This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by and should be read in conjunction with, the full text of this prospectus.

You should read the whole document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in "Risk Factors". You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are the largest property management service provider in central China region (being a geographical region that covers the central area of China, including the provinces of Henan, Hubei, Hunan, Jiangxi, Shanxi and Anhui) by total GFA under management as of December 31, 2018 and total revenue for the year ended December 31, 2018, according to CIA. Throughout more than two decades of operating history, we have significantly grown our business and operations. We believe our prospects and the pursuit of better living experience and lifestyle by the people in Henan are inseparable. We believe our well established operating history affords us a trusted and reputable brand which in turn enables us to continue to offer a full spectrum of services that can satisfy our customers' diverse needs and effectively improve their living quality.

As of December 31, 2019, our property management and value-added services covered all 18 prefecture-level cities (and also 81 of the 104 county-level cities) in Henan as well as one city in Hainan, namely Haikou, and we served more than one million property owners and residents in 312 properties. We manage a diversified portfolio of properties, including residential properties, shopping malls, cultural tourism complexes, commercial apartments, office buildings, schools and properties of governmental agencies. We ranked 16th, 15th and 13th among the Top 100 Property Management Companies in China in 2017, 2018 and 2019, respectively, according to CIA.

We focus on serving our customers' diverse needs and enriching the list of goods and services within the geographic areas which we cover: where they stay, where they travel, what they eat and how they relax. We believe our competitive edge is the extensive network of goods and services we offer, coupled with our deep understanding of market demands and our capabilities in data analytics. Through frequent interactions with our customers, we have gained a deep understanding of customer needs and preferences. Combined with our strong resource consolidation, online-to-offline synergy and cross-selling capabilities, we are able to identify and deliver desirable services and products within our network and constantly refine our offering to better satisfy customer needs. By providing these services, we are able to aggregate significant consumer information which helps us cater to our customers with more tailor-made services.

Over the years, we have received numerous awards in recognition of our service quality. We were awarded with (i) 2019 Potential Unicorn of Property Management Service (2019 物業服務企業潛力獨角獸); (ii) Featured Brand of Property Management Service—New Lifestyle Provider (2019 特色物業服務品牌企業—新型生活方式服務商); (iii) 2019 Top 50 Most Valuable Brand of Property Management Service (2019 物業服務企業品牌價值50強); (iv) China Property Management Institute China's Top 100 Property Management Companies (中國物業服務百強企業) for five years since 2015;

(v) Leading Brand for Property Management Service in the Central China Region (華中物業服務領先品牌); (vi) 2018 Outstanding Enterprise of the Property Management Industry in Henan Province (河南省物業服務行業2018年度先進企業); (vii) Outstanding Property Management Company of Zhengzhou (鄭州市物業管理先進單位) in 2017.

We believe our three main business segments, namely property management and related value-added services, lifestyle services and commercial property management and consultation services, echo with our Group's philosophy which is to enrich the living experience and lifestyle of all the people in Henan (我們的使命是讓河南人民都過上好生活).

OUR BUSINESS MODEL

Over the years, we have successfully expanded our business from property management and value-added services to lifestyle services and commercial property management and consultation services. Our business now consists of three major segments.

Property management services and value-added services. We have provided traditional property management services such as security, cleaning and greening services since 1994 and over the years, we have expanded our service offerings to include value-added services aimed at elevating the living quality of the residents in the properties we manage. To promote a contemporary, interactive and intelligent environment within the communities, we provide intelligent community solutions to property developers as well as residents. Furthermore, we provide property agency services to property developers which we sourced the buyers and sellers by leveraging our strong network of property buyers with purchasing power to communities. Further, we also provide personalized services to VIPs of the Central China Consumers Club, who are the CCRE Group's exclusive group of high-net-worth customers and intelligent community solutions as part of our value-added services. As of December 31, 2019, our property management and value-added services covered all 18 prefecture-level cities (and also 81 of the 104 county-level cities) in Henan as well as one city in Hainan, namely Haikou, and we served more than one million property owners and residents in 312 properties. We manage a diversified portfolio of properties, including residential properties, shopping malls, cultural tourism complexes, commercial apartments, office buildings, schools and properties of governmental agencies.

Lifestyle services. Lifestyle services include products and services we offer on our Jianye + (建業+) platform, travel services, and management services we provide in Cuisine Henan Foodcourts (建業大食堂). The Jianye + (建業+) platform is an O2O one-stop service platform which integrates our internal and external, online and offline resources in order to provide our customers with convenient and more affordable goods and services. The Jianye + (建業+) platform provides three main online services: (i) membership benefits; (ii) concierge services; and (iii) goods and services from One Family Community (一家公社). As of December 31, 2019, we were cooperating with over 340 suppliers, some of which were well-known brands that were listed on NASDAQ or the Stock Exchange. We also offer a wide range of benefits including exclusive offers with hotels, malls and restaurants in Henan. Our travel services offer four distinct types of tours to customers, namely leisure tours, corporate tours, football tours and educational tours. The six Cuisine Henan Foodcourts (建業大食堂) we manage hosted over 330 vendors as of December 31, 2019, offering a wide variety of food options to consumers.

Commercial property management and consultation services. Unlike property management where we offer a wide spectrum of traditional property management services to property developers, property owners and property occupants, our commercial property management and consultation services focus on enhancing the value of property by streamlining operations of a property to reduce costs and attracting business to increase income. Our commercial property management and consultation services comprise (i) hotel management, (ii) commercial asset management and (iii) cultural tourism complex management. For hotels, we manage overall hotel operations, supervise hotel operations performed by an existing operator and provide consultancy services. For other commercial assets, we provide pre-opening consultation and post-opening management services. For commercial asset management, our Company primarily manages shopping malls by providing two main categories of services: (i) pre-opening consultation, which includes services such as market research on vendor and clientele demographics, financial analysis, vendor solicitation and management and strategic planning; and (ii) post-opening management services, which includes services such as vendor management, sales and operation management, and training management. As for cultural tourism complex management, our Company's services include the branding and overall operations management, consultancy services, technical support on technology research and promotion including the selection and assessment of seeds to be used, agricultural product sale, agricultural product planning and project planning. For cultural tourism complexes, our services include overall operations and consultancy services. In each area, we strive to help our clients achieve asset value appreciation and sustainable development. As of December 31, 2019, our portfolio of commercial properties under management consisted of three cultural tourism complexes (with an aggregate site area of approximately 10.1 million sq.m.), seven shopping malls (with a total GFA of approximately 0.58 million sq.m.) and nine hotels (with a total GFA of approximately 0.25 million sq.m.).

The table below sets forth our revenue and gross profit margin from each business segment during the Track Record Period.

	Year ended December 31,								
	2017			2018			2019		
	Revenue		Gross profit margin	Revenue		Gross profit margin	Revenue		Gross profit margin
	RMB'000	%	%	RMB'000	%	%	RMB'000	%	%
Property management and value-added services	421,397	91.5	21.3	620,712	89.4	24.0	1,341,092	76.4	30.3
Lifestyle services	23,877	5.2	10.6	62,179	9.0	8.9	308,575	17.6	32.8
Commercial property management and consultation services	15,258	3.3	85.3	11,097	1.6	57.3	104,735	6.0	66.0
Total/Overall	460,532	100.0	22.9	693,988	100.0	23.2	1,754,402	100.0	32.8

Property management and value-added services

Our property management services business segment is our primary business and the largest revenue-generating business segment, which enables us to source customers and expand business scale for our other business segments. Our value-added services increase our involvement and interaction with customers, broaden our revenue sources and enhance our future growth potential. For property management services, during the Track Record Period, our property management fees were mainly charged on a lump sum basis. According to CIA, the "lump sum" model for property management fee is the dominant model in the property management industry in China, especially for residential properties.

Apart from the 11 out of 231 residential properties and all the commercial office buildings, shopping malls, schools, governmental buildings and commercial apartments under our management, we charge a pre-determined fixed amount as the property management fee on a monthly basis which represents "all-inclusive" fees for all of the property save for the property management fees of one of our property management services we provide in accordance with our pricing policy. We are entitled to retain the full amount of property management fees received from property developers and property owners and residents. We bear the costs of managing properties, and recognize such costs as our cost of sales, which include expenses associated with our staff involved in providing property management services, maintenance and repair of communal areas, facilities management, cleaning and garbage disposal and security. During the Track Record Period, our average property management fees for our residential properties per sq.m. per month ranged from RMB1.73 to RMB1.82. For further information, please see subsection headed "Business—Property Management and Value-Added Services—Pricing Policy for Property Management Fee" in this prospectus.

For value-added services, to distinguish ourselves from other property management companies and establish the standard for high-end property management service, we actively seek to gain a more comprehensive and deeper understanding of the needs of owners and residents and anticipate their demands. The community value-added services we offer to the residents include (i) clubhouse services; (ii) interior repair and maintenance; (iii) housekeeping and cleaning; (iv) vehicle cleaning and charging; (v) furnishing; and (vi) items delivery and pickup services. For value-added services we offer to the non-property owners are mainly (i) onsite sales assistance; (ii) consultancy; and (iii) inspection of properties.

Our intelligent community solutions comprise over 30 systems and more than 100 types of hardware, such as visual operation and management system, mobile phone service system, AI surveillance system, vehicle management system, bio face recognition system, community health management system, environ mental management system, cloud video intercom system, emergency call system, elevator control system, background music system, cloud patrol system, wifi coverage system, community self-service system and temperature control system, among others. As of December 31, 2019, we provided intelligent community solutions in 143 residential communities. Our intelligent community solutions include (i) consultation which we usually charge a consultancy service fee on a per sq.m. basis based on the type of the property; (ii) installation and engineering, which we charge based on the number of facilities and volume of work needed; and (iii) system integration and development which we typically charge based on the cost development, which is affected by functional requirements.

For property agency services, our property agency team offers feasibility studies, marketing planning, sales consultancy and distribution channel development and integration services. Leveraging the active engagement and close relationships we have established through years of property management, we have accumulated a network of potential buyers. We cooperate with business customers in the following ways: (i) we cooperate with the CCRE Group at the group level to sell certain properties it develops; (ii) we cooperate with third-party developers to sell properties they develop on specific projects; (iii) we have established a cooperation platform for property agencies in Henan to further expand our network and provide consultancy and training services to them; and (iv) we establish joint ventures with third-party property developers to sell the properties they develop. Upon the completion of a property sale transaction, we charge such property developers a commission calculated based on the contract purchase price.

The Central China Consumers Club, or the CCCC, was established in 2016 by the CCRE Group to provide benefits, privileges and exclusive customer services to its members. The CCCC operates through our Jianye + (建業+) platform and our team of goodwill organizers. Each member is paired with a designated "*Gentil Organisateur*" ("G.O." i.e. goodwill organizers) who provides personalized service to that particular member. We charge the CCRE Group a fixed monthly management fee calculated based on the number of members in the CCCC and additional fees for organizing special events.

The table below sets forth the details of our revenue from each service in this business segment during the Track Record Period.

	Year ended December 31,					
	2017		2018		2019	
	RMB'000	%	RMB'000	%	RMB'000	%
Property management	330,377	78.4	423,358	68.2	592,356	44.2
Value-added services:						
Community value-added services	25,699	6.1	31,473	5.1	57,852	4.3
Value-added services to non-property owners	64,625	15.3	111,973	18.0	204,113	15.2
Intelligent community solutions	—	—	—	—	179,944	13.4
Property agency	696	0.2	47,079	7.6	259,657	19.4
Central China Consumer Club	—	—	6,829	1.1	47,170	3.5
Total	421,397	100.0	620,712	100.0	1,341,092	100.0

The following table sets forth a breakdown of our gross profit and gross profit margin in respect of our property management and value-added services by sub-business segment for the periods indicated:

	Year ended December 31,					
	2017		2018		2019	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%
Property management						
Property management	50,612	15.3	65,071	15.4	91,990	15.5
Value-added services						
Community value-added services	9,483	36.9	12,132	38.5	22,998	39.8
Value-added services to non-property owners	29,194	45.5	39,381	35.2	88,023	43.1
Intelligent community solutions	—	—	—	—	51,754	28.8
Property agency	428	61.5	30,105	63.9	128,852	49.6
Central China Consumer Club	—	—	2,100	30.8	22,324	47.3
Total	89,717	21.3	148,789	24.0	405,941	30.3

Breakdown of total GFA under management for property management services by property developers

The table below sets out the breakdown of our total GFA under management for our property management services attributable to the properties developed by the CCRE Group (and its associates or joint ventures) and third-party property developers as of the dates indicated.

	As of December 31,					
	2017		2018		2019	
	GFA		GFA		GFA	
	'000 sq.m.	%	'000 sq.m.	%	'000 sq.m.	%
The CCRE Group and its associates or joint ventures	18,500	90.9	21,506	83.7	39,272	68.9
Third-party property developers	1,861	9.1	4,182	16.3	17,711	31.1
Total	20,361	100.0	25,688	100.0	56,983	100.0

Revenue and gross profit margin of property management services by property developers

The table below sets forth a breakdown of our revenue generated and our gross profit margin from the provision of property management services attributable to the properties developed by the CCRE Group (and its associates or joint ventures) and third-party property developers for the periods indicated.

	For the year ended December 31,								
	2017			2018			2019		
	Revenue		Gross profit margin	Revenue		Gross profit margin	Revenue		Gross profit margin
	RMB'000	%	%	RMB'000	%	%	RMB'000	%	%
The CCRE Group and its associates or joint ventures	310,855	94.1	15.5	386,420	91.3	15.6	472,455	79.8	16.0
Third-party property developers	19,522	5.9	13.0	36,938	8.7	13.2	119,901	20.2	13.7
Total	330,377	100.0	15.3	423,358	100.0	15.4	592,356	100.0	15.5

During the Track Record Period, our revenue for our property management services attributable to properties developed by the CCRE Group (and its associates or joint ventures) accounted for approximately 67.5%, 55.7% and 26.9% of our total revenue, respectively. Our gross profit margin for our property management services attributable to properties developed by the CCRE Group (and its associates or joint ventures) was approximately 15.5%, 15.6% and 16.0% during the Track Record Period, respectively.

Breakdown of revenue of value-added services by property developers

The table below sets out the breakdown of our revenue for our value-added services attributable to the properties developed by the CCRE Group (and its associates or joint ventures) and third-party property developers for the periods indicated.

	For the year ended December 31,					
	2017		2018		2019	
	RMB'000	%	RMB'000	%	RMB'000	%
The CCRE Group and its associates or joint venture	80,754	88.7	135,348	68.6	630,124	84.2
Third-party property developers	10,266	11.3	62,006	31.4	118,612	15.8
	91,020	100.0	197,354	100.0	748,736	100.0

Lifestyle services

For lifestyle services, we offer a wide range of lifestyle services, which include (i) products and services we offer on our Jianye + (建業+) platform, (ii) travel services, and (iii) management services we provide in Cuisine Henan Foodcourts (建業大食堂).

The Jianye + (建業+) platform, which was operated by One Family Network and was acquired by us in 2019, was launched for provision of lifestyle services. The Jianye + (建業+) platform provides three main online services: (i) membership benefits; (ii) concierge services; and (iii) goods and services from One Family Community (一家公社). We derive revenue from the Jianye + (建業+) platform through membership benefits, concierge services (including service fees for the development of specific functions catered to the needs and convenience of the residents) and selling products and services on a "pay-as-you-go" basis on One Family Community (一家公社). We charge our members a fixed fee, which enable them to enjoy discounts on goods and services, as well as experience exclusive offers, covering various needs such as clothing, food, travel and entertainment.

We are a professional travel services provider. We commenced our travel business in 2016. Our travel packages are mainly categorized into (i) leisure tours; (ii) corporate tours; (iii) football tours; and (iv) educational tours. We generally charge a markup calculated based on the cost of activities in the itinerary, such as train tickets and accommodation.

Taking advantage of central China region's long history and the rich culinary culture, we began operating the Cuisine Henan Foodcourts (建業大食堂) on April 1, 2019, offering Henan delicacies. We cooperate with local vendors in respect of their operations in our foodcourts and we are responsible for the general management of the foodcourts, while the vendors operate their own food stalls and restaurants under our supervision. As of December 31, 2019, we operated six Cuisine Henan Foodcourts (建業大食堂) hosting over 330 vendors and offering food types representing 18 prefecture-level cities in Henan. For the foodcourts under our management, we have two types of arrangement, namely (i) leasing operation arrangement and (ii) entrustment arrangement. As for the leasing operation arrangement, we rent the premises from the property developer and operate our own foodcourt. Under such type of arrangement, we will receive payments for the food ordered by individual customers and at the end of each month, we will pay the vendor a percentage of revenue (70%-90%, depending on the type of vendor) generated by such vendor at our foodcourt. As for the entrustment arrangement, the property developer (who is also the foodcourt owner) engages us to provide property management services to the foodcourt. Under such type of arrangement, the property management services we provide include negotiation with potential vendors in respect of cooperation opportunities, marketing planning and management of the daily operations of the foodcourt. We charge the foodcourt owner a fixed annual fee calculated based on the operation size area of the foodcourt in addition to a floating fee calculated based on a certain percentage of the monthly turnover.

Breakdown of revenue of lifestyle services by business segment

The table below sets forth the details of our revenue from each service in this business segment during the Track Record Period.

	For the year ended December 31,					
	2017		2018		2019	
	RMB'000	%	RMB'000	%	RMB'000	%
Jianye + (建業+)(Note1)	—	—	—	—	156,316	50.6
Travel services(Note 2)	23,877	100.0	62,179	100.0	138,789	45.0
Cuisine Henan Foodcourts (建業大食堂)(Note 3)	—	—	—	—	13,470	4.4
Total	23,877	100.0	62,179	100.0	308,575	100.0

Notes:

1. Our Jianye +(建業+) services are provided to (i) individual users including owners or residents in residential communities developed by both the CCRE Group and its associates or joint venture and other independent third party individuals that are neither owners nor residents of the properties developed by CCRE Group and its associates or joint ventures; and (ii) corporate customers.
2. Our travel services are provided to individual consumers as well as corporate consumers.
3. All the Cuisine Henan Foodcourts (建業大食堂) managed by us are developed by the CCRE Group and its associates or joint venture and our customers include independent third party individuals and corporate customers.

Commercial property management and consultation services

For commercial property management and consultation services, we offer services in respect of (i) hotel management; (ii) commercial asset management; and (iii) cultural tourism complex management.

We commenced our hotel management service in 2017. Currently we primarily manage all hotels owned by the CCRE Group and we plan to manage more hotels owned by Independent Third Parties in the future. We provide three different types of services under hotel management, including (i) managing overall operations of a hotel, (ii) supervising hotel operation by an existing operator and (iii) providing consulting services. For the management of overall operations of a hotel, we charge a pre-determined management fee calculated based on revenue or operating profit generated from the hotel we manage and we are entitled to a performance bonus calculated based on the net operating profit. For supervising hotel operation by an existing operator, we charge a fixed management fee calculated based on the number of hotel rooms in the respective hotel and we are also entitled to an incentive management fee calculated based on net operating profit. For consulting services, we charge a fixed fee on case by case basis depending on the scale of a hotel and the term of a consulting contract.

For commercial property management service, we primarily manage shopping malls by providing two main categories of services: (i) we provide pre-opening consultation, which includes services such as market research on vendor and clientele demographics, financial analysis, vendor solicitation and management, and strategic planning; and (ii) we provide post-opening management services, which includes services such as vendor management, sales and operation management, and training management. As of December 31, 2019, we managed seven shopping malls located in various cities in Henan, including Zhengzhou, Luoyang and Nanyang. We calculate fixed fee per month based on the scale and complexity of the project. For the management of shopping malls, during the pre-opening consulting phase, we generally charge a monthly fee, and a one-off business solicitation commission fee (which is 150% of the monthly rent paid to the owners of the shopping malls by such vendors). In respect of post-opening management fees, we generally charge a monthly fee, a one-off opening incentive payable as a fixed fee per sq.m. and an annual incentive management service fee payable with reference to the excess over the targeted net opening profit or 5%-10% of the total revenue plus 10% of profit.

For cultural tourism complex management, we started managing cultural tourism complexes in 2019. As of December 31, 2019, we managed three cultural tourism complexes in Henan. For the year ended December 31, 2019, our revenue derived from cultural tourism complexes management was RMB70.8 million.

Breakdown of revenue of commercial property management and consultation services by business segment

The table below sets forth the details of our revenue from each service in this business segment during the Track Record Period.

	For the year ended December 31,					
	2017		2018		2019	
	RMB'000	%	RMB'000	%	RMB'000	%
Hotel Management	15,258	100.0	11,097	100.0	17,499	16.7
Commercial property management	—	—	—	—	16,451	15.7
Cultural Tourism Complex Management	—	—	—	—	70,785	67.6
Total	15,258	100.0	11,097	100.0	104,735	100

Breakdown of revenue of commercial property management and consultation services by the CCRE Group and its associates or joint ventures and Independent Third Parties

The table below sets forth a breakdown of our revenue from commercial property management and consultation services recognized by two categories, the CCRE Group and its associates or joint ventures and Independent Third Parties, for the periods indicated:

	Year ended December 31,					
	2017		2018		2019	
	RMB'000	%	RMB'000	%	RMB'000	%
The CCRE Group and its associates or joint ventures(Note 1)	15,247	99.9	11,077	99.8	97,945	93.5
Independent Third Parties(Note 2)	11	0.1	20	0.2	6,790	6.5
Total	15,258	100.0	11,097	100.0	104,735	100.0

Notes:

1. This also represents the revenue from commercial property management and consultation services attributable to the properties developed by the CCRE Group and its associates or joint ventures.
2. This also represents the revenue from commercial property management and consultation services attributable to the properties developed by the Independent Third Parties.

OUR STRENGTHS

We believe the following competitive strengths are crucial to our success and essential for our future growth: (i) Central China (建業) is a leading, highly recognizable brand in central China; (ii) our comprehensive one-stop service platform with strong monetization capability and growth potential; (iii) largest property management service provider in central China; (iv) our "property management + commercial property management and consultation" two-pronged growth strategy which accelerates our growth; and (v) visionary and seasoned management team, solid corporate governance and effective talent upskilling and incentive systems. Please see section headed "Business—Competitive Strengths" in this prospectus for further details.

OUR STRATEGIES

To achieve our mission which is to enrich the living experience and lifestyle of all the people in Henan (我們的使命是讓河南人民都過上好生活), to continuously increase our revenue and to further improve our efficiency and profitability, we intend to pursue the following strategies: (i) expand our range of services and develop our Jianye + (建業+) platform; (ii) expand our business scale through organic growth, strategic investments, cooperation and acquisitions; (iii) strengthen our brand recognition and marketing, and leverage our brand awareness to grow our revenues and platform users; (iv) enhance our commercial property management and consultation services; and (v) further improve management and operational efficiency by leveraging advanced technologies. Please see section headed "Business—Business Strategies" in this prospectus for further details.

OUR CUSTOMERS AND SUPPLIERS

Our customer base primarily includes property developers, property owners and residents and local property management companies. Our top five customers accounted for approximately 18.1%, 18.5% and 40.7% of our total revenue during the Track Record Period, respectively. Our largest customer, the CCRE Group (our connected person by virtue of being ultimately controlled by Mr. Wu, our Controlling Shareholder), accounted for approximately 14.5%, 16.6% and 36.9% of our total revenue in the same periods. Our Group has a long-standing and well-established business relationship with the CCRE Group which dates back to 1999. During the Track Record Period and as of the Latest Practicable Date, the services provided by us to the CCRE Group (as a property developer) included: (i) property consultation and management services; (ii) real estate agency services; (iii) intelligent technology services; (iv) commercial property management services; (v) green house management services; (vi) membership maintenance and management services; and (vii) tourism services. We have had ongoing business relationships with our five largest customers during the Track Record Period for approximately five years on average.

We have established stable and long-term business relationship with most of our major service providers and suppliers, primarily includes suppliers of security, cleaning and labor outsourcing services. Our top five suppliers accounted for approximately 37.3%, 29.2% and 14.8% of our total cost of sales during the Track Record Period, respectively. Our largest supplier accounted for approximately 22.3%, 16.4% and 6.1% of our total cost of sales in the same periods.

We delegate certain property management and value-added services, such as cleaning, greening and gardening and security guard functions to third party subcontractors to fill specific positions/ functions in our business segments to cover basic functions when we encounter capacity constraints and to lower costs of services. These subcontractors provide such services directly to the customers. During the Track Record Period, our subcontracting costs amounted to RMB16.8 million, RMB59.4 million and RMB264.1 million, respectively, accounting for 4.7%, 11.1% and 22.4% of our total cost of sales, respectively.

We also engage labor outsourcing service providers who dispatch to us suitable dispatched staff as requested by us from time to time. Such dispatched staff are used by us for the provision of our services. During the Track Record Period, our outsourcing labor cost for the labor outsourcing service providers amounted to approximately RMB124.1 million, RMB120.9 million and RMB48.7 million, respectively.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Immediately upon completion of the Global Offering and the Capitalization Issue, Enjoy Start (which is wholly-owned by Mr. Wu) will directly hold approximately 70.62% of the issued share capital of our Company (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the Pre-IPO Share Options and the Post-IPO Share Options). Enjoy Start is an investment holding company incorporated in BVI. Accordingly, each of Enjoy Start and Mr. Wu is our Controlling Shareholder.

We believe that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after the Listing due to our management independence, mutual and complementary relationship with the CCRE Group, operational independence and financial independence. For further details, please see section headed "Relationship with Controlling Shareholders—Independence from our Controlling Shareholders" in this prospectus.

We have entered into a number of agreements with our connected persons (being members of the CCRE Group), please refer to the section headed "Connected Transactions" in this prospectus for further details. The transactions disclosed in the section headed "Connected Transactions" in this prospectus are expected to continue and will constitute continuing connected transactions of our Group under Chapter 14A of the Listing Rules upon Listing. CCRE is indirectly held as to more than 30% by Mr. Wu, one of our Controlling Shareholders, and therefore is an associate of our Company under the Listing Rules. Accordingly, the transactions between our Group and members of the CCRE Group will constitute connected transactions of our Group upon Listing.

PRE-IPO INVESTMENT

On March 15, 2019, our Company entered into a share subscription agreement with OP Financial (an Independent Third Party), pursuant to which 339,000 Shares were allotted and issued to OP Financial at a consideration of HK$11.0 million (amounted to 0.66% shareholding in our Company immediately upon completion of the Global Offering). Please see "History, Development and reorganization—Post-Reorganization—Pre-IPO investment by OP Financial" in this prospectus for details of such pre-IPO investment.

FUTURE PLANS AND USE OF PROCEEDS

We estimate the net proceeds of the Global Offering we will receive, assuming an Offer Price of HK$6.40 per Offer Share (being the mid-point of the Offer Price Range stated in this prospectus), will be approximately HK$1,785 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option, Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme are not exercised. We intend to use the net proceeds of the Global Offering for the following purposes assuming the

Offer Price is fixed at HK$6.40 per Offer Share (being the mid-point of the indicative Offer Price Range):

- approximately 60% of our net proceeds, or approximately HK$1,071.0 million, to be used to pursue strategic investment and acquisition opportunities to further expand the business scale and property portfolio of our property management business and value-added services. Our targets would include (i) property management service providers with good reputation, high-quality assets and a total GFA under management of at least three million sq.m.; (ii) property management service providers with operational efficiency or profit margin improvement potential; (iii) companies whose business that will expand property portfolio, such as public properties and office buildings, or geographic coverage, with a focus on the central China region; and (iv) other companies that can bring synergies, such as companies providing information technology;
- approximately 15% of our net proceeds, or approximately HK$267.8 million, to be used on our Jianye + (建業+) platform and to optimize our users' experience by (i) developing and optimizing software and the Cloud system, expanding our R&D team and optimizing its organization and functionality, enhancing user experience and satisfaction and strengthening our data analytical capability; (ii) improving and expanding our facilities and equipment such as servers, smart community IoT devices and new retail experiential devices, to support larger-scale user interactions, improve user experience, enhance service network and increase our contact frequency with customers; (iii) cooperating with more suppliers, expanding the scale and diversity of membership resources and providing members with more benefits and privileges and quality service experience; and (iv) acquiring new users and increase active users and paying users at a relatively low investment;
- approximately 15% of our net proceeds, or approximately HK$267.8 million, to improve operational efficiency by (i) building intelligent communities and upgrading facilities, targeting to cover all of our managed properties by the end of 2020; (ii) developing our financial sharing system to share financial information on income, costs and funds among designated personnel, and our human resource system to monitor the recruitment—transition—exit process, to facilitate more smooth internal coordination and minimize human errors; (iii) developing a process control and KPI integration system to monitor our day-to-day operations on a real-time basis; and (iv) achieving digitalized documentation and cloud computing to enhance data security and support our data analysis; and
- approximately 10% of our net proceeds, or approximately HK$178.5 million, to be used to provide funding for our working capital and other general corporate purpose.

For further details, please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables set out selected financial information for the periods indicated and should be read together with the consolidated financial information set forth in Appendix I to this prospectus, including the accompanying notes, and the information set out in the section headed "Financial Information" in this prospectus.

Consolidated statements of comprehensive income

	Year ended December 31,		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Continuing operations			
Revenue	460,532	693,988	1,754,402
Cost of sales	(355,268)	(533,306)	(1,178,118)
Gross profit	105,264	160,682	576,284
Selling and marketing expenses	(5,172)	(11,748)	(46,494)
Administrative expenses	(63,681)	(86,360)	(230,311)
Net impairment losses on financial assets	(574)	(1,539)	(182)
Other income	56,809	49,405	20,463
Other gains—net	8,055	4,730	4,096
Operating profit	100,701	115,170	323,856
Finance income	202	223	933
Finance cost	(49,312)	(43,020)	(17,219)
Finance cost—net	(49,110)	(42,797)	(16,286)
Share of net (loss)/profit of an associate accounted for using the equity method	1,310	(506)	(29)
Profit before income tax	52,901	71,867	307,541
Income tax expenses	(13,775)	(19,897)	(74,702)
Profit from continuing operations	39,126	51,970	232,839
Loss from discontinued operation[1]	(42,602)	(69,737)	(5,054)
Profit/(loss) for the year	(3,476)	(17,767)	227,785
Profit/(loss) is attributable to:			
—Owners of the Company	23,411	19,471	233,954
—Non-controlling interests	(26,887)	(37,238)	(6,169)
	(3,476)	(17,767)	227,785
Profit/(loss) for the year	(3,476)	(17,767)	227,785
Other comprehensive income for the year, net of tax	—	—	—
Total comprehensive income/(loss) for the year	(3,476)	(17,767)	227,785
Total comprehensive income/(loss) for the year is attributable to:			
—Owners of the Company	23,411	19,471	233,954
—Non-controlling interests	(26,887)	(37,238)	(6,169)
	(3,476)	(17,767)	227,785

Note:

(1) The loss from discontinued operation represents the loss recorded by Central China OP and its subsidiaries, which was principally engaged in the provision of property sub-leasing service and were disposed of by our Group during the Track Record Period. Please refer to the section headed "History, Reorganization and Corporate Structure—Post-Reorganization—Disposal of Central China OP" for further details.

	Year ended December 31,		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Total comprehensive income/(loss) for the year attributable to owners of the Company arises from:			
—Continuing operations	39,126	51,293	232,132
—Discontinued operation	(15,715)	(31,822)	1,822
	23,411	19,471	233,954
Earnings per share for profit from continuing operations attributable to the owners of the Company (expressed in RMB per share)			
—Basic and diluted	1.03	1.35	6.07
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)			
—Basic and diluted	0.62	0.51	6.12

Note: The earnings per share presented above has not been taken into account the proposed capitalization issue pursuant to the resolutions in writing of the shareholders passed on April 29, 2020 because the proposed capitalization issue has not become effective on or before the date of this prospectus.

During the Track Record Period, our revenue was approximately RMB460.5 million, RMB694.0 million and RMB1,754.4 million, respectively. During the Track Record Period, we derived a substantial amount of our revenue from property management and value-added services we provided, represented over 76% of our revenue. During the Track Record Period, majority of such revenue was generated from property management and value-added services, amounted to approximately RMB421.4 million, RMB620.7 million and RMB1,341.1 million, respectively, accounting for approximately 91.5%, 89.4% and 76.4% of our total revenue, for the respective period. The increase in such revenue was primarily due to (i) an increase in our total GFA under management from approximately 20.4 million sq.m. as of December 31, 2017 to 57.0 million sq.m. as of December 31, 2019 and (ii) an increase in average property management fee rate charged for the residential properties we managed from RMB1.73 per sq.m./month for the year ended December 31, 2017 to RMB1.89 per sq.m./month for the year ended December 31, 2018 then to RMB1.82 per sq.m./month for the year ended December 31, 2019; (iii) the expansion of our service scope into different segments under value-added services, namely property agency services, CCCC and intelligent community solutions, which we commenced in 2017, 2018 and 2019, respectively; and (iv) our increase in cooperation with the CCRE Group which brought mutual benefits to the businesses of both the CCRE Group and our Group. Our costs of sales are primarily affected by our employee benefits expenses, our outsourcing labor costs, our greening and cleaning expenses and our outsourcing costs of tourism services. The significant increases in these items under cost of sales were mainly attributable to the rise in our headcount and the expansion of our operations.

Our gross profit during the Track Record Period was approximately RMB105.3 million, RMB160.7 million and RMB576.3 million, respectively. Significant increase in our gross profit was mainly owing to an increase in revenue, primarily attributable to (i) an increase in our average property management fees from RMB1.73 per sq.m./month to RMB1.89 per sq.m./month then to RMB1.82 per sq.m./month for our residential properties over the same period; (ii) our revenue derived from property agency services that have a higher gross profit margin (we recorded over 49% of gross profit margin throughout the Track Record Period) surging from approximately RMB0.7 million to approximately RMB47.1 million to approximately RMB259.7 million for the year ended December 31, 2017, 2018 and 2019, respectively; (iii) a significant increase in revenue in our lifestyle services from approximately RMB23.9 million for the year ended December 31, 2017 to approximately RMB62.2

million for the year ended December 31, 2018, mainly due to our travel services continued to ramp up following its commencement in 2016. Our revenue from lifestyle services then surged to RMB308.6 million for the year ended December 31, 2019, primarily due to our acquisition of One Family Network in 2019 which brought to our Group of approximately 2.2 million registered users as of December 31, 2019 and thereby led to an increase in revenue of approximately RMB156.3 million derived from the Jianye + (建業+) platform for the same period. On the other hand, we were able to effectively spread our costs over the newly added GFA under management and also our value added services.

Our gross profit margin was approximately 22.9%, 23.2% and 32.8% for the years ended December 31, 2017, 2018 and 2019, respectively. Our overall gross profit margins are affected by our business mix. Our gross profit margin experienced an upward trend during the Track Record Period, primarily reflecting our expansion of service scope (which had a higher gross profit margin), in particular (i) the growth of our lifestyle services which had an increase in gross profit margin from approximately 8.9% for the year ended December 31, 2018 to approximately 32.8% for the year ended December 31, 2019 which was primarily because of our acquisition of One Family Network in 2019 which brought to our Group of approximately 2.2 million registered users as of December 31, 2019; (ii) an increase in the gross profit margin in property management and value-added services throughout the Track Record Period which was primarily attributable to our expansion of business scope with commencement of property agency services for new properties in 2018; (iii) the growth of our commercial property management and consultation services which had the highest gross profit margin among all the business segments during the Track Record Period; (iv) an increase in our total GFA under management from approximately 20.4 million sq.m. as of December 31, 2017 to approximately 57.0 million sq.m as of December 31, 2019 coupled with our increase in average property management fee and, in particular, with our raise in the property management fee rates in 17 projects by an average of approximately 41.8% during the Track Record Period; (v) our increase in cooperation with the CCRE Group which brought mutual benefits to the businesses of both the CCRE Group and our Group; and (vi) our cost of sales grew at 50.1% and 120.9% for the same period, which were below our revenue growths for each of the periods as we were able to spread our costs over the new businesses we acquired. Citing to the abovementioned reasons, we recorded an upward trend of our overall gross profit margin during the Track Record Period. For further details on our gross profit and gross profit margin by business segments, please refer to section headed “Financial Information—Gross Profit and Gross Profit Margin” in this prospectus.

Our profit and total comprehensive income from continuing operations increased from approximately RMB39.1 million for the year ended December 31, 2017 to approximately RMB232.8 million for the year ended December 31, 2019, which was primarily attributable to our significant rise in revenue due to expansion of our operations, partially offset by, *inter alia*, (i) the fluctuation in finance costs during the three years ended December 31, 2019 primarily in connection with the ABS arrangement; and (ii) the general increase in administrative expenses primarily owing to an increase in the number of employees we hired to cater for our business expansion during the Track Record Period. Our administrative expenses primarily consist of employee benefit expenses, professional service fees, depreciation and amortization charges, traveling and entertainment expenses, office expenses, listing expenses, others. The general increase in administrative expenses during the Track Record Period was primarily attributable to the growth of our business. Our administrative expenses during the Track Record Period were approximately RMB63.7 million, RMB86.4 million and RMB230.3 million, respectively, accounting for approximately 13.8%, 12.4% and 13.1% of the total revenue generated from continuing operations for the same periods. For further details on our administrative expenses and finance costs during the Track Record Period, please refer to sections headed "Financial Information—Description of Certain Consolidated Statements of Comprehensive Income Items— Administrative expenses" and "Financial Information—Description of Certain Consolidated Statements of Comprehensive Income Items—Finance Cost" in this prospectus.

Our other income consists of interest income from loans to entities controlled by Mr. Hua Ziyi and Mr. Hua Zhichang and government grants received by Central China Property Management. For further details of the loan, please refer to section headed "Financial Information—Description of Certain Consolidated Statements of Comprehensive Income Items—Other receivables" in this prospectus. We also recorded value-added tax deductibles for the year ended December 31, 2019 pursuant to favorable government policies. There were no conditions or other contingencies attached to such government grants or value-added tax deductibles. Government grants are discretionary and uncertain in nature as they are susceptible to change in regulations and policies.

Our net other gains or losses consist of (i) net fair value gains or losses on financial assets and (ii) net gains or losses on disposal of equipment. Our financial assets at fair values through profit or loss mainly include wealth management products and fund products. For more information on our wealth management products, please see section headed "Financial Information—Selected Items of the Consolidated Balance Sheet—Financial Assets at Fair Value through Profit or Loss" in this prospectus. Our net gains or losses on disposal of equipment mainly include gains from disposals of air-conditioners, photocopiers and computers.

Selected items of consolidated balance sheets

	As of December 31,		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Total current assets	1,062,312	1,040,548	1,362,187
Total current liabilities	452,282	625,941	1,017,667
Net current assets	610,030	414,607	344,520
Total non-current assets	277,508	283,294	101,257
Total non-current liabilities	787,954	600,586	64,128
Net assets	99,584	97,315	381,649
Total equity	99,584	97,315	381,649

Our net assets decreased slightly from approximately RMB99.6 million as of December 31, 2017 to RMB97.3 million as of December 31, 2018 was mainly due to the loss of approximately RMB17.8 million recognized for the year ended December 31, 2018. We recorded loss of approximately RMB69.7 million from our discontinued operation for the year ended December 31, 2018, of which approximately RMB37.9 million was attributable to non-controlling interests.

Our total equity increased from approximately RMB97.3 million as of December 31, 2018 to approximately RMB381.6 million as of December 31, 2019, primarily attributable to our business expansion.

Selected items of consolidated statements of cash flows

	Year ended December 31,		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Operating activities			
Continuing operations	66,019	93,874	265,255
Discontinued operation	17,830	39,588	15,444
Net cash generated from operating activities	83,849	133,462	280,699
Investing activities			
Continuing operations	261,333	159,831	620,876
Discontinued operation	(35,174)	(22,324)	23,056
Net cash generated from investing activities	226,159	137,507	643,932
Financing activities			
Continuing operations	(265,532)	(219,633)	(450,474)
Discontinued operation	(22,207)	(38,890)	(23,813)
Net cash used in financing activities	(287,739)	(258,523)	(474,287)
Net increase in cash and cash equivalents	22,269	12,446	450,344
Cash and cash equivalents at beginning of year	99,545	121,814	134,260
Exchange gain on cash and cash equivalents	—	—	191
Cash and cash equivalents at end of year	121,814	134,260	584,795

Net cash generated from operating activities

For the year ended December 31, 2019, net cash generated from operating activities was RMB280.7 million, consisting of cash generated from continuing operations of RMB265.3 million and discontinued operation of RMB15.4 million. The net operating cash generated from continuing operations was primarily a combined result of operating cash inflow before movements in working capital of RMB328.4 million, income tax paid of RMB50.9 million and decrease in working capital of RMB12.2 million. The decrease in working capital was primarily reflected by an increase in trade and other receivables and prepayments of RMB450.0 million and partially offset by an increase in contract liabilities of RMB161.3 million and trade and other payables of RMB283.6 million.

Net cash generated from investing activities

For the year ended December 31, 2019, net cash generated from investing activities was RMB643.9 million, consisting of cash generated from continuing operations of RMB620.9 million and discontinued operation of RMB23.0 million. The cash generated from continuing operations primarily reflecting (i) repayment from other parties in the amount of RMB564.0 million, (ii) proceeds from disposal of financial assets at fair value through profit or loss of RMB309.0 million and (iii) interest received in the amount of RMB54.9 million, partially offset by acquisition of financial assets at fair value through profit or loss in the amount of RMB278.4 million.

Net cash used in financing activities

For the year ended December 31, 2019, net cash used in financing activities was RMB474.3 million, consisting of cash used in continuing operations of RMB450.5 million and cash used in discontinued operation of RMB23.8 million. The cash used in continuing operations was reflecting primarily repayment of borrowings in the amount of RMB436.4 million and interest paid in the amount of RMB32.4 million, partially offset by a capital injection from the shareholders of the Company in the amount of RMB9.4 million, and cash advances from entities controlled by Mr. Wu in the amount of RMB21.4 million.

Accumulated loss

Throughout 20 years of experience and operations in the property management industry, our Group went through various business development phases and has successfully transformed from a supporting role to a property developer to a profitable independent service provider of property management and value-added services and also a service provider of lifestyle and commercial property management and consultation services. Since the incorporation of one of our major operating subsidiaries, Central China Property Management, in 1999, our Group has then been providing the majority of our property management services to properties developed by the CCRE Group and its associates or joint ventures. Further, as we were only providing traditional property management services when we first commenced our business, our revenue was primarily derived from the provision of property management services. Due to the fact that (i) we had a relatively low total GFA under management since incorporation until the end of 2014 when our total GFA under management exceeded 10 million sq.m., which coupled with the relatively low property management fee we were charging at the time and that we continued to incur expenses of a fixed nature, hence our Group only managed to break even until the end of 2014 when our business scale reached a point where we could achieve higher economic efficiency by spreading our costs; (ii) as confirmed by CIA, one of our industry consultants, as a result of the low awareness and demand of property management services in the market as well as the rules and regulations imposed by the PRC government in order to control the management fee rates, we had charged the properties under our management at a low property management fee rate when we first commenced our property management business. Our property management fee for the years ended December 31, 2013 and 2014 was approximately RMB1.49 per sq.m./month on average comparing to an average of RMB1.66 per sq.m./month for the years ended December 31, 2015 and 2016. Such adjustment was due to the new regulation promulgated by the PRC government that came into effect in December 2014, which as advised by our PRC Legal Advisers, abolished pricing control policies for property management services (國家發展和改革委員會關於放開部分服務價格意見的通知) (發改價格[2014]2755號) and we were able to increase our property management fee since 2015 and (iii) the start up of our business continued to incur expenses of a fixed nature such as the standard overhead costs and labor costs in respect of attracting and retaining qualified employees for our management team at the time, our Group had recorded accumulated loss of approximately RMB9.1 million as at January 1, 2017. As confirmed by CIA, reasons for property management companies of a smaller scale to incur loss prior to 2014 were due to (i) the rigid pricing policies imposed by the PRC government in which property management fees collected were less than the costs incurred; and (ii) additional value-added services were not in demand hence the only source of revenue generated was mainly from property management services which has lower gross profit margin than value-added services, as a result, property management companies of a smaller scale generally take longer to break even. Since our focus has been on the provision of quality property management services to our customers, hence the property management fees we charged prior to 2014 could not fully cover the costs incurred. As a result, our costs exceeded the revenue generated, thus our Group had incurred accumulated loss and was only able to break even until end of 2014 even though we receive property management fees prior to providing property management services. However, we managed to turnaround our business to profitability. For details on the factors that led to such profitability, see the section headed "Financial Information—Selected Items of the Consolidated Balance Sheets—Accumulated Losses" in this prospectus.

KEY FINANCIAL RATIOS

The following table below sets out the key financial ratios of our Group during the Track Record Period:

	As of / for the year ended December 31,		
	2017	2018	2019
Return on equity	-3.5%	-18.3%	59.7%
Return on assets	-0.3%	-1.3%	15.6%
Current ratio	2.3x	1.7x	1.3x
Gearing ratio	612.5%	448.5%	0.0%
Gross margin	22.9%	23.2%	32.8%
Net profit margin from continuing operations	8.5%	7.5%	13.3%

GLOBAL OFFERING STATISTICS(1)

	Based on the Offer Price of HK$5.04 per Offer Share after Downward Offer Price Adjustment of 10%	Based on the Offer Price of HK$5.60 per Offer Share	Based on the Offer Price of HK$7.20 per Offer Share
Market capitalization of our Shares(2)	HK$6,048 million	HK$6,720 million	HK$8,640 million
Pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share(3)	HK$1.46	HK$1.60	HK$1.99

Notes:

(1) All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

(2) The calculation of market capitalization is based on 1,200,000,000 Shares in issue immediately following the completion of the Capitalization Issue and Global Offering.

(3) The unaudited pro forma adjusted net tangible assets per Share is calculated after making the adjustment referred to in Appendix II and based on 1,200,000,000 Shares to be issued and outstanding following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

QUALIFICATIONS FOR LISTING

We are able to satisfy the market capitalization, revenue and cash flow test pursuant to Rule 8.05(2) of the Listing Rules.

PRE-IPO SHARE OPTION SCHEME AND POST-IPO SHARE OPTION SCHEME

We have adopted the Pre-IPO Share Option Scheme. The principal terms of the Pre- IPO Share Option Scheme are summarized in "Appendix IV—Statutory and General Information—D. Pre-IPO Share Option Scheme" in this prospectus.

We have adopted the Post-IPO Share Option Scheme. The principal terms of the Post-IPO Share Option Scheme are summarized in "Appendix IV—Statutory and General Information—E. Post-IPO Share Option Scheme" in this prospectus.

DIVIDEND POLICY

During the Track Record Period, we did not declare or pay any dividend. We expect to pay dividend in the amount of at least 30% of our distributable net profit for each year after the Listing, with the first dividend to be declared when our Company announces our interim results for the six months ending June 30, 2020. The payment and amounts of dividends, if any, depend on various factors, including our profit for the year, the availability of dividends received from our subsidiaries, our capital and investment requirements and other factors our Board deems relevant.

Under the Articles of Association, our Company in general meeting may declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board. The Articles of Association provide dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law.

RISK FACTORS

There are certain risks relating to an investment in the Offer Shares. These risks can be broadly categorized into: (i) risks relating to our businesses and industries; (ii) risks relating to conducting business in the PRC; and (iii) risks relating to the Global Offering. A detailed discussion of the risk factors is set forth in the section headed "Risk Factors" in this prospectus. A summary of certain of these risk factors is set forth below. Any of the following developments may have a material and adverse effect on our business, financial condition, results of operations and prospects:

(i) our future growth may not materialize as planned, and any failure to manage our future growth effectively may have a material adverse effect on our business, financial condition and results of operations;

(ii) a substantial portion of our revenue is generated from services we provide to the CCRE Group or in relation to the CCRE Group's projects;

(iii) our Jianye + (建業+) platform may not grow as planned;

(iv) we are subject to risks beyond our control relating to epidemics, acts of terrorism, wars or other natural or man-made calamities in China and globally;

(v) termination or non-renewal of our property management services, commercial property management and consultation services for a significant number of properties could have a material adverse effect on our business, financial position and results of operations;

(vi) we may fail to effectively anticipate or control our costs in providing our property management services, for which we generally charge our customers on a lump sum basis;

(vii) we may experience fluctuations in our labor and subcontracting costs;

(viii) we are exposed to credit risks as difficulties in collecting our property management fees may lead to impairment of our trade receivables; and

(ix) we may need to provide impairment loss for our intangible assets and goodwill, which could negatively affect our results of operations and financial position.

You should read the entire section headed "Risk Factors" in this prospectus before you decide to invest in the Offer Shares.

NON-COMPLIANCE

We advanced loans during the Track Record Period, which were not in compliance with the General Lending Provisions promulgated by the PBOC. Please refer to the section headed "Business—Legal Proceedings and Compliance" in this prospectus.

LISTING EXPENSES

The total listing expenses (including underwriting commissions) for the listing of the Shares are estimated to be approximately RMB123.2 million or 7.0% of gross proceeds (assuming an Offer Price of HK$6.40 per Share (being the mid-point of the Offer Price range stated in this prospectus) and no exercise of the Over-allotment Option), among which, approximately RMB74.1 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately RMB49.1 million will be charged to our consolidated statement of comprehensive income. During the Track Record Period, we incurred listing expenses of approximately RMB41.4 million, of which approximately RMB10.8 million was included in prepayments and will be subsequently charged to equity upon completion of the Listing and approximately RMB30.6 million was charged to consolidated statement of comprehensive income.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to December 31, 2019 (being the date of our latest audited consolidated statements of financial position as set out in the Accountant's Report in Appendix I to this prospectus), the number of our managed properties increased by 6 residential properties (with an additional aggregate GFA under management of approximately 0.5 million sq. m.) as at the Latest Practicable Date. Our aggregate GFA under management increased by approximately 2.3 million sq.m. from approximately 57.0 million sq.m. as of December 31, 2019 to approximately 59.3 million sq.m. as of the Latest Practicable Date. We had an additional number of 24 property management contracts signed (with an additional aggregate contracted GFA of approximately 3.9 million sq.m.) since December 31, 2019 and up to the Latest Practicable Date.

Recently, an outbreak of Novel Coronavirus started in Wuhan city, Hubei province and is spreading worldwide quickly which raised concern around the world. Our business is mainly based in Henan province, which is in close proximity to the most severely infected area – Hubei province. As at March 26, 2020, we had a record of 6 confirmed cases among our residents, which all of them had recovered and were discharged from the hospital, and 7 residents, who were family members to the confirmed infected-patients, were sent to the governmental designated areas for strict quarantine in Henan province. Furthermore, all of our business segments have gradually resumed operations and none of our employee failed to report to duty. However, in light of the severity of the outbreak of disease, our Group has implemented the following control measures in early January 2020 to prevent transmission of or any further exposure to disease within the communities: (i) distribution of disposable masks and gloves and uniform among our staffs and they are required to be fully equipped with all preventive clothing and accessories distributed to them every day; (ii) cleaning and disinfection of facilities, gym equipment, benches, playgrounds, sewage systems, pipelines every day; (iii) disinfection of floors, elevator buttons and elevators of the properties at least twice a day; (iv) flexible working from home arrangement for our middle-office and back-end staffs; (v) strict quarantine for suspected cases among our residents in which case the residents concerned are subject to compulsory quarantine at designated locations imposed by the PRC government for at least 14 days with either a sign hanging on their door indicating the respective resident is a suspected case or with notice sent to the residents in the same community. During this period, designated staff within the community will go to the residence every day for body temperature measurements. We will also deliver necessities to the residence directly when requested; (vi) mandatory infrared contactless body temperature measurement for all our staffs and subcontractors each time they enter or leave the working premises; and (vii) staffs are refrained from having meals together but to bring their own meal box and are scheduled a different time slot for lunch or dinner. The outbreak, which is expected to result in a high number of fatalities, is likely to have an adverse impact on the economy of the PRC, especially in Wuhan city, Hubei province. As such, the property market and sale of goods business in the PRC, particularly Wuhan city, Hubei Province, may be adversely impacted. According to CIA, one of our industry consultants, the outbreak of Novel Coronavirus pandemic will bring about the following impact or opportunities to our business.

In respect of one of our business strategies to expand our geographic presence and business across the central China region, according to CIA, due to the outbreak of Novel Coronavirus pandemic, the completion and delivery of properties from the property developers are expected to experience some extent of delay, as a result, the growth of our GFA under management might slow down accordingly. Our Directors had not identified any suitable targets as of the Latest Practicable Date and due to the outbreak of Novel Coronavirus pandemic, we would not consider any acquisitions in Hubei province until the pandemic is effectively controlled in China in the future. As for our property management services in respect of residential properties, the impact of the outbreak of Novel Coronavirus pandemic is expected to be minimal. Nevertheless, our Directors believe that it creates an opportunity for us to establish a more bonded relationship with our residents since we do not only provide daily living-related services but also extensive preventive measures that safeguard the hygiene of the community and health of our residents during the outbreak. If the residents are satisfied with the additional preventive measures we have implemented, we believe we may be able to raise our property management fees and also further increase our collection rate of property management fees. According to CIA, the additional preventive measures we have implemented could help reduce fear amongst the owners and residents in the communities under our management, thereby increasing their recognition, trust and satisfaction of our Group. Furthermore, the preeminent property management services we endeavor to provide to the property owners and residents can enhance owners' trust on property management companies and demand for quality services, which has a positive impact on the collection rate of subsequent property management fees. However, for our property management services of non-residential properties, the impact may be more adverse comparing with residential properties. This is because offices and shops in the commercial buildings under our management have suspended operations temporarily during the outbreak, if the outbreak of Novel Coronavirus pandemic continues, the tenants of the offices and shops which experience continued financial loss might terminate their lease agreement to cease any further financial loss.

As for our Jianye + (建業+) platform, according to iResearch, one of our industry consultants, the outbreak of Novel Coronavirus pandemic may increase the demand of our customers and stimulate growth of revenue. During the outbreak of Novel Coronavirus pandemic, there has been a reduction in people going out and buying takeaway, cooking at home has become an important daily matter for every household, in the community families' rigid demand for fresh food has expanded during the outbreak of Novel Coronavirus pandemic, online demand has greatly increased. The outbreak of Novel Coronavirus pandemic has given impetus to the speedy development of fresh delivery to home services which will promote and accelerate the convergence of online and offline services. Thus, the outbreak of Novel Coronavirus pandemic will have a positive impact on our Jianye + (建業+) platform services.

However, if the outbreak of Novel Coronavirus pandemic continues to worsen, our business operations and financial performance, including property management services and Jianye + (建業+) would be adversely affected due to the increase in unemployment rate as a result of the draconian measures designed to mitigate the further spread of the Novel Coronavirus pandemic, which could have a significant social and economic impact. In the event that unemployment rate increases in China, property management and value-added services could be regarded as redundant and residents might be more reluctant or even incapable of paying for property management and value-added services. Similarly, if the Novel Coronavirus pandemic continues to worsen and eventually results in a higher unemployment rate, the spending power in China would decrease accordingly and would affect our registered users' consumption of goods and services on our Jianye + (建業+) platform. Further, the suppliers we worked with on our Jianye + (建業+) platform might cease operations and we might experience shortage of supplies followed by a further decrease in consumption of goods and services or even loss of customers.

The ongoing outbreak of Novel Coronavirus pandemic has increased our costs in managing properties in which we had to purchase infrared thermometers, safety goggles, thermal face recognition devices, disposable masks and gloves, preventive uniform and sanitizing products worldwide from reputable and trustworthy manufacturers to ensure safety of health among our staff. Also, due to the ongoing outbreak of Novel Coronavirus pandemic, we had encountered the following issues as of March 26, 2020 which may result in the following impact on our business operation and financial performance:

(i) as the staffs are required to work during the outbreak of Novel Coronavirus pandemic, we compensated our staffs and subcontractors that were on duty for their effort with a one-off allowance, as such we incurred an additional cost of approximately RMB8.0 million for such compensation. Furthermore, we gave each of our staffs and subcontractors a one-off subsidy of approximately RMB200 per person, amounting to approximately RMB2.9 million in total, to subsidize any additional costs that might have incurred during this outbreak. We have also made provision of approximately RMB0.7 million to reward our staffs and subcontractors for their hard work when this outbreak of Novel Coronavirus pandemic ends. In addition, we have incurred approximately RMB13.6 million for the purchase of preventive measures such as masks, hand sanitizers, disposable gloves and uniform for our staffs for their daily use. Breaking down the aforementioned costs by business segments, we have incurred approximately RMB23.6 million, RMB1.0 million and RMB0.6 million for each of our property management and value-added services, lifestyle services and commercial property management and consultation services during the first quarter of 2020, respectively. It is expected that we would incur an additional costs of approximately RMB8.7 million, RMB0.7 million and RMB0.5 million for each of our business segments, respectively during the second quarter of 2020;

(ii) as seven of our residents were subject to strict quarantine, this may arouse fear among our staff and residents and may affect our brand name or reputation; and

(iii) the growth of increase in our GFA under management may slow down as the current outbreak may hinder the property developers in completing the construction. Hence, impacting on the timeline of the properties that could be delivered to us for management. Subsequent to December 31, 2019, we had entered into property management contracts for an additional 14 residential properties and 10 non-residential properties with a total contracted GFA of approximately 3.9 million sq.m as of the Latest Practicable Date. Four of the contracted properties had been delivered to us according to schedule and were under our management and two of which that were expected to deliver to us in early 2020 were delayed due to the outbreak, it is anticipated that we will commence our provision of property management services for the remaining properties earliest in late 2020.

Despite the fact that our business operations and financial performance had the aforementioned impact, our Directors are of the view that our Group's business operations would largely resume to normal by the end of the second quarter of 2020. We believe that once the outbreak is effectively controlled, the delivery of properties should remain positive or the impact should be negligible. Albeit we have made our best effort to implement various measures to prevent the outspread of Novel Coronavirus within the communities, the ongoing outbreak of Novel Coronavirus pandemic may have further impact on our business and financial conditions. As such, the PRC government has implemented various policies to ease financial burden relating to increasing in costs incurred by the property management companies in different provinces (such as Shanxi, Shandong, Changsha, Shenzhen, Hangzhou and Suzhou) as the quality of property management services is recognized as one of the most effective measures to control the outbreak. As advised by CIA, seven governmental departments in Henan Province have jointly published "Several Opinions on Coping with the Impact of COVID-19 Outbreak and Preventing and Resolving Risks in the Real Estate Market" 《關於應對新冠肺炎疫情影響防範和化解房地產市場風險的若干意見》("**Opinions**") in respect of a series of comprehensive measures to be implemented by the government to ease financial difficulties encountered by property management companies in Henan Province. According to the PRC Legal Advisers, pursuant to the Opinions, for property management companies that actively participated in the outbreak of Novel Coronavirus pandemic prevention and control, financial departments at the city and county level would grant corresponding financial subsidies based on the actual local conditions. Also, for the property management companies and housing rental companies, these companies could enjoy respective supportive policies issued for the lifestyle service industry.

Apart from the increase in costs in purchasing of the preventive necessities, it is expected that we may encounter certain extent of adverse impact on revenue and customers for the following business segments:

Business segment	Impact	Particulars
Property management	Revenue	Our revenue increased for the first quarter of 2020 comparing with the first quarter of 2019 primarily due to the continued increase in our GFA under management. Our Directors expect that the impact on revenue derived from the residential properties under our management to be minimal. In respect of the non-residential properties, our Directors expect that the impact on revenue should be more adverse as the tenants of the offices and shops which experienced continued financial loss might terminate their lease agreement to cease any further financial loss
	Customers	Our Directors expect that there would not be an impact for the residential properties under our management. However, there might be decrease in customers for non-residential properties under our management if the respective tenants decided to terminate their lease agreement

Business segment	Impact	Particulars
Community value-added services	Revenue	Our revenue for the first quarter of 2020 remained relatively stable compared to the first quarter of 2019, as the increase in the revenue generated from our Group's group purchase services was largely offset by the decrease in the revenue generated from our Group's interior repair and maintenance services. Our Directors expect that that the impact on revenue would be minimal as people tend to stay at home during the outbreak of Novel Coronavirus pandemic so there would be a continued demand for such services
	Customers	Our Directors expect that there would not be any immediate impact on the number of customers as our major customers are property owners or residents
Value-added services to non-property owners	Revenue	Our revenue for the first quarter of 2020 remained relatively stable compared to the first quarter of 2019, as there was an increase in demand for onsite sales assistance for the properties that were ready for sale in early 2020. However, our Directors expect that the outbreak of Novel Coronavirus pandemic would have an impact on revenue from the second quarter of 2020 onwards due to the potential delay in delivery of properties
	Customers	Our Directors expect that there would be a decrease in customers for value-added services to non-property owners due to the potential delay in delivery of properties
Intelligent community solutions	Revenue	Our revenue increased very significantly for the first quarter of 2020 comparing with the first quarter of 2019. The outbreak of Novel Coronavirus pandemic has a lesser impact as our Group had entered into more contracts for installation of intelligent community solutions back in 2019, of which the properties were delivered to our Group as scheduled during the first quarter of 2020, and the first phase of installation was completed in early March 2020 when the property developers gradually resumed operations so our Group could commence installation of intelligent community solutions. However, our Directors expect that there would be a slight decrease in revenue due to the potential delay in delivery of properties from the second quarter of 2020 onwards
	Customers	Our Directors expect that there would not be any immediate impact as we were contracted for such services
Property agency	Revenue	Our Directors expect that would be a decrease in revenue due to the potential delay in delivery of properties hence resulting in less demand in property agency services. As a result, we had a substantial decrease of approximately 26% (based on unaudited management accounts) in revenue for the first quarter of 2020 comparing with the first quarter of 2019
	Customers	Our Directors expect that there would be decrease in customers for property agency services

Business segment	Impact	Particulars
Central China Consumer Club	Revenue	We did not organize any large scale events in the first quarter of 2020 due to the outbreak of Novel Coronavirus pandemic hence, we had a substantial decrease in revenue of approximately 25% (based on unaudited management accounts) for the first quarter of 2020 comparing with the first quarter of 2019. Our Directors expect that it is highly likely that this would remain the case if the outbreak of Novel Coronavirus pandemic continues to worsen
	Customers	As our major customer for Central China Consumer Club is CCRE, our Directors expect that there would not be any immediate impact on number of customers
Jianye + (建業+)	Revenue	Our revenue increased substantially for the first quarter of 2020 comparing with the first quarter of 2019 as people tend to stay at home during the outbreak of Novel Coronavirus pandemic hence there is an increase in demand for online goods and services and our Directors expect that the impact on revenue should be minimal
	Customers	Our Directors expect that there would not be any immediate impact on number of customers
Travel services	Revenue	Our Directors expect that would be a decrease in revenue due to the suspension or restriction of travelling. As a result, we had a substantial decrease in our revenue of approximately 18% (based on unaudited management accounts) for the first quarter of 2020 comparing with the first quarter of 2019
	Customers	Our Directors expect that there would be decrease in customers for travel services
Cuisine Henan Foodcourts (建業大食堂)	Revenue	Our Directors expect that there would be a decrease in revenue due to the suspension of travelling during the outbreak
	Customers	Our Directors expect that for entrustment arrangement, there would not be any significant impact as we would still be managing the whole foodcourt for the property owners (as our customers) under our entrustment arrangement. However, for our leasing operation arrangement, as our customers are individual consumers in the foodcourt hence our Directors expect there would be an impact in respect of number of customers due to the suspension or restriction of traveling or other lockdown measures during the outbreak
Hotel management	Revenue	There would be a decrease in revenue due to the suspension or restriction of travelling resulting in us being unable to obtain the occupancy rate bonus. As a result, we had a very significant decrease in revenue of approximately 78% (based on unaudited management accounts) for the first quarter of 2020 comparing with the first quarter of 2019 primarily because (i) our Group only received fixed revenue as the impact of the outbreak of Novel Coronavirus pandemic was relatively large; and (ii) our Group plans to reduce the management fees for both February and March 2020 voluntarily
	Customers	Our Directors expect that there would not be any immediate impact as we would still be managing the hotel for the existing customers

Business segment	Impact	Particulars
Commercial property management	Revenue	Our Directors expect that there would be a decrease in revenue due to the suspension or restriction of travelling during the outbreak of Novel Coronavirus pandemic hence there would be an impact on our annual incentive management service fee
	Customers	Our Directors expect that there would not be any immediate impact on the number of customers
Cultural tourism complex management	Revenue	We had a significant increase in revenue for the first quarter of 2020 comparing with the first quarter of 2019 as our Group only commenced our management of cultural tourism complex in March 2019 Our Directors expect that the impact on revenue would be minimal as the management for the agriculture in the cultural tourism complexes would continue and remain stable during the outbreak of Novel Coronavirus pandemic
	Customers	Our Directors expect that there would not be any immediate impact on the number of customers

Notwithstanding the fact that various operations of our business were affected by the outbreak of Novel Coronavirus pandemic, we have achieved a substantial increase in our revenue of approximately 20% (based on unaudited management accounts) for the first quarter of 2020 compared with the first quarter of 2019, primarily driven by a substantial increase in revenue from our property management and value added service segment.

In respect of the impact on our costs, there would be decrease in certain direct costs for all the business segments set out above in the same ratio as the decrease in revenue but certain fixed costs would remain.

As the outbreak of Novel Coronavirus pandemic continues to grow, the Novel Coronavirus is spreading rapidly worldwide which resulted in a sharp increase in number of confirmed cases and deaths around the world every day. Notwithstanding that, since our business is mainly based in Henan province, the PRC which all our customers are from the PRC, thus, our operations were not affected by the situation happening in other countries. Earlier on, the International Monetary Fund has slashed its 2020 growth outlook for China due to sheer geographic spread of the outbreak of Novel Coronavirus pandemic globally. Notwithstanding that, based on the result of the business assessment conducted (taking into account that (i) no revenue would be generated; (ii) only minimal staff would be retained; (iii) there would be no proceeds from Global Offering; (iv) there would be no dividend payment; (v) the impact of the outbreak of Novel Coronavirus pandemic in February, which was at its peak, was used for projection of additional costs to be incurred for relevant expenses; and (vi) we would only use the immediate cash available and no receivables would be collected), our Directors are of the view that our Group will remain financially viable for approximately 12 months from March 2020 in the worst case scenario where all of our business segments are ceased in case the situation worsens. In the event that all our business segments are ceased and all assumptions mentioned above remain unchanged except that there would be proceeds from Global Offering, our Directors are of the view that our Group will remain financially viable for approximately 50 months from March 2020. Further, in the event where all our operations were ceased, we would reduce the number of our subcontractors by 50% (with one to three months notice period) in order to maintain minimal operations in the communities and suburban leisure complexes under our management. In addition, we would also reduce our remaining employees' salaries by 40%. Under such circumstances, the minimum fixed costs to be incurred by our property management and value-added services, lifestyle services and commercial property management and consultations services were expected to be approximately RMB34.3 million, RMB2.6 million and RMB2.4 million per month, respectively. However, as advised by CIA, the impact of both the opinion made by International Monetary Fund and the worldwide spread of the Novel Coronavirus should be relatively less significant on the operation and financial performance of property management companies than companies in other industries. This is because (i) all the staffs of property management companies have resumed working in order to maintain the service quality provided to the residents; (ii) the percentage of the amount of property management fee to be paid by residents every month is negligible comparing with other daily expenses during the outbreak; and (iii) people usually stay at home during the outbreak hence there is an increase in demand for quality property management services.

Apart from the abovementioned impacts on costs and revenue, our business operations had remained stable after the Track Record Period and up to the date of this prospectus as there were no material changes to our business models and the general economic and regulatory environment in which we operate. Furthermore, there were no changes in respect of the purposes of the proceeds from the Global Offering. Our Directors have confirmed that, since December 31, 2019 and up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects, and no event has occurred that would materially and adversely affect the information shown in our combined financial statements set out in the Accountant's Report included in Appendix I to this prospectus.