This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the **[REDACTED]**. *There are risks associated with any investment. Some of the particular risks in investing in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

We are a property management service provider in the PRC, with a primary focus in Shandong Province by upholding our strategy of "Shandong Focus (精耕山東)". The property management services markets in both Shandong Province and the PRC are highly fragmented. We had a market share of approximately 0.1% in the overall PRC property management industry in terms of the total revenue generated from property management services in 2021. On the other hand, we ranked 12th and accounted for approximately 1.0% of market share in the property management services market in Shandong Province in 2021 while the top five property management service providers in Shandong Province accounted for approximately 15.0% of market share.

The services we provide can be broadly divided into four business segments in terms of their nature, namely (i) property management services; (ii) property engineering and landscape construction services; (iii) property investment; and (iv) other services.

In respect of the property management services, with over 25 years of experience and by our professional expertise, we have a comprehensive understanding of our customers' daily operation and specific requirements and needs to provide high-quality services to hospitals and public properties. For FY2021, we had 39 hospitals and 104 public properties under our management. We ranked second in hospital sector and third in non-residential (including hospitals, public properties and commercial properties) sector among property management service providers in Shandong Province in terms of the revenue generated from the respective sectors in 2021, representing market share of approximately 7.2% and 2.1%, respectively. In respect of the revenue generated from respective sectors in PRC property management industry, we had a market share of approximately 0.6% in hospital sector and 0.3% in non-residential (including hospitals, public properties and commercial properties) sector, respectively.

We are dedicated to the utilisation and development of digitalisation and operation automation systems and have employed technological solutions to strengthen our competitiveness, improve our service quality and customer satisfaction, reduce our reliance on manual labour, and reduce costs and expense to be incurred by providing our services. In March 2019, we launched an online information technology operation centre, namely OSCS Service Centre, serving the hospitals under our management by offering diversified and tailored hospital logistics services in aspects of cleaning management, centralised logistic management, clinical waste management, facilities management, patient companion and operation management, which are comprehensive and professional solutions to manage, support and optimise the entire operation process of the hospitals under our management. By utilising the OSCS Service Centre, we are able to facilitate our daily operation in hospital sector and provide 24-hour services to hospital staff and/or patients of the hospitals under our management.

Our Group achieved robust growth during the Track Record Period in terms of business scale and financial performance. Our revenue increased from RMB397.1 million in FY2019 to RMB486.1 million in FY2020, and further to RMB601.3 million in FY2021 and RMB321.4 million in 1H2022, representing a CAGR of 23.1% from FY2019 to FY2021. Our gross profit increased from RMB66.8 million in FY2019 to RMB102.9 million in FY2020, and further to RMB114.1 million in FY2021 and RMB67.0 million in 1H2022, which the gross profit margin was 16.8%, 21.2%, 19.0% and 20.8% for the corresponding period, respectively. Our Group obtains new property management agreements mainly by way of open tendering. For FY2019, FY2020, FY2021 and 1H2022, our tender success rate for securing property management agreements recorded approximately

28.4%, 32.5%, 48.1% and 40.7%, respectively; and the renewal rate of our property management agreements was approximately 87.4%, 90.6%, 90.8% and 87.4% for the corresponding periods, respectively.

Our Group has been accredited with GB/T19001-2016/ISO 9001:2015 (Quality management system certification), GB/T 20647.9-2006/ZMCC-TC-10-2018 (5-star service certification), GB/T24001-2016/ISO 14001:2015 (Environmental management system certificate), GB/T45001-2020/ISO45001-2018 (Occupational safety management system certificate), ISO 56002-2019 (Innovation management system certificate), ISO50001:2018 RB/T 107-2013 (Energy management system certificate), Jinan City Property Comprehensive Service Standardization Pilot Enterprise(Note 1) and Good Standardising Practice Certificate Grade AAA(Note 2).

OUR BUSINESS MODEL

During the Track Record Period, we generated revenue from four business segments:

Property management services	We provide (a) typical property management services, such as cleaning and disinfection services, security services, general repair and maintenance services, and customer services, including value-added services (including concierge services, ushering services, catering services, housekeeping services, vehicle cleaning services and delivery services), carpark management services, canteen management services, conference services, elevator operations services and chauffeur services; and (b) hospital logistics services, which are comprehensive and professional solutions to manage, support and optimise the entire operation process of the hospitals under our management;
Property engineering and landscape construction services	Our services include (i) the major maintenance services for building components and systems, interior renovation services, alteration and addition work of existing buildings and facilities and installation of elevators, in order to enhance the quality of the property management systems of our customers; and (ii) the sales, leasing and planting of trees, shrubs and flowers, modification of the shape and elevation of terrain used for landscaping, instalment of related equipment and landscape maintenance work during/after the provision of our landscape construction services;
Property investment	We rent out our investment properties to satisfy our customers' needs; and
Other services	Our other services mainly include (i) patient nursing and post-natal caring services; and (ii) sales of software supporting systems developed by us and daily server maintenance services.

Notes:

1. Jinan City Property Comprehensive Service Standardization Pilot Enterprise was nominated by Jinan City Market Supervision Administration and approved by Shandong Provincial Market Supervision Administration, the official agency directly in charge of regulating areas such as market competition, monopolies, intellectual property, and drug safety.
2. Good Standardizing Practice Certificate Grade AAA was awarded by China Association of Standardisation (中國標準化協會), which is an association managed by the Standardization Administration of the PRC (國家標準化管理委員會).

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by type of services and our property management services by types of properties during the Track Record Period:

	FY2019			FY2020			FY2021			1H2021			1H2022		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*%*	*RMB'000*	*RMB'000*	*%*
Property management services															
- *Hospitals*	143,776	15,689	10.9	144,715	22,567	15.6	215,941	28,687	13.3	98,786	13,650	13.8	129,569	21,113	16.3
- *Public properties*	140,554	24,043	17.1	150,840	30,537	20.2	192,624	33,905	17.6	93,222	17,987	19.3	108,835	24,743	22.7
- *Commercial and other non-residential properties*	42,865	10,330	24.1	64,519	20,811	32.3	86,112	24,984	29.0	38,051	10,807	28.4	44,300	12,865	29.0
- *Residential properties*	39,775	7,990	20.1	42,124	8,430	20.0	48,161	12,276	25.5	20,620	4,809	23.3	24,540	4,738	19.3
Sub-total	366,970	58,052	15.8	402,198	82,345	20.5	542,838	99,852	18.4	250,679	47,253	18.9	307,244	63,459	20.7
Property engineering and landscape construction services	16,866	4,465	26.5	74,863	16,236	21.7	49,301	10,874	22.1	7,052	1,180	16.7	9,358	2,721	29.1
Property investment	6,173	1,957	31.7	8,442	4,133	49.0	5,942	774	13.0	3,005	583	19.4	3,268	116	3.5
Other services	7,087	2,373	33.5	592	140	23.6	3,217	2,642	82.1	884	652	73.8	1,521	696	45.8
Total	397,096	66,847	16.8	486,095	102,854	21.2	601,298	114,142	19.0	261,620	49,668	19.0	321,391	66,992	20.8

During the Track Record Period, we experienced continuous growth in our revenue and gross profit. Our revenue growth is mainly attributable to (i) the increase in revenue generated from our property management services segment, in particular the increase in the total number of projects under our management as result of our successful business expansion; and (ii) the growth in our revenue generated from non-residential properties (i.e. hospitals, public properties and commercial and other non-residential properties) under our management in FY2020 and FY2021, which was mainly contributed by (a) the growth in number of properties under our management from 142 in FY2019 to 204 in FY2021; and (b) the increase in revenue and gross profit from certain existing projects resulted from the provision of the enlarged scale and scope of our value-added services for commercial properties, such as cleaning services for display automobile vehicles in automobile industrial parks as well as other customer services further requested by our customers for which we were able to generate an additional revenue since FY2020. The significant increase in revenue generated from our property engineering and landscape construction services was primarily contributed by five relatively sizeable projects that secured from Hang Qian Group and Shandong Zhixin and commenced in FY2020. For details, please see the section headed "Financial Information — Description of Selected Items from Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue" in this document.

Our gross profit experienced an upward year-over-year growth during the Track Record Period. While the increase in gross profit was in line with the growing trend of our total revenue during the same period, the relatively higher overall gross profit margin in FY2020, FY2021 and 1H2022 was primarily attributable to (i) the profitability improvement in our property management service segment as a result of cautious selection of the potential projects to be tendered; (ii) increased cost efficiency from adopting our OSCS Service Centre in hospitals under our management; (iii) our effort to raise the contract value of our service agreement during the negotiation of contract renewal; and (iv) certain COVID-19 concessions granted by the PRC government in FY2020. For details, please see the section headed "Financial Information — Description of Selected Items from Consolidated Statements of Profit or Loss and Other Comprehensive Income — Gross profit and gross profit margin" in this document.

During the Track Record Period, all of our customers from hospital and public sectors were independent third parties. For commercial and other non-residential properties and residential properties, we offered our services to both related parties and independent third parties. The table below sets forth a breakdown of our revenue, gross profit and gross profit margin of the commercial and other non-residential properties and residential properties by type of customer for the Track Record Period:

	FY2019			FY2020			FY2021			1H2021			1H2022		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*%*	*RMB'000*	*RMB'000*	*%*
Commercial and other non-residential properties															
- Related parties	22,432	7,689	34.3	29.408	13,466	45.8	27,494	11,698	42.5	11,617	4,449	38.3	15,259	6,655	43.6
- Independent third parties	20,433	2,641	12.9	35,111	7,345	20.9	58,618	13,286	22.7	26,434	6,358	24.1	29,040	6,210	21.4
Residential properties															
- Related parties	3,878	1,867	48.1	2,785	862	30.9	4,963	2,341	47.2	1,012	303	29.9	501	132	26.3
- Independent third parties	35,897	6,123	17.1	39,339	7,568	19.2	43,198	9,936	23.0	19,608	4,506	23.0	24,039	4,606	19.2

While the average property management fee we charged our related parties and third-party customers were within the industry range for similar projects, our gross profit margin generated from our related parties were generally higher than that from independent third parties during the Track Record Period.

In relation to commercial and other non-residential properties, the relatively higher gross profit margin generated from our related parties is mainly attributable to the difference in the types of commercial and other non-residential properties where a relatively higher gross profit margin was generated from providing property management services to automobile industrial parks, a major type of commercial and other non-residential properties managed by our related parties, as compared to office buildings and car parks, which were major types of commercial and other non-residential properties for our property management services provided to independent third parties by the reasons of (i) the involvement of the provision of customer services required by the sales stores in automobile industrial parks which generally has higher requirement on service standards including client facing skills, physical appearance and age of our staff, and therefore, it allows us to charge a relatively higher price; (ii) the additional value-added property management services provided to our related parties; and (iii) the flexibility in introducing cost-effective measures in the allocation of our labour resources in the automobile industrial parks mainly managed by our related parties.

In respect of residential properties, the relatively higher gross profit margin generated from our related parties is mainly due to the service fees for pre-delivery services, including cleaning and trash handling services, property inspection services, securities services, repairs and maintenance, setup of facilities and/or rectification for minor construction defects, for the residential properties developed by the related parties which are generally higher-end residential properties that are newly developed. For details, please refer to the section headed "Financial Information — Description of Selected Items from Consolidated Statements of Profit or Loss and Other Comprehensive Income — Gross profit and gross profit margin" in this document.

There were 2,660 hospitals registered in Shandong Province in 2021, among which only 104 hospitals were classified as Class III Grade A Hospitals. During the Track Record Period, we provided property management services to 24 Class III Grade A Hospitals and five respective branch hospitals located in Shandong Province and five Class III Grade A Hospitals located outside Shandong Province which generated revenue of approximately RMB129.7 million, RMB130.9 million, RMB199.4 million and RMB116.7 million, representing approximately 90.2%, 90.4%, 92.3% and 90.1% of our total revenue generated from providing property management services to hospitals, respectively. The below tables set forth the breakdowns of the number of hospitals and our revenue from providing property management services by grades of hospitals for the Track Record Period:

	FY2019			FY2020			FY2021			1H2021			1H2022		
	Number of hospitals	Revenue	% of revenue generated from providing property management services to hospitals	Number of hospitals	Revenue	% of revenue generated from providing property management services to hospitals	Number of hospitals	Revenue	% of revenue generated from providing property management services to hospitals	Number of hospitals	Revenue	% of revenue generated from providing property management services to hospitals	Number of hospitals	Revenue	% of revenue generated from providing property management services to hospitals
		RMB'000			*RMB'000*			*RMB'000*			*RMB'000* (unaudited)			*RMB'000*	
Class III Grade A Hospitals and branch hospitals*(Note)*	22	129,679	90.2	19	130,879	90.4	29	199,390	92.3	22	91,748	92.9	29	116,716	90.1
Other lower-grade hospitals	8	14,097	9.8	7	13,836	9.6	10	16,551	7.7	7	7,038	7.1	9	12,853	9.9
Total	30	143,776	100.0	26	144,715	100.0	39	215,941	100.0	29	98,786	100.0	38	129,569	100.0

Note: During the Track Record Period, there were 29 Class III Grade A Hospitals and five respective branch hospitals under our management. For details, please refer to the section headed "Business — Property Management Services — Hospitals" in this document.

Since our establishment, we have been primarily focusing on the provision of our services in Shandong Province and upholding our strategy of "Shandong Focus (精耕山東)". Over the years, we have gradually expanded our geographic presence from Jinan to cover 15 of the 16 prefecture-level cities in Shandong Province and other cities in the PRC, such as Beijing and Shenzhen. For details, please see the section headed "Business — Property Management Services" in this document. The table below sets forth the breakdown of our revenue generated from providing property management services by graphical locations during the Track Record Period:

	FY2019			FY2020			FY2021			1H2021			1H2022		
	Number of managed projects	Revenue	% of total revenue from providing property management services	Number of managed projects	Revenue	% of total revenue from providing property management services	Number of managed projects	Revenue	% of total revenue from providing property management services	Number of managed projects	Revenue	% of total revenue from providing property management services	Number of managed projects	Revenue	% of total revenue from providing property management services
		RMB'000			*RMB'000*			*RMB'000*			*RMB'000* (unaudited)			*RMB'000*	
Shandong Province															
- *Jinan region*	93	203,790	55.5	102	230,857	57.4	114	261,331	48.1	102	137,268	54.7	122	150,819	49.1
- *Other regions*	65	144,636	39.4	83	152,525	37.9	104	244,648	45.1	88	100,905	40.3	101	132,778	43.2
Beijing	3	18,265	5.0	4	18,006	4.5	5	21,975	4.1	5	10,052	4.0	5	13,086	4.3
Other regions*(Note)*	1	279	0.1	1	809	0.2	3	14,884	2.7	1	2,454	1.0	3	10,561	3.4
Total	162	366,970	100.0	190	402,198	100.0	226	542,838	100.0	196	250,679	100.0	231	307,244	100.0

Note: Other regions include (i) Shenzhen, Guangdong Province; (ii) Shijiazhuang, Hebei Province; (iii) Baoding, Hebei Province; and (iv) Nanjing, Jiangsu Province.

During the Track Record Period, all of our property management fees were charged on a lump sum basis. Under the lump sum basis model, our customers pay us the "all-inclusive" fee for our property management services and at the same time, we bear all related costs and expenses involved in the provision of our services. We generally charge our customers with property management fees for our property management services, which are mainly calculated without reference to the GFA of the properties under our management but based on a fixed agreed price with reference to the stipulated number of employees and workers to be deployed for each position. During the Track Record Period, we charged customers for a public property, certain commercial properties and all residential properties based on the GFA of the managed properties.

The table below sets forth a breakdown of revenue by revenue-bearing GFA and non-revenue-bearing GFA:

	FY2019		FY2020		FY2021		1H2021		1H2022	
	Revenue	% of total revenue from providing property management services	Revenue	% of total revenue from providing property management services	Revenue	% of total revenue from providing property management services	Revenue	% of total revenue from providing property management services	Revenue	% of total revenue from providing property management services
	RMB'000		*RMB'000*		*RMB'000*		*RMB'000* (unaudited)		*RMB'000*	
Non-revenue-bearing GFA										
- Hospitals	143,776	39.2	144,715	36.0	215,941	39.8	98,786	39.4	129,569	42.2
- Public properties	123,237	33.6	134,240	33.4	177,456	32.7	84,999	33.9	100,785	32.8
- Commercial and other non-residential properties	39,118	10.6	61,652	15.3	81,363	15.0	35,220	14.0	42,233	13.7
Sub-total	306,131	83.4	340,607	84.7	474,760	87.5	219,005	87.3	272,587	88.7
Revenue-bearing GFA										
- Public properties	17,317	4.8	16,600	4.1	15,168	2.8	8,223	3.3	8,051	2.6
- Commercial and other non-residential properties	3,747	1.0	2,867	0.7	4,749	0.8	2,831	1.1	2,066	0.7
- Residential properties	39,775	10.8	42,124	10.5	48,161	8.9	20,620	8.3	24,540	8.0
Sub-total	60,839	16.6	61,591	15.3	68,078	12.5	31,674	12.7	34,657	11.3
Total	366,970	100.0	402,198	100.0	542,838	100.0	250,679	100.0	307,244	100.0

For details of revenue-bearing GFA and non-revenue-bearing GFA, please refer to the section headed "Business — Property Management Services — Our managed properties' GFA" in this document.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths position us well in the property management industry in the PRC and differentiate us from our competitors: (i) we have long history in the property management industry in Shandong Province and built up stable business relationship with our major customers in result of our satisfying service and market reputation in the industry; (ii) our expertise and experience in managing hospitals and public properties allow us to strengthen our property management capabilities to cater for the customers' high-standard requirement of specialised services and thus position ourselves as an established service provider in hospital sector as well as public sector; (iii) we have a diversified customer base which encourages us to continuously develop our property portfolio and types of services and thus expand our revenue streams; (iv) we achieved operational and cost efficiency improvement through our standardised property management methodologies as well as utilisation of advanced information technology in our daily operation, and improved customer satisfaction; (v) we have stringent quality control and high safety standard and environmental impact control; and (vi) we have an experienced and competent management team. Please refer to the section headed "Business — Competitive Strengths" in this document for further details.

OUR BUSINESS STRATEGIES

We strive to become one of the leading property management service providers in the PRC. We plan to achieve our objectives by implementing the following strategies: (i) further expand our business scale, increase our market share and bolster our geographic presence in Shandong Province and tap into other developed neighbouring regions; (ii) develop advanced information technology and mobile application functions to optimise our business model to increase our cost effectiveness; and (iii) continue to improve staff motivation mechanism to attract, cultivate and retain talents. Please refer to the section headed "Business — Business Strategies and Future Plans" in this document for further details.

OUR CUSTOMERS

Our customers include hospitals, governmental bodies, private enterprises, property owners, property developers and tenants. Most of them were located in Shandong Province. During the Track Record Period, the majority of our revenue was generated from customers who are independent third parties. We also provided our services to our Group's related parties. The table below sets forth a breakdown of our total revenue and gross profit by types of customers for the Track Record Period:

	FY2019		FY2020		FY2021		1H2021		1H2022	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	RMB'000		*RMB'000*		*RMB'000*		*RMB'000* (unaudited)		*RMB'000*	
Independent third parties	351,742	88.6	390,177	80.3	527,897	87.8	244,940	93.6	301,416	93.8
Our related parties	45,354	11.4	95,918	19.7	73,401	12.2	16,680	6.4	19,975	6.2
Total	397,096	100.0	486,095	100.0	601,298	100.0	261,620	100.0	321,391	100.0

The revenue generated from our related parties was relatively low in 1H2021 and 1H2022. For 1H2021, the relatively low revenue generated from our related parties was mainly due to the fact that (i) five relatively sizeable property engineering and landscape construction projects for two construction sites in the XTJD Project secured from Hang Qian Group and Shandong Zhixin were substantially completed in early 2021, the revenue of which dropped from approximately RMB50.7 million in FY2020 to approximately RMB2.6 million in 1H2021; and (ii) the new projects for installment of facilities of a residential property in XTJD Project were scheduled to commence in or after August 2021. For 1H2022, the relatively low revenue generated from our related parties was mainly due to the fact that (i) the construction works undertaken by us for the XTJD Project were substantially completed in around the end of 2021; and (ii) due to the uncertainties in the PRC's economic environment in early 2022, our related parties have taken a cost-saving approach by the cancellation of setup of new greening facilities of the residential properties newly developed by them. The setup of such greening facilities should be part of our pre-delivery and other services.

Apart from our related parties, we have maintained a stable relationship with most of our top five customers during the Track Record Period ranging from seven years to 18 years. The sales to our top five customers in each period during the Track Record Period amounted to approximately RMB127.7 million, RMB163.8 million, RMB153.3 million and RMB68.4 million, representing approximately 32.1%, 33.7%, 25.5% and 21.3% of our total revenue for the corresponding period, respectively, while the sales to our largest customer in each period during the Track Record Period amounted to approximately RMB32.7 million, RMB63.7 million, RMB42.3 million and RMB17.1 million, representing approximately 8.2%, 13.1%, 7.0% and 5.3% of our total revenue of the corresponding period, respectively. Please refer to the section headed "Business — Our Customers" in this document for further details.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily included (i) vendors of materials, consumables, equipment and uniforms needed for our daily operations; (ii) subcontractors providing cleaning, security and property engineering and landscape construction services; (iii) consultants in property engineering and landscape construction projects for tender preparation and contract negotiation; and (iv) property owners of properties used as our branch offices and for our property investment business.

For our property engineering and landscape construction projects, we normally engage subcontractors to carry out all site works under close supervision and management by our engineering team and we oversee and supervise the works conducted by our subcontractors to ensure their conformity to contractual specifications and that projects are completed on time and within budget.

In FY2021, we have engaged several subcontractors, who are independent third parties to our Group, to replace the deployment of part-time workers and provide timely and efficient alternative access to manpower resources and support our business growth. For details of deployment of subcontractors instead of our own part-time workers, please refer to the section headed "Business — Our Suppliers — Our subcontractors" in this document.

For FY2019, FY2020, FY2021 and 1H2022, the total purchases from our Group's largest supplier in each period during the Track Record Period amounted to approximately RMB11.3 million, RMB21.4 million, RMB105.9 million and RMB62.2 million, representing approximately 9.9%, 7.3%, 22.3% and 29.5% of our Group's total purchase amount for the corresponding period, respectively, while the total purchases from our Group's five largest suppliers in each period during the Track Record Period amounted to approximately RMB4.1 million, RMB7.2 million, RMB47.7 million and RMB37.2 million, representing approximately 27.2%, 21.6%, 49.6% and 49.4% of our Group's total purchase amount for the corresponding period, respectively. Please refer to the section headed "Business — Our Suppliers" in this document for further details.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of our consolidated statements as at and for FY2019, FY2020, FY2021 and 1H2022, extracted from the Accountants' Report set out in Appendix I to this document. The below summary should be read in conjunction with the consolidated financial information in Appendix I, including the notes and the information set forth in the section headed "Financial Information" in this document.

Highlight of our consolidated statements of profit or loss

	FY2019	FY2020	FY2021	1H2021	1H2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	397,096	486,095	601,298	261,620	321,391
Cost of services	(330,249)	(383,241)	(487,156)	(211,952)	(254,399)
- Staff costs	(269,111)	(268,360)	(266,251)	(123,574)	(154,576)
- Subcontracting costs	(34,104)	(77,782)	(168,562)	(63,967)	(74,661)
- Materials and consumables	(16,902)	(21,241)	(26,939)	(10,629)	(11,538)
- Others	(10,132)	(15,858)	(25,404)	(13,782)	(13,624)
Gross profit	66,847	102,854	114,142	49,668	66,992
PROFIT BEFORE TAX	36,802	61,856	56,444	18,032	27,634
PROFIT FOR THE YEAR/PERIOD	27,108	48,692	44,451	12,532	20,180
Attributable to:					
Owners of the parent	27,108	48,674	44,300	12,342	20,164
Non-controlling interests	—	18	151	190	16
	27,108	48,692	44,451	12,532	20,180

Non-HKFRS measures

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also present adjusted profit for the years and adjusted net profit margin as non-HKFRS measures.

We present these additional financial measures as these were used by our management to evaluate our financial performance by eliminating the impact of **[REDACTED]** and share-based payment. We believe that these non-HKFRS measures provide additional information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies.

The following table sets forth a reconciliation of our profit for the year/period under HKFRS to adjusted profit for the year/period (non-HKFRS measures) for the periods indicated by adding back the **[REDACTED]** and share-based payment. Our Directors consider that (i) the **[REDACTED]**, which are expenses related to the **[REDACTED]**; and (ii) share-based payment, which relates to the share awards that we granted to our employees for their contribution to us, is non-cash in nature and does not result in cash outflow. Therefore, by eliminating the impacts of such items in the calculation of adjusted profit for the year/period (non-HKFRS measures) and adjusted net profit margin for the year/period (non-HKFRS measures), this measure could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year and from period to period.

	FY2019	**FY2020**	**FY2021**	**1H2021**	**1H2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit for the year/period under HKFRS	27,108	48,692	44,451	12,532	20,180
Adjusted for:					
— **[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
— Share-based payment	790	1,382	1,877	1,002	872
Adjusted profit for the year/period (Non-HKFRS measures)	27,898	53,631	55,158	21,656	23,575
Adjusted net profit margin for the year/period (Non-HKFRS measures)	7.0%	11.0%	9.2%	8.3%	7.3%

Although these financial measures are reconcilable to the line items in the consolidated financial statements, they should not be considered as measures comparable to items in the consolidated financial statements in accordance with the HKFRS. These measures may not be comparable to other similarly titled measures used by other companies.

During the Track Record Period, our revenue increased from RMB397.1 million in FY2019 to RMB601.3 million in FY2021, primarily due to an increase in the revenue from provision of property management services, which was mainly driven by the increase in the number of properties under our management due to our continued and successful business expansion. Our gross profit for FY2019, FY2020 and FY2021 was RMB66.8 million, RMB102.9 million and RMB114.1 million, respectively. The overall increase in our gross profit was primarily in line with the aforementioned growth in our revenue.

Our net profit during the Track Record Period recorded approximately RMB27.1 million, RMB48.7 million, RMB44.5 million and RMB20.2 million, respectively, which was in line with our business growth throughout the Track Record Period attributable to (i) the increase in the total number of projects under our management from 162 in FY2019 to 231 in 1H2022 as result of our successful business expansion; (ii) the improvement of our gross profit margin in result of the adoption of OSCS Service Centre to improve our cost effectiveness and profitability of property management services for hospitals; and (iii) the significant growth in our property engineering and landscape construction business contributed by the XTJD Project. The decrease in our net profit in FY2021 was mainly due to (i) the incurrence of additional **[REDACTED]** of approximately RMB5.2 million for the preparation of the **[REDACTED]** and (ii) the decrease in the profit of Tianjin Tianfu in FY2021 in result of (a) the social security concessions relating to the COVID-19 pandemic granted in FY2020 only and none of social security concessions granted in FY2021, which led to a relatively higher costs and expenses incurred in FY2021 than those incurred in FY2020; and (b) the decrease in revenue due to the temporary price adjustment for public properties as required by the government customers located in Tianjin due to the COVID-19 pandemic. Our net profit experienced an increase from approximately RMB12.5 million in 1H2021 to approximately RMB20.2 million in 1H2022 mainly due to the growth of our revenue and gross profit contributed by the increase in number of properties under our management from 196 in 1H2021 to 231 in 1H2022; which was partially offset by the increase in administrative expenses of approximately RMB8.5 million mainly attributable to the increase in depreciation and amortisation of approximately RMB8.2 million due to the fact that a sizeable investment property with gross floor area of 38,327.16 sq.m. located in Jinan City was delivered to us in December 2021 and we only started to lease out a limited part of the investment property to tenants since April 2022.

Highlight of certain items of our consolidated statements of financial position

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	185,208	200,118	217,582	268,643
Current assets	144,401	332,148	249,098	238,667
Non-current liabilities	18,710	95,257	103,358	149,394
Current liabilities	215,914	327,080	205,043	178,166
Net current (liabilities)/assets	(71,513)	5,068	44,055	60,501
Net assets	94,985	109,929	158,279	179,750
Non-controlling interests	—	18	163	179

We recorded net current liabilities of RMB71.5 million as at 31 December 2019, primarily because of the acquisition of the equity interests in Tianjin Tianfu, which was satisfied by using our internal resources. Please refer to the section headed "Financial Information — Description of Selected Items in our Consolidated Statements of Financial Position" in this document for further discussion on our net current liabilities.

Our financial position improved from net current liabilities of approximately RMB71.5 million as at 31 December 2019 to net current assets of approximately RMB5.1 million as at 31 December 2020 primarily due to (i) the increase in cash and cash equivalents of approximately RMB84.5 million as a result of the increase in profit before taxation in line with our business growth and trade receivables of approximately RMB20.5 million; and (ii) the increase in prepayments, other receivables and other assets of approximately RMB91.2 million as a result of loans to Runhua Group, and part of the loans were financed by long-term bank borrowings.

We recorded an improvement of our net current assets from approximately RMB5.1 million as at 31 December 2020 to approximately RMB44.1 million as at 31 December 2021 and further to RMB60.5 million as at 30 June 2022 as a result of (i) the settlement of certain bank borrowings in FY2021 and 1H2022, which led to a decrease in interest-bearing bank and other borrowings from RMB142.1 million as at 31 December 2020 to RMB41.1 million as at 31 December 2021 and RMB21.1 million as at 30 June 2022; (ii) the settlement of payables to the then equity holder of subsidiaries of RMB21.1 million in FY2021 as part of the Reorganisation; and (iii) the increase in trade receivables from RMB73.3 million as at 31 December 2020 to RMB85.0 million as at 31 December 2021 and RMB140.7 million as at 30 June 2022; which partially offset by the settlement of loans to a related party of RMB124.8 million in FY2021.

Our net assets recorded approximately RMB95.0 million, RMB109.9 million, RMB158.3 million and RMB179.8 million as at 31 December 2019, 2020 and 2021 and 30 June 2022, respectively. Such increase was mainly attributable to (i) accumulation of our net profit of approximately RMB48.7 million, RMB44.5 million and RMB20.2 million for FY2020, FY2021 and 1H2022, respectively; (ii) equity-settled share-based compensation of approximately RMB1.4 million, RMB1.9 million and RMB0.9 million for FY2020, FY2021 and 1H2022, respectively; and (iii) capital contribution by the then equity holder of a subsidiary of approximately RMB1.1 million and RMB2.0 million for FY2020 and FY2021, respectively; which was partially offset by deemed distribution to the then shareholders of approximately RMB25.0 million, dividends paid to the then equity holders of subsidiaries of approximately RMB10.0 million in FY2020 and repurchase of treasury shares for share incentive scheme of approximately RMB1.2 million in FY2020.

For details of our financial position, please refer to the section headed "Financial Information — Description of selected items in our consolidated statements of financial position" in this document.

Highlight of our consolidated statements of cash flows

	FY2019	**FY2020**	**FY2021**	**1H2021**	**1H2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Net cash flows from/(used in) operating activities	37,494	103,682	30,951	(37,900)	(30,258)
Net cash flows (used in)/from investing activities	(159,470)	(87,122)	130,108	125,154	(28,836)
Net cash flows from/(used in) financing activities	91,459	67,988	(158,402)	(109,291)	(14,363)
Net (decrease)/increase in cash and cash equivalents	(30,517)	84,548	2,657	(22,037)	(73,457)
Cash and cash equivalents at the beginning of year	65,292	34,775	119,323	119,323	121,980
Cash and cash equivalents at the end of year	34,775	119,323	121,980	97,286	48,523

During the Track Record Period, net cash generated from operating activities consisted primarily of our profit before taxation for the year, adjusted to (i) exclude the effect of non-cash or non-operating items, such as depreciation of property and equipment, depreciation of investment properties, amortisation of intangible assets, equity-settled share award expenses, finance costs, share of profits and losses of associates, fair value gains on biological assets, COVID-19 related rent concessions from lessors, net gain or loss on disposal of items of property and equipment, provision for or reversal of impairment of trade receivables and interest income; (ii) include changes in working capital; and (iii) include the payment of income tax.

In FY2019, we recorded a net cash outflow of RMB30.5 million mainly due to the acquisition of the equity interests in Tianjin Tianfu, which was satisfied by using our internal resources. Please refer to the section headed "Financial Information — Description of Selected Items in our Consolidated Statements of Financial Position" in this document for further discussion on our net cash outflows and the section headed "History, Development and Reorganisation" in this document for details of the acquisition of equity interests in Tianjin Tianfu.

For FY2020, our net cash flows from operating activities recorded approximately RMB103.7 million, which was relatively higher than that in FY2019 and FY2021. Such fluctuation was mainly because certain property engineering and landscape construction projects, especially two sizeable projects, commenced the on-site works and recorded costs for subcontracting services and materials and consumables in around the end of FY2020 but we settled the relevant payments to the relevant suppliers in FY2021.

In 1H2021 and 1H2022, we recorded a net cash used in operating activities of approximately RMB37.9 million and RMB30.3 million, respectively, primarily due to the increase in trade receivables of approximately RMB35.2 million and RMB56.5 million for 1H2021 and 1H2022 caused by the fact that we generally granted credit terms to the customers in non-residential sector who are Government and public institutions, since they took a relatively longer time to settle the management fees and they generally settle their fees by the end of the year in accordance with their historical settlement pattern, therefore, our cash inflow was relatively weak in the first half of the year resulting in our net operation cash outflow for 1H2021 and 1H2022. For the details of fluctuation of our trade receivables, please refer to the section headed "Financial Information — Description of Selected Items in Our Consolidated Statements of Financial Position" in this document.

Key financial ratios

The following table sets forth the major financial ratios as of the dates and for the years indicated:

	As at/for the year ended 31 December			As at/for the six months ended
	2019	2020	2021	30 June 2022
Return on equity	28.5%	44.3%	28.0%	N/A
Return on assets	8.2%	9.1%	9.5%	N/A
Current ratio	0.7	1.0	1.2	1.3
Quick ratio	0.6	1.0	1.2	1.3
Gearing ratio	121.1%	190.0%	61.2%	47.7%
Net debt to equity ratio	84.5%	81.5%	Net cash	20.7%
Interest coverage	10.7	6.8	6.0	7.8

Note:

For the definition of the financial ratios, please see the section headed "Financial Information — Key Financial Ratios" in this document.

Our gearing ratio was 121.1%, 190.0%, 61.2% and 47.7% as at 31 December 2019, 2020 and 2021 and 1H2022, respectively. The increasing trend in our gearing ratio from FY2019 to FY2020 was mainly due to the increase in the interest-bearing debt from FY2019 to FY2020 caused by the loan applied in FY2019 for the acquisition of Tianjin Tianfu but eventually granted in June 2020. To reduce the recurring interest expenses of our Group, we settled certain bank borrowings in 2021 and the interest-bearing debt decreased from approximately RMB208.9 million as at 31 December 2020 to approximately RMB96.8 million as at 31 December 2021 and approximately RMB85.7 million as at 30 June 2022, which led to a decrease in gearing ratio from 190.0% as at 31 December 2020 to 61.2% as at 31 December 2021 and 47.7% as at 30 June 2022. For details of our indebtedness during the Track Record Period, please refer to the section headed "Financial Information — Indebtedness" in this document.

OUR SHAREHOLDERS INFORMATION

Immediately following the completion of the **[REDACTED]** and **[REDACTED]** (assuming the **[REDACTED]** is not exercised and without taking into account any Shares which may be issued pursuant to the **[REDACTED]** Share Option Scheme), by virtue of the Concert Parties Confirmatory Deed, Mr. Luan, Mr. HQ Luan, Ms. Liang and Springrain Investment (a company owned as to 59.85%, 37.10% and 3.05% by Mr. Luan, Mr. HQ Luan and Ms. Liang respectively) will be together interested in approximately **[REDACTED]**% of the issued share capital of our Company. As they will together continue to control more than 30% of the issued share capital of our Company, they will be regarded as a group of Controlling Shareholders under the Listing Rules.

On 18 June 2021, Mr. Luan, Mr. HQ Luan and Ms. Liang entered into a concert party agreement, pursuant to which they acknowledged and confirmed that they had been acting in concert in excising their rights as shareholders of Shandong Runhua before entering into the agreement, and agreed to continue the same going forward and if they fail to reach a consensus for a certain resolution, Mr. Luan has the final decision-making power. On the same day, Mr. Luan, Mr. HQ Luan and Ms. Liang further entered into the Concert Parties Confirmatory Deed, pursuant to which they reaffirmed that they had been acting in concert in respect of each of the members of our Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. They have undertaken to continue to act in concert directly or indirectly through the companies controlled by them. They have also agreed to, among others, vote unanimously at all meetings of the shareholders of each member of our Group, discuss and reach consensus with each other before proposing to such meetings, and act in concert in respect of the business operations, governance and other key matters of our

Group which shall be decided by the shareholders of each of the members of our Group. If they fail to reach a consensus for a certain resolution, Mr. Luan has the final decision-making power.

During the Track Record Period, we derive a part of our revenue from certain companies controlled by our Controlling Shareholders (except for the interest in our Group), being (i) Runhua Group, which comprises Runhua Group Company, which is ultimately owned as to approximately 52% by Mr. Luan, and its subsidiaries, (ii) Hang Qian Group, which comprises Hang Qian Holdings, which is ultimately and wholly-owned by Mr. HQ Luan, and its subsidiaries, (iii) Runhua Insurance, a company ultimately owned as to approximately 50.42% by Mr. Luan and approximately 21.57%, 21.19% and 6.19% by Mr. HQ Luan and two limited liability partnerships (whose managing partner is Mr. HQ Luan), respectively, and (iv) Shandong Zhixin, a company is ultimately owned as to approximately 90% by Ms. Liang. For details, please see the section headed "Relationship with our Controlling Shareholders" in this document.

Our Group has entered into transactions with Runhua Group, Hang Qian Group and Runhua Insurance, which will constitute continuing connected transactions under the Listing Rules upon **[REDACTED]**. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. For details, please see the section headed "Connected Transactions" in this document.

[REDACTED] INVESTMENT

On 12 August 2020, the shareholders of Shandong Runhua resolved to increase the registered capital of Shandong Runhua from RMB50 million to RMB50.5 million, with additional capital contribution of RMB0.5 million by MedEvolve Company Limited. On 20 October 2020, MedEvolve Company Limited injected a total sum of HK$1,270,000 in Shandong Runhua (approximately RMB1,096,772) in Shandong Runhua, of which RMB0.5 million was regarded as the registered capital of Shandong Runhua. Pursuant to the Reorganisation, on 26 October 2020, our Company allotted 2,000,000 Shares to Archery Capital Management Limited, a company incorporated in the BVI and wholly owned by Mr. Xie, representing 0.99% of the entire issued shares of our Company as at 26 October 2020. For details relating to the **[REDACTED]** Investment and the background of the **[REDACTED]** Investor, please see the section headed "History, Development and Reorganisation — **[REDACTED]** Investment" in this document.

APPLICATION FOR THE [REDACTED]

The application for the **[REDACTED]** Shares will commence on **[REDACTED]** through **[REDACTED]**, being longer than normal market practice of four days. The application monies (including the brokerage fees, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) will be held by the **[REDACTED]** on behalf of our Company and the refund monies, if any, will be returned to the **[REDACTED]** without interest on **[REDACTED]**. Investors should be aware that the **[REDACTED]** in the Shares on the Stock Exchange are expected to commence on **[REDACTED]**.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
Market capitalisation of our Share(1)	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share(2)	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of market capitalisation is based on **[REDACTED]** Shares expected to be in issue immediately upon completion of the **[REDACTED]** and **[REDACTED]** (assuming the **[REDACTED]** is not exercised and without taking into account of any Shares which may be issued pursuant to the **[REDACTED]** Share Option Scheme).

(2) The unaudited **[REDACTED]** adjusted consolidated net tangible asset per Share is calculated after making the adjustments referred to in Appendix II to this document.

[REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range, and after deducting related **[REDACTED]** fees and estimated expenses in connection with the **[REDACTED]** and the **[REDACTED]** is not exercised, our Group estimates that the aggregate **[REDACTED]** to our Company from the **[REDACTED]** will be approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million). Our Directors presently intend to apply such **[REDACTED]** as follows:

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), for making strategic investments and acquisitions to expand our property management business;
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), for developing, strengthening and implementing our information technologies; and
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), for improving staff motivation mechanism to attract, cultivate and retain talents.

As of June 2022, there were around 100 companies in Shandong Province, 150 companies in Yangtze River Delta Region and 50 companies in Beijing Tianjin-Hebei Region, who meet our selection criteria. However, many property management companies listed on the Stock Exchange are looking to acquire other property management companies to further expand their business scope and geographic reach. As a result, we may not be able to materialise our plan to acquire independent third-party property management companies with geographical influence and similar market positioning. Please refer to the section headed "Risk Factors — Risks relating to the industry in which we operate — We are in a highly competitive business with numerous competitors" in this document for details. If our future acquisition plan cannot materialise, we will place the unused **[REDACTED]** in short-term demand deposits with licensed financial institutions and continue exploring new acquisition targets. Shall the **[REDACTED]** be insufficient for our expansion plans, we will utilise our internal funds.

For details, please refer to the section headed "Future Plans and **[REDACTED]** " in this document.

[REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range), excluding any discretionary incentive fee which may be paid, and that **[REDACTED]** will not be exercised, we expect to incur estimated total **[REDACTED]** of approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), including **[REDACTED]** commissions of approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million) and non-**[REDACTED]** related expenses of approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), which consist of (i) fees paid and payable to legal advisers and Reporting Accountants of approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million); and (ii) other fees and expenses, including sponsor fees, of approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million). Among the estimated aggregate amount of our estimated **[REDACTED]**, (i) approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million) is expected to be charged to our consolidated statements of profit or loss, of which approximately RMB**[REDACTED]** million was recognised as our profit or loss during the Track Record Period; and (ii) approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million) is directly attributable to the issue of the **[REDACTED]** in the **[REDACTED]** and is expected to be accounted for as a deduction from equity upon **[REDACTED]** in accordance with relevant accounting standards. Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range), the **[REDACTED]** as a percentage of **[REDACTED]** is approximately **[REDACTED]**%.

Our Group's result of operations for the year ending 31 December 2022 will be affected by such expenses in relation to the **[REDACTED]**. Our Directors would like to emphasise that such expenses are current estimate for reference only, and the final amount to be recognised to the profit or loss of our Group is subject to adjustment based on audit and the subsequent changes in variables and assumptions.

DIVIDENDS AND DIVIDEND POLICY

Since the incorporation of our Company and during the Track Record Period and, no dividend has been and had been declared or paid by our Company.

During the Track Record Period, we did not have any dividend policy in place and we do not expect to formulate any specific dividend policy in the near future. The declaration of dividends is subject to the discretion of our Board and the approval of our Shareholders. Our Directors may recommend a payment of dividends in the future after taking into account our operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, shareholders' interests and other factors which they may deem relevant at such time. Any declaration and payment as well as the amount of the dividends will be subject to our constitutional documents and the Cayman Companies Act, including the approval of our Shareholders. Any future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Directors.

RISK FACTORS

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to doing business in China; and (iii) risks relating to the **[REDACTED]**. Additional risks and uncertainties that are not presently known to us or that we currently deem immaterial may develop and become material and could also harm our businesses, financial position and results of operations. Some of the risks generally associated with our business and industry include (i) any failure of the provision of our property management services to hospitals and public properties may weaken our competitiveness and profitability; (ii) it will be difficult for our Group to further penetrate into the remaining Class III Grade A Hospitals in Shandong Province and expand our business to lower-grade hospitals market; (iii) we may not be able to procure new property management agreements as planned; (iv) termination or non-renewal of our property management agreements could materially and adversely affect our business, financial position and results of operations; (v) any failure to accurately estimate our operating costs in connection with our performance of property management services could lead to cost overruns or even result in losses; and (vi) our operations are based in Shandong Province, and we are susceptible to trends and developments in this region.

NON-COMPLIANCE INCIDENTS

During the Track Record Period, we did not fully contribute to social insurance and housing provident fund contributions for some of our employees as required by the relevant PRC laws and regulations. As confirmed by our PRC Legal Advisers, except for our failure to make full contributions to social insurance and housing provident funds for certain employees, we have complied with all relevant PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, there were no legal, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material adverse effect on our financial condition or results of operations. For more information, please see the section headed "Business — Legal Proceedings and Compliance" in this document.

RECENT DEVELOPMENT

Subsequent to 30 June 2022 and up to the Latest Practicable Date, we have entered into 120 new property management agreements with an aggregate contract value of approximately RMB191.4 million, of which 118 property management agreements with an aggregate contract value of approximately RMB190.9 million were entered into with third party customers and two property management agreements with an aggregate contract value of approximately RMB0.5 million were entered into with our related parties. The table below sets forth the details of our new property management agreements secured after 30 June 2022 and up to the Latest Practicable Date:

Property type	Number of property management agreements entered into	Aggregate contract value
		RMB'000
Hospitals	39	146,150
Public properties	44	28,846
Commercial and other non-residential properties		
- Related parties	2	503
- Independent third parties	34	15,366
Residential properties	1	548
Total	120	191,413

Our business remained stable after the Track Record Period. We did not experience any significant drop in revenue, a sharp increase in cost of sales and other costs or material fluctuation of gross profit margin subsequent to the Track Record Period. To the best of our Directors' knowledge, since 30 June 2022 (being the date on which the latest consolidated financial information of our Group was prepared) and up to the date of this document, there has been no material adverse change in our business operations, the business environment in which we operate, as well as our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects.

RECENT REGULATORY DEVELOPMENT

Recent Changes in the Regulations relating to the PRC Property Market and Property Management Service Market

Property Market

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

On 28 December 2020, PBOC and China Banking and Insurance Regulatory Commission jointly promulgated the Notice on Establishing a Centralisation Management System for Real Estate Loans of Banking Financial Institutions (《關於建立銀行業金融機構房地產貸款集中度管理制度的通知》), which put forward certain limitation for the proportion of real estate loans and the personal housing loans to all RMB loans in banking financial institutions (excluding overseas branches).

On 23 October 2021, the SCNPC adopted the Decision of the Standing Committee of the National People's Congress on Authorising the State Council to Carry out a Pilot Programme of Real Estate Tax Reform in Certain Areas (《全國人民代表大會常務委員會關於授權國務院在部分地區開展房地產稅改革試點工作的決定》), authorising the State Council to carry out a pilot programme of real estate tax reform in certain areas.

However, in view that (i) we generated revenue from the provision of property management services to the residential properties developed by the Controlling Shareholders' Group Companies of approximately

RMB16.9 million, RMB17.3 million, RMB19.9 million and RMB10.4 million during the Track Record Period, representing approximately 4.6%, 4.3%, 3.7% and 3.4% of the total revenue generated from the provision of property management services, respectively; (ii) based on the audited financial statements of Shandong Diping Real Estate Co., Limited* (山東地平置業有限公司) ("**Shandong Diping**"), the main operating subsidiary of Hang Qian Group and the only member of the Controlling Shareholders' Group Companies whose principal business activities involve property development, prepared in accordance with PRC GAAP issued by the local auditor and using the calculation methods for the "three red-line" regulation, Shandong Diping's liability-to-asset ratio (excluding prepayments), net gearing ratio and cash over short-term interest-bearing loans amounted to 36.4%, 24.2% and nil as at 31 December 2021, respectively, which comply with all of the "three red-line" regulation; and (iii) none of the properties developed by the Controlling Shareholders' Group Companies was delayed or terminated for delivery due to the above regulations, to our best knowledge, the recent changes in the above regulations will unlikely have material adverse impact on the operations, business and financial condition of the Controlling Shareholders' Group Companies and us. For details, please refer to the section headed "Business — Recent Regulatory Development" in this document.

Property Management Service Market

On 25 December 2020, MOHURD and other nine competent government departments issued Notice on Strengthening and Improving Residential Property Management (《關於加強和改進住宅物業管理工作的通知》) (the "**Property Notice**") with the purpose of accelerating the development of the property management service industry. Most rules in the Property Notice are non-mandatory and are related to the deployment of the governmental work, there are few rules applicable to property enterprises, which are as follows: (1) the quality of property service should be improved; (2) the pricing mechanism for property management services should be reasonable; (3) the merger and reorganisation of property management service enterprises are encouraged; (4) the credit management system for property service enterprises should be established.

On 13 July 2021, MOHURD and other seven departments promulgated the Notice on Continued Rectification and Standardization of the Real Estate Market Order (《住房和城鄉建設部等8部門關於持續整治規範房地產市場秩序的通知》) (the "**Regulatory Notice**" and together with the Property Notice, the "**Notices**") to continue to rectify and standardise the real estate market order in the fields of real estate development, property sale and purchase, housing leasing and property management services. For property management enterprise that violate laws and regulations within their respective jurisdictions, measures such as warning and interview, suspension of business for rectification, revocation of business license and qualification certificate etc. shall be adopted pursuant to the laws and regulations, and shall be exposed to the public; any case constituting a criminal offence shall be referred to the public security and judicial authorities for investigation and punishment pursuant to the law.

After the promulgation of the Regulatory Notice, we conducted self-inspection and the PRC Legal Advisers carried out its due diligence inspection as appropriate, and no material violation of the Regulatory Notice was found. Based on the results of our self-inspection and due diligence inspection carried out by the PRC Legal Advisers, and the fact that each operating subsidiary of our Company has obtained the compliance letter from the administrative authority of property management services confirming that there is no major administrative penalty imposed by the administrative authority of the property management services during the Track Record Period, the PRC Legal Advisers are of the view that, we are in compliance with the requirements in relation to property management services in the Regulatory Notice in all material aspects.

To ensure continuous compliance with the requirements set out in the Notices, we have already formulated and implemented, and perfected in accordance with the Notices, the relevant internal policy and system, requiring the subsidiaries providing property management services to continuously and strictly comply with the relevant requirements in the Notices; as well as established a supervisory mechanism to conduct examination regularly. Based on the above, the PRC Legal Advisers are of the view that our Company has established corresponding internal policy and mechanism to ensure the continuous compliance with the relevant requirements in Notices going forward.

On the basis of the above, our Directors are of the view, and the Sole Sponsor concurs, that the Notices do not have any material adverse impact on our Group's operation and financial performance.

Recent Changes in Cybersecurity Regulations

On 28 December 2021, thirteen government departments including the Cyberspace Administration of China ("**CAC**") jointly issued the Cybersecurity Review Measures (網絡安全審查辦法) (the "**Revised Cybersecurity Review Measures**") which came into effect on 15 February 2022. The Revised Cybersecurity Review Measures, among other things, provide that the purchase of network products and services by a critical information infrastructure operator (關鍵信息基礎設施運營者) and the data processing activities of a network platform operator (網絡平台運營者) that affect or may affect national security shall be subject to the cybersecurity review.

On 14 November 2021, the CAC released the Administration of Cyber Data Security (Draft for Comments) (網絡數據安全管理條例(徵求意見稿) (the "**Draft Data Security Regulations**", and collectively with the Revised Cybersecurity Review Measures, the "**Cybersecurity Regulations**"). The Draft Data Security Regulations, among other things, provide that data processors seeking a public listing in Hong Kong that affect or may affect national security must apply to the CAC for a cybersecurity review. Specifically, as advised by our PRC Legal Advisers, Article 13 of the Draft Data Security Regulations has made distinction between "listing in a foreign country" and "listing in Hong Kong". The issuer will be subject to a cybersecurity review if (i) it is a data processor with personal information data of more than 1 million users seeking a public listing in a foreign country; or (ii) it is a data processor seeking a public listing in Hong Kong which affects or may affect national security.

Considering the nature of our business, we are not a critical information infrastructure operator, network platform operator or a data processor whose purchase of network products and services or data processing activities affect or may affect national security. During the Track Record Period and up to the Latest Practicable Date, we have collected operation data for the purpose of provision of property management services, such as (i) work orders for cleaning, security patrolling, facilities maintenance and logistics; (ii) status and location of facilities and equipment and clinical waste; (iii) service complaint and suggestion; and (iv) meeting room reservation. The personal information collected by us is only limited to user name, contact number, gender, repair report data and meeting reservation data etc.. Our Directors confirmed the type and nature of the data that we had gathered were primarily related to our property management services, which have relatively low national security relevancy. In addition, during the Track Record Period, the mobile application and systems that we used were only for enhancing internal and business operation management and improving the customers' experience, and were not open to the public for registration. Therefore, the number of users of the mobile application and systems was relatively small. As at the Latest Practicable Date, the total user number of our mobile application is below 20,000, which is unlikely to exceed 1 million in the near and mid-term future. As such, our Directors and PRC Legal Advisers are of the view that the Cybersecurity Regulations would not have a material adverse impact on our business operations or proposed **[REDACTED]** in Hong Kong, assuming the Cybersecurity Regulations are implemented in their current form. For details, please refer to the section headed "Business — Recent Regulatory Development — Recent Changes in Cybersecurity Regulations" in this document.

Recent Changes in Regulations relating to Overseas Listing

On 24 December 2021, the CSRC published the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) ("**Administration Provisions**"), and Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for

Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》)) ("**Filing Measures**" or collectively with Administration Provisions, the "**Draft Overseas Listing Regulations**"), which set out the new regulatory requirements and filing procedures for Chinese companies seeking direct or indirect listing in overseas markets. According to the Draft Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfil the filing procedure with the CSRC and report relevant information. However, as of the Latest Practicable Date, neither the Administration Provisions nor the Filing Measures has been formally adopted. The Draft Overseas Listing Regulations, based on their current form, stipulate that (i) Chinese companies that seek to offer and list securities in overseas markets shall fulfil the filing procedures with and report relevant information to the CSRC, and that an initial filing shall be submitted within three working days after the application for an initial public offering is submitted, and a second filing shall be submitted after the listing is completed, and (ii) in the event that Chinese companies that have directly or indirectly listed securities in overseas markets intend to conduct follow-on offerings in overseas markets, such companies shall fulfil the filing procedures with and report relevant information to the CSRC, and such filing shall be submitted within three working days after such follow-on offering is completed. Moreover, an overseas offering and listing is prohibited under circumstances if (i) it is prohibited by PRC laws, (ii) it may constitute a threat to or endanger national security as reviewed and determined by competent PRC authorities, (iii) it has material ownership disputes over equity, major assets, and core technology, (iv) in recent three years, the Chinese operating entities and their controlling shareholders and actual controllers have committed relevant prescribed criminal offences or are currently under investigations for suspicion of criminal offences or major violations, (v) the directors, supervisors, or senior executives have been subject to administrative punishment for severe violations, or are currently under investigations for suspicion of criminal offences or major violations, or (vi) it has other circumstances as prescribed by the State Council.

The Draft Overseas Listing Regulations, based on their current form, stipulate that when determining whether an offering and listing shall be deemed as "an indirect overseas offering and listing by a Chinese company," the principle of "substance over form" shall be followed, and if the issuer meets the following conditions, its offering and listing shall be determined as an "indirect overseas offering and listing by a Chinese company" and is therefore subject to the filing requirement: (i) the revenues, profits, total assets or net assets of the Chinese operating entities in the most recent financial year accounts for more than 50% of the corresponding data in the issuer's audited consolidated financial statements for the same period; and (ii) the majority of senior management in charge of business operation are Chinese citizens or domiciled in the PRC, and its principal place of business is located in the PRC or main business activities are conducted in the PRC.

If the Draft Overseas Listing Regulations become effective in their current form before the **[REDACTED]** is completed, the PRC Legal Advisers are of the view that we may be required to complete the filing procedures with the CSRC in connection with the **[REDACTED]**. However, as at the date of this document, the Draft Overseas Listing Regulations were released for public comments only and the final version and effective date of such regulations are subject to change with substantial uncertainty. Therefore, as advised by the PRC Legal Advisers, the **[REDACTED]** is currently not subject to any filing procedures with, or approval from, the CSRC. As at the date of this document, we had not received any enquiries, comments, instructions, guidance or other concerns regarding the **[REDACTED]** or our corporate structure from the CSRC or any other PRC government authorities with respect to the filing requirement under the new regulatory regime.

Regarding whether there had been/will be potential impacts of the Draft Overseas Listing Regulations on our Company, we have reviewed the Draft Overseas Listing Regulations and discussed with the PRC Legal Advisers the actual and potential impacts from the Draft Overseas Listing Regulations on our Group on our **[REDACTED]** plan. Based on the foregoing, we do not find that we fall within any of the circumstances which would prohibit PRC domestic companies from conducting overseas listing and offering as provided under the Draft Overseas Listing Regulations. Therefore, if the Draft Overseas Listing Regulations become effective in their current form before the **[REDACTED]** is completed, our PRC Legal Advisers are of the view, and the Sole Sponsor concurs that other than uncertainties of the filing procedures which may be further clarified in the final version of the Draft Overseas Listing Regulations and/or their implementation rules, (i) there is no legal impediment in obtaining the approval from, and completing the filing procedure with, the CSRC; (ii) we do not foresee any impediment for us to comply with the Draft Overseas Listing Regulations in any material respect; and (iii) the Draft Overseas Listing Regulations will not materially affect our Group's business operations, outlook and financial performance. For details of the potential risks of the Draft Overseas Listing Regulations, please refer to the section headed "Risk Factors — We may be required to obtain prior approval or subject to filings or other requirements from the CSRC or other PRC regulatory authorities for the **[REDACTED]**" in this document.

IMPACT OF THE COVID-19 OUTBREAK

An outbreak of respiratory illness caused by a novel coronavirus, which has been named as COVID-19 by the World Health Organization ("**WHO**") was identified in December 2019 and spread globally in early 2020. On 11 March 2020, the WHO declared COVID-19 outbreak a pandemic. In response to the outbreak of COVID-19, the PRC Government has imposed measures across the PRC including, but not limited to, lockdown measures, travel restrictions, restrictions on enterprises from resuming work, management and control over work places and the mandatory quarantine requirements on infected individuals and anyone deemed potentially infected.

During the Track Record Period and up to the Latest Practicable Date, 11 out of 27 residential properties under our management have been placed under lockdown for two to 15 days to comply with government regulations and measures to combat the COVID-19 pandemic and none of the non-residential properties under our management has been placed under lockdown. Also, in order to continue the delivery of our property management services, we assigned our frontline staff to stay in the restricted properties, which incurred an additional staff costs for overtime payment of approximately RMB15,000 in 1H2022, and procured sufficient masks and personal protective equipment for our frontline staff to carry out their works as usual, which incurred an additional costs for implementation of hygiene and precautionary measures of approximately RMB0.7 million, RMB0.1 million and RMB2.1 million for FY2020, FY2021 and 1H2022, respectively. Our Directors are of the view that the additional costs for implementation of hygiene and precautionary measures were not material. Our Directors also confirmed that we did not encounter any material disruption or delay in delivery of our services due to the COVID-19 outbreak. However, any failure of delivery of our services in the future to the properties under our management which have been place under lockdown could have a material adverse effect on our reputation, financial condition and results of operations. For details, please refer to the section headed "Risk Factors — Risks relating to our business — Our business operations and financial results may be adversely affected if there is an outbreak of any severe communicable diseases such as COVID-19" in this document. As at the Latest Practicable Date, there was no property under our management under lockdown for COVID-19 pandemic. To the best knowledge of our Directors, none of our staff failed to report their duties due to infection of COVID-19 during the Track Record Period and up to the Latest Practicable Date. Moreover, in order to meet the expectation of the customers in health protection and service experience after the outbreak of COVID-19, we commenced to provide additional value-added property management services, such as cleaning services for display automobile vehicles in automobile industrial parks as well as visitor diverting services, since 2020. For FY2020, FY2021 and 1H2022, the revenue generated from the provision of additional value-added property management services amounted to approximately RMB3.6 million and RMB3.6 million and RMB1.7 million, respectively. Such additional value-added property management services have been added into the service scope of the relevant property management agreements entered into between the customers and us. In view that the environmental hygiene of the properties under our management became important to the visitors, our Directors considered such additional value-added property management services were not one-off in nature and will not be ceased or downsized in the event that COVID-19 epidemic situation becomes stable. Given our reliable cleaning and disinfection services provided during the outbreak of COVID-19, we were accredited as "Epidemic prevention and control work in Jinan City — Advanced Property Services Company* (濟南市疫情防控工作 — 先進物業服務企業)" in June 2020 in respect of epidemic prevention and control in Jinan

City and were engaged by the Government, on a project basis, to provide property management services in Jinan Fangcang Hospital in April 2022 and recorded an aggregate revenue of approximately RMB2.7 million for 1H2022. Our services to such project could be ceased or downsized by the instruction of the Government authorities in the event that COVID-19 epidemic situation becomes stable in Jinan City, and therefore, our Directors considered this project was one-off in nature.

In April 2020, we received a notice from Customer Group A in relation to the reduction of their business subcontracting arrangements for cleaning services of trains, railway station and railway platforms due to the travel restrictions. Customer Group A is a group of state-owned enterprises in charge of railway passenger and freight transportation services covering railway networks within and around Shandong Province and engages external property management service providers like us, as subcontractor, to carry out the cleaning services for the trains, railway stations and railway platforms of Customer Group A. As a result, the revenue generated from Customer Group A decreased by approximately RMB8.6 million from approximately RMB32.7 million for FY2019 to approximately RMB24.1 million for FY2020, mainly due to the deduction of contract value of two property management agreements by an aggregate amount of approximately RMB5.9 million. Also, our average trade receivables turnover days slightly increased from 44.6 days in FY2019 to 47.4 days in FY2020 primarily as a result of longer settlement period for the trade receivables due to the longer settlement period of our customers impacted by the outbreak of COVID-19. Our Directors confirmed that there was no material difficulty in collection of property management fee during COVID-19 pandemic. The collection rate of property management fees for the non-residential properties under our management, calculated by dividing the property management fees we actually received from our property management services during a period by the total property management fees payable to us accumulated during the same period (the calculation basis of which is in line with other key market players), was approximately 85.2%, 81.3%, 84.2% and 53.8% for FY2019, FY2020, FY2021 and 1H2022, respectively; while the collection rate of property management fees for the residential properties under our management was at approximately 84.0%, 85.2%, 89.0% and 67.8% for FY2019, FY2020, FY2021 and 1H2022, respectively. During the Track Record Period, the collection rate of property management fees for the non-residential properties was lower than those for the residential properties because we generally granted our customers for the non-residential properties a credit period within 120 days. In view of the background and historical settlement pattern of the customers in non-residential sector, our property management team usually facilitates the outstanding fee collection process and the Government and public institutions customers will settle the fees prior to the year end, which led to the collection rate for 1H2022 lower than those for FY2019, FY2020 and FY2021. The decrease in collection rate in 1H2022 for residential properties was primarily due to the fact that we did not actively collect management fee from property owners and tenants in a timely manner in view that (i) our property management team and frontline staff were responsible to assist on the implementation of the residential compound lockdown and hence we had fewer staff to follow up on fee collection work; and (ii) some of the property owners and tenants moved out from the residential properties under our management during COVID-19 pandemic due to lockdown and travel restriction arrangements.

Our Directors confirm that the outbreak does not have material adverse effect on our Group's continuing business operation and sustainability, except for some property management service agreements with Customer Group A in or before April 2020, and the fluctuation of trade receivables turnover days and collection rates in 1H2022. Our Director also confirmed that during the Track Record Period and up to the Latest Practicable Date, our Group did not encounter any material disruptions of our supply chain given that (i) we maintained a sufficient level of storage of materials and consumables at the properties under our management; (ii) on top of the frontline workers provided by our subcontractors, our Group has own frontline staff to ensure the delivery of our property management services; and (iii) there was no material disruption to the operations of our suppliers and subcontractors to the best of our Directors' information and knowledge. For further details, please refer to the sections headed "Risk Factors — Risks relating to our business — Our business operations and financial results may be adversely affected if there is an outbreak of any severe communicable diseases such as COVID-19", "Risk Factors — Risks relating to the Industry in which we operate — The recent outbreak of

COVID-19 worldwide may result in the slowdown of global economy", "Business — Effects of the COVID-19 Outbreak" and "Business — Social Health, Safety and Environmental Matters" in this document.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since 30 June 2022, the date of the latest audited financial information of our Group, and up to the date of this document.