18,012	26,046	20,782	33,298

	The Group				The Company	
	As of December 31,			As of September 30,	As of December 31,	As of September 30,
	2017	2018	2019	2020	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other payables						
Receipts on behalf of tenants *(note (i))*	88,601	95,884	88,560	79,030	–	–
Deposits received *(note (ii))*	8,416	12,417	14,901	17,310	–	–
Payroll payables	20,138	25,090	25,930	17,127	–	–
Accruals	1,914	3,803	1,093	3,774	–	–
Accrued listing expenses *(note (iii))*	–	–	7,124	5,236	7,124	5,236
Accrued issue costs *(note (iii))*	–	–	2,014	1,135	2,014	1,135
Other tax payables	2,435	2,763	1,890	1,802	–	–
	121,504	139,957	141,512	125,414	9,138	6,371

Notes:

(i) The balance represents the funds received centrally in the commercial properties on behalf of the tenants when they carry out the business activities in the commercial properties and the balance is returned to tenants monthly.

(ii) The balance represents mainly security deposits received from tenants and suppliers and rental deposits from lessees.

(iii) The balance represents the listing expenses and issue costs accrued by the Company.

(b) Contract liabilities

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities				
Positioning and construction consultancy services	–	691	8,988	12,141
Value-added services	393	822	29	9
	393	1,513	9,017	12,150

As of January 1, 2017, contract liabilities amounted to RMB3,834,000.

Contract liabilities of the Group mainly arose from the advance payments made by the customers while the underlying services are yet to provide. The amounts to be received from customers prior to the performance of services are negotiated with customers on contract by contract basis.

For the contract liabilities as of January 1, 2017, 2018, 2019 and 2020, the entire balances are recognized as revenue in the profit or loss during the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020.

23. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	3,886	4,052	5,251	5,892
Deferred tax liabilities	(520)	(503)	(466)	(995)
	3,366	3,549	4,785	4,897

The following are the major deferred tax assets and liabilities recognized and movements thereon during the Track Record Period:

	Timing difference on recognition of revenue from leases	ECL provision	Leases	Other	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2017	(327)	287	2,234	–	2,194
(Charge) credit to profit or loss	(193)	572	793	–	1,172
At December 31, 2017	(520)	859	3,027	–	3,366
Credit to profit or loss	17	–	166	–	183
At December 31, 2018	(503)	859	3,193	–	3,549
Credit to profit or loss	37	1,061	138	–	1,236
At December 31, 2019	(466)	1,920	3,331	–	4,785
(Charge) credit to profit or loss	(211)	(107)	748	(318)	112
At September 30, 2020	(677)	1,813	4,079	(318)	4,897

The Group has unused tax losses of approximately RMB2,904,000, RMB10,167,000, RMB332,000 and nil as of December 31, 2017, 2018 and 2019 and September 30, 2020 respectively. Included in the balance of unused tax losses, RMB2,484,000 as of December 31, 2017 and RMB9,747,000 as of December 31, 2018 are tax losses of a subsidiary discontinued in operation as set out in Note 10. The remaining unrecognized tax losses of approximately RMB420,000, RMB420,000, RMB332,000 and nil as of December 31, 2017, 2018 and 2019 and September 30, 2020, respectively related to a subsidiary operating continuously. No deferred tax assets were recognized in respect of these tax losses carried by these subsidiaries due to the unpredictability of their future profit stream. The tax losses as of December 31, 2017, 2018 and 2019 carried by the subsidiary operating continuously will expire in years 2022, 2023 and 2024, respectively.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from January 1, 2008 onwards. Deferred taxation has not been provided for in the Historical Financial Information in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As of December 31, 2019 and September 30, 2020, the accumulated profits of the PRC subsidiaries of the Group are RMB22,731,000 and RMB67,892,000 respectively.

24. LEASE LIABILITIES

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities:				
Within one year	1,975	2,086	1,503	4,522
More than one year but less than two years	2,086	2,203	1,749	5,196
More than two years but less than five years	6,989	7,383	6,914	8,472
More than five years	49,203	46,606	58,453	56,269
	60,253	58,278	68,619	74,459
Minimum lease payment due:				
Within one year	5,236	5,236	5,236	8,506
More than one year but less than two years	5,236	5,236	5,393	8,913
More than two years but less than five years	15,708	15,708	17,169	18,438
More than five years	69,375	64,139	79,842	75,289
	95,555	90,319	107,640	111,146
Less: future finance charge	(35,302)	(32,041)	(39,021)	(36,687)
Present value of lease liabilities	60,253	58,278	68,619	74,459

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current	1,975	2,086	1,503	4,522
Non-current	58,278	56,192	67,116	69,937
Total	60,253	58,278	68,619	74,459

All the lease liabilities at the end of each reporting period during the Track Record Period were due to related parties of the Group.

The weighted average incremental borrowing rates applied to lease liabilities range from 5.64% to 5.7% during the Track Record Period.

25. SHARE CAPITAL

The share capital as of January 1, 2017, December 31, 2017 and 2018 represented the share capital of Galaxy Commercial Property Group, the then holding company of the entities comprising the Group, attributable to the Ultimate Controlling Shareholder.

The share capital as of December 31, 2019 and September 30, 2020 represented the share capital of the Company.

Details of the Company's shares are disclosed as follows:

	Number of shares	Share capital	Share capital
		HK$'000	*RMB'000*
Ordinary shares of HK$0.01 each			
Authorized			
At September 13, 2019 (date of incorporation) and December 31, 2019	38,000,000	380	340
Issued and fully paid			
At September 13, 2019 (date of incorporation)	1	–	–*
Issue of shares	999	–	–*
At December 31, 2019 and September 30, 2020	1,000	–	–*

* *Less than RMB1,000*

Details of the subsequent change of the share capital are set out in Note 35.

Reserves of the Company

	The Company	
	Accumulated losses	Total
	RMB'000	*RMB'000*
At September 13, 2019 (date of incorporation)	–	–
Loss and total comprehensive expense for the year	(13,718)	(13,718)
At December 31, 2019	(13,718)	(13,718)
Loss and total comprehensive expense for the period	(7,773)	(7,773)
At September 30, 2020	(21,491)	(21,491)

26. DISPOSAL OF A SUBSIDIARY

As disclosed in Note 10, on January 16, 2019, the Group discontinued its operation in sports and children entertainment facilities services at the time of disposal of its subsidiary, Quhui Innovation. The net assets of Quhui Innovation at the date of disposal were as follows:

	RMB'000
Consideration received:	
Cash received *(RMB1)*	–*

	January 16, 2019
	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property and equipment	3,683
Investment in an associate	543
Deposit for acquisition of property and equipment	1,115
Other receivables	1,854
Bank balances and cash	868
Trade and other payables	(12,570)
Net liabilities disposed of	(4,507)
Gain on disposal of a subsidiary:	
Consideration received *(RMB1)*	–*
Net liabilities disposal of	4,507
Non-controlling interests	(104)
Gain on disposal	4,403
Net cash outflow arising on disposal:	
Cash consideration *(RMB1)*	–*
Less: bank balances and cash disposal of	(868)
	(868)

* *Less than RMB1,000*

The impact of Quhui Innovation on the Group's results and cash flows during the Track Record Period is disclosed in Note 10.

27. SHARE-BASED PAYMENT TRANSACTIONS

On November 23, 2017, the then shareholders of Yongxing Hongtai transferred their entire interests in Yongxing Hongtai to 11 then employees of Galaxy Commercial Property Group at a total consideration of RMB3,286,000.

On November 23, 2017, Hongda Lixing transferred 500,000 shares in Galaxy Commercial Property Group, representing approximately 1.42% interest in the share capital of Galaxy Commercial Property Group, to Yongxing Hongtai at a consideration of RMB1,550,000.

The considerations as mentioned above were determined with reference to the net asset value of Galaxy Commercial Property Group as of June 30, 2017.

As the above shares were transferred to the then employees of Galaxy Commercial Property Group under the instruction of the then ultimate controlling shareholder for the purpose of recognizing their contribution to the Galaxy Commercial Property Group, the shares transfer was accounted for as share-based payment transaction. The grantees were entitled to the shares granted immediately at the grant date.

The fair value with total amount of RMB17,854,000 of the above shares was determined based on the income approach as assessed by an independent valuer and, accordingly, the Group recognized the share-based payment expense of RMB13,018,000 for the year ended December 31, 2017.

28. RETIREMENT BENEFITS SCHEMES

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, which are calculated as a percentage of the employees' salaries, to these plans.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future 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 Group's contributions to the defined contribution retirement schemes (as set out in Note 11) are recognized as an expense when employees have rendered services entitling them to the contributions as incurred.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximizing the return to owners through the optimization of the debt and equity balance. The overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debt, which includes lease liabilities as disclosed in Note 24, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, share premium, accumulated profits and other reserves.

Management of the Group reviews the capital structure regularly taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through issuance of new shares and the raise of borrowings.

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Amortized cost	105,121	113,795	152,494	166,690
Financial assets at FVTPL	160,000	275,000	65,995	144,259
Financial liabilities				
Amortized cost	117,086	138,778	135,160	141,634
Lease liabilities	60,253	58,278	68,619	74,459

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, financial assets at FVTPL, bank balances and cash, trade and other payables and amounts due from/to related parties. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the Group's certain fixed-rate financial assets at FVTPL and lease liabilities as of December 31, 2017, 2018 and 2019 and September 30, 2020. Details of the financial assets at FVTPL and lease liabilities are set out in Note 20 and Note 24 respectively.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances as of December 31, 2017, 2018 and 2019 and September 30, 2020. Details are set out in Note 21.

The Group currently does not have interest rate risk hedging policy. However, management of the Group closely monitors its exposure to future cash flow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

No sensitivity analysis is provided on bank balances as the management of the Group considered that the interest rate fluctuation on bank balances is minimal.

Other price risk

The Group is exposed to instrument price risk arising from changes in the fair value of its financial assets at FVTPL (both listed and unlisted).

No sensitivity analysis on other price risk is presented for the financial assets at FVTPL as the directors of the Company considered that a reasonable possible change to the fair value of these financial instruments will not have a significant effect to the Group's profit or loss.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to its trade and other receivables, amounts due from related parties, bank balances and lease receivables.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets and lease receivables as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancement to cover its credit risks associated with its financial assets.

Trade receivables and lease receivables

The Group does not have concentration of credit risks with exposure spread over a number of counterparties. In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

In addition, the Group performs impairment assessment under ECL model on trade receivables and lease receivables individually. Details of the quantitative disclosures are set out below in this note.

The Group applies simplified approach on trade receivables to assess for ECL prescribed by HKFRS 9. To measure ECL of trade receivables at amortized cost, the Group applies internal credit rating for its customers and they are assessed individually by reference to past default experience, current past due exposure of the debtors and an analysis of the debtors' current financial position. The ECL is estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information, including but not limited to reviving economic condition and consumption level in the PRC and the expected customers traffic without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at end of each reporting period.

Based on the assessment performed by the management of the Group, it is considered that the ECL for not credit-impaired trade receivables, which is estimated based on loss rates ranged not more than 3% as of December 31, 2017, 2018 and 2019 and not more than 7% as of September 30, 2020. The ECL loss rate is determined on debtor by debtor basis. It is insignificant for these trade receivables which are not credit-impaired at the end of each reporting period. The trade receivables which were credit-impaired have been provided to the extent of the amount that are expected to be unrecoverable.

The Group applies the simplified approach on lease receivables, both operating and finance leases, as prescribed by HKFRS 9, which uses the lifetime ECL provision. To measure ECL of the operating and finance lease receivables, the Group applies internal credit rating for their customers and they are assessed individually by reference to past default experience, current past due exposure of the debtors and an analysis of the debtors' current financial position. The ECL is estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information, including but not limited to reviving economic condition and consumption level in the PRC and the expected customers traffic without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the end of each reporting period.

Based on the assessment performed by the management of the Group, it is considered that the loss rate for the lease receivables was not more than 2.5% as of December 31, 2017, not more than 2% as of December 31, 2018 and 2019 and September 30, 2020, and the ECL of lease receivables is determined on debtor by debtor basis and is considered to be insignificant at the end of each reporting period.

Other receivables and amount due from related parties

For other receivables and amount due from related parties, the management of the Group makes periodic individual assessment on the recoverability of other receivables and amount due from related parties based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management of the Group believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL, and considered them to have low credit risk, and thus no loss allowance was recognized.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be was insignificant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and lease receivables	Other financial assets at amortized cost
Low risk	The counterparty has a low risk of default. The balance have not past-due or have past-due but frequently repays after due dates and usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor not frequently repays at due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets and lease receivables which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	As of December 31, 2017 Gross carrying amounts	As of December 31, 2018 Gross carrying amounts	As of December 31, 2019 Gross carrying amounts	As of September 30, 2020 Gross carrying amounts
					RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at amortized cost								
Trade receivables	19	N/A	Low risk	Lifetime ECL (not credit-impaired)	6,916	9,545	4,830	16,100
		N/A	Doubtful	Lifetime ECL (not credit-impaired)	–	2,462	4,418	19,711
		N/A	Loss	Lifetime ECL (credit-impaired)	2,790	2,790	7,077	7,421
Other receivables and deposits	19	N/A	Low risk	12m ECL (not credit-impaired)	7,351	12,203	7,656	3,322
Amounts due from related parties	31	N/A	Low risk	12m ECL (not credit-impaired)	9,301	2,919	1,835	2,995
Bank balances	21	A3-Aa3	N/A	12m ECL (not credit-impaired)	81,749	86,862	133,909	123,943
Other items								
Finance lease receivables	18	N/A	Low risk	Lifetime ECL (not credit-impaired)	8,219	8,529	8,553	8,232
Operating lease receivables	19	N/A	Low risk	Lifetime ECL (not credit-impaired)	2,080	2,009	1,863	2,708

The following table shows the movement in lifetime ECL that has been recognized for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2017	–	698	698
New financial assets originated	196	2,092	2,288
At December 31, 2017 and December 31, 2018	196	2,790	2,986
Changes due to financial instruments recognized as at January 1, 2019:			
– Impairment losses recognized	–	2,319	2,319
– Impairment losses reversed	(172)	–	(172)
New financial assets originated	130	1,968	2,098
At December 31, 2019	154	7,077	7,231
Changes due to financial instruments recognized as at January 1, 2020:			
– Write-offs	–	(2,790)	(2,790)
New financial assets originated	1,709	652	2,361
At September 30, 2020	1,863	4,939	6,802

As of January 1, 2017, December 31, 2017, 2018 and 2019 and September 30, 2020, the allowance of credit loss for finance lease receivables is RMB449,000.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

	Weighted average effective interest rate	On demand or within three months	More than three months but less than one year	More than one year but less than two years	More than two years but less than five years	More than five years	Total undiscounted cash flows	Total carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of December 31, 2017								
Trade payables	N/A	18,012	–	–	–	–	18,012	18,012
Other payables	N/A	97,828	328	207	486	82	98,931	98,931
Amounts due to related parties	N/A	143	–	–	–	–	143	143
Lease liabilities	5.64	1,309	3,927	5,236	15,708	69,375	95,555	60,253
		117,292	4,255	5,443	16,194	69,457	212,641	177,339
As of December 31, 2018								
Trade payables	N/A	26,046	–	–	–	–	26,046	26,046
Other payables	N/A	109,908	534	290	811	561	112,104	112,104
Amounts due to related parties	N/A	628	–	–	–	–	628	628
Lease liabilities	5.64	1,309	3,927	5,236	15,708	64,139	90,319	58,278
		137,891	4,461	5,526	16,519	64,700	229,097	197,056
As of December 31, 2019								
Trade payables	N/A	20,782	–	–	–	–	20,782	20,782
Other payables	N/A	111,288	238	583	1,579	4	113,692	113,692
Amounts due to related parties	N/A	686	–	–	–	–	686	686
Lease liabilities	5.64	1,309	3,927	5,393	17,169	79,842	107,640	68,619
		134,065	4,165	5,976	18,748	79,846	242,800	203,779
As of September 30, 2020								
Trade payables	N/A	33,298	–	–	–	–	33,298	33,298
Other payables	N/A	103,175	566	1,114	1,620	10	106,485	106,485
Amounts due to related parties	N/A	1,851	–	–	–	–	1,851	1,851
Lease liabilities	5.64	2,067	6,439	8,913	18,438	75,289	111,146	74,459
		140,391	7,005	10,027	20,058	75,299	252,780	216,093

Fair value of the Group's financial assets and financial liabilities that are measured at amortized cost

The management of the Group considers that the carrying amounts of the financial assets and financial liabilities of the Group recorded at amortized cost in the Historical Financial Information at the end of each reporting period approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used).

Financial assets	Fair value at December 31, 2017	December 31, 2018	December 31, 2019	September 30, 2020	Fair value hierarchy	Valuation technique and key impacts
Financial assets at FVTPL	Wealth management investments in the PRC: RMB160,000,000	Wealth management investments in the PRC: RMB275,000,000	Wealth management investments in the PRC: RMB65,995,000	Wealth management investments in the PRC: RMB142,269,000	Level 2	Market price quoted from a company engaged in asset management business and a bank for similar items
	N/A	N/A	N/A	Investments in listed bonds: RMB1,990,000	Level 1	Quoted bid prices in an active market

There were no transfer between Level 1 and 2 during the Track Record Period.

31. RELATED PARTY DISCLOSURES

(a) Related party balances

(i) Amounts due from related parties

Details of amounts due from related parties are stated as follows:

Nature of related parties	As of December 31, 2017	2018	2019	As of September 30, 2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fellow subsidiaries *(note)*	9,301	2,468	1,835	2,995
Associate *(note)*	–	451	–	–
	9,301	2,919	1,835	2,995

Note: The related parties are companies under common control of the Ultimate Controlling Shareholder.

The entire balance of amount due from related parties are trade in nature. Details of impairment assessment of this balance are set out in Note 30.

The following is an aging analysis of amount due from related parties presented based on the invoice dates at the end of each reporting period:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 10 days	1,301	2,919	1,835	2,995
Over 90 days	8,000	–	–	–
	9,301	2,919	1,835	2,995

(ii) *Amounts due to related parties*

	The Group				The Company	
	As of December 31,			As of September 30,	As of December 31,	As of September 30,
Nature of related parties	2017	2018	2019	2020	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Fellow subsidiaries *(note (i))*	143	628	686	320	–	–
Subsidiary *(note (ii))*	–	–	–	–	8,774	19,817
A director *(note (iii))*	–	–	–	1,531	–	1,531

Notes:

(i) The related parties are companies under common control of the Ultimate Controlling Shareholder. Included in the balance of amounts due to related parties as of December 31, 2019, an amount of RMB112,000 was non-trade in nature, which arose from some offshore company incorporation related expenses paid by a fellow subsidiary on behalf of the Company, and expected to be settled on or before the listing. The remaining balances as of December 31, 2017, 2018 and 2019 and September 30, 2020 are trade in nature and mainly represent the rental and other deposits paid by the fellow subsidiaries with respect to usage of common areas in the shopping centers and payable to fellow subsidiaries for reimbursements of staff welfare expenses incurred by the Group.

(ii) The amount represents the listing expenses paid by a subsidiary of the Group on behalf of the Company.

(iii) The amount is non-trade in nature which refers to advances from Mr. Huang De-lin Benny to the Company for payment of expenses incurred before the listing. The amount is interest-free, unsecured and unguaranteed. Besides, the amount has no fixed repayment term but it is expected to be settled on or before the listing.

(b) Related parties transactions

In additional to the transactions or information disclosed elsewhere in this Historical Financial Information, the Group entered into the following material transactions with related parties, which are fellow subsidiaries under common control of the Ultimate Controlling Shareholder:

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue:					
– Commercial property operational and related services *(note (i))*	63,264	63,844	89,511	66,620	83,846
– Tenant management services *(note (ii))*	–	2,740	5,641	3,752	6,935
Expense:					
– Property management and related services *(note (iii))*	41,624	47,278	61,416	43,940	43,579
– Expenses relating to short-term leases for office and other premises	4,828	4,773	3,712	4,040	–
– Interest expenses on lease liabilities *(note (iv))*	3,323	3,261	3,150	2,373	3,125

Notes:

(i) This category includes positioning, construction consultancy and tenant sourcing services, operational management and property leasing services.

(ii) This category includes operational management services and value-added services.

(iii) This category includes property management services, catering services and hotel accommodation services.

(iv) The lease repayments of RMB2,793,000, RMB5,236,000, RMB5,236,000 and RMB4,730,000 were made for three years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, respectively. Included in the lease repayments there were interest paid of RMB2,793,000, RMB3,261,000, RMB3,150,000 and RMB3,125,000 for the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, respectively.

Under the entrusted management service model, the Group has used three offices in the shopping centers owned by fellow subsidiaries, which are managed by the Group for free, during the Track Record Period.

Compensation of key management personnel

The remuneration of the senior management of the group entities prior to becoming directors of the Company and other members of key management of the Group during the Track Record Period were as follows:

	Year ended December 31,			Nine months ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Short-term benefits	5,457	6,541	7,427	5,338	5,568
Performance related bonuses	2,822	2,399	2,541	1,799	2,104
Equity-settled share based payments	9,595	–	–	–	–
Retirement benefits schemes contributions	273	262	317	200	150
	18,147	9,202	10,285	7,337	7,822

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Accrued issue costs	Dividend payable	Lease liabilities	Amount due to a related party	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2017	–	–	59,723	–	59,723
Financing cash flows *(note)*	–	–	(2,793)	–	(2,793)
Finance costs	–	–	3,323	–	3,323
At December 31, 2017	–	–	60,253	–	60,253
Financing cash flows *(note)*	–	–	(5,236)	–	(5,236)
Finance costs	–	–	3,261	–	3,261
At December 31, 2018	–	–	58,278	–	58,278
Financing cash flows *(note)*	(2,180)	(200,504)	(5,236)	–	(207,920)
Finance costs	–	–	3,150	–	3,150
Addition due to lease modification	–	–	12,427	–	12,427
Dividend declared	–	200,504	–	–	200,504
Issue costs accrued	4,194	–	–	–	4,194
At December 31, 2019	2,014	–	68,619	–	70,633
Financing cash flows *(note)*	(2,703)	–	(4,730)	1,531	(5,902)
Finance costs	–	–	3,125	–	3,125
Addition due to new lease agreements	–	–	8,865	–	8,865
Decrease due to lease modification	–	–	(1,420)	–	(1,420)
Issue costs accrued	1,824	–	–	–	1,824
At September 30, 2020	1,135	–	74,459	1,531	77,125
At January 1, 2019	–	–	58,278	–	58,278
Financing cash flows *(note)*	(828)	(200,504)	(3,926)	–	(205,258)
Finance costs (unaudited)	–	–	2,373	–	2,373
Dividend declared (unaudited)	–	200,504	–	–	200,504
Issue costs accrued (unaudited)	2,233	–	–	–	2,233
At September 30, 2019	1,405	–	56,725	–	58,130

Note: The financing cash-flows include repayments of lease liabilities and interest, payments of dividend and accrued issue costs and advances from a related party.

33. **PARTICULARS OF SUBSIDIARIES**

Particulars of the Company's subsidiaries at the date of this report are as follows:

				Proportion of ownership interest																
				As of December 31, 2017			As of December 31, 2018			As of December 31, 2019			As of September 30, 2020			At the date of this report				
Name of subsidiary	Place and date of incorporation/ establishment	Place of operation	Registered/ Issued and full paid share capital	The Group's effective interest	Held by the Company	Held by a subsidiary	The Group's effective interest	Held by the Company	Held by a subsidiary	The Group's effective interest	Held by the Company	Held by a subsidiary	The Group's effective interest	Held by the Company	Held by a subsidiary	The Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities	Notes
Sincerity Commercial Management Limited ("**Sincerity Commercial**")	BVI/ October 17, 2019	Hong Kong	US$100	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	N/A	100%	100%	N/A	100%	100%	N/A	Investment holding	*(a)*
Luxuriant Commercial Management Limited ("**Luxuriant Commercial**")	Hong Kong/ November 12, 2019	Hong Kong	HK$100	N/A	N/A	N/A	N/A	N/A	N/A	100%	N/A	100%	100%	N/A	100%	100%	N/A	100%	Investment holding	*(b)*
深圳市星瀚商業管理有限公司 Shenzhen Xinghan Commercial Management Co., Ltd.* ("**Xinghan Commercial**")	The PRC/ December 12, 2019	Shenzhen	RMB5,000,000	N/A	N/A	N/A	N/A	N/A	N/A	100%	N/A	100%	100%	N/A	100%	100%	N/A	100%	Investment holding	*(a)*
深圳市星河商置集團有限公司 Galaxy Commercial Property Group*	The PRC/ November 14, 2014	Shenzhen	RMB80,000,000	84.99%	N/A	N/A	84.99%	N/A	N/A	100%	N/A	100%	100%	N/A	100%	100%	N/A	100%	Commercial property operational services	*(c)*
深圳市星河商業管理有限公司 Shenzhen Galaxy Commercial Management Co., Ltd.*	The PRC/ November 14, 2014	Shenzhen	RMB5,000,000	84.99%	N/A	100%	84.99%	N/A	100%	100%	N/A	100%	100%	N/A	100%	100%	N/A	100%	Commercial property operational services	*(a)*
廣州市星通商用置業有限公司 Guangzhou Xingtong Commercial Property Co., Ltd.*	The PRC/ August 2, 2015	Guangzhou	RMB10,000,000	84.99%	N/A	100%	84.99%	N/A	100%	100%	N/A	100%	100%	N/A	100%	100%	N/A	100%	Commercial property operational services	*(a)*
常州市星河商業管理有限公司 Changzhou Galaxy Commercial Management Co., Ltd.*	The PRC/ May 5, 2016	Changzhou	RMB3,000,000	84.99%	N/A	100%	84.99%	N/A	100%	100%	N/A	100%	100%	N/A	100%	100%	N/A	100%	Commercial property operational services	*(a)*
上海星聯商業管理有限公司 Shanghai Xinglian Commercial Management Co., Ltd.* ("**Shanghai Xinglian**")	The PRC/ June 24, 2019	Shanghai	RMB10,000,000	N/A	N/A	N/A	N/A	N/A	N/A	41%	N/A	41%	41%	N/A	41%	41%	N/A	41%	Commercial property operational services	*(a)* & *(d)*

Name of subsidiary	Place and date of incorporation/ establishment	Place of operation	Registered/ Issued and full paid share capital	Proportion of ownership interest — As of December 31, 2017			As of December 31, 2018			As of December 31, 2019			As of September 30, 2020			At the date of this report			Principal activities	Notes
				The Group's effective interest	Held by the Company	Held by a subsidiary	The Group's effective interest	Held by the Company	Held by a subsidiary	The Group's effective interest	Held by the Company	Held by a subsidiary	The Group's effective interest	Held by the Company	Held by a subsidiary	The Group's effective interest	Held by the Company	Held by a subsidiary		
南昌星恒商業管理有限公司 Nanchang Xingheng Commercial Management Co., Ltd.* ("**Nanchang Xingheng**")	The PRC/ November 12, 2019	Nanchang	RMB200,000	N/A	N/A	N/A	N/A	N/A	N/A	41%	N/A	100%	41%	N/A	100%	41%	N/A	100%	Commercial property operational services	*(a) & (e)*
南京星恒商業管理有限公司 Nanjing Xingheng Commercial Management Co. Ltd*	The PRC/ November 9, 2020	Nanjing	RMB5,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%	N/A	100%	100%	N/A	100%	Commercial property operational services	*(a)*
深圳市星河趣匯創新發展有限公司 Quhui Innovation* (as defined in Note 10)	The PRC/ February 20, 2017	Shenzhen	RMB5,000,000	84.99%	N/A	100%	84.99%	N/A	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Sports and children's entertainment facilities services	*(a)*
深圳市星河兔加熊健康服務有限公司 Rabbit & Bear* (as defined in Note 10)	The PRC/ July 19, 2017	Shenzhen	RMB600,000	51%	N/A	60%	51%	N/A	60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Sports and children's entertainment facilities services	*(a)*

Notes:

(a) No statutory financial statements have been prepared for this company as it was not subject to statutory audit requirements under the relevant rules and regulations for the jurisdiction of incorporation and establishment.

(b) No statutory audited financial statements for this company have been prepared since the date of incorporation as they are not yet due for issuance.

(c) The statutory financial statements of Galaxy Commercial Property Group for the years ended December 31, 2017, 2018 and 2019 were prepared with the relevant accounting principles and regulations applicable to the enterprise established in the PRC and were audited by Da Hua Certified Public Accountants* (大華會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(d) Shanghai Xinglian is accounted for as a subsidiary of the Company because Galaxy Commercial Property Group owns 53% of the voting rights in Shanghai Xinglian pursuant to a voting rights assignment agreement entered into between Galaxy Commercial Property Group and 深圳市星協成企業管理諮詢合夥企業 (Shenzhen Xingxiecheng Corporate Management Consulting Partnership (Limited Partners)*) which is a non-controlling shareholder of Shanghai Xinglian.

(e) Nanchang Xingheng is 100% owned by Shanghai Xinglian, as explained in note (d).

* *The English names of these companies are translated from their registered Chinese name for identification purpose only.*

34. OPERATING LEASING ARRANGEMENTS

The Group as lessor

As of December 31, 2017, 2018 and 2019 and September 30, 2020, all of the properties held for rental purposes have committed lessees for the next 1 to 14 years, 1 to 13 years, 1 to 12 years and 1 to 11.5 years respectively.

Minimum lease payments receivable on leases are as follow:

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	5,950	5,906	11,350	12,141
In the second year	3,850	4,462	8,514	8,294
In the third year	3,024	3,702	5,789	4,986
In the fourth year	2,430	2,405	3,645	3,584
In the fifth year	1,469	1,910	2,008	1,677
After five years	1,192	2,006	946	5,832
	17,915	20,391	32,252	36,514

35. SUBSEQUENT EVENTS

Save as disclosed elsewhere in the Historical Financial Information, subsequent events of the Group are set out below:

On December 21, 2020, written resolutions of the shareholders of the Company was passed to approve the matters set out in the paragraph headed "Resolutions in writing of Our Shareholders passed on December 21, 2020" in Appendix V of the Prospectus. It was resolved, among other things:

(i) the authorized share capital of the Company increased from HK$380,000 divided into 38,000,000 shares to HK$20,000,000 divided into 2,000,000,000 shares of the Company of HK$0.01 each;

(ii) conditionally adopted a share option scheme where eligible participants may be granted options entitling them to subscribe for the Company's shares. No share has been granted since the adoption of the scheme. The principal terms of the share option scheme are summarized in the paragraph head "D. Other Information—1. Share Option Scheme" in Appendix V to the Prospectus; and

(iii) conditional upon the share premium account of the Company being credited as a result of the offer of the Company's shares, the directors of the Company were authorized to capitalize the amount of HK$7,499,990 from the amount standing to the credit of the share premium account of the Company and to apply such amount to pay up in full at par 749,999,000 shares of the Company for allotment and issue to the persons whose name appeared on the register of the members of the Company at the close of business on December 21, 2020.

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company, any of its subsidiaries or the Group have been prepared in respect of any period subsequent to September 30, 2020.

*The information set out in this appendix does not form part of the accountants' report on the historical financial information of our Group for the each of the three years ended December 31, 2019 and the nine months ended September 30, 2020 (the "**Accountants' Report**") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, our Company's Reporting Accountants as set out in Appendix I to this prospectus, and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountant's Report set out in Appendix I to this prospectus.*

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Global Offering on the audited consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2020 as if the Global Offering had taken place on September 30, 2020.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has 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 the Group attributable to owners of the Company as of September 30, 2020 or any future dates following the Global Offering.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2020 as shown in the Accountants' Report set out in Appendix I to this prospectus, and adjusted as follows:

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2020	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2020	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2020 per Share	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2020 per Share
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on Offer Price of HK$3.20 per Offer Share	122,499	630,356	752,855	0.75	0.89
Based on Offer Price of HK$3.88 per Offer Share	122,499	769,040	891,539	0.89	1.06

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2020 is based on audited consolidated net assets of the Group attributable to owners of the Company of RMB122,499,000 as extracted from the Accountants' Report set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on 250,000,000 new Shares at Offer Price of lower limit and upper limit of HK$3.20 and HK$3.88 per new Share, respectively, after taking into account the estimated underwriting fees and other related expenses to be incurred by the Group (excluding listing expenses which have been charged to profit or loss up to September 30, 2020). The calculation of such estimated net proceeds does not take into account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or options which may be granted under Share Option Scheme or any Shares which may be issued or repurchased by the Company referred to the section headed "Share Capital—General mandate to allot and issue new Shares" in this prospectus. The estimated net proceeds from the Global Offering are converted from HK$ into RMB at an exchange rate of HK$1 to RMB0.84363, which was the middle exchange rate published by the PBOC on January 4, 2021, the Latest Practicable Date for the purpose of ascertaining certain information contained in this prospectus prior to its publication. No representation is made that HK$ amounts have been, could have been or could be converted to RMB, or vice versa, at the rate or at any other rates or at all.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at on the basis that 1,000,000,000 Shares were in issue assuming that the Capitalization Issue and the Global Offering had been completed on September 30, 2020 and does not take into account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or options which may be granted under Share Option Scheme or any Shares which may be issued or repurchased by the Company referred to the section headed "Share Capital—General mandate to allot and issue new Shares" in this prospectus.

(4) The unaudited pro forma adjusted net tangible assets of the Group attributable to the owners of the Company per Share is converted from RMB into HK$ at the rate of RMB0.84363 to HK$1, which was the middle exchange rate published by the PBOC on January 4, 2021, the Latest Practicable Date for the purpose of ascertaining certain information contained in this prospectus prior to its publication. No representation is made that RMB amounts have been, could have been or could be converted to HK$, or vice versa, at the rate or at any other rates or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to September 30, 2020.

B. UNAUDITED PRO FORMA ESTIMATED EARNINGS PER SHARE

The following unaudited pro forma estimated earnings per Share for the year ended December 31, 2020 has been prepared in accordance with paragraph 4.29(1) of the Listing Rules on the bases set out in the notes below for the purpose of illustrating the effect of the Global Offering, as if it had taken place on January 1, 2020. The unaudited pro forma estimated earnings per Share has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated results of the Group following the Global Offering.

Estimated consolidated profit attributable to the owners of the Company for the year ended December 31, 2020[(1), (3)]	No less than RMB120.7 million (equivalent to approximately HK$143.1 million)
Unaudited pro forma estimated earnings per Share for the year ended December 31, 2020[(2), (3)]	No less than RMB12.07 cents (equivalent to approximately HK14.31 cents)

Notes:

(1) The bases on which the profit estimate has been prepared are set out in Appendix IIB to this prospectus.

(2) The calculation of the unaudited pro forma estimated earnings per Share is based on the estimated consolidated profit attributable to the owners of the Company for the year ended December 31, 2020, assuming that the Capitalization Issue and the Global Offering had been completed on January 1, 2020 and a weighted average of 1,000,000,000 Shares were in issue for the year ended December 31, 2020. The calculation takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company referred to the section headed "Share Capital—General mandate to allot and issue new Shares" in this prospectus.

(3) The estimated consolidated profit attributable to the owners of the Company and the unaudited pro forma estimated earnings per Share are converted from RMB into HK$ at an exchange rate of RMB0.84363 to HK$1, which was the middle exchange rate published by the PBOC on January 4, 2021, the Latest Practicable Date for the purpose of ascertaining certain information contained in this prospectus prior to its publication. No representation is made that the RMB amounts have been, could have been or could be converted to HK$, or vice versa, at that rate or at any other rates or at all.

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of our Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte. 德勤

C. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of E-Star Commercial Management Company Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of E-Star Commercial Management Company Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as of September 30, 2020, the unaudited pro forma estimated earnings per share for the year ended December 31, 2020 and related notes as set out on pages IIA-1 to IIA-3 of Appendix IIA to the prospectus issued by the Company dated January 14, 2021 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages IIA-1 to IIA-3 of Appendix IIA to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed listing of the shares of the Company on The Stock Exchange of Hong Kong Limited by way of initial public offering (the "**Global Offering**") on the Group's financial position as of September 30, 2020 and the Group's estimated earnings per share for the year ended December 31, 2020 as if the Global Offering had taken place at September 30, 2020 and January 1, 2020, respectively. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended December 31, 2019 and the nine months ended September 30, 2020, on which an accountants' report set out in Appendix I to the Prospectus has been published and information about the estimate of the consolidated profit of the Group attributable to owners of the Company for the year ended December 31, 2020, on which no auditor's report or review report has been published.

Directors' Responsibilities 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 (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" 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 Accountants' 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 accountants plan and perform 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 an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group 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 event or transaction at September 30, 2020 or January 1, 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong,
January 14, 2021

The estimate of the consolidated profit of our Group attributable to the owners of our Company for the year ended December 31, 2020 is set out in the section headed "Financial Information—Profit Estimate for the year ended December 31, 2020" in this prospectus.

BASES

The estimate of the consolidated profit attributable to the owners of our Company for the year ended December 31, 2020 is prepared by our Directors on the basis consistent in all material respects with the accounting policies currently adopted by our Group as summarized in Appendix I to this prospectus, and has been prepared based on (i) the audited consolidated results of our Group for the nine months ended September 30, 2020 as set out in Appendix I to this prospectus; (ii) the unaudited consolidated results based on the management accounts of our Group for the two months ended November 30, 2020; and (iii) an estimate of the consolidated results of our Group for the remaining one month ended December 31, 2020.

LETTERS

Set out below are texts of letters received by our Directors from (i) Deloitte Touche Tohmatsu, Certified Public Accountants, our Company's Reporting Accountants; and (ii) the Joint Sponsors prepared for the purpose of incorporation in this prospectus in connection with the estimate of the consolidated profit of our Group attributable to owners of our Company for the year ended December 31, 2020.

(i) Letter from Deloitte Touche Tohmatsu

Deloitte. 德勤

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

January 14, 2021

The Board of Directors
E-Star Commercial Management Company Limited
32nd Floor, Building A
Galaxy World, 1 Yabao Road
Longgang District
Shenzhen, Guangdong Province
The People's Republic of China

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

China Securities (International) Corporate Finance Company Limited
18th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Dear Sirs,

E-Star Commercial Management Company Limited (the "**Company**")

Profit Estimate for Year Ended December 31, 2020

We refer to the estimate of the consolidated profit of the Company and its subsidiaries (collectively referred to as the "**Group**") attributable to owners of the Company for the year ended December 31, 2020 (the "**Profit Estimate**") set forth in the section headed "Financial Information" in the prospectus of the Company dated January 14, 2021 (the "**Prospectus**").

Directors' Responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Group for the nine months ended September 30, 2020, the unaudited consolidated results based on the management accounts of the Group for the two months ended November 30, 2020 and an estimate of the consolidated results of the Group for the remaining one month ended December 31, 2020.

The directors of the Company are solely responsible for the Profit Estimate.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" 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 Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the directors of the Company have properly compiled the Profit Estimate in accordance with the bases adopted by the directors of the Company and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors of the Company as set out in Appendix IIB to the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated January 14, 2021, the text of which is set out in Appendix I to the Prospectus.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

(ii) Letter from the Joint Sponsors

The following is the text of a letter, prepared for the inclusion in this prospectus, received from CCB International Capital Limited and China Securities (International) Corporate Finance Company Limited, the Joint Sponsors, in relation to our Group's profit estimate for the year ended December 31, 2020.

建银国际 CCB International

中信建投國際 CHINA SECURITIES INTERNATIONAL

January 14, 2021

The Board of Directors
E-Star Commercial Management Company Limited
32nd Floor, Building A
Galaxy World, 1 Yabao Road
Longgang District
Shenzhen, Guangdong Province
The People's Republic of China

Dear Sirs,

We refer to the estimate of the consolidated profit of E-Star Commercial Management Company Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") for the year ended December 31, 2020 (the "**Profit Estimate**") set forth in the section headed "Financial Information" in the prospectus of the Company dated January 14, 2021 (the "**Prospectus**").

The Profit Estimate has been prepared by the directors of the Company (the "**Directors**") based on the audited consolidated results of the Group for the nine months ended September 30, 2020, the unaudited consolidated results based on the management accounts of the Group for the two months ended November 30, 2020 and an estimate of the consolidated results of the Group for the remaining one month ended December 31, 2020.

We have discussed with you the bases made by the Directors as set out in Appendix IIB to the Prospectus, upon which the Profit Estimate has been made. We have also considered the letter dated January 14, 2021 addressed to yourselves and ourselves from Deloitte Touche Tohmatsu, *Certified Public Accountant*, regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by Deloitte Touche Tohmatsu, *Certified Public Accountant*, we are of the opinion that the Profit Estimate, for which you as the Directors are solely responsible, has been made after due and careful enquiry.

For and on behalf of

CCB International Capital Limited
Calvin Chan
Managing Director

China Securities (International) Corporate Finance Company Limited
Wang Wei
Managing Director

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this prospectus received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with their opinion of value of the Property leased by our Group as at October 31, 2020.

The Directors
E-Star Commercial Management Company Limited
32nd Floor, Building A
Galaxy World
1 Yabao Road
Longgang District, Shenzhen
Guangdong Province
PRC

Savills Valuation and
Professional Services Limited
1208, Cityplaza One
1111 King's Road, Taikoo Shing
Hong Kong

T: (852) 2801 6100
F: (852) 2530 0756

EA LICENSE: C-023750
savills.com

January 14, 2021

Dear Sirs,

RE: CHANGZHOU WUJIN HUTANG GALAXY COCO CITY, GUANGDIAN WEST ROAD, WUJIN DISTRICT, CHANGZHOU, JIANGSU PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA (THE "PROPERTY")

INSTRUCTIONS

In accordance with your instructions for us to value the Property situated in the People's Republic of China (the "**PRC**") in which E-Star Commercial Management Company Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") have interests, we confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the Property as at October 31, 2020 (the "**valuation date**") for incorporation in a public offering document.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Moreover, market value is understood as the value of an asset or liability estimated without regard to costs of sale and purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been undertaken in accordance with the HKIS Valuation Standards 2017 of The Hong Kong Institute of Surveyors ("**HKIS**"), which incorporates the International Valuation Standards ("**IVS**"), and (where applicable) the relevant HKIS or jurisdictional supplement. We have also complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited.

IDENTIFICATION AND STATUS OF THE VALUER

The subject valuation exercise is handled by Mr. Anthony C.K. Lau, who is the Director of Savills Valuation and Professional Services Limited ("**SVPSL**") and a corporate member of HKIS with over 27 years' experience in valuation of properties in the PRC and has sufficient knowledge of the relevant market, the skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation service in respect of the Property, SVPSL and Mr. Anthony C.K. Lau had not been involved in valuation of the Property in the last 12 months.

We are independent of the Group. We are not aware of any instance which would give rise to potential conflict of interest from SVPSL or Mr. Anthony C.K. Lau in the subject exercise. We confirm SVPSL and Mr. Anthony C.K. Lau are in the position to provide objective and unbiased valuation for the Property.

PROPERTY CATEGORIZATION AND VALUATION METHODOLOGY

In valuing the Property, which is leased by the Group for investment in the PRC, we have assigned no commercial value to the Property due to the prohibition against assignment.

TITLE INVESTIGATION

We have been provided with copies of the title documents relating to the Property. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we have relied to a considerable extent on the information given by the Group and the legal opinion issued by the Group's legal adviser, Jingtian & Gongcheng (競天公誠律師事務所), regarding the title to the Property.

SOURCE OF INFORMATION

We have relied to a considerable extent on information given by the Group and have accepted information on such matters as planning approvals, statutory notices, easements, tenure, lettings, particular of occupancy, completion date, floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation report are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We are also advised by the Group that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

VALUATION ASSUMPTIONS

In valuing the Property in the PRC, unless otherwise stated, we have assumed that transferable land use rights of the Property for its specific term at nominal annual land use fee have been granted and that any land grant premium payable have already been fully paid.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

SITE INSPECTION

We have inspected the exterior of the Property and, where possible, the interior of the Property. Site inspection of the Property was undertaken by our Mr. Will Wang (Senior Valuer) on November 14, 2019. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report that the Property is free from rot, infestation or any other structural defect. No test has been carried out to any of the services.

CURRENCY

Unless otherwise stated, all money amounts stated are in Renminbi ("**RMB**").

We enclose herewith our valuation report.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Anthony C.K. Lau
MRICS MHKIS RPS(GP)
Director

Note: Mr. Anthony C.K. Lau is a professional surveyor who has over 27 years' experience in valuation of properties in the PRC.

VALUATION REPORT

Property leased by the Group for investment in the PRC

Property	Description and tenancy particulars	Particulars of occupancy	Market value in existing state as of October 31, 2020
Changzhou Wujin Hutang Galaxy COCO City, Guangdian West Road, Wujin District, Changzhou, Jiangsu Province, PRC	The Property, known as Changzhou Wujin Hutang Galaxy COCO City, is a 4-story shopping arcade erected on a parcel of land with a site area of 12,275.20 sq.m. The Property is part of Xinghe Chengshi Garden (星河城市花園) (the "**Development**") which is a large-scale residential development completed in 2016. The Development is situated in Wujing District of Changzhou. Developments in the vicinity are dominated by high-rise residential and commercial developments of various ages and heights. It takes about a 20-minutes' drive from the Development to the city center of Changzhou. According to the information provided by the Group, the Property has a total gross floor area of approximately 43,632.35 sq.m. Details of the floor areas of the Property are as follows:	The Property is leased by Changzhou Galaxy Commercial Management Co., Ltd. (常州市星河商業管理有限公司) ("**Changzhou Commercial Management**"), an indirectly wholly-owned subsidiary of the Company, for a term expiring on March 31, 2036 at a monthly unit rent of RMB10/sq.m. with 3% increase per annum. As of the valuation date, portions of the Property with a total lettable floor area of approximately 22,722.99 sq.m. were sublet by Changzhou Commercial Management to various tenants. The total rental income was approximately RMB10,900,000 from January to October 2020.	No commercial value (refer to Note 3)

Level	Approximate Gross Floor Area *(sq.m.)*
L1	10,810.55
L2	11,229.50
L3	11,377.09
L4	10,215.21
Total:	**43,632.35**

Notes:

1. Pursuant to the four Real Estate Title Certificates – Su (2019) Chang Zhou Shi Bu Dong Chan Quan Nos. 2019497, 2019510, 2019511 and 2019513, the building ownership of the Property with a total gross floor area of 43,632.35 sq.m. is vested in Changzhou Xingshengbao Business Information Consulting Co., Ltd. (常州星晟寶商務信息諮詢有限公司) ("**Changzhou Xingshengbao**") for a term expiring on August 31, 2050 for commercial/wholesale and retail uses.

2. We have been provided with a legal opinion on the title to the Property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:

   In respect of the tenancy agreement entered into between Changzhou Xingshengbao and Changzhou Commercial Management:

   i. Changzhou Xingshengbao has obtained the legal rights to lease out the Property and the tenancy agreement is lawful, effective and legally binding on both parties of the tenancy agreement;

   ii. according to the information provided by the Company, the tenancy agreement of the Property has been registered under the relevant requirements of the Administrative Measures for Commodity Property Leasing (商品房屋租賃管理辦法);

   In respect of the subletting agreements entered into between Changzhou Commercial Management and various tenants:

   iii. Changzhou Commercial Management has obtained the authorization from the property owner to lease out the Property and the subletting agreements are lawful, effective and legally binding to both parties of the tenancy agreements; and

   iv. according to the Administrative Measures for Commodity Property Leasing, given that the tenancy agreement has not been registered, both involved parties may be required by the relevant housing administration authority to rectify the non-compliance within a prescribed period; failing which, both involved parties will be subject to a penalty from RMB1,000 to RMB10,000. According to the confirmation from Changzhou Housing and Rural-Urban Construction Bureau (常州市住房和城鄉建設局), given that an individual Real Estate Title Certificate has not been obtained for each of the sublet units under a leased property, leasing registration is not applicable under this circumstance. As advised by the Group, since the property owner has not obtained any individual Real Estate Title Certificates for each of the sublet units of the Property, Changzhou Commercial Management may be charged for a maximum amount of RMB10,000 for each of the non-registered leasehold properties. According to the Explanation on Problems in Specific Legal Application regarding Supreme People's Court Trial on Disputes for Urban Property Tenancy Agreements (最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋), the validity of the tenancy agreement will not be affected under this condition.

3. In the course of our valuation, we have assigned no commercial value to the Property due to the prohibition against assignment.

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 Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 13, 2019 under the Companies Act. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association ("**Memorandum**") and its Amended and Restated Articles of Association ("**Articles**").

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, inter alia, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since 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) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on December 21, 2020 and effective from the Listing Date. A summary of certain provisions of the Articles is set out below.

(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 Act, 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 any class of shares may (unless otherwise provided for by the terms of issue of the shares 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. The provisions of the Articles relating to general meetings shall mutatis mutandis apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a member being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

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 an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so canceled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

(iv) Transfer of shares

Subject to the Companies Act and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be 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 transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognize any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided 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 register of members may, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may 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 requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the 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 as it thinks fit 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) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by installments. If the sum payable in respect of any call or installment 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 20% per annum as the Board shall fix from the day appointed for payment 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 money uncalled and unpaid or installments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or installment of a call on the day appointed for payment, the Board may, for so long as any part of the call or installment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, 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, nevertheless, 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 payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest 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 shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term 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 the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

(aa) resigns;

(bb) dies;

(cc) is declared to be of unsound mind and the Board resolves that his office be vacated;

(dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) is prohibited from being or ceases to be a director by operation of law;

(ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

(gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time 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 also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also 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 shall, in the exercise of the powers 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 Act, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Act, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) 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 shall be 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.

Neither the Company nor the Board shall be 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 whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall 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

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may 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 Act to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(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 uncalled capital of the Company and, subject to the Companies Act, to issue debentures, debenture stock, 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 Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board goes beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, 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 shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make 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 former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Payments to any present 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 or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with 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 for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of 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 or other benefit received by him as a director, officer or member of 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 in favor of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, 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 for any profit realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) 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/have 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 proposal concerning an offer of shares, 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 proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefit scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(ee) 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, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(ix) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. 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 a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(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 by proxy or, in the case of members which are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is 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 members which are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorized corporate representative):

(A) at least two members;

(B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorized 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 authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized in accordance with this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorized by the Stock Exchange at such time and place as may be determined by the Board.

(iv) Requisition of general meetings

Extraordinary general meetings may be convened on the requisition of one or more members 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 of the Company 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 two 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 (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.

(v) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be 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, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Companies Act and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(vi) 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, and continues to be present until the conclusion of the meeting.

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 authorized 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.

(vii) 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 shall be 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 shall be 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 if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorized officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favor of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Companies Act (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company 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 account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or authorized by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to members who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those members that have consented and elected to receive the summarized financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The members may, at a general meeting remove the auditor(s) by a special resolution at any time before the expiration of the term of office of the auditor(s) and shall, by an ordinary resolution, at that meeting appoint new auditor(s) in place of the removed auditor(s) for the remainder of the term.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) 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.

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 of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, installments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(aa) 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 members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the members 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.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' 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 monies 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.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or installments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used 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, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, 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.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) 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, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or 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 so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Act, 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 the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on September 13, 2019 subject to the Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also 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 authorized share capital.

(b) Share capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or 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 arrangements in consideration of the acquisition or cancelation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Companies Act;

(iv) writing-off the preliminary expenses of the company; and

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, 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.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorized to do so 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 are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. 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 authorized 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 member and, for the avoidance of doubt, 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 authorized to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorize the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, 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. In addition, 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 that have been purchased or redeemed by a company or surrendered to the company shall not be treated as canceled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either canceled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, 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, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has 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 the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member 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.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

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.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Act (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Financial Secretary that:

(i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Company or its operations; and

(ii) no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

(aa) on or in respect of the shares, debentures or other obligations of the Company; or

(bb) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (2018 Revision).

The undertaking for the Company is for a period of 30 years from September 23, 2019.

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.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right 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 of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in 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 member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate 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 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a 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 the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s).The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized 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.

(q) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member 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 members.

(s) 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, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarizes certain aspects of the Cayman Islands company law. This letter, together with a copy of the Companies Act, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix VI. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on September 13, 2019. Our Company has established its principal place of business in Hong Kong at 1201-02, 12th Floor, Agricultural Bank of China Tower, 50 Connaught Road Central 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 December 5, 2019. Mr. Wong Kai Hing 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 Islands Companies Act and to its constitution, which comprises of the Memorandum and Articles of Association. A summary of certain provisions of the Memorandum and Articles of Association and relevant aspects of the Cayman Islands Companies Act is set out in "Appendix IV—Summary of the Constitution of the Company and Cayman Islands Company Law" to this prospectus.

2. Changes in the share capital of our Company

As of the date of incorporation of our Company, the authorized share capital of our Company was HK$380,000 divided into 38,000,000 Shares of a par value of HK$0.01 each. Upon its incorporation, one ordinary Share of a par value of HK$0.01 was allotted and issued to an Independent Third Party on September 13, 2019, which was then transferred to Go Star on the same date. An additional 799 shares was allotted to Go Star on September 13, 2019.

On December 10, 2019, our Company allotted and issued 200 Shares to Virtue Investment.

Save for the aforesaid and as mentioned in the paragraph headed "3. Resolutions in writing of our Shareholders passed on December 21, 2020" below in this Appendix, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of Our Shareholders passed on December 21, 2020

Pursuant to written resolutions of our Shareholders passed on December 21, 2020:

(i) our Company approved and adopted the Memorandum of Association which will become effective from the Listing Date;

(ii) our Company approved and conditionally adopted the Articles of Association which will become effective from the Listing Date;

(iii) the authorized share capital of our Company was increased from HK$380,000 divided into 38,000,000 Shares to HK$20,000,000 divided into 2,000,000,000 Shares. Such Shares shall rank pari passu in all respects;

(iv) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue, Shares to be issued pursuant to the Global Offering and the Capitalization Issue and Shares to be issued as mentioned in this prospectus (including any additional Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme); (ii) the entering into of the agreement on the Offer Price between the Joint Representatives (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date; (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

(1) the Global Offering was approved and our Directors were authorized to allot and issue the new Shares pursuant to the Global Offering;

(2) the Over-allotment Option was approved;

(3) the rules of the Share Option Scheme, the principal terms of which are set out in the sub-paragraph headed "D. Other information— 1. Share Option Scheme" below in this Appendix, were approved and adopted and our Directors were authorized, at their absolute discretion, to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme and to take all actions as they consider necessary or desirable to implement the Share Option Scheme; and

(4) conditional on the share premium account of our Company being credited as a result of the Shares by our Company pursuant to the Global Offering, our Directors were authorized to capitalize an amount of HK$7,499,990 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 749,999,000 Shares.

(v) a general unconditional mandate was given to our Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or other similar arrangements or pursuant to a specific authority granted by our Shareholders in general meeting, unissued Shares not exceeding the aggregate of 20% of the number of issued Shares immediately following the completion of the Global Offering and the Capitalization Issue (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first;

(vi) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the number of issued Shares immediately following the completion of the Global Offering and the Capitalization Issue (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first; and

(vii) the general unconditional mandate mentioned in paragraph (v) above was extended by the addition to the number of issued Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (vi) above.

4. Corporate Reorganization

In preparation for the listing of our Shares on the Stock Exchange, the companies comprising our Group underwent the Reorganization and our Company became the holding company of our Group. For information with regard to the Reorganization, please see the section entitled "History, Reorganization and Corporate Structure" in this prospectus.

5. Changes in Share Capital of Our Subsidiaries

Our Company's subsidiaries are referred to in the Accountants' Report in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountants' Report and "History, Reorganization and Corporate Structure," our Company has no other subsidiaries.

Save as disclosed above and in the section headed "History, Reorganization and Corporate Structure," there are no other changes in registered capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

6. Repurchases of our Shares

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note:

Pursuant to the written resolutions passed by our Shareholders on December 21, 2020, a general unconditional mandate (the "**Buyback Mandate**") was granted to our Directors authorizing the repurchase of shares by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with the total number of Shares not exceeding 10% of the total number of Shares in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules, the laws of Cayman Islands and other applicable laws and regulations. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

(iii) Connected persons

A listed company is prohibited from knowingly repurchasing its securities on the Stock Exchange from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from our Shareholders to enable our Directors to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and its assets and/or its earnings per Share.

(c) Funding of Repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company, the share premium amount of our Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorized by the Memorandum and Articles of Association and subject to the applicable laws of the Cayman Islands, out of capital and, in the case of any premium payable on the purchase over the par value of the Shares to be repurchased must be provided for, out of either or both of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if so authorized by the Articles of Association and subject to the Cayman Islands Companies Act, out of capital.

Our Directors do not propose to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company. However, there might be a material adverse impact on the working capital or gearing level as compared with the position disclosed in this prospectus in the event that the Buyback Mandate is exercised in full.

(d) Share Capital

Exercise in full of the Buyback Mandate, on the basis of 1,000,000,000 Shares in issue immediately after the Listing (but not taking into account the Shares which may be issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme), could accordingly result in up to 100,000,000 Shares being repurchased by our Company during the period until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles of Association to be held; or

(iii) the date on which the Buyback Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(e) General

None of our Directors nor, to the best of their knowledge, information and belief, having made all reasonable enquiries, any of their close associates, currently intends to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buyback Mandate in accordance with the Listing Rules, the Memorandum and Articles of Association, the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of our Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save for the foregoing, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Buyback Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of our Shares then in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules) could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he/she/it has any present intention to sell Shares to our Company, or has undertaken not to do so if the Buyback Mandate is exercised.

B. INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by our Company or any of its subsidiaries within the two years preceding the date of this prospectus that are or may be material:

(a) On January 16, 2019, Shenzhen Galaxy Commercial Property Group Co., Ltd. (深圳市星河商置集團有限公司) (formerly known as Shenzhen Galaxy Commercial Property Co., Ltd. (深圳市星河商用置業有限公司) or Shenzhen Galaxy Commercial Property Company Limited (深圳市星河商用置業股份有限公司)) and Galaxy Property Group Co., Ltd. (星河置業集團有限公司) entered into an equity transfer agreement, pursuant to which Shenzhen Galaxy Commercial Property Group Co., Ltd. (深圳市星河商置集團有限公司) (formerly known as Shenzhen Galaxy Commercial Property Co., Ltd. (深圳市星河商用置業有限公司) or Shenzhen Galaxy Commercial Property Company Limited (深圳市星河商用置業股份有限公司)) transferred 100% equity interest in Shenzhen Galaxy Quhui Innovation Development Co., Ltd. (深圳市星河趣匯創新發展有限公司) to Galaxy Property Group Co., Ltd. (星河置業集團有限公司) at a consideration of RMB1.00;

(b) On September 2, 2019, Shenzhen Galaxy Commercial Property Investment Co., Ltd. (深圳市星河商用置業投資有限公司) and Shenzhen Hongda Lixing Investment Partnership (Limited Partnership) (深圳市宏達利興投資合夥企業(有限合夥)) entered into a share transfer agreement, pursuant to which Shenzhen Hongda Lixing Investment Partnership (Limited Partnership) (深圳市宏達利興投資合夥企業(有限合夥)) agreed to transfer 3,740,000 shares, representing 10.59% equity interest in Shenzhen Galaxy Commercial Property Group Co., Ltd. (深圳市星河商置集團有限公司) (formerly known as Shenzhen Galaxy Commercial Property Co., Ltd. (深圳市星河商用置業有限公司) or Shenzhen Galaxy Commercial Property Company Limited (深圳市星河商用置業股份有限公司)) to Shenzhen Galaxy Commercial Property Investment Co., Ltd. (深圳市星河商用置業投資有限公司) at a consideration of RMB26,217,400;

(c) On September 2, 2019, Shenzhen Galaxy Commercial Property Investment Co., Ltd. (深圳市星河商用置業投資有限公司) and Shenzhen Yongxing Hongtai Corporate Management Consulting Partnership (Limited Partnership) (深圳永興宏泰企業管理諮詢合夥企業(有限合夥)) entered into a share transfer agreement, pursuant to which Shenzhen Yongxing Hongtai Corporate Management Consulting Partnership (Limited Partnership) (深圳永興宏泰企業管理諮詢合夥企業(有限合夥)) agreed to transfer 1,060,000 shares, representing 3% equity interest in Shenzhen Galaxy Commercial Property Group Co., Ltd. (深圳市星河商置集團有限公司) (formerly known as Shenzhen Galaxy Commercial Property Co., Ltd. (深圳市星河商用置業有限公司) or Shenzhen Galaxy Commercial Property Company Limited (深圳市星河商用置業股份有限公司)) to Shenzhen Galaxy Commercial Property Investment Co., Ltd. (深圳市星河商用置業投資有限公司) at a consideration of RMB7,430,600;

(d) On November 28, 2019, Shenzhen Galaxy Commercial Property Group Co., Ltd. (深圳市星河商置集團有限公司) (formerly known as Shenzhen Galaxy Commercial Property Co., Ltd. (深圳市星河商用置業有限公司) or Shenzhen Galaxy Commercial Property Company Limited (深圳市星河商用置業股份有限公司)) and Shenzhen Xingxiecheng Corporate Management Consulting Partnership (Limited Partners) (深圳市星協成企業管理諮詢合夥企業(有限合夥)) entered into a voting rights proxy agreement, pursuant to which Shenzhen Xingxiecheng Corporate Management Consulting Partnership (Limited Partners) (深圳市星協成企業管理諮詢合夥企業(有限合夥)) agreed to appoint Shenzhen Galaxy Commercial Property Group Co., Ltd. (深圳市星河商置集團有限公司) (formerly known as Shenzhen Galaxy Commercial Property Co., Ltd. (深圳市星河商用置業有限公司) or Shenzhen Galaxy Commercial Property Company Limited (深圳市星河商用置業股份有限公司)) as their agents to exercise their respective right as the shareholder of Shanghai Xinglian Commercial Management Co., Ltd. (上海星聯商業管理有限公司) under the article of association of Shanghai Xinglian Commercial Management Co., Ltd. (上海星聯商業管理有限公司);

(e) On December 16, 2019, Shenzhen Galaxy Commercial Property Investment Co., Ltd. (深圳市星河商用置業投資有限公司), Shenzhen Anlinshan Asset Management Co., Ltd. (深圳市安林珊資產管理有限公司) and Shenzhen Xinghan Commercial Management Co., Ltd. (深圳市星瀚商業管理有限公司) entered into an equity interest transfer agreement, pursuant to which Shenzhen Galaxy Commercial Property Investment Co., Ltd. (深圳市星河商用置業投資有限公司) and Shenzhen Anlinshan Asset Management Co., Ltd. (深圳市安林珊資產管理有限公司) agreed to transfer 90.084986% and 9.915014% equity interest in Shenzhen Galaxy Commercial Property Group Co., Ltd. (深圳市星河商置集團有限公司) (formerly known as Shenzhen Galaxy Commercial Property Co., Ltd. (深圳市星河商用置業有限公司) or Shenzhen Galaxy Commercial Property Company Limited (深圳市星河商用置業股份有限公司)) to Shenzhen Xinghan Commercial Management Co., Ltd. (深圳市星瀚商業管理有限公司) at the consideration of RMB73,048,400 and RMB8,039,900, respectively;

(f) a cornerstone investment agreement dated January 8, 2021 entered into among our Company, Shenzhen Qichang Investment Holding Limited (深圳市旗昌投資控股有限公司), CCB International Capital Limited (建銀國際金融有限公司), China Securities (International) Corporate Finance Company Limited (中信建投(國際)融資有限公司) and Shenwan Hongyuan Securities (H.K.) Limited (申萬宏源證券(香港)有限公司), pursuant to which Shenzhen Qichang Investment Holding Limited (深圳市旗昌投資控股有限公司) 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 RMB99,500,000 (including brokerage and levies) at the Offer Price;

(g) a cornerstone investment agreement dated January 11, 2021 entered into among our Company, Pilgrim Ever Project Company Limited, K11 Investment Company Limited, CCB International Capital Limited (建銀國際金融有限公司) and China Securities (International) Corporate Finance Company Limited (中信建投(國際)融資有限公司), pursuant to which Pilgrim Ever Project Company 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 USD5,000,000 (excluding brokerage and levies) at the Offer Price;

(h) a cornerstone investment agreement dated January 11, 2021 entered into among our Company, SCGC Capital Holding Company Limited (SCGC資本控股有限公司), CCB International Capital Limited (建銀國際金融有限公司) and China Securities (International) Corporate Finance Company Limited (中信建投(國際)融資有限公司), pursuant to which SCGC Capital Holding Company 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 HK$81,000,000 (excluding brokerage and levies) at the Offer Price;

(i) a cornerstone investment agreement dated January 11, 2021 entered into among our Company, Virtues Origin SPC, CCB International Capital Limited (建銀國際金融有限公司) and China Securities (International) Corporate Finance Company Limited (中信建投(國際)融資有限公司), pursuant to which Virtues Origin SPC 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 USD10,000,000 (excluding brokerage and levies) at the Offer Price;

(j) the Deed of Non-competition;

(k) the Deed of Indemnity; and

(l) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Group have registered the following trademark in the PRC and Hong Kong which, in the opinion of our Directors, are material to our Group's business:

Trademark	Registration number	Class	Name of registered proprietor	Place of registration	Expiry date
	305042312	9/35/36/37/41/42/43	Galaxy Commercial Property Group	Hong Kong	August 29, 2029
星盛商業 E-STAR COMMERCIAL	305123682	9/35/36/37/41/42/43	Galaxy Commercial Property Group	Hong Kong	November 25, 2029
COCO Park	305143590	28/35/36/41/42/43	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
COCO Park	305143608	28/35/36/41/42/43	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
COCO City	305143644	28/35/36/41/42/43	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
COCO City	305143581	28/35/36/41/42/43	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
ico	305143635	28/35/36/41/42/43	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
COCO Garden	305143626	28/35/36/41/42/43	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
COCO Garden	305143743	35/36/39/41/42/43	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
第3空间	305143716	20/24/35/37/41/42	Galaxy Commercial Property Group	Hong Kong	December 15, 2029

Trademark	Registration number	Class	Name of registered proprietor	Place of registration	Expiry date
	305143617	20/24/35/37/41/42	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
星河·第3空间	305143707AB	24/35/41	Galaxy Commercial Property Group	Hong Kong	December 15, 2029
星河商置	28963691/28963688/28963686	35/41/44	Galaxy Commercial Property Group	PRC	February 6, 2030/February 20, 2030/February 6, 2030
COCO Park	5050187/5050186/7792340/7792338/7792337/5050185	36/37/39/41/42/43	Galaxy Commercial Property Group	PRC	July 6, 2029/July 6, 2029/August 6, 2022/October 20, 2021/November 27, 2021/April 27, 2021
星跃领动	37540929/37556385/37549907/37558880/37558887/37540972	28/35/36/41/42/43	Galaxy Commercial Property Group	PRC	December 13, 2029/January 27, 2030/December 13, 2029/December 6, 2029/December 6, 2029/December 6, 2029
星河商置星意通	36653920/36650592/36672941/36671541/36661087	9/35/36/41/42	Galaxy Commercial Property Group	PRC	October 20, 2029
星河第三空间	7023417/7025295/7770787	20/36/39	Galaxy Commercial Property Group	PRC	June 13, 2030/August 20, 2030/August 20, 2021
星河·第3空间	7023429/7025296/7770794	20/36/39	Galaxy Commercial Property Group	PRC	December 20, 2025/February 27, 2024/August 20, 2021
COCO City	11103626/11103646/11103671/11103715/11103773/11103799/11103863	35/36/37/39/41/42/43	Galaxy Commercial Property Group	PRC	April 6, 2025/January 6, 2024/May 13, 2025/December 6, 2023/November 6, 2023/November 6, 2023/January 6, 2024
COCO City	11175527/11175547/11175581/11175606	35/36/41/43	Galaxy Commercial Property Group	PRC	November 27, 2023/March 6, 2024/November 27, 2023/November 27, 2023
星悦琳廊	20089895/20089894/20089893/20089890/20089889	25/35/36/41/42	Galaxy Commercial Property Group	PRC	July 13, 2027

Trademark	Registration number	Class	Name of registered proprietor	Place of registration	Expiry date
	20090236/20090232/ 20090246/20090245/ 20090244/20090243/ 20090242/20090241/ 20090240/20090239/ 20090238	9/16/28/ 35/36/37/ 39/41/42/ 43/45	Galaxy Commercial Property Group	PRC	July 13, 2027
星悦琳廊	20105878	18	Galaxy Commercial Property Group	PRC	July 13, 2027
星居生活馆	20105894/20105893/ 20105892/20105891/ 20105888/20105887	21/24/35/ 36/41/42	Galaxy Commercial Property Group	PRC	June 6, 2028/ June 13, 2028/ July 13, 2027/ June 13, 2028/ July 13, 2027/ June 6, 2028
COCO Garden	20257365/20257364/ 20257363/20257360/ 20257359	35/36/37/ 42/43	Galaxy Commercial Property Group	PRC	July 27, 2027
星河商置 GALAXY COMMERCIAL	20336376/20336373	39/43	Galaxy Commercial Property Group	PRC	August 20, 2028
COCO Park	20795184/20795183/ 20795182/20795180/ 20795178/20795177/ 20795176	35/36/37/ 39/41/42/ 43	Galaxy Commercial Property Group	PRC	September 13, 2028/ November 20, 2027/ November 20, 2027/ November 20, 2027/ November 20, 2027/ November 20, 2027/ November 20, 2027
COCO Garden	20824356/20824354/ 20824363/20824361/ 20824360/20824358/ 20824359	35/36/37/ 39/41/42/ 43	Galaxy Commercial Property Group	PRC	September 20, 2027/ September 27, 2027/ September 20, 2027/ September 20, 2027/ September 27, 2027/ September 20, 2027/ September 20, 2027

Trademark	Registration number	Class	Name of registered proprietor	Place of registration	Expiry date
荷小星	21790247/21790042/ 21790036/21790055/ 21790050	16/28/35/ 36/41	Galaxy Commercial Property Group	PRC	December 20, 2027
荷小星	21793504/21793961/ 21794193/21794279/ 21794447/21794637	16/28/35/ 36/41/42	Galaxy Commercial Property Group	PRC	December 20, 2027
	21805447/21805439/ 21805463/21805462/ 21790262	16/28/35/ 36/41	Galaxy Commercial Property Group	PRC	December 20, 2027
	27880511/27880509/ 27880508/27880507/ 27880506	20/35/37/ 41/42	Galaxy Commercial Property Group	PRC	August 6, 2029/ June 27, 2029/ August 6, 2029/ August 13, 2029/ August 6, 2029
星跃领动	30637078/30626991/ 30640756/30641949/ 30623738/30634129	28/35/36/ 41/42/43	Galaxy Commercial Property Group	PRC	February 13, 2029
星跃领动 运·体·中·心	30643948/30643953/ 30637164/30643964/ 30633725/30630858	28/35/36/ 41/42/43	Galaxy Commercial Property Group	PRC	February 13, 2029
ico	15981795/15981796/ 15981797/15981798/ 15981799	42/41/39/ 37/36	Shenzhen Commercial Management	PRC	April 27, 2026/ January 13, 2027/ March 13, 2026/ March 13, 2026/ April 20, 2026
星享食汇	34402408	36	Galaxy Commercial Property Group	PRC	July 13, 2029
GALAXY TOWN	37572267/37592081/ 37572285	36/37/39	Galaxy Commercial Property Group	PRC	January 27, 2030/ April 6, 2030/ January 27, 2030

Trademark	Registration number	Class	Name of registered proprietor	Place of registration	Expiry date
星趣小镇	37592118/37586698/ 37597758/37573717/ 37584848	35/36/37/ 39/43	Galaxy Commercial Property Group	PRC	March 27, 2030/ January 20, 2030/ December 6, 2029/ December 6, 2029/ March 27, 2030
星河尚街	41141865/41138739/ 41159261/41155822/ 41159290/41149897/ 41155621	35/36/37/ 39/41/42/ 43	Galaxy Commercial Property Group	PRC	July 6, 2030/ May 20, 2030/ May 20, 2030/ May 20, 2030/ May 20, 2030/ May 20, 2030/ July 6, 2030/ May 20, 2030
星河·尚街	41164290/41159426/ 41154556/41150032/ 41137343/41141379	35/36/37/ 39/42/43	Galaxy Commercial Property Group	PRC	July 6, 2030/ May 20, 2030/ May 20, 2030/ May 20, 2030/ May 20, 2030/ July 6, 2030/ May 20, 2030
星享食汇	34408013	36	Galaxy Commercial Property Group	PRC	July 27, 2030
FOOD ENJOY	34411390/34416741/ 34411407	35/36/43	Galaxy Commercial Property Group	PRC	July 27, 2030/ August 13, 2030/ July 27, 2030
星河商置	28963689/ 28963687	39/43	Galaxy Commercial Property Group	PRC	July 13, 2030/ July 6, 2030

As of the Latest Practicable Date, our Group had applied for the registration of the following trademarks in the PRC and Hong Kong which, in the opinion of our Directors, are material to our Group's business:

Trademark	Applicant number	Class	Name of applicant	Place of registration	Applicant date
星河·第3空间	305143707AA	20/37/42	Galaxy Commercial Property Group	Hong Kong	December 16, 2019
ico	40623591	35	Shenzhen Commercial Management	PRC	August 27, 2019
星河·尚街	41139086	41	Galaxy Commercial Property Group	PRC	September 19, 2019
COCO City	37100597	35	Galaxy Commercial Property Group	PRC	March 26, 2019
	34421231	29	Galaxy Commercial Property Group	PRC	November 1, 2018

(b) *Copyright*

As of the Latest Practicable Date, our Group was the registered proprietor of the following copyright which, in the opinion of our Directors, is material to our Group's business:

Copyright Name	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Registration
Galaxy Commercial Logo – honeycomb structure (星河商置logo圖形－蜂巢脈絡)	粵作登字-2017-F-00003190	Galaxy Commercial Property Group	PRC	February 20, 2017
Xingju Life Museum (星居生活館)	粵作登字-2017-F-00003189	Galaxy Commercial Property Group	PRC	February 20, 2017
Xingyue Linlang (星悅琳廊)	粵作登字-2017-F-00003193	Galaxy Commercial Property Group	PRC	February 20, 2017
COCO Garden Brand LOGO (COCO Garden品牌LOGO)	國作登字-2016-F-00336371	Galaxy Commercial Property Group	PRC	December 5, 2016
Galaxy Commercial Image Representative (星河商置形象代言物)	國作登字-2017-F-00369476	Galaxy Commercial Property Group	PRC	March 9, 2017

(c) Domain name

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain name which, in the opinion of our Directors, is material to our Group's business:

No.	Domain name	Name of registered proprietor	Date of registration	Expiry date
1.	cocopark.cn	Galaxy Commercial Property Group	November 1, 2005	November 1, 2024
2.	g-cre.com	Galaxy Commercial Property Group	October 18, 2007	October 18, 2022
3.	topliving.cn	Galaxy Commercial Property Group	May 15, 2007	June 15, 2027
4.	xhcococity.com	Galaxy Commercial Property Group	June 2, 2016	June 2, 2028
5.	xhico.cn	Galaxy Commercial Property Group	August 15, 2019	August 15, 2022

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of Interests—Interests and short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Immediately following completion of the Global Offering and the Capitalization Issue (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme), the interests or short positions of our Directors or chief executives of our Company in our Shares, underlying Shares or debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once the Shares are listed will be as follows:

Interest in our Company

Name of Director	Name of Interest	Number of Shares[1]	Approximate percentage of shareholding
Mr. Huang De-Lin Benny[2]	Interest in a controlled corporation	150,000,000	15%

Notes:

(1) The letter "L" denotes the person's long position in our Shares.

(2) The entire issued share capital of Virtue Investment is hold by Mr. Huang De-Lin Benny, who was entrusted by Mr. Huang to hold such shares for the purpose of a share incentive scheme to be adopted after Listing.

(b) Particulars of service contracts and letters of appointment

Each of our executive Directors has entered into a service agreement with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of our non-executive Directors and our independent 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.

(c) Directors' remuneration

During the three years ended December 31, 2019 and the nine months ended September 30, 2020, the aggregate remuneration (including fees, salaries, contributions to pension schemes, bonus, share-based payments, retirement benefits scheme, allowances and other benefits in kind) paid to our Directors was RMB12.8 million, RMB5.5 million, RMB6.3 million and RMB5.2 million, respectively. For details, see note 12 of the Accountants' Report set out in Appendix I to this prospectus.

Each of our independent non-executive Directors has been appointed for a term of three years. Our Company intends to pay a director's fee of RMB300,000 per annum to each of them. Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Under the arrangement currently in force, the aggregate remuneration (including fees, salaries, contributions to pension schemes, bonus, share-based payments, retirement benefits scheme, allowances and other benefits in kind) of our Directors for the year ending December 31, 2021 is estimated to be no more than RMB8.8 million.

2. Substantial Shareholders

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the Global Offering and the Capitalization Issue (taking no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Name of Shareholder	Nature of Interest	Shares held immediately prior to the completion of the Global Offering and the Capitalization Issue(1)		Shares held immediately following the completion of the Global Offering and the Capitalization Issue(1)	
		Number	*Approximate Percentage*	*Number*	*Approximate Percentage*
Mr. Huang(2)(3)	Settlor and protector of the Family Trust and interest in a controlled corporation	1,000 Shares (L)	100%	750,000,000 Shares (L)	75%
TMF (Cayman) Ltd(2)	Trustee of a trust	800 Shares (L)	80%	600,000,000 Shares (L)	60%
Long Harmony Holding Limited(2)	Interest in a controlled corporation	800 Shares (L)	80%	600,000,000 Shares (L)	60%
Go Star	Beneficial owner	800 Shares (L)	80%	600,000,000 Shares (L)	60%
Mr. Huang De-Lin Benny(3)	Interest in a controlled corporation	200 Shares (L)	20%	150,000,000 Shares (L)	15%
Virtue Investment	Beneficial owner	200 Shares (L)	20%	150,000,000 Shares (L)	15%

Notes:

(1) The letter "L" denotes a long position in our Shares.

(2) The entire issued share capital of Go Star is held by Long Harmony Holding Limited, a company incorporated in the BVI by TMF (Cayman) Ltd., the trustee of the Family Trust, which is a discretionary trust established by Mr. Huang as the settlor and protector. The beneficiaries of the Family Trust are Mr. Huang's family members. Accordingly, each of Mr. Huang, TMF (Cayman) Ltd. and Long Harmony Holding Limited is deemed to be interested in the Shares held by Go Star in our Company under the SFO.

(3) The entire issued share capital of Virtue Investment is held by Mr. Huang De-Lin Benny, who was entrusted by Mr. Huang to hold such shares for the purpose of a share incentive scheme to be adopted after Listing. Pursuant to the confirmation letter signed by Mr. Huang De-Lin Benny and Mr. Huang, Mr. Huang De-Lin Benny will exercise the voting rights in Virtue Investment or exercise the voting rights in our Company through Virtue Investment in accordance with the instructions of Mr. Huang. Therefore, each of Mr. Huang and Mr. Huang De-Lin Benny is deemed to be interested in the Shares held by Virtue Investment in our Company under the SFO.

3. Agency Fees or Commissions Received

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

(a) save as disclosed in this prospectus, none of our Directors or chief executives of our Company has any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are listed;

(b) none of our Directors or experts referred to under the paragraph headed "—D. Other information—8. Qualification of Experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(d) save as disclosed in this prospectus, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) taking no account of Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(f) none of the experts referred to under the paragraph headed "—D. Other information—8. Qualification of Experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(g) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on December 21, 2020.

(a) Purpose

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

(i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of our Group; and

(ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) Who may join

Our Board may, at its discretion, offer to grant an option to the following persons (collectively the "**Eligible Participants**") to subscribe for such number of new Shares as our Board may determine at an exercise price determined in accordance with paragraph (f) below:

(i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;

(ii) any directors (including non-executive Directors and independent non-executive Directors) of our Company or any of its subsidiaries; and

(iii) any advisers, consultants, suppliers, customers, distributors and such other persons who, in the sole opinion of our Board, will contribute or have contributed to our Company and/or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK$1.00 to our Company by way of consideration for the grant.

(c) Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance or payment in favor of our Company of HK$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment for the full amount of the exercise price for our Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the auditors to our Company or the approved independent financial adviser as the case may be pursuant to paragraph (r), our Company shall issue and allot the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of our Shares so allotted.

The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorized share capital of our Company.

(d) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue upon the completion of the Global Offering, being 100,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting in compliance with Rules 17.03(3) and 17.06 of the Listing Rules and/or such other requirements prescribed under the Listing Rules from time to time, our Board may:

(i) renew this limit at any time to 10% of our Shares in issue as of the date of the approval by our Shareholders in general meeting; and/or

(ii) grant options beyond the 10% limit to Eligible Participants specifically identified by our Board. The circular to be issued by our Company to our Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (r) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of our Shares in issue from time to time. No options shall be granted under any schemes of our Company (including the Share Option

Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (r) below whether by way of capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(e) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of our Shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

(i) the issue of a circular by our Company to our Shareholders which shall comply with Rules 17.03(4) and 17.06 of the Listing Rules and/or such other requirements as prescribed under the Listing Rules from time to time. The circular to be issued by our Company shall contain the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(c) and (d) and the disclaimer required under 17.02(4) of the Listing Rules; and

(ii) the approval of our Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (as defined in the Listing Rules) (or his/her associates (as defined in the Listing Rules) if the Eligible Participant is a connected person (as defined in the Listing Rules)) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders' approval and the date of the Board meeting at which our Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of our Shares. Our Board shall forward to such Eligible Participant an offer document in such form as our Board may from time to time determine which states (or, alternatively, documents accompanying the offer document which state), among others:

(1) the Eligible Participant's name, address and occupation;

(2) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;

(3) the date upon which an offer for an option must be accepted;

(4) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);

(5) the number of Shares in respect of which the option is offered;

(6) the subscription price and the manner of payment of such price for our Shares on and in consequence of the exercise of the option;

(7) the date of the expiry of the option as may be determined by our Board;

(8) the method of acceptance of the option which shall, unless our Board otherwise determines, be as set out in paragraph (c); and

(9) other terms and conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of our Board are fair and reasonable but not being inconsistent with Share Option Scheme and the Listing Rules.

(f) Price of Shares

Subject to any adjustments made as described in paragraph (r) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be determined by our Board in its absolute discretion, but in any event must be at least the higher of:

(i) the official closing price of our Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average of the official closing prices of our Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which such option is offered in writing to our Eligible Participant; and

(iii) the nominal value of a Share.

(g) Granting options to a director, chief executive or substantial shareholder of our Company or any of their respective associates

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If our Board proposes to grant options to a substantial shareholder or any independent non-executive Director (or any of their respective associates (as defined in the Listing Rules)) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of our Shares in issue on the date of offer of the option; and

(ii) having an aggregate value, based on the official closing price of our Shares as stated in the daily quotation sheets of the Stock Exchange on the date of such grant, in excess of HK$5 million or such other sum as may be from time to time provided under the Listing Rules, such further grant of options will be subject to, in addition to the approval of the independent non-executive Directors of our Company, the issue of a circular by our Company and the approval of our Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by our Company to our Shareholders pursuant to the above paragraph shall contain the following information:

(i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before our Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;

(ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;

(iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and

(iv) the information required under Rule 2.17 of the Listing Rules.

(h) Restrictions on the times of grant of options

A grant of options shall not be made after inside information has come to the knowledge of our Company until it has announced such inside information pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options shall be granted during the period commencing one month immediately preceding the earlier of:

(i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's annual results for half-year, quarterly or other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for our Company to publish an announcement of its annual results or our results for half-year, or quarterly or other interim period (whether or not required under the Listing Rules), and ending on the date of actual publication of the results for such year, half-year, quarterly or interim period (as the case may be), and where an option is granted to a Director notwithstanding the above:

(iii) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(iv) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) Rights are personal to grantee

An option and an offer to grant an option shall be personal to the grantee and shall not be transferable or assignable. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option held by him or any offer relating to the grant of an option made to him or attempt so to do (save that the grantee may nominate a nominee in whose name our Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

(j) Time of exercise of option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by our Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the Listing Date. Subject to earlier termination by our Company in general meeting or by our Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date.

(k) Performance target

A grantee may be required to achieve any performance targets as our Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(l) Rights on ceasing employment or death

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries

(i) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as of the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or

(ii) by reason of death, his/her personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(m) Rights on dismissal

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries on the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offense involving his/her integrity or honesty or in relation to an employee of our Group (if so determined by our Board), or has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally, or on any other ground on which an employee would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, his/her option will lapse and not be exercisable after the date of termination of his/her employment.

(n) Rights on takeover

If a general offer is made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(o) Rights on winding-up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance or payment for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

(p) Rights on compromise or arrangement between our Company and its members or creditors

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which our Company was incorporated, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any grantee may by notice in writing to our Company accompanied by a remittance or payment for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given (such notice to be received by our Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our Company shall as soon as possible and in any event no later than 12:00 noon (Hong Kong time) on the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(q) Ranking of Shares

Our Shares to be allotted upon the exercise of an option will not carry voting, dividend or other rights until completion of the registration of the grantee (or any other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options shall be subject to the provisions of the articles of association of our Company and will carry the same rights in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

(r) Effect of alterations to capital

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial adviser shall certify in writing to our Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of our Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(s) Expiry of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

(i) the date of expiry of the option as may be determined by our Board;

(ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n), (o) or (p);

(iii) the date on which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;

(iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;

(v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of our Company or any of our subsidiaries or the termination of his/her employment or contract on any one or more of the grounds that he or he/she has been guilty of serious misconduct, or has been convicted of any criminal offense involving his/her integrity or honesty, or in relation to an employee of our Group (if so determined by our Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employee would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group. A resolution of our Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or

(vi) the date on which our Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are canceled in accordance with paragraph (u) below.

(t) Alteration of the Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of our Board except that:

(i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; or

(ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted,

must be made with the prior approval of our Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of our Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

(u) Cancelation of options

Any cancelation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is canceled pursuant to paragraph (i).

(v) Termination of the Share Option Scheme

Our Company may by resolution in general meeting or our Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) Administration of our Board

The Share Option Scheme shall be subject to the administration of our Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(x) Conditions of the Share Option Scheme

The Share Option Scheme shall take effect subject to and is conditional upon:

(i) the passing of the necessary resolutions by our Shareholders to approve and adopt the rules of the Share Option Scheme;

(ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme;

(iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver(s) of any such condition(s) by the Joint Representatives (on behalf of the Underwriters)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;

(iv) the commencement of dealings in our Shares on the Stock Exchange.

If the conditions in paragraph (x) above are not satisfied within six calendar months from the Adoption Date:

(i) the Share Option Scheme shall forthwith determine;

(ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and

(iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

(y) Disclosure in annual and interim reports

Our Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

(z) Present status of the Share Option Scheme

As of the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 100,000,000 Shares in total.

2. Tax and other indemnities

Our Controlling Shareholders have entered into the Deed of Indemnity with and in favor of our Company (for itself and as trustee for each of its subsidiaries) (being the contract referred to in paragraph (k) of "B. Further information about our business —1. Summary of material contracts" above) to provide indemnities on a joint and several basis in respect of, among other matters, (i) taxation or taxation claims resulting from income, profits or gains earned, accrued or received to which any member of our Group may be subject on or before the date when the Global Offering becomes unconditional; (ii) any claims, penalties or other indebtedness resulting from any non-compliance by any Group member on or before the date when the Global Offering becomes unconditional and disclosed in this prospectus, including any insufficient contribution to social insurance and housing provident funds during the Track Record Period; and (iii) any property claim or estate duty to which any member of our Group may be subject and payable on or before the Listing Date.

3. Litigation

As of the Latest Practicable Date, our Company was not aware of any other litigation or arbitration proceedings of material importance pending or threatened against it or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

4. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors' fees are USD 1 million and are payable by our Company.

5. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately HK$45,600 and are payable by our Company.

6. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

7. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability or estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

(b) Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares given that our Company has no interest in land in the Cayman Islands.

(c) Consultation with professional advisors

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

8. Qualification of Experts

The following are the qualifications of the experts who have given their opinion or advice which are contained in, or referred to in this prospectus:

Name	Qualifications
CCB International Capital Limited	Licensed corporation under the SFO to conduct Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 6 (Advising on corporate finance) regulated activities as defined under the SFO
China Securities (International) Corporate Finance Company Limited	Licensed corporation under the SFO to conduct Type 1 (Dealing in securities) and Type 6 (Advising on corporate finance) regulated activities as defined under the SFO)
Deloitte Touche Tohmatsu	Certified Public Accountants
Appleby	Cayman Islands legal advisor
Jingtian & Gongcheng	PRC legal advisor
China Index Academy	Industry consultant
Savills Valuation and Professional Services Limited	Property valuer

9. Consents of Experts

Each of the experts named in paragraph 8 of this Appendix has given and has not withdrawn its respective written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

10. Interests of experts in our Company

None of the persons named in paragraph 8 of this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Miscellaneous

(a) Within the two years immediately preceding the date of this prospectus:

(i) save as disclosed in the section headed "History, Reorganization and Corporate Structure," no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since September 30, 2020 (being the date which the latest audited consolidated financial information of our Group were made up);

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(e) the principal register of members of our Company will be maintained in the Cayman Islands by Appleby Global Services (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Branch Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;

(f) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(g) our Directors have been advised that under Cayman Islands law the use of a Chinese name by our Company in conjunction with the English name does not contravene Cayman Islands law;

(h) our Company has no outstanding convertible debt securities or debentures; and

(i) there is no restriction affecting the remittance of profits or repatriation of capital by our Company into Hong Kong from outside Hong Kong.

13. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption from Companies and Prospectuses from Compliance Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the **WHITE**, **YELLOW** and **GREEN** Application Forms;

(b) the written consents referred to in the section headed "Statutory and General Information—D. Other Information—9. Consents of Experts" in Appendix V to this prospectus; and

(c) a copy of each of the material contracts referred to in the section headed "Statutory and General Information—B. Information about our Business—1. Summary of Material Contracts" in Appendix V to this prospectus.

B. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Sidley Austin at Level 39, Two International Finance Center, 8 Finance Street, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and the Articles of Association;

(b) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus;

(c) the report from Deloitte Touche Tohmatsu in respect of the unaudited pro forma financial information, the text of which is set out in Appendix IIA to this prospectus;

(d) the letters on profit estimate prepared by Deloitte Touche Tohmatsu and the Joint Sponsors, the texts of which are set out in Appendix IIB to this prospectus;

(e) the audited consolidated financial statements of our Group for the financial years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020;

(f) the property valuation report issued by Savills Valuation and Professional Services Limited, the property valuer;

(g) the legal opinion issued by Jingtian & Gongcheng, the PRC Legal Advisors in respect of our Group's business operations and property interests in the PRC;

(h) the letter of advice from Appleby, our Cayman legal advisors, summarizing certain aspects of the Cayman Islands company law referred to in section headed "Summary of the Constitution of the Company and Cayman Islands Company Law" in Appendix IV to this prospectus;

(i) the industry report prepared by China Index Academy, the industry consultant;

(j) the Cayman Islands Companies Act;

(k) the material contracts referred to in the section headed "Statutory and General Information—B. Information about our Business—1. Summary of Material Contracts" in Appendix V to this prospectus;

(l) the service contracts and letters of appointment with each of our Directors referred to in the section headed "Statutory and General Information—C. Further Information about Directors and Substantial Shareholders—1. Directors—(b) Particulars of service contracts and letters of appointment" in Appendix V to this prospectus; and

(m) the written consents referred to in the section headed "Statutory and General Information—D. Other Information—9. Consents of Experts" in Appendix V to this prospectus.

星盛商業

E-STAR COMMERCIAL