

INDUSTRY OVERVIEW

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

We believe that the sources of the information presented here are appropriate, including forward-looking information for future periods as identified, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information extracted from the official government publications, the data from the market research report by China Index Academy and the data extracted from publicly available sources have not been independently verified by us, the Joint Sponsors, any of our or their respective directors, officers, employees, agents or representatives or any other person involved in the [REDACTED] (other than China Index Academy). The information may not be consistent with other information available from other sources within or outside the PRC. None of us, the Joint Sponsors, any of our or their respective directors, officers, employees, agents or representatives or any other person involved in the [REDACTED] (other than China Index Academy), make any representation as to the accuracy, completeness or fairness of such information and, accordingly, you should not unduly rely on such information.

RESEARCH BACKGROUND AND METHODOLOGIES

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

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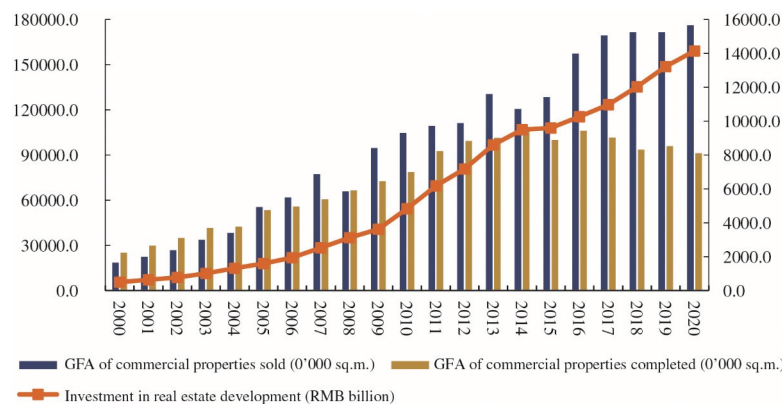
When preparing the CIA Report, China Index Academy assumed that: (i) the social, economic and political conditions in China and the world will remain stable during the forecast period; (ii) government policies on the property management industry in the PRC will remain unchanged during the forecast period;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

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

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

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

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



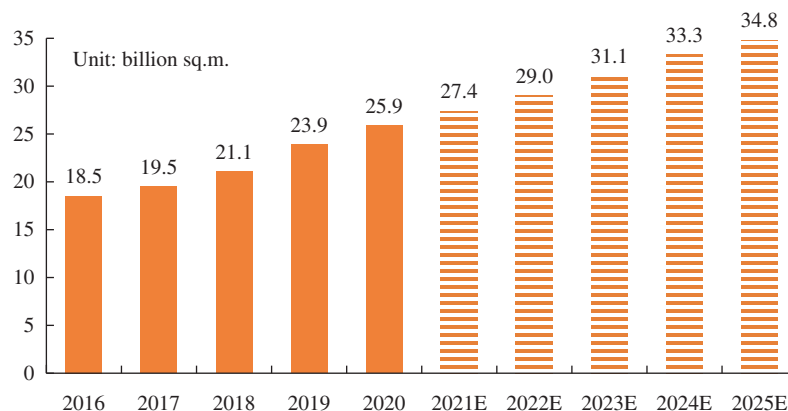
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THE PROPERTY MANAGEMENT INDUSTRY IN THE PRC

Overview

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

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



Property Management Services

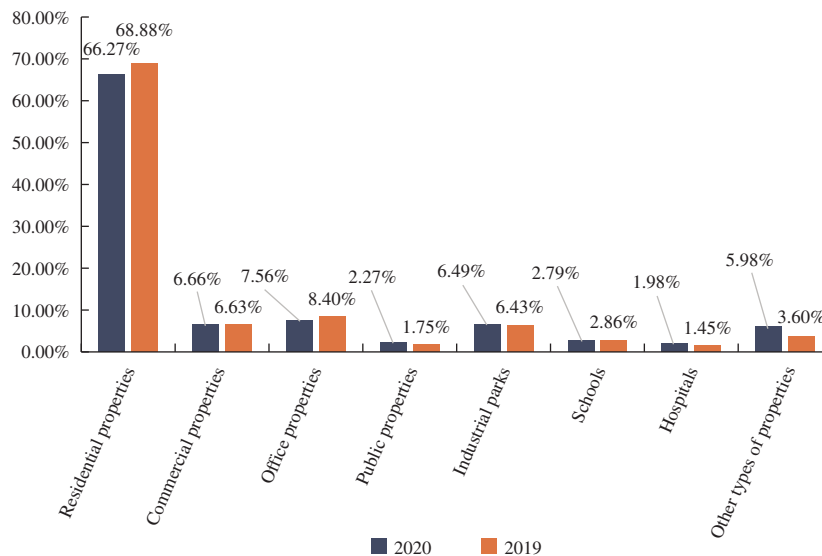
According to China Index Academy, in recent years, the aggregate GFA under management and the number of properties managed by the Top 100 Property Management Companies have increased rapidly as a result of rapid urbanization and continual growth in per capita disposable income in China. According to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

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



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



According to China Index Academy, in the PRC, property management service fees are the primary revenue source for property management companies. Property management fees may be charged either on a lump sum basis or commission basis. According to China Index Academy, the lump sum model for property management fees is the dominant revenue model in the property management industry in the PRC, especially for residential properties, as it improves efficiency by simplifying the collective decision-making processes by property owners and residents in the event of large expenditures, and provides more incentives to property management service providers to optimize their operations, thereby enhancing profitability.

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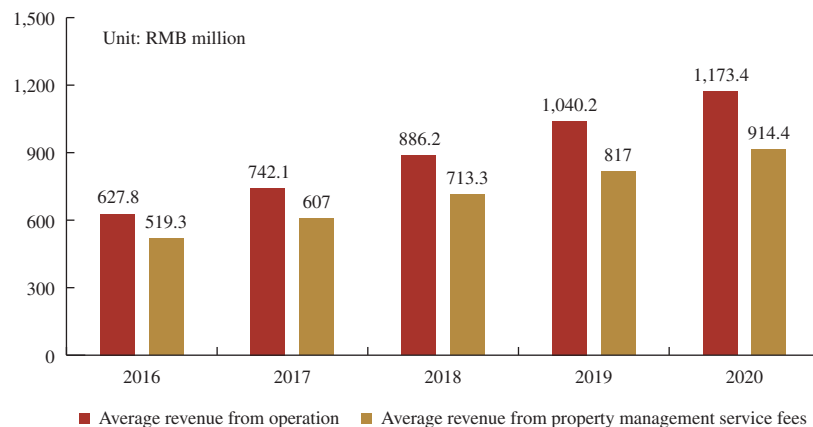
The following chart sets forth the average property management fees for residential properties and non-residential properties in different tiers of cities in China of the Top 100 Property Management Companies in 2020.



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

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

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

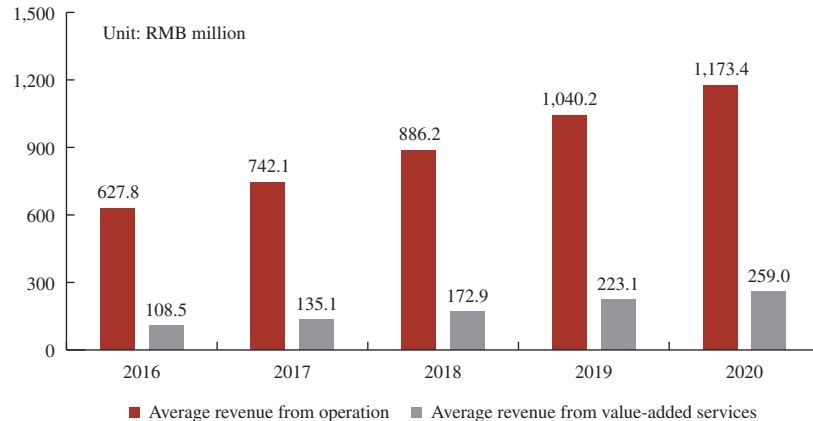


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Value-added Services

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

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



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

INDUSTRY GROWTH DRIVERS

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

Favorable Policies

Introduction of favorable laws, regulations and policies serves as a critical foundation for the health and growth of China’s property management industry. The promulgation of the Provisions on Property Management (《物業管理條例》) in June 2003 by the State Council was a milestone in the regulatory history of the PRC property management industry. Subsequently, a series of favorable policies supporting the development of the property

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

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

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

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Growth in Supply

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

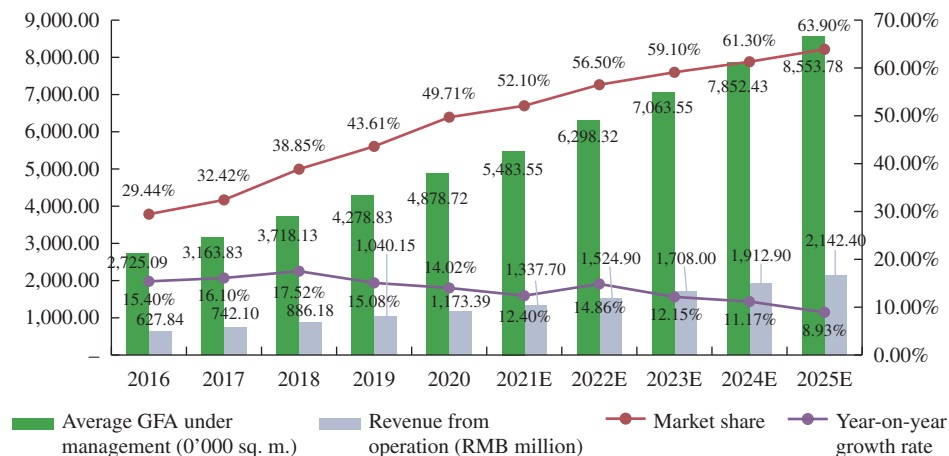
MARKET TRENDS

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

Increasing Market Concentration

The property management industry in the PRC is fragmented and competitive. In order to expand the GFA under management and realize economies of scale to strengthen market positions, large-scale property management companies actively accelerate their expansions by means of both organic growth and acquisitions of small- and medium-sized property management companies. Subsequently, the market continues to become more concentrated. According to China Index Academy, the average GFA under management of the Top 100 Property Management Companies increased from 27.3 million sq.m. in 2016 to 48.8 million sq.m. in 2020 at a CAGR of 15.7%. Meanwhile, the total GFA under management of property management companies in the PRC increased from 2016 to 2020 at a CAGR of 8.8%.

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

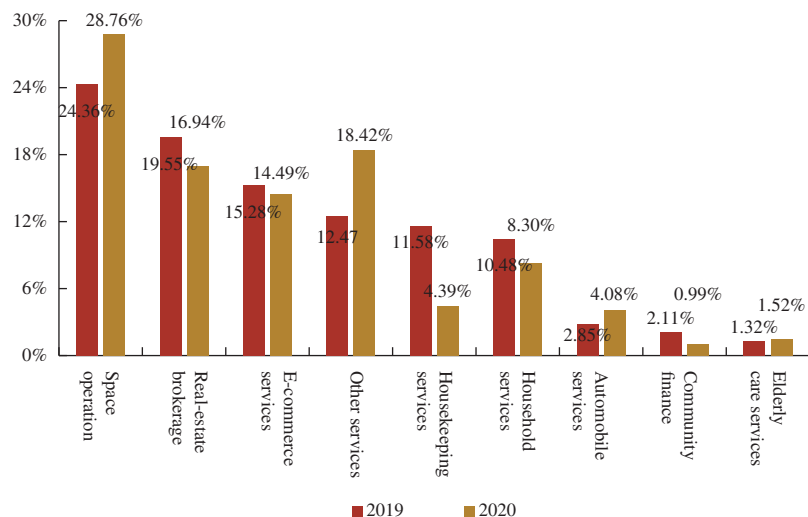


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Diversifying Revenue Sources and Managed Property Types

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

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



Professionalized Staff and Enhanced Service Quality

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

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Marketization

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

Standardization of Services as the Basis for Expansion and Efficient Operation

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

INDUSTRY RISKS AND CHALLENGES

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

- *Competition.* Property management industry in the PRC is increasingly competitive. As a result, property owners have more choices and are placing greater emphasis on professional and standardized services.
- *Cost control.* Property management companies in the PRC charge property management fees primarily on a lump sum basis. They charge fees at a predetermined fixed price per sq.m. per month, representing all-inclusive fees for the property management services provided. As a result, when total costs and expenses incurred exceed the amount of property management fees they receive, the property management companies will bear the shortfall and may not charge additional fees from property developers, property owners or residents during the agreement terms.
- *Limited sources of property management agreements.* The top property management companies in the PRC are typically either subsidiaries or affiliated companies of property development companies. In the event that the related property development companies stop engaging the property management companies as their property management service providers, the performance of the property management companies may be adversely affected.

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- *Increasing labor costs.* The property management industry in the PRC is labor-intensive. Staff costs as a percentage of cost of sales of the Top 100 Property Management Companies was 57.8%, 59.1% and 58.3% for the years ended 31 December 2018, 2019 and 2020, respectively, according to China Index Academy. The minimum wage in various regions has increased in recent years. Given the increasing market concentration, the Top 100 Property Management Companies need to recruit more staff to expand their property management scale and thus are expected to pay increasing staff salaries and benefits, as well as relevant training and management expenses.
- *Shortage of talent.* The property management industry is in need of a large number of talent to improve service quality and to expand property management scale. Development of property management companies may be hindered if they are not able to recruit a sufficient number of suitable talent.
- *Risks from mergers and acquisitions.* Many property management companies in the PRC expanded their business scales through mergers and acquisitions. However, mergers and acquisitions may subject them to various risks due to the complexity and size of their business operations, unfamiliarity in corporate cultures and the inability to retain key personnel.
- *Legal risks.* As a property management service provider, we are exposed to risks in relation to work safety, including but not limited to claims for injuries, fatal or otherwise, sustained by our employees or sub-contractors. We are also exposed to claims that may arise due to employees’ or third-party sub-contractors’ negligence or recklessness when performing our services and we may be held jointly liable for the losses incurred by our residents, tenants or property owners under PRC laws.

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

COMPETITION

Competition Landscape

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

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Not many participants in the upscale property management and city operation service market in China are able to successfully manage a diversified portfolio of properties, including residential properties, commercial properties such as office buildings and shopping malls, industrial parks and public properties, and realize synergies across different property types. Since 1995, we have established the high-end residential property service brand represented by Jin Mao Mansion, the large-scale commercial complex property management brand represented by Lanxiu City, and the high-end office property management brand represented by Kaichen World Trade Center. In 2021, we ranked the 1st among the top 10 companies on CRIC Research’s short list of “China’s Property Service Force High-End Service Brand” (“中國物業服務力高端服務品牌”). We were also honored as “Leading Upscale Property Management Service Enterprise in China” (“中國高端物業服務領先企業”) and “Leading Specialized Operation Brand Enterprise in China” (“中國物業服務專業化運營領先品牌企業”) in 2020. According to China Index Academy, we ranked 17th among “2021 Top 100 Property Management Companies in China” (“2021年中國物業服務百強企業”).

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

Entry Barriers

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

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

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- *Experience.* Urban city services usually require service providers to have rich project experience. During bidding process, bidders are required to show past business performance and other relevant supporting materials. Service providers need to formulate comprehensive solutions that tailor to individual needs of end customers, including front-end design, mid-end project implementation, and follow-up operation and maintenance services. It is difficult for new entrants to establish such comprehensive service capabilities within a short period of time.
- *Technical barriers and capital threshold.* The property management industry involves different service areas, and the technical standards and requirements vary greatly. For example, urban city services involve new facilities and equipment maintenance scenarios covering underground integrated pipe corridors, ground pipeline maintenance, traffic governance, river water quality, etc. In addition, due to expansion of business scale, property management companies are increasingly inclined to adopt automated and intelligent technologies, such as network interoperability, information fusion, intelligent building management, communication automation, big data and cloud computing. Companies are replacing intensive manual labor tasks with intelligent management systems and equipment, introducing corporate information management systems, and promoting the idea of a smart community. Management efficiency has improved and the industry is moving towards a technology driven industry. This will further increase the capital threshold for new entrants in the property management industry.
- *Operations and management.* As the property management industry becomes increasingly competitive, experience and capabilities of core management members of industry players play a critical role in maintaining core competitiveness. Established property management companies typically have developed their unique management competencies in terms of property management procedures, application of information systems, and financial management, and are therefore better positioned to manage large properties.
- *Professional talent.* Property management depends on manual labor, not only for the performance of property management services but also for implementing and innovating technological solutions such as big data and internet technologies. Furthermore, the innovation of property management business models, especially the launch of value-added services to property owners and property developers, requires significant support from talented employees. In addition to professional technical capabilities, they must also have an in-depth understanding of the business processes, management standards, related technologies and application scenarios, and be able to provide reasonable design based on regional characteristics. It is increasingly difficult for property management companies to recruit and retain talented individuals who are up to date with the technological advances in the industry to help achieve the above-mentioned goals.

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IMPACT OF THE OUTBREAK OF COVID-19

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

According to the China Index Academy, the nationwide cumulative GFA of contracted sales of commodity residential properties and GFA of newly constructed commodity residential properties both demonstrated significant improvement in the first quarter of 2021 compared to the same period of 2020. As the COVID-19 outbreak has been brought under control in China and economic activities have gradually resumed, the property development industry and property management industry are also on track to recovery as purchase demand for commodity housing continues to resume.

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

Despite the abovementioned short-term impact on the property management industry in China, the COVID-19 outbreak has limited impact on the PRC property management industry in the medium- and long-term and has presented opportunities for property management companies, according to China Index Academy:

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

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- *Development of new community value-added services.* The fact that most property owners and residents were home-bound during the COVID-19 outbreak has presented opportunities for property management companies to provide more community living services. For example, more property owners and residents have subscribed to the existing value-added services provided by property management companies such as the last-mile delivery service through their online service platforms. Property management companies have also started to offer new value-added services to improve home living experience of property owners and residents, thereby expanding revenue sources.
- *Enhanced brand value and reputation.* Property management companies have played a critical role in infection prevention and control since the COVID-19 outbreak, and their services have been widely recognized by the public. As a result, the brand value and reputation of property management companies which delivered high-quality services during the COVID-19 outbreak have been significantly enhanced. Such positive impact may cultivate stronger customer loyalty and facilitate marketing for future property management projects.
- *Improved property management standards.* As property management companies become more risk averse after the COVID-19 outbreak, it is expected that many of them will enhance their risk resistance capabilities by strengthening internal policies and improving risk management systems.
- *Increased government support.* PRC government continuously introduces favorable policies to alleviate the short-term adverse impact resulted from the COVID-19 outbreak. Such policies have not only directly alleviated the cost pressure caused by the outbreak to property management companies, but may also support the sustainable development of the property management industry in the long run.
- *Favorable momentum in capital market.* During the COVID-19 outbreak and the resulting downturn in the global stock market in March 2020, property management companies have proved their countercyclical and risk resistance capabilities through outperforming stock prices. This has driven investment momentum in the property management industry and is expected to continue to enable property management companies to access the capital market in the near future.

DIRECTORS' CONFIRMATION

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