This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety 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 "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

We are a reputable integrated property management service provider headquartered in Hangzhou with deep roots in Zhejiang province and the Yangtze River Delta Region. Prior to the Reorganization, the property management business of residential and non-residential properties (including public and other properties (such as office buildings of PRC governmental bodies, industrial parks, hospitals and schools but excluding pure commercial properties such as commercial and office buildings and serviced apartments)) of our Group was carried out by the Zhong An Group and property management business of pure commercial properties including serviced apartments was carried out by the CNC Group. The subsidiaries now comprising our Group have been providing property management services to the Remaining Group for over 24 years since 1998. In 2020, 2021 and 2022, the overall revenue in the sum of approximately RMB182.4 million, RMB229.7 million, and RMB247.0 million was generated from properties developed by the Remaining Group and its joint ventures and associates, representing approximately 79.0%, 77.5%, and 77.2% of our overall revenue during the respective years; and approximately RMB48.3 million, RMB66.0 million and RMB72.8 million was generated from properties developed by independent third-party property developers, representing approximately 21.0%, 22.5%, and 22.8% of our overall revenue during the respective years.

As of December 31, 2020, 2021 and 2022, the GFA under management for properties developed by the Remaining Group or its joint ventures and associates amounted to approximately 6.0 million sq.m., 6.6 million sq.m. and 6.9 million sq.m., representing approximately 55.3%, 55.7% and 54.0% of our total GFA under management as of the respective dates; and the GFA under management for properties developed by independent third-party property developers amounted to approximately 4.8 million sq.m., 5.2 million sq.m. and 5.9 million sq.m., representing approximately 44.7%, 44.3% and 46.0% of our total GFA under management as of the respective dates.

Through over 24 years of operations since our establishment in 1998, we have grown from a local property management service provider in Hangzhou to an integrated regional property management service provider with major presence in Zhejiang province. We have also built up reputable brand recognition in the Yangtze River Delta Region and have established strategic presence in cities outside of the Yangtze River Delta Region including Guangzhou, Nanchang, Qingdao, Wuhan and Kunming as of December 31, 2022. The Yangtze River Delta

Region is one of the more economically developed regions in China with higher urbanization rate and per capita annual disposable income than the national averages of China, and has a national-leading level of urban digitalization infrastructure, therefore, the Yangtze River Delta Region has always been and will continue to be our focus of development.

During the Track Record Period, all of our GFA under management was located in Zhejiang province and Anhui province in the Yangtze River Delta Region and Shandong province. As of December 31, 2022, we had a total of 139 contracted projects with a total contracted GFA of approximately 19.4 million sq.m., covering 19 cities and seven provinces in China; and managed a total of 95 projects, with a total GFA under management of approximately 12.8 million sq.m., covering 11 cities and three provinces in China. As of the Latest Practicable Date, the geographical coverage of our three main business lines principally covers the Yangtze River Delta Region and a total of eight provinces in the PRC including Zhejiang province, Anhui province, Jiangxi province, Shandong province, Jiangsu province, Hubei province, Yunnan province and Guangdong province.

The following table sets forth a breakdown of the number of projects under our management and GFA under management by city tier as of the dates indicated:

	As of December 31,					
	2020		2021		2022	
	Number	GFA under management	Number	GFA under management	Number	GFA under management
		(sq.m.'000)		*(sq.m.'000)*		*(sq.m.'000)*
Second-tier cities[1]	**54**	**8,047**	**53**	**8,178**	**64**	**8,363**
Residential properties	40	7,021	42	7,120	48	7,476
Non-residential properties	14	1,026	11	1,058	16	887
Third-tier cities[1]	**–**	**–**	**1**	**286**	**2**	**585**
Residential properties	–	–	1	286	1	286
Non-residential properties	–	–	–	–	1	299
Other cities[1]	**19**	**2,770**	**20**	**3,354**	**29**	**3,884**
Residential properties	15	2,557	17	3,309	21	3,522
Non-residential properties	4	213	3	45	8	362
Total	**73**	**10,817**	**74**	**11,818**	**95**	**12,832**

Note:

(1) For the purpose of this table, "second-tier cities" include Hangzhou, Ningbo, Hefei and Qingdao; "third-tier cities" include Jinhua and Wenzhou; and "other cities" include Lishui, Huzhou, Chuzhou, Huaibei, Taizhou and Zhoushan.

During the Track Record Period, we experienced an increase in the total number of projects under our management from 73 to 95 and GFA under management from 10.8 million sq.m. to 12.8 million sq.m. as of December 31, 2020 and December 31, 2022, respectively, mainly due to (i) the expansion of the Remaining Group; and (ii) our continuous effort to obtain more projects for properties developed by independent third-party property developers. Going forward, we intend to use approximately **[REDACTED]**, or approximately HK$**[REDACTED]**, of the **[REDACTED]** from the **[REDACTED]** to acquire or invest in other small- and medium-sized property management companies that focus on residential or non-residential properties in the PRC in order to further expand our business, diversify our property portfolio and further solidify our market position. However, we may not be able to materialize our plan to acquire or invest in other small- and medium-sized property management companies that focus on residential or non-residential properties in the PRC. See "Risk Factors—Risks Relating to Our Business and Industry—Our future acquisitions may not be successful or materialized, and we may face difficulties in integrating acquired operations with our exiting operation" in this document for further discussion of the related risk.

According to CIA, our Group's market share in the PRC in terms of our GFA under management as of December 31, 2022 was approximately 0.04%, we have been included in the list of the Top 100 Property Management Companies in China (中國物業服務百強企業) since 2016 and our ranking among the Top 100 Property Management Companies in China in terms of overall strength of property management* increased from 82nd in 2016 to 40th in 2023, reflecting our growing property management capabilities. In addition, we were ranked seventh, ninth and 25th, among the 2023 Top 100 Property Management Companies in China headquartered in Hangzhou, Zhejiang province and the Yangtze River Delta Region, respectively, in terms of the GFA under management as of December 31, 2022.

We offer a portfolio of services and aim to provide our customers with quality and efficient services through our three main business lines, namely, (i) property management services to property developers, property owners, residents and tenants, primarily comprising security services, cleaning services, gardening and landscaping services, repair and maintenance services and/or car park management services; (ii) value-added services mainly to property developers, primarily comprising sales office management services, preliminary planning and design consultancy services and pre-delivery inspection services; and (iii) community value-added services to property owners and residents, primarily comprising common area management services, renovation waste disposal services and car parking space sales agency services, which form an integrated service along the value chain of property management.

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

The expansion of the Remaining Group in recent years provided a solid foundation for our continued growth. As of December 31, 2022, we managed a total of 42 projects developed by the Remaining Group or its joint ventures and associates with a total GFA under management of approximately 6.9 million sq.m., representing approximately 44.2% and 54.0% of our total number of projects and GFA under management as of the same date, respectively. As of December 31, 2022, the total GFA of our contracted but undelivered projects developed by the Remaining Group or its joint ventures and associates was approximately 6.6 million sq.m., which are expected to be delivered to us for management in the next one to three years generally. In 2022, approximately 71.5% of our property management services revenue was generated from property projects developed by the Remaining Group. We believe that our long-term and stable relationship with the Remaining Group will continue going forward and allow us to continue to benefit from its diversified property portfolio and abundant land reserves, which will enable us to expand our property portfolio, business scale and geographical coverage.

We endeavored to understand the needs of our customers, refine our services and build an all-rounded service system under the "Zhong An" brand. In conducting our business and formulating our development plan, we have adhered to our service tenet of "Pursuing Excellent Quality, Creating Happy Life (追求卓越品質，創造幸福生活)" and committed to providing quality services with the direction of "Sincere Services, Standardized Management, Achievement of Excellence, and Be Proactive and Innovative (服務至誠, 管理規範, 精益求精, 進取創新)", as we believe that service quality is the key to enhance our customer satisfaction and strengthen a reputable brand recognition. Therefore, we experienced a continuous and steady growth during the Track Record Period.

Our revenue increased at a CAGR of approximately 17.7% from RMB230.7 million in 2020 to RMB319.7 million in 2022. Our gross profit increased at a CAGR of approximately 15.8% from RMB86.8 million in 2020 to RMB116.3 million in 2022. Our net profit increased at a CAGR of approximately 4.0% from RMB47.0 million in 2020 to RMB50.9 million in 2022. The aggregate GFA of the properties under our management increased from approximately 10.8 million sq.m. as of December 31, 2020 to 11.8 million sq.m. as of December 31, 2021 and further to 12.8 million sq.m. as of December 31, 2022, representing a CAGR of 8.9%.

OUR BUSINESS MODEL

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

Property Management Services	We provide property developers, property owners, residents and tenants with a range of property management services, which primarily comprise (i) security services, (ii) cleaning services, (iii) gardening and landscaping services, (iv) repair and maintenance services and/or (v) car park management services. Our portfolio of managed properties mainly comprises (i) residential properties and (ii) non-residential properties including commercial and office buildings, serviced apartments, public and other properties (such as office buildings of PRC governmental bodies, industrial parks, hospitals, schools and prison). We also provide security and cleaning services as a subcontractor with respect to certain industrial parks managed by another property management company.
Value-added Services Mainly to Property Developers	We provide a range of value-added services mainly to property developers covering different stages of property development projects, which primarily comprise (i) sales office management services mainly including provision of management services at property sales venues and display units of property developers, (ii) preliminary planning and design consultancy services to property developers and (iii) pre-delivery inspection services.
Community Value-added Services	We provide community value-added services principally to property owners and residents of our managed properties, which primarily comprise (i) common area management services where we assist property owners to lease out common areas for advertisement placements and operation or promotion of businesses which help facilitate the living convenience of the community, (ii) renovation waste disposal services where we assist the property owners to dispose of the waste generated as a result of the renovation work carried out in their units and (iii) car parking space sales agency services where we assist the Remaining Group to sell and purchasers to purchase car parking spaces in certain property projects we managed or under our management.

During the Track Record Period, we generated a significant portion of our revenue from our property management services, representing approximately 79.5%, 69.4%, and 69.9% of our total revenue in 2020, 2021 and 2022, respectively. Our value-added services mainly to property developers recorded a growth since 2020, the proportion of revenue contributed from which increased from approximately 14.4% in 2020 and further to approximately 19.0% in 2022, as a result of our continuous effort to promote our value-added services mainly to property developers, particularly our sales office management services. The following table sets forth a breakdown of our revenue by business line and by paying customers for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	**183,231**	**79.5**	**205,190**	**69.4**	**223,593**	**69.9**
– Remaining Group	37,758	16.3	33,996	11.5	32,867	10.2
– Joint ventures and associates of the Remaining Group	–	–	–	–	–	–
– Independent third–party customers	145,473	63.2	171,194	57.9	190,726	59.7
Value-added services mainly to property developers	**33,286**	**14.4**	**59,193**	**20.0**	**60,729**	**19.0**
– Remaining Group	27,840	12.1	43,455	14.7	47,862	14.9
– Joint ventures and associates of the Remaining Group	4,190	1.8	9,241	3.1	5,957	1.9
– Independent third–party customers	1,256	0.5	6,497	2.2	6,910	2.2
By service type						
(i) Sales office management services	**25,334**	**10.9**	**54,369**	**18.4**	**55,046**	**17.2**
– Remaining Group	20,090	8.7	38,888	13.2	43,010	13.4
– Joint ventures and associates of the Remaining Group	3,988	1.7	8,984	3.0	5,126	1.6
– Independent third–party customers	1,256	0.5	6,497	2.2	6,910	2.2
(ii) Preliminary planning and design consultancy services	**6,162**	**2.7**	**3,536**	**1.2**	**4,546**	**1.4**
– Remaining Group	5,960	2.6	3,279	1.1	3,970	1.2
– Joint ventures and associates of the Remaining Group	202	0.1	257	0.1	576	0.2
– Independent third–party customers	–	–	–	–	–	–

	For the year ended December 31,					
	2020		2021		2022	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
(iii) Pre–delivery inspection services	**1,790**	**0.8**	**1,288**	**0.4**	**1,137**	**0.4**
– Remaining Group	1,790	0.8	1,288	0.4	882	0.3
– Joint ventures and associates of the Remaining Group	–	–	–	–	255	0.1
– Independent third–party customers	–	–	–	–	–	–
Community value–added services	**14,178**	**6.1**	**31,311**	**10.6**	**35,413**	**11.1**
– Remaining Group	3,208	1.4	17,212	5.8	23,132	7.2
– Joint ventures and associates of the Remaining Group	–	–	–	–	–	–
– Independent third–party customers	10,970	4.7	14,099	4.8	12,281	3.9
By service type						
(i) Common area management services	**9,489**	**4.1**	**10,632**	**3.6**	**11,095**	**3.5**
– Remaining Group	–	–	–	–	–	–
– Joint ventures and associates of the Remaining Group	–	–	–	–	–	–
– Independent third–party customers	9,489	4.1	10,632	3.6	11,095	3.5
(ii) Renovation waste disposal services	**1,481**	**0.6**	**3,467**	**1.2**	**1,186**	**0.4**
– Remaining Group	–	–	–	–	–	–
– Joint ventures and associates of the Remaining Group	–	–	–	–	–	–
– Independent third–party customers	1,481	0.6	3,467	1.2	1,186	0.4
(iii) Car parking space sales agency services	**3,208**	**1.4**	**17,212**	**5.8**	**23,132**	**7.2**
– Remaining Group	3,208	1.4	17,212	5.8	23,132	7.2
– Joint ventures and associates of the Remaining Group	–	–	–	–	–	–
– Independent third–party customers	–	–	–	–	–	–
Total	**230,695**	**100.0**	**295,694**	**100.0**	**319,735**	**100.0**

Property Management Services

During the Track Record Period, a vast majority of the properties under our management were developed by the Remaining Group. The following table sets forth a breakdown of our total GFA under management and the number of projects that were in operation as of the dates indicated and revenue from property management services for the years indicated by type of property developer:

	As of or for the year ended December 31,														
	2020					2021					2022				
	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects	GFA under management		Revenue		Number of projects
	(sq.m.'000)	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*		*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*	
Remaining Group[1]	**5,987**	**55.3**	**139,529**	**76.1**	**34**	**6,579**	**55.7**	**148,775**	**72.5**	**38**	**6,835**	**53.3**	**159,917**	**71.5**	**41**
Residential properties	5,279	48.8	91,911	50.1	27	5,851	49.5	103,877	50.6	29	6,107	47.6	110,849	49.6	32
Non-residential properties	708	6.5	47,618	26.0	7	728	6.2	44,898	21.9	9	728	5.7	49,068	21.9	9
Joint ventures and associates of the Remaining Group[2]	–	–	–	–	–	–	–	–	–	–	**90**	**0.7**	–	–	**1**
Residential properties	–	–	–	–	–	–	–	–	–	–	90	0.7	–	–	1
Independent third-party property developers[3]	**4,830**	**44.7**	**43,702**	**23.9**	**39**	**5,239**	**44.3**	**56,415**	**27.5**	**36**	**5,907**	**46.0**	**63,676**	**28.5**	**53**
Residential properties	4,299	39.7	37,355	20.4	28	4,864	41.1	50,697	24.7	31	5,086	39.6	52,619	23.6	37
Non-residential properties	531	5.0	6,347	3.5	11	375	3.2	5,718	2.8	5	821	6.4	11,057	4.9	16
Total	**10,817**	**100.0**	**183,231**	**100.0**	**73**	**11,818**	**100.0**	**205,190**	**100.0**	**74**	**12,832**	**100.0**	**223,593**	**100.0**	**95**

Notes:

(1) Refer to properties solely developed by the Remaining Group or jointly developed by the Remaining Group and independent third-party property developers where the Remaining Group held a controlling interest in such properties.

(2) Refer to properties jointly developed by the Remaining Group and independent third-party property developers where the Remaining Group did not hold a controlling interest in such properties. In late December 2022, we commenced to provide property management services to one property developed by joint ventures or associates of the Remaining Group, given we have only generated property management income since January 2023 according to the relevant property management agreement, no revenue was record for the year ended December 31, 2022.

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

The following table sets forth a breakdown of our overall monthly average property management fee per sq.m. of properties under our management (excluding package price projects) by type of property developer for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
	(RMB per sq.m. per month)		
Overall	**1.43**	**1.44**	**1.44**
– Remaining Group[(1)]	1.92	1.85	1.90
– Independent third-party property developers[(2)]	0.76	0.90	0.88

Notes:

(1) Refer to properties solely developed by the Remaining Group or jointly developed by the Remaining Group and independent third-party property developers where the Remaining Group held a controlling interest in such properties.

(2) Refer to properties solely developed by independent third-party property developers.

During the Track Record Period, our monthly average property management fees per sq.m. for property management services provided to properties developed by the Remaining Group were generally higher than those developed by independent third-party property developers, primarily because of the following reasons:

(i) a larger portion of properties developed by the Remaining Group of the total GFA under management were primarily located in more economically developed areas in the Yangtze River Delta Region, including second-tier cities such as Hangzhou and Hefei, as compared to those developed by independent third-party property developers, which covered less economically developed area such as a county-level city in Hangzhou. In particular, as of December 31, 2020, 2021 and 2022, approximately 22.8%, 21.9% and 17.4%, respectively, of the GFA under management of properties developed by independent third-party property developers were located in the aforementioned county-level city in Hangzhou. According to CIA, the average property management fee for property management services provided to properties located in Hangzhou is generally higher than those located in its county-level regions given the differences in their economic foundation and level of development;

(ii) the properties developed by the Remaining Group covered (a) commercial properties located in Hangzhou, which charged a relatively higher property management fee compared to residential properties; (b) as well as higher class residential properties including villas, which we usually charge a higher property management fee given the higher service standards and requirements required from the customers. In addition, we also managed certain government-supported houses, public rental and low-rent properties, which generally had less demanding service standards and requirements, and were all developed by independent third-party property developers and primarily located in cities below second-tier cities. Property management companies shall be able to charge a higher property management fee depending on the quality of service to be provided; and

(iii) a larger portion of residential properties developed by independent third-party property developers were generally older properties, and we normally charge a lower property management fee for such properties. Generally, property management fees charged for newly developed residential properties are generally higher than those older residential properties.

Value-added Services Mainly to Property Developers

The following table sets forth a breakdown of our revenue from value-added services mainly to property developers by service type for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Sales office management services	25,334	76.1	54,369	91.9	55,046	90.6
Preliminary planning and design consultancy services	6,162	18.5	3,536	5.9	4,546	7.5
Pre-delivery inspection services	1,790	5.4	1,288	2.2	1,137	1.9
Total	**33,286**	**100.0**	**59,193**	**100.0**	**60,729**	**100.0**

During the Track Record Period, our revenue from value-added services mainly to property developers increased from approximately RMB33.3 million in 2020 to RMB59.2 million in 2021, and further increased to RMB60.7 million in 2022. The significant increase in the revenue under this business line during 2021 was primarily due to the increase in revenue from sales office management services as a result of the increase in the number of sales office management projects that we obtained from the Remaining Group, its joint ventures and associates and independent third-party property developers. As of December 31, 2020, 2021 and 2022, we managed 19, 26 and 29 sales office management projects which were obtained from the Remaining Group or its joint ventures and associates, and one, four and four sales office management projects from independent third-party property developers, respectively. For more details, see "Business—Our Business Model— Value-added Services Mainly to Property Developers" and "Financial Information—Description of Certain Consolidated Statements of Profit or Loss and Other Comprehensive Income Items—Revenue" in this document.

Community Value-added Services

The following table sets forth a breakdown of our revenue from community value-added services by service type for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Common area management services	9,489	66.9	10,632	33.9	11,095	31.3
Renovation waste disposal services	1,481	10.5	3,467	11.1	1,186	3.3
Car parking space sales agency services	3,208	22.6	17,212	55.0	23,132	65.4
Total	**14,178**	**100.0**	**31,311**	**100.0**	**35,413**	**100.0**

During the Track Record Period, our revenue from community value-added services increased from approximately RMB14.2 million in 2020 to RMB31.3 million in 2021, and further increased to RMB35.4 million in 2022. The increase in 2021 was mainly due to our continued expansion of our car parking space sales agency services. The increase in 2022 was mainly because the Remaining Group appointed us to provide car parking space sales agency services to more properties developed by the Remaining Group. For more details, see "Financial Information — Description of Certain Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Revenue" in this document.

OUR CUSTOMERS AND SUPPLIERS

In 2020, 2021 and 2022, revenue generated from sales to our five largest customers amounted to approximately RMB80.4 million, RMB114.3 million and RMB120.5 million, respectively, accounting for approximately 34.8%, 38.7% and 37.6%, respectively, of our total revenue. During the same period, revenue derived from sales to our single largest customer, the Remaining Group and its joint ventures and associates, amounted to approximately RMB73.0 million, RMB103.9 million and RMB109.8 million, respectively, accounting for approximately 31.6%, 35.1% and 34.3% of our total revenue, respectively. See "Business—Customers" in this document for details.

In 2020, 2021 and 2022, purchases from our five largest suppliers amounted to approximately RMB7.5 million, RMB8.9 million and RMB9.3 million, respectively, accounting for approximately 5.1%, 4.8% and 4.6%, respectively, of our total cost of sales for the same years. In each year during the Track Record Period, purchases from our largest supplier amounted to approximately RMB2.4 million, RMB2.5 million and RMB3.9 million, respectively, accounting for approximately 1.6%, 1.3% and 1.9% of our total cost of sales, respectively. See "Business—Suppliers" in this document for details.

OUR COMPETITIVE STRENGTHS

We believe that our success is primarily due to the following competitive strengths: (i) an integrated property management service provider deeply rooted in Zhejiang province and the Yangtze River Delta Region, with strategic presence in other key cities; (ii) diversified service offerings and revenue streams balanced our business development and significantly improved our profit level; (iii) benefitting from the long-term support of the Remaining Group whilst expanding our reach to independent third-party customers; (iv) excellent management and services at the core of our competitive strengths; and (v) the combination of seasoned and professional management team and human resources policies cultivated outstanding workforce.

OUR BUSINESS STRATEGIES

We intend to implement the following strategies: (i) deepen our strategic layout of "Deeply Cultivated in Zhejiang Province, Expand across the Yangtze River Delta Region and Present in Key Cities in the PRC", further expand our property management business and increase our market share; (ii) expand external projects portfolio through strategic acquisitions and investments, as well as tender and bidding; (iii) increase our investment in intelligent technologies and facilities to bolster the development of communities across the projects we manage and optimize our business model; (iv) continue to improve our service quality, expand and diversify our community value-added services to cater for the needs of our customers and to increase our revenue streams; and (v) continue to attract, recruit, cultivate and retain talents to support our business growth.

SUMMARY OF KEY FINANCIAL INFORMATION

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

Selected Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended December 31,		
	2020	**2021**	**2022**
		(RMB'000)	
Revenue	230,695	295,694	319,735
Cost of sales	(143,894)	(184,589)	(203,397)
Gross profit	86,801	111,105	116,338
Other income	5,390	1,810	2,155
Administrative expenses	(26,498)	(56,072)	(47,573)
Impairment losses on financial assets, net	(2,500)	(333)	(2,660)
Profit before tax	63,193	56,510	68,260
Income tax expenses	(16,144)	(14,720)	(17,325)
Profit and total comprehensive income for the year	47,049	41,790	50,935
Attributable to:			
– Owners of our Company	36,535	38,991	50,817
– Non-controlling interests	10,514	2,799	118
	47,049	41,790	50,935

Profit and total comprehensive income for the year

Our net profit were approximately RMB47.0 million, RMB41.8 million, and RMB50.9 million for the three years ended December 31, 2022, respectively. The decrease in our net profit for 2021 was mainly due to an amount of approximately RMB**[REDACTED] [REDACTED]** was recorded during 2021 and we had only recognized an amount of approximately RMB**[REDACTED] [REDACTED]** in 2020. The increase in our net profit in 2022 as compared to 2021 was mainly due to the increase in revenue in our property management services and car parking space sales agency services during 2022.

Revenue from property management services

During the Track Record Period, we generated a majority of our revenue from our property management services, which contributed approximately 79.5%, 69.4%, and 69.9% of our total revenue in 2020, 2021 and 2022, respectively. Our property management services principally cover various cities in the Yangtze River Delta Region, in particular, approximately 95.9%, 92.1%, and 89.1% of our property management services revenue are generated in Hangzhou, Huaibei and Ningbo for the years ended December 31, 2020, 2021 and 2022, respectively. Our revenue from property management services increased during the Track Record Period, primarily driven by (i) an overall increase in our total GFA under management as a result of our effort to secure more property management projects from approximately 10.8 million sq.m. as of December 31, 2020 to approximately 12.8 million sq.m. as of December 31, 2022, and (ii) an overall increase in our overall monthly average property management fee from RMB1.43 per sq.m. in 2020 to RMB1.44 per sq.m. in 2022. During the Track Record Period, majority of the GFA under our management were from the Remaining Group, which comprises the Remaining Zhong An Group and the CNC Group. In 2020, 2021 and 2022, revenue from providing property management services to properties developed by the Remaining Group amounted to approximately RMB139.5 million, RMB148.8 million, and RMB159.9 million, accounting for approximately 76.1%, 72.5%, and 71.5% of our total revenue derived from property management services, respectively.

Revenue from value-added services mainly to property developers

During the Track Record Period, we also generated revenue from value-added services mainly to property developers including (i) sales office management services; (ii) preliminary planning and design consultancy services; and (iii) pre-delivery inspection services. The revenue generated from our value-added services mainly to property developers business line was approximately 14.4%, 20.0%, and 19.0% of our total revenue in 2020, 2021 and 2022, respectively. Such increase was mainly due to the increase in revenue from sales office management services during the Track Record Period given the number of sales office management projects that we obtained has increased, as of December 31, 2020, 2021 and 2022, we managed 19, 26 and 29 sales office management projects which were obtained from the Remaining Group or its joint ventures and associates and one, four and four sales office management projects from independent third-party property developers, respectively.

Revenue from community value-added services

We also generated revenue from community value-added services including (i) common area management services; (ii) renovation waste disposal services; and (iii) car parking space sales agency services. The revenue generated from our community value-added services business line was approximately 6.1%, 10.6%, and 11.1% of our total revenue in 2020, 2021 and 2022, respectively. In 2020, 2021 and 2022, the increase was mainly due to the car parking space sales agency services to the Remaining Group, which is a new service where we assist property developer to sell and purchasers to purchase car parking spaces in certain property projects we managed or under our management during the respective years. For more details, see "Financial Information—Description of Certain Consolidated Statements of Profit or Loss and Other Comprehensive Income Items—Revenue" in this document.

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Property management services	66,076	36.1	71,105	34.7	74,217	33.2
Value-added services mainly to property developers	14,197	42.7	25,431	43.0	25,326	41.7
Community value-added services	6,528	46.0	14,569	46.5	16,795	47.4
Total/Overall	**86,801**	**37.6**	**111,105**	**37.6**	**116,338**	**36.4**

In 2020, 2021 and 2022, our overall gross profit margin was approximately 37.6%, 37.6%, and 36.4%, respectively. Our overall gross profit margin is affected by gross profit margins for each of our business lines as well as fluctuations in our business mix. Generally, the gross profit margins for our value-added services mainly to property developers and our community value-added services were relatively higher than that of the property management services, which were relatively more labor-intensive in nature. The change of the overall gross profit margin during the Track Record Period was primarily due to the combined effect of (i) change in monthly average property management fee of our properties under management; (ii) the expansion of our value-added services mainly to property developers; (iii) steady growth of our community value-added services; and (iv) our successful implementation of cost-control measures. For more details, see "Financial information—Description of Certain Consolidated Statements of Profit or Loss and Other Comprehensive Income Items—Gross Profit and Gross Profit Margin" in this document.

The following table sets forth a breakdown of our gross profit and gross profit margin by type of property developer and type of property for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
Remaining Group[(1)]	**69,504**	**39.0**	**84,053**	**38.1**	**89,637**	**37.0**
Residential	48,786	38.3	63,338	37.8	68,849	37.4
Non-residential	20,718	40.7	20,715	39.1	20,788	35.8
Joint ventures and associates of the Remaining Group[(2)]	**1,553**	**37.1**	**3,906**	**42.3**	**1,967**	**39.6**
Residential	1,553	37.1	3,906	42.3	1,967	39.6
Non-residential	–	–	–	–	–	–
Independent third–party property developers[(3)]	**15,744**	**32.6**	**23,146**	**35.1**	**24,734**	**34.0**
Residential	14,348	34.2	21,388	35.9	20,420	34.3
Non-residential	1,396	22.0	1,758	27.1	4,314	32.5
Total	**86,801**	**37.6**	**111,105**	**37.6**	**116,338**	**36.4**

Notes:

(1) Refer to properties solely developed by the Remaining Group or jointly developed by the Remaining Group and independent third-party property developers where the Remaining Group held a controlling interest in such properties.

(2) Refer to properties jointly developed by the Remaining Group and independent third-party property developers where the Remaining Group did not hold a controlling interest in such properties.

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

Given we generated a significant portion of our revenue from our property management services, our gross profit margin was largely affected by the average property management fees we charged on our customers. Generally, our gross profit margin for property management services for properties developed by the Remaining Group was slightly higher than the properties developed by joint ventures and associates of the Remaining Group or independent third–party property developers. This is primarily due to (i) a larger portion of properties developed by the Remaining Group (in terms of total GFA under management) were primarily located in more economically developed areas in the Yangtze River Delta Region, including second-tier cities such as Hangzhou and Hefei, as compared to those developed by independent third-party property developers, which covered less economically developed area such as a county-level city in Hangzhou; (ii) the properties developed by the Remaining Group covered (a) commercial properties located in Hangzhou, which we charged a relatively higher property management fee compared to residential properties; (b) as well as higher class residential properties including villas, which we usually charge a higher property management fee given the higher service standards and requirements required. In addition, we managed certain government-supported houses, public rental and low-rent properties developed by independent third-party property developers, which generally require lower service standards and requirements primarily located in cities below second-tier cities; and (iii) a larger portion of residential properties developed by independent third-party property developers were generally older properties, which we normally charge a lower property management fee for such properties. Therefore, we typically charge a comparatively lower monthly average property management fee and received a lower gross profit margin for properties developed by independent third-party property developers due to the location, type and characteristics of the relevant properties.

Our gross profit margin for property management services of the Remaining Group in 2020, 2021 and 2022 was approximately 37.5%, 34.9%, and 33.5%, respectively, and our gross profit margin for independent third-party property developers was approximately 31.5%, 34.1%, and 32.4%, respectively, for the same period. Meanwhile, as of December 31, 2020, 2021 and 2022, the contribution of our total GFA under management from the Remaining Group and its joint ventures and associates was approximately 55.3%, 55.7%, and 54.0%, and the contribution of our total GFA under management from independent third-party property developers was approximately 44.7%, 44.3%, and 46.0%.

Between 2020 and 2021, we recorded a decrease in the gross profit margin for our property management services from approximately 36.1% to 34.7%. For the gross profit margin from our Remaining Group, the relevant gross profit margin decreased from approximately 37.5% to 34.9%, where the relevant gross profit margin from independent third–party property developers recorded an increase from 31.5% to 34.1%. During 2021, we had furthered optimized our property management service portfolio by ceasing our service to one residential project and seven non-residential projects developed by independent third-party property developers, which we had been charging a lower property management fee; and reallocating our resources to provide property management services to (i) two new residential projects located in Lishui and Jinhua; and (ii) one new non-residential project located in Hangzhou with higher monthly property management fee developed by the Remaining Group. Our number of properties under management increased from 73 projects as of December 31, 2020 to 74 projects as of December 31, 2021. Our GFA under management increased from approximately 10.8 million sq.m. as of December 31, 2020 to approximately 11.8 million sq.m. as of December 31, 2021. Furthermore, we manage a total of 60 residential properties projects and 14 non-residential properties projects as of December 31, 2021.

For 2021 and 2022, our gross profit margin for our property management services remained stable between approximately 34.7% to 33.2%.

The following table sets forth a breakdown of our gross profit and gross profit margin by city tier and type of property for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
First-tier cities[1]	**–**	**–**	**338**	**44.6**	**960**	**44.6**
Residential	–	–	–	–	–	–
Non-residential	–	–	338	44.6	960	44.6
Second-tier cities[1]	**67,900**	**36.3**	**78,619**	**36.4**	**78,458**	**35.1**
Residential	45,993	35.1	56,662	35.8	56,119	35.1
Non-residential	21,907	39.2	21,957	38.1	22,339	35.3
Third-tier cities[1]	**4,293**	**41.1**	**7,517**	**42.4**	**11,981**	**40.2**
Residential	4,293	41.1	7,517	42.4	11,424	40.7
Non-residential	–	–	–	–	557	32.1
Other cities[1]	**14,608**	**43.7**	**24,631**	**40.1**	**24,939**	**38.6**
Residential	14,401	44.8	24,454	40.6	23,694	39.3
Non-residential	207	15.5	177	15.9	1,245	29.4
Total	**86,801**	**37.6**	**111,105**	**37.6**	**116,338**	**36.4**

Note:

(1) For the purpose of this table, "first-tier cities" includes Guangzhou; "second-tier cities" includes Hangzhou, Ningbo, Hefei, Kunming, Nanchang, Nanjing, Qingdao and Wuhan; "third-tier cities" includes Jinhua, Wenzhou and Wuxi; and "other cities" includes Lishui, Huzhou, Taizhou, Zhoushan, Quzhou, Chuzhou and Huaibei.

Generally, our gross profit margin for projects located in second-tier cities and other cities are similar. For the fluctuation of the gross profit margin in this regard, See "Financial Information – Description of Certain Consolidated Statements of Profit or Loss and Other Comprehensive Income Items – Gross Profit and Gross Profit Margin" in this document for details.

Selected Items of Consolidated Statement of Financial Position

	As of December 31,		
	2020	2021	2022
		(RMB '000)	
Non-current assets	4,476	6,631	6,912
Current assets	255,029	134,035	191,120
Non-current liabilities	–	–	–
Current liabilities.	112,586	98,335	104,766
Net current assets	142,443	35,700	86,354
Reserves	118,084	40,680	91,497
Non-controlling interests	28,835	1,651	1,769
Net assets	146,919	42,331	93,266

As of December 31, 2021, our net current assets decreased by approximately RMB106.7 million to approximately RMB35.7 million, mainly due to (i) decrease in cash and cash equivalents by RMB81.0 million with the settlement of the consideration related with our acquisition of the entire equity interest of Zhejiang Runzhou, Yuyao Zhongli and Hangzhou Zhonghong as deemed distribution and part of the Reorganization; (ii) decrease in amount due from related companies by RMB57.0 million as we have adopted measures to expedite the recovery of our receivables from our related companies, partially offset by (i) decrease in other payables, deposits received and accruals by RMB10.3 million due to the return of decoration deposits and the decrease of bonus as decided by our management; (ii) increase in trade receivables by approximately RMB6.6 million, which was in line with our continuous expansion of our business scale; and (iii) increase in prepayment, other receivables and other assets by RMB10.5 million mainly due to the increase in prepayments to suppliers for utilities resulting from the increase in number of properties under our management.

As of December 31, 2022, our net current assets increased by approximately RMB35.7 million to approximately RMB86.4 million, mainly due to (i) the increase in trade receivables by RMB32.8 million contributed by our operation; (ii) increase in prepayment, other receivables and other assets by RMB23.8 million mainly due to the increase in prepayments to suppliers for utilities resulting from the increase in number of properties under our management, partially offset by (i) increase in tax payable of RMB8.2 million in connection with our operation; and (ii) an increase in other payables, deposits received and accruals of RMB4.5 million as we have received additional retention deposits from property owners and decoration deposits resulting from the increase in number of properties under our management.

Our Group's non-current assets represented mainly the fixed assets used in our headquarters and the management centers in our properties under management, and the relevant amounts remained relatively stable during the Track Record Period. During the Track Record Period, the change of our Group's equity reflected the capital accumulation resulted from our operation and the decrease of our equity as of December 31, 2021 was mainly due to the settlement of the consideration related with our acquisition of Zhejiang Runzhou, Yuyao

Zhongli, Hangzhou Zhonghong and Zhong An Management and its subsidiaries (excluding Ningbo Zhongan as it was established after completion of the acquisition) as deemed distribution and part of the Reorganization.

For more details, see "Financial Information—Current Assets and Current Liabilities" in this document.

Our total equity increased from approximately RMB99.9 million as of January 1, 2020 to RMB146.9 million as December 31, 2020, mainly due to profit for the year of RMB47.0 million. Our total equity decreased from approximately RMB146.9 million as of January 1, 2021 to RMB42.3 million as December 31, 2021, mainly due to (i) profit for the year of RMB41.8 million; and (ii) capital contribution from the then shareholder of a company now comprising the Group of RMB90.0 million, offset by (i) dividends declared by companies now comprising the Group to their then shareholders of RMB35.0 million; and (ii) deemed distribution arising from Reorganization of RMB201.4 million. Our total equity increased from approximately RMB42.3 million as of January 1, 2022 to RMB93.3 million as December 31, 2022, mainly due to profit for the year of RMB50.9 million.

Selected Items of Consolidated Statements of Cash Flows

	For the year ended December 31,		
	2020	**2021**	**2022**
		(RMB'000)	
Net cash flows from/(used in) operating activities	91,189	28,175	(3,300)
Net cash flows (used in)/from investing activities	(17,133)	41,948	(344)
Net cash flows (used in) financing activities	–	(151,117)	(1,857)
Net increase/(decrease) in cash and cash equivalents	74,056	(80,994)	(5,501)
Cash and cash equivalents as of the beginning of year	57,163	131,219	50,225
Cash and cash equivalents as of the end of year	131,129	50,225	44,724

For 2022, we recorded net operating cash outflow of appropriately RMB3.3 million. This is primarily attributable to (i) increase in trade receivables generated from our business operation; and (ii) increase in prepayments to suppliers for utilities resulting from the increase in number of properties under our management.

To avoid negative net cash flow from operating activities and to narrow down the gap between trade receivables and prepayments in the future, we will exert more efforts in asking the owner to prepay or settle in advance the relevant utilities payment. Further, we will enhance our internal credit risk management, including but not limited to increase our magnitude to remind our customers for due payment through various channels such as phone calls, WeChat message, text messages and emails on bi-weekly basis; closely monitor the status of collection on a monthly basis; and consider to appoint debt collector or collection expert to take proactive measures to ask our customers to settle long-term uncollected receivable that are past due for over six months to improve our cash flow position. We expect these measures will avoid negative net cash flow from operating activities in the forthcoming years.

For more details, see "Financial Information—Liquidity and Capital Resources—Cash Flow" in this document.

Summary of Key Financial Ratios

	As of or for the year ended December 31,		
	2020	**2021**	**2022**
Current ratio (times)	2.27	1.36	1.82
Quick ratio (times)	2.26	1.36	1.82
Return on total assets (%)	21.9	20.9	30.1
Return on equity (%)	38.1	44.2	75.1

Our current ratio as of December 31, 2020, 2021 and 2022 was approximately 2.27, 1.36 and 1.82, respectively, and our quick ratio as of those dates was approximately 2.26, 1.36 and 1.82, respectively. The decrease in current ratio and quick ratio from December 31, 2020 to December 31, 2021 was primarily due to the significant decrease in our current assets. The decrease in our current assets was mainly due to the decrease in the amount of cash and cash equivalents and amount due from related companies as a result of their settlement. Our current ratio and quick ratio increased from December 31, 2021 to December 31, 2022 was mainly due to the increase in our current assets outweighed the increase in our current liabilities. The increase in our current assets was mainly driven by the increase in our trade receivables in relation to our operation.

Our return on total assets has increased during the Track Record Period from approximately 21.9% in 2020 to 30.1% in 2022, which was mainly due to (i) the continuous improvement in our gross profit margin and the expansion of our business scale; and (ii) increase in net profit by broadening our services offering to property developers and property owners.

Our return on equity in 2020, 2021 and 2022 was approximately 38.1%, 44.2 and 75.1%, respectively. The general increase in return on equity during the Track Record Period was primarily due to the continuous improvement of our profit for the year through broadening our services offering to property developers and property owners.

For more details, see "Financial Information—Summary of Key Financial Ratios" in this document.

CONTROLLING SHAREHOLDERS AND CONNECTED TRANSACTIONS

Immediately upon completion of the **[REDACTED]** and the **[REDACTED]** and without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**, Zhong An BVI will hold **[REDACTED]**% of the issued share capital of our Company. Zhong An BVI is directly wholly-owned by Zhong An. Zhong An is owned as to approximately 57.89% by Whole Good, which is directly wholly-owned by Mr. Shi. Hence, Mr. Shi, Whole Good, Zhong An and Zhong An BVI will be our Controlling Shareholders under the Listing Rules. See "Relationship with Controlling Shareholders" in this document for details. Our **[REDACTED]** will constitute a **[REDACTED]** from Zhong An, our Controlling Shareholder. The board of directors of Zhong An considers that the **[REDACTED]** is in the interests of Zhong An and its shareholders taken as a whole as the **[REDACTED]** is expected to create greater value for them. The **[REDACTED]** is not subject to the Zhong An Shareholders' approval. For more information, see "History, Reorganization and Corporate Structure—Reasons for the **[REDACTED]**" in this document.

We have a well-established and ongoing business relationship with the Remaining Group. We have been providing property management services to the Remaining Group for over 24 years since 1998. The business relationship between the Remaining Group and us is common among PRC property management companies and their parent group companies and has been mutually beneficial and complementary. During the years ended December 31, 2020, 2021 and 2022, properties developed by the Remaining Group and its joint ventures and associates accounted for approximately 55.3%, 55.7% and 54.0% of the total GFA under management for the corresponding years, respectively; and revenue generated from property management services in these properties accounted for approximately 76.1%, 72.5% and 71.5% of our total revenue generated from property management services for the corresponding years. Having considered the mutuality and complementarity of ongoing business between the Remaining Group and our Group, we consider that we have a competitive advantage that distinguishes us from our competitors and believe that our current relationship with the Remaining Group and our Group is unlikely to change adversely or be terminated.

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

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that: (i) the **[REDACTED]** and the **[REDACTED]** are completed and **[REDACTED]** Shares are issued and sold in the **[REDACTED]**; (ii) the **[REDACTED]** is not exercised; and (iii) **[REDACTED]** Shares are in issue upon completion of the **[REDACTED]**.

	Based on the [REDACTED] of HK$[REDACTED] per [REDACTED], after [REDACTED] of [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
		HK$	HK$
[REDACTED] of our Shares	HK$**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Unaudited **[REDACTED]** adjusted consolidated net tangible assets value per Share(1)	HK$**[REDACTED]**	HK$**[REDACTED]**	HK$**[REDACTED]**

Note:

(1) The unaudited **[REDACTED]** adjusted consolidated net tangible assets value per Share is calculated after making the adjustments referred to in "Appendix II—Unaudited **[REDACTED]** Financial Information" in this document.

[REDACTED] AND [REDACTED]

The **[REDACTED]** will constitute a **[REDACTED]** of our Group from Zhong An Group. The **[REDACTED]** is not subject to approval of Zhong An Shareholders. In order to enable Zhong An Shareholders to participate in the **[REDACTED]** on a preferential basis as to allocation only, subject to the Stock Exchange granting approval for the **[REDACTED]** of, and permission to deal in, the Shares on the Main Board and such approval not having been withdrawn and the **[REDACTED]** becoming unconditional, **[REDACTED]** are being invited to apply for an aggregate of **[REDACTED]** **[REDACTED]** in the **[REDACTED]**, representing approximately **[REDACTED]**% and **[REDACTED]**% of the **[REDACTED]** initially available under the **[REDACTED]** and the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), respectively, as an **[REDACTED]**. The **[REDACTED]** are being offered out of the **[REDACTED]** under the **[REDACTED]** and are not subject to **[REDACTED]** as described in "Structure of the **[REDACTED]**—The **[REDACTED]**—**[REDACTED]**" in this document. In the event the **[REDACTED]** is not exercised, the number of **[REDACTED]** will not change. See "Structure of the **[REDACTED]**—The **[REDACTED]**" in this document for further details.

DIVIDEND POLICY

During the Track Record Period, Zhejiang Runzhou, Yuyao Zhongli and Hangzhou Zhonghong declared approximately RMB35.0 million dividends to their respective then shareholders prior to the completion of the Reorganization during 2021. For details, see note 10 to the Accountants' Report in Appendix I to this document. Our Company has not declared or paid any dividends since the date of our incorporation . Our dividend policy, subject to compliance with the relevant laws of the Cayman Islands, is to distribute to our Shareholders no less than 25% of our distributable profits for any particular years after the **[REDACTED]**. Our Board has absolute discretion in determining whether to recommend a declaration of any dividend for any period, and the amount of dividend to be paid. In determining any dividend payment, our Board will evaluate our Group earnings, cash flow, financial condition, capital requirements, prevailing economic conditions and any other factors that our Directors deem relevant. There can be no assurance that dividends will be paid in any amount in the future, or at all.

[REDACTED]

We estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]**, after deducting **[REDACTED]** fees and commissions and estimated expenses payable by us in connection with the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the proposed **[REDACTED]** range stated in this document). We intend to use such **[REDACTED]** from the **[REDACTED]** for the following purposes and in the amounts set forth below:

- approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to acquire or invest in other small- and medium-sized property management companies that focus on residential or non-residential properties in the PRC. See "Risk Factors—Risks Relating to Our Business and Industry—Our future acquisitions may not be successful or materialized, and we may face difficulties in integrating acquired operations with our exiting operation" in this document for further discussion of the risk that we may not be able to materialize our plan to acquire or invest in other small- and medium-sized property management companies that focus on residential or non-residential properties in the PRC;

- approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to invest and upgrade in hardware and software for the development of communities across the projects we manage; and

- approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to enrich the service offerings, scale and efficiency of our community value-added services.

With respect to the implementation of our plan for strategic acquisitions and investments, our Directors are aware that many of the PRC property management companies listed on the Stock Exchange also have plans to use their net proceeds from their listing for strategic acquisitions and investments and have been trying to identify suitable targets in the market. As a result, we may not be able to materialize our plan to acquire or invest in other small- and medium-sized property management companies that focus on residential or non-residential properties in the PRC. See "Risk Factors—Risks Relating to Our Business and Industry—Our future acquisitions may not be successful or materialized, and we may face difficulties in integrating acquired operations with our exiting operation" in this document for further discussion of the related risk. Our goal is to acquire or invest in around **[REDACTED]** potential targets and we have formulated our criteria of the target company for our strategic acquisitions and investments, see "Future Plans and **[REDACTED]** —**[REDACTED]**—Plans for Strategic Acquisitions and Investments—Criteria for Strategic Acquisitions and Investments" in this document for further details. According to CIA, as of the Latest

Practicable Date, there are around 300, 100, 100 and 100 property management companies in the Yangtze River Delta Region, Eastern China region (except areas covered in the Yangtze River Delta Region), Central China region and South Western China region, respectively, which can fulfill our acquisitions and investment criteria of having a total GFA under management of not less than 1.0 million sq.m. and a total annual net profit of not less than RMB1.0 million for the most recent financial year. See "Industry Overview—Competition" in this document for further details. As such, our Directors believe that, despite the competition we face from other market players for quality target companies, there are sufficient number of suitable target companies available in the market for our strategic acquisitions and investments plan. If our future acquisition and investment plan cannot materialize, we will (i) continue identifying new acquisition or investment targets; (ii) continue obtaining engagements from new customers through improving our service quality and enhancing our brand recognition in order to expand our market share; (iii) continue maintaining our relationships with existing customers in order to secure new engagements; and (iv) procure to acquire new property management service agreements through participating in public tenders.

As of the Latest Practicable Date, we had not identified or committed to any acquisition targets for our use of **[REDACTED]** from the **[REDACTED]** and our Directors expect that our **[REDACTED]** ranging from HK$**[REDACTED]** to HK$**[REDACTED]** will be applied for the acquisition of each target company, such range is calculated by dividing the total **[REDACTED]** of HK$**[REDACTED]** for strategic acquisitions and investments by three and five, respectively, being the numbers of potential targets we plan to acquire or invest with our **[REDACTED]** from the **[REDACTED]**. In the event that the **[REDACTED]** received by our Company from the **[REDACTED]** are less than the capital expenditure needed, we intend to use our internal funds.

See "Future Plans and **[REDACTED]**—**[REDACTED]**" in this document for further details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Regulatory Development

The Regulatory Notice and Administration Notice

In order to promote a steady and healthy development of the real estate market and improve the service standards of the property management industry, the PRC Government has issued several new regulations on property management services recently such as the Regulatory Notice, which was promulgated to rectify and standardize the real estate market order in the fields of real estate development, property sale and purchase, housing leasing and property management services, and the Administration Notice which was proposed to strengthen the administration of residential property management. For details of the Regulatory Notice and the Administration Notice, see "Regulatory Overview—Laws and Regulations on Data Security and Privacy" in this document.

With respect to the Regulatory Notice, our PRC Legal Advisor advised that the Regulatory Notice primarily refines or reiterates certain general requirements, but does not impose new compliance requirements on the property management service industries, and we have been in compliance with the relevant requirements of the Regulatory Notice that are applicable to property management services in all material respects since its implementation. We have also enhanced our internal control measures to ensure our ongoing compliance with the Regulatory Notice, which primarily include (i) providing on-the-job trainings and lectures to our employees regarding the requirements of the Regulatory Notice to ensure compliance of our daily operation; and (ii) designating legal staff to formulate internal guidelines and documentation. In addition, our Directors are of the view that the Regulatory Notice will unlikely result in any material adverse effect on either the Remaining Group or us, on the basis that (i) to the best of our Director's knowledge after consultation with the Remaining Group, since the promulgation of these policies and regulations and up to the Latest Practicable Date, (a) the Remaining Group has not experienced any delay in the commencement of property development and construction; and (b) no projects developed by the Remaining Group experienced delays in property completion and delivery during the period between January 1, 2021 and the Latest Practicable Date; (ii) to the best of our Director's knowledge after consultation with the Remaining Group, the Remaining Group has not experienced any material financial difficulties and does not expect a material delay of its property development plans in 2021 and 2022; (iii) even if there were a material delay in the delivery of properties from the Remaining Group to us, our Directors expect that we would still be able to generate stable revenues and cash flows from our existing GFA under management; and (iv) we have been seeking to expand our cooperation with independent third-party property developers to reduce reliance on the Remaining Group, thereby reducing risks from the potential delay in delivery of properties from the Remaining Group to us.

The Regulatory Notice represents the PRC Government's continuous effort to regulate the PRC property management industry. CIA is of the view that (i) the regulations stipulated in the Regulatory Notice are not new to the property management service providers but rather a reiteration of the existing laws and regulations, and (ii) the Regulatory Notice benefits property management service providers such as our Group, which provides high-quality services with standardized operations in compliance with the relevant laws and regulations, and formulates standardized internal control policies to ensure ongoing compliance. Accordingly, CIA is of the view that the Regulatory Notice will not have a material adverse impact on our business and financial performance. For further details, see "Industry Overview—Market Drivers—Favorable Government Policies" in this document.

With respect to the Administration Notice, taking into account that (i) among the cities where our projects are located, the property management committee system introduced under the Administration Notice has officially been promulgated in certain cities only; and (ii) the property management committee would merely fulfill a property owners' association's and/or a general meeting of property owners' responsibilities primarily by overseeing the quality of property management service provision, renewing property management service agreements with existing service providers or selecting new ones according to the decisions of the property owners, and representing property owners and residents to communicate with property management service providers prior to the establishment of property owners' associations, based on our experience in managing projects with established property owners' associations, our Directors are of the view that we have complied with the regulatory requirements in the Administration Notice, and it is unlikely that we would incur any material extra operational burden or costs to comply with the property management committee system requirement. Therefore, we expect that the Administration Notice will not have a material adverse effect on us.

The Administration Notice accelerates the development of the property management industry and promotes high-quality property management services. It emphasizes on enhancing different aspects of property management in the PRC which include, among other things, marketization of property management fees, promotion of the integration of online and offline services, and encouragement of property management service providers to adopt a business model that combines property services and community living services. Accordingly, CIA is of the view that the implementation of the Administrative Notice will be beneficial to the PRC property management industry as a whole by standardizing its development objectives covering property management scale and operations, service quality, development of intelligent property management and community value-added services, marketization of property management fees, and improvement in professional personnel management.

Based on the above and having made due and reasonable inquiries with the PRC Legal Advisor, our Directors are of the view, and the Joint Sponsors concur, that our property management service agreements, business operation, financial performance and prospects will not be materially and adversely affected by the Regulatory Notice or the Administration Notice. Nevertheless, we will remain susceptible to regulatory changes relating to the property development and property management industries in the PRC going forward. For more information, see "Risk Factors—Risks Relating to Our Business and Industry—We are susceptible to changes in the regulatory landscape of the PRC property management industry" and "Risk Factors—Risks Relating to Our Business and Industry—We are affected by the PRC Government regulations on the PRC real estate industry" in this document.

The Individual Housing Loan Notice

On December 28, 2020, the PBOC and the CBIRC jointly issued the Individual Housing Loan Notice to strengthen financial institutions' stability against fluctuations in the real estate market and promote the healthy and steady development of the real estate market. Based on certain factors, including the asset size and institution type of banking entities, the PBOC and the CBIRC formulated the Concentration Requirements, which set a cap on the proportion of the individual housing loan that a bank could lend as a percentage of the bank's total lending amount.

The Concentration Requirements are laid out with a comprehensive consideration of the bank type and the status quo and future space of outstanding individual housing loan businesses. To reflect regional differences, appropriate flexibility is allowed in setting forth the Concentration Requirements for locally incorporated banking institutions. A transition period of two to four years is arranged in the management system to ensure a smooth implementation of relevant policies and promote a steady and sound development of the real estate and financial markets. Banking institutions which exceed the caps specified under the Concentration Requirements should develop a scheme for business adjustments according to their actual conditions during the transition period. Banking institutions which satisfy the Concentration Requirements should carry out individual housing loan-related businesses in a prudent manner.

The Individual Housing Loan Notice primarily affects the PRC real estate industry, which the sale of properties by property developers may be adversely affected. As such, the Individual Housing Loan Notice is most likely to affect the transaction volume of the real estate industry in the short term. However, since the aim of the Individual Housing Loan Notice is to control real estate credit flow in order to promote simultaneous development in economy and real estate industry in the PRC, the relevant authorities indicated that adjustments would be made in order to support reasonable demand in individual housing. Accordingly, CIA is of the view that the Individual Housing Loan Notice will not affect the development plans of PRC property developers in the long term.

CIA is of the view that, the Individual Housing Loan Notice will not have a material adverse impact on the PRC property management industry as property management service providers typically (i) derive a considerable portion of revenue from their existing property projects under management, and (ii) procure new property management projects from various sources, such as property owners and property owners' associations, instead of relying solely on new property projects procured from property developers.

The Individual Housing Loan Notice does not raise the interest rates of individual housing loans, but merely limits the concentration of individual housing loans for various commercial banks, which is, according to our PRC Legal Advisor, a control measure adopted by the PRC Government to strengthen financial institutions' stability against fluctuations in the real estate market and promote the healthy and steady development of the real estate market. The Individual Housing Loan Notice is enacted and implemented nationwide, therefore it is expected to have a nationwide effect across the PRC. Based on (i) the Directors' past observations of individual housing loan policy's impact on the operation of the Remaining Group and its joint venture and associates; and (ii) the consideration that even if delivery of contracted but undelivered properties is halted due to the individual housing loans, the property developers are still bound by the preliminary property management service agreements to pay us property management service fees, as confirmed by our Directors, and the Joint Sponsors and the PRC Legal Advisor concur that, it is likely that the Individual Housing Loan Notice would affect the transaction volume of residential properties developed by the Remaining Group or its joint venture and associates only in the short term, and would not have material adverse effect on the development plan or construction activities of the Remaining Group and its joint venture and associates in the long term, and in turn, the property management projects from the Remaining Group and its joint venture and associates. In addition to residential properties on which the Individual Housing Loan Notice mainly impact, our property management portfolio include non-residential properties such as commercial and office buildings, industrial parks, hospitals, schools and prison. We also offer a wide scope of value-added services mainly to property developers and property owners. As such, our Directors are of the view, and the Joint Sponsors and the PRC Legal Advisor concur, that the Individual Housing Loan Notice has no direct or indirect material adverse effect on the Remaining Group, its joint venture and associates or us. In any event, we will actively maintain sustainable growth through the expansion of existing property projects to mitigate the negative consequence, if any, caused by the Individual Housing Loan Notice.

The "Three Red-Line" Standards

In August 2020, according to certain news articles, the PBOC and the MOHURD plan to control the financing activities of property developers and the scale of interest-bearing debts of property developers in China by applying a newly proposed standard in the assessment of the debt burden of property developers, namely, the "Three Red-Line" standards. Pursuant to the "Three Red-Line" standards, (i) for property developers which comply with all the three limits, their size of interest-bearing liabilities shall increase by no more than 15% annually; (ii) for property developers which only comply with two of the three limits, their size of interest-bearing liabilities shall increase by no more than 10% annually; (iii) for property developers which only comply with one of the three limits, their size of interest-bearing liabilities shall increase by no more than 5% annually; and (iv) for property developers which fail to comply with any of the three limits, their size of interest-bearing liabilities shall not increase at all. As of the Latest Practicable Date, apart from the policy relaxation proposed in early 2022 and policy adjustment published in November 2022[(1)], no such new regulations had been officially proposed. See "Industry Overview—Market Drivers—The "Three Red-Line" Standards" in this document for details. The "Three Red-Line" standards may slow down the growth of the whole real estate sector in the PRC, affecting the expansion of property developers such as the Remaining Group and in turn imposing adverse effect on our growth.

The "Three Red-Line" standards primarily affects the PRC real estate industry, in particular for the property developers which have a relatively higher level of debts. The implementation of "Three Red-Line" standards makes it difficult for some property developers to achieve a quick and massive expansion through financial leverage, which in turn poses challenges to property management service providers which rely on the said property developers for source of projects.

Note:

(1) On November 11, 2022, the People's Bank of China and the China Banking and Insurance Regulatory Commission jointly issued the Notice on Improving the Steady and Healthy Development of the Real Estate Market Supported by Finance(《關於做好當前金融支持房地產市場平穩健康發展工作的通知》). A total of 16 specific measures were published to maintain reasonable and appropriate real estate financing, safeguard the legitimate rights and interests of consumers, and promote the steady and healthy development of the real estate market.

In early 2022, financial institutions in the PRC informed certain large-scale property developers that the "Three Red-Line" standards have been relaxed by excluding short-term loans obtained by property developers for the purpose of merger and acquisitions from the calculation of pro forma ratios. CIA is of the view that, if such policy relaxation becomes official, it would be beneficial to the upstream companies within the real estate industry in the short term and long term, including property developers and property construction companies in the PRC as a whole, in particular property developers which have good financial performance. In the short term, these property developers would be able to expand their businesses by acquiring projects from property developers that have financial difficulties. In the long term, as these property developers have healthy financial performance, they would be able to comply with the requirements under such policy relaxation while sustaining their market share or expanding by merger and acquisition. On the other hand, as property management service providers typically (i) derive a considerable portion of revenue from their existing property projects under management, and (ii) procure new property management projects from various sources, such as property owners and property owners' associations, instead of relying solely on new property projects procured from property developers, CIA is of the view that the "Three Red-Line" standards and the possible relaxation on such policy are not expected to create a significantly adverse impact on property management service providers in general.

Given that (i) most of the Remaining Group's (including both the Remaining Zhong An Group and the CNC Group)[(1)] relevant financial ratios as of December 31, 2022 did not exceed any of the aforementioned three red-line standards based on the annual results of the Remaining Group for the year ended December 31, 2022; (ii) the Group has generally been expanding its portfolio of property management services projects developed by independent third-party property developers during the Track Record Period, the GFA under management of which accounted for approximately 44.7%, 44.3% and 46.0% of our total GFA under management as of December 31, 2020, 2021 and 2022, respectively; (iii) a significant portion of our Group's revenue was generated from services provided to independent third-party customers, which accounted for at least 64.8% throughout the Track Record Period, and such proportion is expected to increase once the contracted but undelivered projects developed by

Note:

(1) Based on China New City's 2022 audited financial statements contained in its 2022 annual report, as of December 31, 2022, its interest-bearing bank and other borrowings repayable within one year was approximately RMB1,319,438,000 and its cash and cash equivalents was RMB948,087,000. Accordingly, its cash to short-term debt ratio was lower than 1.0 time as of the relevant date and therefore deviated from one of the three red-line standards. Furthermore (i) China New City recorded a loss for both years for 2021 and 2022 mainly due to the unstable epidemic, as well as temporary suspension of service or rental reductions caused by upgrades, renovation and alteration of its commercial properties, which led to a lower average occupancy rate of its properties, and (ii) Zhong An recorded a decrease in profit in the year of 2022 (compared against year of 2021) due to fluctuated economic environment in the PRC and the recurrent epidemics. Notwithstanding the above, to the best of our Director's knowledge after consultation with the management of Zhong An and China New City, given (i) there was no evidence to suggest Zhong An and China New City had experienced any material financial difficulties and does not expect a material delay of its property development plans in 2023; and (ii) Zhong An and China New City was able to generate stable revenues and cash flows as of the Latest Practicable Date, our Directors are of the view that it is unlikely that such deviation would have caused any material financial difficulties or impact to its financial performance and resulted into any material adverse effect to our business operations.

the Remaining Group or its joint ventures and associates as of December 31, 2022 have been delivered to independent third-party property purchasers; and (iv) as of the Latest Practicable Date, 98.2% of our trade-related receivables due from related parties as of December 31, 2022 had been subsequently settled, our Directors are of the view that the "Three Red-Line" standards will not have material adverse effect on our Group's business operation and financial performance in the event it officially comes into effect. Nevertheless, in the event that the Remaining Group or other independent third-party property developers are unable to obtain sufficient financing to support their expansion of business which results in a delay in the delivery of new properties to be managed by us, the growth of our GFA under management may be adversely affected.

According to recent news, certain property developers in the PRC experienced financial difficulties. To the best knowledge of our Directors, the property developers with which our Group had direct dealings during the Track Record Period had no material financial difficulties. In addition, to the best knowledge of our Directors after consulting the Remaining Group, the property developers with which the Remaining Group had relationships with during the Track Record Period, including but not limited to, investments, cooperation or financing arrangements, had no material financial difficulties. Based on the above, our Directors are of the view and the Joint Sponsors concur that it is unlikely that the recent financial difficulties experienced by certain PRC property developers will have a material adverse effect on our business operations or financial position.

The PRC Real Estate Tax Reform

On October 23, 2021, the 31st Session of the Standing Committee of the 13th National People's Congress adopted the Decision, authorizing the State Council to carry out a pilot program of real estate tax reform in certain areas. The Decision clarifies that the real estate tax shall be levied on various types of real estate for residential and non-residential use located in urban areas, and that the holders of land use rights and owners of such real estate shall pay the real estate tax. The Decision authorizes the State Council to formulate specific measures for the real estate tax pilot program, determine the list of cities for the pilot program and file the record with the SCNPC. The Decision also authorizes the local governments of the pilot areas to formulate specific rules for its implementation.

According to the Decision, the real estate tax pilot program shall last for five years from the date on which the measures for the pilot program are officially issued by the State Council. As of the Latest Practicable Date, it was unclear when the detailed measures for the real estate tax pilot program and the list of the real estate tax pilot cities would be formally introduced. Only Shanghai and Chongqing had implemented the real estate tax on residential properties which meet certain criteria as of the Latest Practicable Date. The potential effect of the real estate tax in other cities, if implemented, remained uncertain. According to the National Bureau of Statistics of the PRC, the contracted sales volume and contracted GFA sold in Shanghai and Chongqing have been in alignment with the national trend since the implementation of real estate tax in the two cities mentioned above in 2011. CIA is of the view that, the effect of real estate tax on the property development markets of two cities mentioned above is limited, and that the consequential effect on the property management industries is relatively small. Based on our observations of the countries that have enacted real estate tax such as Germany and Singapore, and imposition of real estate tax generally lowers the reliance on property development and affects the volume of real estate transactions in the pilot cities in the short run only. In the long run, taking into consideration the property market development in Shanghai and Chongqing since the implementation of real estate tax as mentioned above, real estate tax shall not affect the supply and demand pattern of real estate, instead, it will facilitate a healthy and stable development of the real estate market and development of a healthy, orderly and high quality property management services market. The supply and demand pattern of real estate of a region should generally be affected by factors such as macro-economy, currency and credit policies, real estate policies, land supply and urbanization process of such region. As such, our Directors are of the view, and the Joint Sponsors and the PRC Legal Advisor concur, that there is no material adverse effect on the Remaining Group's or our business operations or financial performance. For more details, see "Business—Customers—Recent Regulatory Development" and "Risk Factors—Risks Relating to Our Business and Industry—We are affected by the PRC Government regulations on the PRC real estate industry" in this document.

In addition to the above, another PRC regulation which is relevant to real estate tax is the Provisional Regulations on Real Estate Tax promulgated by the State Council on September 15, 1986, came into effect on October 1, 1986, and amended on January 8, 2011, which is still in effect and implemented at the national level and has nationwide effect across the PRC as of the Latest Practicable Date. As advised by the PRC Legal Advisor, pursuant to the Provisional Regulations on Real Estate Tax, some types of property are exempt from such real estate tax, including non-commercial properties owned by individuals, and the relevant real estate tax shall be paid by the property owners. According to the Decision, non-residential real estate shall remain subject to the Provisional Regulations on Real Estate Tax and the Provisional Regulations of the PRC Governing Land Use Tax in Urban Areas (《中華人民共和國城镇土地使用税暫行條例》) (promulgated by the State Council on September 27, 1988 and came into effect on November 1, 1988, and then amended respectively on December 31, 2006, January 8, 2011, December 7, 2013 and March 2, 2019). As of the Latest Practicable Date, detailed measures for the real estate tax on residential real estate with nationwide effect had not yet been introduced. To the best knowledge of our Directors and having made all reasonable enquiries, during the Track Record Period and up to the Latest Practicable Date, the Remaining Group and the Group had complied with the Provisional Regulations on Real Estate Tax and were not subject to any governmental investigation or litigation with respect to claims or allegations in relation to the Provisional Regulations on Real Estate Tax.

There are several reasons for levying the real estate tax. As the main tax income of a local government, it is conducive to raise local fiscal revenue for better provision of basic social public services to local residents. As a property tax, real estate tax can adjust the fair distribution of wealth and promote common prosperity. Under the background of overheated domestic real estate market and rising housing prices, it is also conducive to stabilize and foster the healthy development of the real estate market through proper taxation. The pilot program of the real estate tax is expected to be carried out in various cities according to the new rules to be implemented. Based on the experience from the pilot program, the final laws and regulations relating to real estate tax will be enacted and implemented nationwide.

Regulations Relating to Overseas Listing

On February 17, 2023, the CSRC promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and relevant five guidelines, which became effective on March 31, 2023.

According to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. For the circumstances under which an overseas listing or offering is explicitly prohibited, see "Regulatory Overview—Laws and Regulations Relating to Property Management Services and Other Related Services—Overseas Listing".

The Overseas Listing Trial Measures also provides that if the issuer both meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering by PRC domestic companies: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in mainland China, or its main place(s) of business are located in mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in mainland China. Where an issuer submits an application for initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings. Given that (i) our domestic operating entities generated 100% of our total revenue as shown in our audited consolidated financial statements for the year ended December 31, 2022; (ii) most of our senior management are PRC citizens; and (iii) our business activities are mainly conducted in the PRC, the **[REDACTED]** falls within the scope of indirect overseas offering and listing by PRC domestic companies. Therefore, we are subject to the filing obligations as contemplated in the Overseas Listing Trial Measures.

On February 17, 2023, the CSRC also issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (關於境內企業境外發行上市備案管理安排的通知) (the "**Notice**"), which, among others, clarified that domestic companies that have obtained approval from overseas regulatory authorities or securities exchanges (for example, a contemplated offering and/ or listing in Hong Kong has passed the hearing of the Stock Exchange) for their indirect overseas offering and listing prior to the effective date of the Overseas Listing Trial Measures (i.e. March 31, 2023) but have not yet completed their indirect overseas issuance and listing, are granted a six-month transition period from March 31, 2023. Those who complete their overseas offering and listing within such six months are deemed as Existing Issuers (存量企業) and are not required to complete the overseas listing filing immediately, but shall complete filings as required if they conduct refinancing or are involved in other circumstances that require filing with the CSRC. Within such six-month transition period, however, if such domestic companies need to reapply for offering and listing procedures to the overseas regulatory authority or securities exchanges (such as requiring a new hearing of the Stock Exchange), or if they fail to complete their indirect overseas offering and listing, such domestic companies shall complete the filling procedures with the CSRC.

Given we have obtained the approval of the Stock Exchange for the **[REDACTED]** before **[REDACTED]** and based on the verbal communication with CSRC on **[REDACTED]**, our PRC Legal Advisor is of the view that we will not be required to complete the filing procedures with the CSRC for the **[REDACTED]**, if (i) we are not required to go through the hearing procedure with the Stock Exchange again, and (ii) we complete our **[REDACTED]** by **[REDACTED]**. However, if (i) we are required to go through the hearing procedure with the Stock Exchange again, or (ii) we fail to complete our **[REDACTED]** by **[REDACTED]**, our PRC Legal Advisor is of the view that we will be required to complete the filing procedures with the CSRC in connection with the **[REDACTED]**.

Biometric Regulatory Requirements

There has been increasing Biometric Regulatory Requirements imposed by local governments in different areas across the PRC, such as Hangzhou, to enhance the protection thereof. For further details, see "Regulatory Overview—Laws and Regulations on Data Security and Privacy" and "Industry Overview—Future Trends of the PRC Property Management Industry—Increasing Standardization and Adoption of Information Technology" in this document. According to the Biometric Regulatory Requirements, which was implemented in early 2022, property management service providers are prohibited to require property owners and/or residents at the property projects that they manage to use biometric authentication compulsorily. As advised by our PRC Legal Advisor, any biometric information can only be obtained from property owners and/or residents at the property projects that property management service providers manage for use of biometric authentication if (i) there is a specific purpose and sufficient necessity to do so, (ii) the property management service providers adhere to all national and regional laws and regulations regarding protection of personal information, privacy, data and cyber security, and (iii) separate consents have been obtained from biometric information providers, i.e. property owners and/or residents at the property projects that property management service providers manage. As we have fulfilled the abovementioned requirements, in particular, facial features or other biometric information of the residents are only registered on our biometric recognition system upon the receipt of their separate written consents according to our Group's policy, we have never required and will not require the residents to use biometric authentication compulsorily. Accordingly, our PRC Legal Advisor is of the view that our Group had complied with the requirements under the Biometric Regulatory Requirements in all material aspects during the Track Record Period and up to the Latest Practicable Date. Therefore, our Directors are of the view that we are not required to take further material action and incur additional material costs to comply with the Biometric Regulatory Requirements. Based on the above, our Directors are of the view that the implementation of the Biometric Regulatory Requirements will unlikely to result in any material adverse impact on our business operations and financial performance both in the short term and long term. For further details, see "Business—Customers—Recent Regulatory Development" in this document.

Recent Development of Our Business Operations

Our business continued to grow steadily. As of the Latest Practicable Date, we had a total contracted GFA of approximately 19.3 million sq.m. and our total GFA under management of approximately 12.9 million sq.m.. The number of properties that we were contracted to manage was 138 as of the Latest Practicable Date, and the number of properties that we managed increased from 95 as of December 31, 2022 to 96 as of the Latest Practicable Date.

Subsequent to the Track Record Period, we entered into one property management service agreement for one residential property located in Anhui province, with a total contracted GFA of approximately 0.3 million sq.m..

Subsequent to the Track Record Period, two residential projects developed by the independent third-party property developers located in Zhejiang province and Anhui province, respectively, had been delivered to us for management, with a total GFA under management of approximately 0.2 million sq.m..

During the corresponding period in 2022, we were contracted to manage eight property management service agreements, among which, we entered into two preliminary property management agreements with respect to two non-residential projects developed by the Remaining Group with a contracted GFA of approximately 0.1 million sq.m.; four property management service agreement with the property owner of four non-residential projects, with a contracted GFA of approximately 0.1 million sq.m.; and two property management service agreements, which were entered into with property owners' associations of two residential projects, with a total contracted GFA of approximately 0.05 million sq.m..

No Material Adverse Change

After due and careful consideration by our Directors and after performing sufficient due diligence work which our Directors consider appropriate, our Directors confirm that up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2022 (being the date to which our Group's latest consolidated audited financial results were prepared), and there has been no events since December 31, 2022 which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this document.

[REDACTED]

The total **[REDACTED]** (including **[REDACTED]** commissions) for the **[REDACTED]** of the Shares are estimated to be RMB**[REDACTED]**, representing approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** Range and assuming the **[REDACTED]** is not exercised), among which, approximately RMB**[REDACTED]** is directly attributable to the issuance of Shares and will be charged to equity upon completion of the **[REDACTED]**, approximately RMB**[REDACTED]** was charged to our consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2020, approximately RMB**[REDACTED]** was charged to our consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2021, approximately RMB**[REDACTED]** was charged to our consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2022, and approximately RMB**[REDACTED]** will be charged to our consolidated statements of profit or loss and other comprehensive income for the year ending December 31, 2023. The **[REDACTED]** for 2023 above are the latest practicable estimates and are provided for reference only and actual amounts may differ. Our Directors do not expect such **[REDACTED]** will have a material adverse impact on our financial results for the year ending December 31, 2023.

NON-COMPLIANCE

During the Track Record Period, we did not register for and/or make full contributions to social insurance and housing provident funds for certain employees. For further details, see "Business—Employees—Social Insurance and Housing Provident Fund Contributions" in this document.

RISK FACTORS

Our operations involve certain risks, some of which are beyond our control. These risks can be broadly categorized into: (i) risks relating to our business and industry; (ii) risks relating to conducting business in China; and (iii) risks relating to the **[REDACTED]** and the **[REDACTED]**. Some of the risks generally associated with our business and industry include the following: (i) our reliance on the Remaining Group and our future growth may be affected by the prospect of the Remaining Group; (ii) our future growth may not materialize as planned; (iii) our profitability may fluctuate as we manage more properties developed by independent third-party property developers; (iv) we may be susceptible to any adverse development in government policies or business environment in the Yangtze River Delta Region; and (v) we generated all revenue from property management services on a lump-sum basis. We may be subject to losses if we fail to control our costs in rendering our property management services.

These risks are not the only significant risks that may affect the value of our Shares. You should carefully consider all of the information set forth in this document and, in particular, should evaluate the specific risks set forth in "Risk Factors" in this document in deciding whether to invest in our Shares.