綠城服務集團有限公司
Greentown Service Group Co. Ltd.

(a company incorporated under the laws of the Cayman Islands with limited liability)

Stock Code : 2869

GLOBAL OFFERING

Joint Sponsors

BofA Merrill Lynch BOC INTERNATIONAL

Joint Global Coordinators

BofA Merrill Lynch BOC INTERNATIONAL 海通國際 HAITONG CREDIT SUISSE

Joint Bookrunners and Joint Lead Managers

BofA Merrill Lynch BOC INTERNATIONAL 海通國際 HAITONG CREDIT SUISSE Morgan Stanley 建银国际 CCB International Convoy Investment Services Limited 康宏証券投資服務有限公司

IMPORTANT

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

Greentown Service Group Co. Ltd.
綠城服務集團有限公司

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**777,776,000 Shares (subject to reallocation and the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**77,780,000 Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**699,996,000 Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$2.20 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars, subject to refund)**
Nominal Value	**:**	**HK$0.00001**
Stock Code	**:**	**2869**

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

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix V to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around July 4, 2016 and, in any event, not later than July 7, 2016. The Offer Price will be not more than HK$2.20 and is currently expected to be not less than HK$1.74. If, for any reason, the Offer Price is not agreed by July 7, 2016 between the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and us, the Global Offering will not proceed and will lapse immediately.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The Joint Global Coordinators (on behalf of the Hong Kong Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering.

The obligations of the Hong Kong Underwriter(s) under the Hong Kong Underwriting Agreement are subject to termination by the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See the section headed "Underwriting — Underwriting Arrangements and Expenses — The Hong Kong Public Offering — Grounds for Termination" in this prospectus.

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

June 28, 2016

EXPECTED TIMETABLE[1]

Latest time for completing electronic applications under **White Form eIPO** service through the designated website **www.eipo.com.hk**[2]	11:30 a.m. on Monday, July 4, 2016
Application lists open[3]	11:45 a.m. on Monday, July 4, 2016
Latest time for lodging **WHITE** and **YELLOW** Application Forms	12:00 noon on Monday, July 4, 2016
Latest time for completing payment of **WHITE Form eIPO** applications by effecting Internet banking transfer(s) or PPS payment transfer(s)	12:00 noon on Monday, July 4, 2016
Latest time for giving **electronic application instructions** to HKSCC[4]	12:00 noon on Monday, July 4, 2016
Application lists close[3]	12:00 noon on Monday, July 4, 2016
Expected Price Determination Date[5]	Monday, July 4, 2016
(1) Announcement of the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offering to be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.lvchengfuwu.com**[6] from	Monday, July 11, 2016
(2) Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in the section headed "How to Apply for Hong Kong Offer Shares — 11. Publication of Results" in this prospectus	Monday, July 11, 2016
(3) A full announcement of the Hong Kong Public Offering containing (2) above to be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.lvchengfuwu.com**[6] from	Monday, July 11, 2016
Results of allocations in the Hong Kong Public Offering will be available at **www.iporesults.com.hk** with a "search by ID" function from	Monday, July 11, 2016
Dispatch of Share certificates or deposit of the Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before[7][9]	Monday, July 11, 2016
Dispatch of refund cheques and White Form e-Refund payment instructions in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before[8][9]	Monday, July 11, 2016
Dealings in the Shares on the Stock Exchange expected to commence on	Tuesday, July 12, 2016

Notes:

(1) All times refer to Hong Kong local time, except as otherwise stated.

(2) You will not be permitted to submit your application through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website at or before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, July 4, 2016, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares —10. Effect of Bad Weather on the Opening of the Application Lists" in this prospectus.

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

(5) The Price Determination Date is expected to be on or around Monday, July 4, 2016 and, in any event, not later than Thursday, July 7, 2016. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and us by Thursday, July 7, 2016, the Global Offering will not proceed and will lapse.

(6) None of the website or any of the information contained on the website forms part of this prospectus.

(7) Share certificates will only become valid at 8:00 a.m. on Tuesday, July 12, 2016 provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting Arrangements and Expenses — the Hong Kong Public Offering — Grounds for Termination" in this prospectus has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

(8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.

(9) Applicants who have applied on **WHITE** Application Forms or **White Form eIPO** for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by the Application Form may collect any refund cheques and/or Share certificates in person from our Company's Hong Kong Share Registrar, ,Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Monday, July 11, 2016 or such other date as notified by our Company in the newspapers as the date of dispatch/collection of Share certificates/e-Refund payment instructions/refund cheques. Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. Applicants being corporations which are eligible for personal collection must attend through their authorized representatives bearing letters of authorization from their corporation stamped with the corporation's chop. Both individuals and authorized representatives of corporations must produce evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied on **YELLOW** Application Forms for 1,000,000 or more Hong Kong Offer Shares may collect their refund cheques, if any, in person but may not elect to collect their Share certificates as such Share certificates will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit to their or the designated CCASS Participants' stock account as stated in their Application Forms. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

Applicants who have applied for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed "How to Apply for Hong Kong Offer Shares — 14. Dispatch/Collection of Share Certificates and Refund Monies — Personal Collection — (iv) If you apply via Electronic Application Instructions to HKSCC" in this prospectus for details.

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

Applicants who have applied for less than 1,000,000 Hong Kong Offer Shares and any uncollected Share certificates and/or refund cheques will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares — 13. Refund of Application Monies" and "How to Apply for Hong Kong Offer Shares — 14. Dispatch/Collection of Share Certificates and Refund Monies" in this prospectus.

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

CONTENTS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus and the Application Forms must not be relied on by you as having been authorized by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, employees, agents or representatives of any of them or any other parties involved in the Global Offering.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. Since this 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 prospectus before you decide to invest in the Offer Shares.

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

OVERVIEW

We are a leading high-end residential property management service provider in the PRC with a diversified service portfolio comprising three segments: property management services, property consulting services and community value-added services. We ranked first among the top ten high-end residential property management service providers in the PRC in 2014 according to a market research study conducted by China Index Academy in December 2014. For more details regarding the factors taken into account by China Index Academy in ranking the top ten high-end residential property management companies, please refer to page 66 in the section headed "Industry Overview" in this prospectus. We differentiate ourselves from other property management service providers by providing our residents with access to a broad products and services portfolio that addresses the evolving everyday and life-style needs of our customers, property owners and residents. We launched our "smart community" (智慧園區) project in September 2014 and were recognized as an industry leader for developing the "smart community" project. In particular, our "Happy Greentown" (幸福綠城) mobile application, which forms part of our "smart community" project, has made significant progress since its launch. Registered users of our "Happy Greentown" mobile application had exceeded 180,000 as of December 31, 2015, covering 137,206 registered households in 405 residential communities located in 50 cities in China.

OUR CUSTOMERS AND SUPPLIERS

We have a large, growing and loyal customer base primarily consisting of property owners and residents of the properties we manage, real estate developers and property management companies. For the years ended December 31, 2013, 2014 and 2015, revenue from our top five customers collectively amounted to RMB149.9 million, RMB180.8 million and RMB279.8 million, accounting for approximately 9.0%, 8.2% and 9.6%, respectively, of our total revenue. Revenue from Greentown China, which is our single largest customer, amounted to RMB110.3 million, RMB144.9 million and RMB223.5 million for the years ended 2013, 2014 and 2015, respectively, representing approximately 6.6%, 6.6% and 7.7% of our total revenue, respectively.

Our major suppliers are primarily sub-contractors for our (i) property management services and (ii) certain property consulting services. We also cooperate with a number of merchants in the operation of our community value-added services, who supply us with products and services that we offer to property owners and residents. All of our top five suppliers are sub-contractors that provide cleaning, landscaping, maintenance and security services. For the years ended December 31, 2013, 2014 and 2015, our cost of sales amounted to RMB1,429.2 million, RMB1,841.5 million and RMB2,387.7 million, respectively. Purchases from our top five suppliers collectively amounted to RMB88.7 million, RMB229.7 million and RMB424.4 million, accounting for approximately 6.2%, 12.5% and 17.8% of our total cost of sales, respectively, and purchases from the largest supplier amounted to RMB59.9 million, RMB192.7 million and RMB282.2 million, representing approximately 4.2%, 10.5% and 11.8%, respectively, of our cost of sales for the same years.

OUR PRODUCTS AND SERVICES PORTFOLIO

Our products and services portfolio consists of the following three segments:

- *Property management services.* We provide a range of property management services, such as security, cleaning, gardening, and repair and maintenance services, which we refer to collectively as "standard" property management services, and charge the residents and owners of our managed properties or real estate developers management fees for such services. For nearly all the properties we managed, we charge management fees on a lump sum basis, which are paid annually, semi-annually or quarterly over the terms of property management agreements. Our billing cycle starts on January 1 of each calendar year for management fees that are payable annually, on every January 1 and July 1 for management fees that are payable semi-annually and on the first day of each calendar quarter for management fees that are payable quarterly. Although our preliminary property management agreements and property management agreements require customers to pay our management fees upfront at the beginning of each billing cycle, we generally allow customers to pay the fees at any time during the billing cycle. In line with the market practice, we typically increase our efforts to collect overdue management fees at the end of each calendar year for management fees payable annually and at the end of each half year or quarter for management fees payable semi-annually or quarterly.

  The "lump sum" model for property management fees is the dominant model in the property management industry in China, because it provides more incentives for property management companies to implement cost-saving initiatives and improve operational efficiency. In the event the property management fees we collect are insufficient to cover all the management expenses incurred, we may be unable to collect the shortfall from property owners. As a result, our business, financial position and results of operations may be materially and adversely affected. For details, please see the section headed "Risk Factors — Risks Relating to Our Business and Industry — Our provision of property management services on a lump sum basis could subject us to losses" on page 31 in this prospectus.

  As of December 31, 2015, we managed properties located in 82 cities across 23 provinces, direct-controlled municipalities and autonomous regions across China with a total contracted GFA under management of 82.8 million sq.m. Since 2010, we have been in six consecutive years ranked by China Index Academy as the second in terms of overall strength among the Top Hundred Property Management Companies in the PRC taking into account various factors. We also ranked third in terms of scale of operations among the Top Hundred Property Management Companies in 2015.

- *Property consulting services.* We offer consulting services to real estate developers and local property management companies to address various needs that arise during each major stage throughout the course of their property development projects, capitalizing on our brand equity and expertise. We charge pre-negotiated, fixed fees for the property consulting services provided by us, which are typically paid in installments over the course of the service agreements.

- *Community value-added services.* We provide property owners and residents of our managed communities with access to an extensive array of daily necessities complemented by a wide assortment of life-style products and services through multiple channels. Our services under this segment include community products and services, home living services and community space services.

Taking advantage of the rapid increase in the use and penetration of smart phones, the Internet and mobile applications in the PRC, we launched our "smart community" project in September 2014 in selected residential communities that we manage as one of our initiatives to transform our Company from a provider of standard property management services to a community products and services provider offering everyday and life-style products and services. Our "smart community" project primarily comprises: (i) our "Happy Greentown" mobile application, which among others, allows users to purchase certain products and services from us; (ii) our "smart property management" platform, which assists our staff in providing enhanced property management services and (iii) our "smart hardware management" platform, which connects the property management facilities, equipment and devices at our managed communities via the Internet.

OUR BUSINESS MODEL

Our three business segments complement each other in the following ways:

- *Property Management Services and Property Consulting Services*. We gain early access to projects under development and establish and expand business relationships with the real estate developers, which provides us with a competitive advantage in securing those new property management engagements. We are able to improve the efficiency of our property management services by providing consulting services at the design and development stage.

- *Property Management Services and Community Value-added Services*. Our property management services provide a large customer base for our community value-added services. Our community value-added services help boost the satisfaction and loyalty of the property owners and residents at our managed communities by offering them access to a wide range of products and services through a variety of channels, which we believe helps create greater market acceptance of our premium property management fees.

- *Property Consulting Services and Community Value-added Services*. We plan to launch our "Greentown Alliance" (綠城聯盟) program to address what we believe is growing demand for enhanced services among real estate developers and local property management companies that are existing customers of our property management consulting services. Currently, only the residents of our managed communities are eligible to use our "Happy Greentown" mobile application to access the application's benefits, such as browsing and purchasing certain of our community products and services online. If our customers participate in our "Greentown Alliance" program, we plan to allow the residents at the communities under their management to become registered users of our "Happy Greentown" mobile application.

OUR SUB-CONTRACTORS

We have been outsourcing and expect to continue to outsource certain labor-intensive service tasks and specialized or technical service tasks, primarily security, cleaning, gardening, repair and maintenance services, to sub-contractors, which enables us to lower our operating costs and dedicate more resources to improving service quality and to implementing our competitive strategies. For example, in July 2015 we began to outsource a substantial portion of our security services by engaging sub-contractors to supply security guards. As of December 31, 2015, we had a total number of 14,443 security guards in all of our managed communities, of which 10,380 were provided by our sub-contractors. All of our sub-contractors during the Track Record Period were independent third parties and all of our sub-contracting agreements with these sub-contractors were on normal commercial terms. We believe these sub-contracting arrangements allow us to leverage the human resources and technical expertise of the sub-contractors, reduce our staff costs and enhance the overall profitability of our operations. For the three years ended December 31, 2013, 2014 and 2015, sub-contracting costs amounted to RMB186.8 million, RMB348.9 million and RMB801.2 million, respectively, accounting for approximately 13.1%, 18.9% and 33.6% of our total cost of sales, respectively. Based on our experience in the property management industry in the PRC, we believe that there are readily available alternative sub-contractors that could replace any of our existing sub-contractors if necessary. Therefore, we do not consider our business operations to be reliant on the services provided by any of our sub-contractors. For details, please see the section headed "Business — Our Sub-contractors" starting on page 164 in this prospectus.

OUR STRENGTHS

We believe that our success is primarily attributable to the following competitive strengths:

- Leading high-end residential property management services provider in the PRC with a reputable brand for first-class service quality.
- Industry-leading scale developed over 17 years' of strong and steady growth.
- A first mover and recognized industry leader in developing and implementing our "smart community" project, including our "Happy Greentown" mobile application.
- Customer-driven business model built upon three synergistic segments and diversified service offering with the ability to quickly capture new market opportunities.
- Standardized operations incorporating advanced and optimized information technology designed to increase scalability and profitability.
- Strong and experienced management team supported by human resources policies designed to identify and cultivate outstanding employees.

OUR CORE VALUE AND STRATEGIES

Our goal is to become a leading community operator promoting happiness in life. We strive to deliver to our residents a residential life-style that offers not only an extensive array of daily necessities bringing comfort and convenience, such as security and maintenance services, but also a wide range of life-style products and services leading to greater health and sense of happiness of all community residents, such as housekeeping, trip booking and on-site health specialist services. We intend to implement the following competitive strategies to achieve this goal:

- Continue to focus on high-end residential properties in geographic markets with relatively high population densities and consumer spending power, expand our operating scale and increase our revenue, thereby reinforcing our industry-leading position.

- Continue to develop our "smart community" project to enhance the user experience and generate higher-margin revenue.
- Continue to strengthen our corporate culture by providing professional human resources support to our expanding operations and ensure the highest quality of services.
- Continue to pursue strategic acquisition, investment and alliance opportunities to grow our property management portfolio and service offering.

SUMMARY HISTORICAL FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our audited financial information, together with the accompanying notes set forth in the Accountants' Report included as Appendix I to this prospectus. The following table sets forth selected consolidated financial information of our Group for the years indicated. The selected consolidated financial information as of and for the years ended December 31, 2013, 2014 and 2015 are derived from the Accountants' Report set forth in Appendix I to this prospectus.

Selected Consolidated Statements of Profit or Loss

	Year ended December 31,		
	2013	2014	2015
	(RMB'000)	(RMB'000)	(RMB'000)
Continuing operations			
Revenue	1,671,647	2,204,565	2,918,627
Gross profit	242,429	363,086	530,925
Profit from operations	110,512	199,832	283,766
Profit before taxation from continuing operations	108,390	198,618	278,126
Profit from continuing operations	82,733	149,876	202,567
Profit for the year	**76,494**	**149,382**	**202,567**

Selected Consolidated Statements of Financial Position

	As of December 31,		
	2013	2014	2015
	(RMB'000)	(RMB'000)	(RMB'000)
Non-current assets	208,161	233,949	265,011
Current assets	751,414	1,068,366	1,376,874
Current liabilities	730,681	1,070,998	1,472,265
Net current assets/(liabilities)	20,733	(2,632)	(95,391)
Total assets less current liabilities	228,894	231,317	169,620
Non-current liabilities	18,849	14,033	20,743
Total equity	210,045	217,284	148,877

SELECTED FINANCIAL AND OPERATING DATA AND KEY FINANCIAL METRICS

We monitor certain operating and financial metrics that we believe are commonly used in the property management service industry and important for benchmarking our Company against our competitors. The revenue contribution by and the gross margin of each business segment during the Track Record Period are set forth in the table below:

	Year ended December 31,								
	2013			2014			2015		
	Revenue (RMB'000)	% of Revenue	Gross Profit Margin (%)	Revenue (RMB'000)	% of Revenue	Gross Profit Margin (%)	Revenue (RMB'000)	% of Revenue	Gross Profit Margin (%)
Property management services	1,223,889	73.2	5.6	1,623,597	73.7	8.6	2,090,872	71.6	10.2
Property consulting services	330,275	19.8	36.4	439,415	19.9	35.9	550,777	18.9	33.9
Community value-added services	117,483	7.0	45.8	141,553	6.4	46.7	276,978	9.5	47.5
Total	**1,671,647**	**100.0**	**14.5**	**2,204,565**	**100.0**	**16.5**	**2,918,627**	**100.0**	**18.2**

The following table sets forth a breakdown of our revenue by geographic region for the years indicated:

	Year ended December 31,					
	2013		2014		2015	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Hangzhou (excluding Yuhang)	525,222	30.4	639,601	28.3	832,276	28.4
Yuhang	84,562	4.9	116,590	5.2	166,962	5.7
Ningbo	154,731	8.9	195,277	8.6	232,067	7.9
Yangtze River Delta (excluding Hangzhou and Ningbo)	470,329	27.2	677,325	30.0	921,104	31.4
Bohai Economic Rim	234,820	13.6	291,651	12.9	384,125	13.1
Pearl River Delta Business Region	69,673	4.0	104,011	4.6	132,428	4.5
Other Regions	136,788	7.9	185,851	8.2	263,267	9.0
Discontinued operations	54,037	3.1	49,066	2.2	–	–
Reportable segment revenue	**1,730,162**	**100.0**	**2,259,372**	**100.0**	**2,932,229**	**100.0**
Minus:						
Revenue from inter-segment transactions	4,478	n/a	5,741	n/a	13,602	n/a
Revenue from discontinued operations	54,037	n/a	49,066	n/a	–	n/a
Total consolidated revenue	**1,671,647**	**n/a**	**2,204,565**	**n/a**	**2,918,627**	**n/a**

The table below sets forth a breakdown of our total operational costs for the years indicated by main components:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Cost of sales	1,429,218	1,841,479	2,387,702
Administrative expenses	125,160	149,554	232,578
Selling and marketing expenses	1,313	1,419	5,690
Other operating expenses	16,253	24,348	29,116

The table below sets forth a breakdown of our cost of sales for the years indicated by main components, both in terms of actual costs and as a percentage of the total cost of sales:

	Year ended December 31,					
	2013		2014		2015	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Cost of sales						
Staff costs — our employees	975,386	68.2	1,180,516	64.1	1,151,540	48.2
Sub-contracting costs	186,812	13.1	348,904	18.9	801,196	33.6
Business taxes and surcharges	91,120	6.4	115,789	6.3	140,088	5.9
Common area costs	92,022	6.4	101,172	5.5	146,148	6.1
Office expenses	58,312	4.1	67,214	3.6	64,645	2.7
Others	25,566	1.8	27,884	1.6	84,085	3.5
Total	**1,429,218**	**100.0**	**1,841,479**	**100.0**	**2,387,702**	**100.0**

For a breakdown of our contracted GFA under management by geographic regions, please see the sub-section headed "Business — Property Management Services" on page 129 of this prospectus.

The chart below summarizes our "Happy Greentown" mobile application deployment progress from September 2014 through December 2015.

	As of					
	2014		2015			
	September 30,	December 31,	March 31,	June 30,	September 30,	December 31,
Number of Communities Covered by "Happy Greentown" mobile application	8	41	195	223	265	405
Community Coverage Ratio(1)	1.5%	7.4%	34.2%	38.2%	44.3%	63.1%
Number of Registered Households	949	20,347	63,691	98,056	118,687	137,206
Household Registration Ratio(2)	51.0%	75.1%	79.4%	85.8%	90.3%	95.3%
Number of Registered Users	1,091	23,485	73,332	112,364	148,021	180,422
Number of Active Registered Users(3)	508	11,604	37,799	64,047	90,461	122,674
Active Registered User Ratio(4)	46.6%	49.4%	51.5%	57.0%	61.1%	68.0%

Notes:

(1) Calculated as the number of communities covered by our "Happy Greentown" mobile application divided by the total number of our managed communities.

(2) Calculated as the number of registered households divided by the total number of households in our managed communities covered by our "Happy Greentown" mobile application.

(3) "Active registered user" refers to a registered user who has logged into our "Happy Greentown" mobile application at least once within each calendar month during the respective year.

(4) Calculated as the number of active registered users divided by the number of registered users.

Key Financial Metrics

The table below sets forth a summary of our key financial metrics during the Track Record Period:

Financial metric	As of and for the year ended December 31, 2013	2014	2015
Rates of return:			
Return on equity	46.9%	72.2%	149.8%
Return on total assets	8.7%	11.5%	12.0%
Liquidity:			
Current ratio	1.03x	1.00x	0.94x
Quick ratio	1.01x	1.00x	0.93x
Capital adequacy:			
Gearing ratio	19.0%	46.0%	120.9%
Net gearing ratio(1)	(123.5%)	(155.3%)	(440.6%)

Note:

(1) During the Track Record Period, our cash and cash equivalents were higher than total interest-bearing borrowings, resulting in a net cash position.

For the definitions of the key financial metrics in the above table, please see the section headed "Financial Information — Key Financial Metrics" on page 295 in this prospectus.

Our high gearing ratios as of December 31, 2014 and 2015 were primarily attributable to the decreases in total equity as a result of the large amount of dividends that we declared during the Track Record Period, the increases in our bank borrowings and the disposal of our equity interests in non-core businesses as part of our Reorganization in contemplation of the Listing. Dividends in the amount of RMB120.0 million and RMB230.0 million were declared by Greentown Property Management in 2014 and 2015, respectively. The increases in bank borrowings were primarily due to the loan we borrowed in 2014 to fund the purchase of our new office building. Our cash and cash equivalents were RMB299.4 million, RMB437.4 million and RMB835.9 million as of December 31, 2013, 2014 and 2015, respectively, which were higher than our bank borrowings as of the respective dates.

NET CURRENT LIABILITIES

We recorded net current liabilities in the amount of RMB2.6 million, RMB95.4 million and RMB81.5 million as of December 31, 2014 and 2015 and April 30, 2016, respectively. Our net current liabilities as of December 31, 2014 and 2015 and April 30, 2016 were partially attributable to the purchase of our new office building for RMB121.4 million using cash and short-term borrowings and a large amount of dividend payables as of the respective dates. As of December 31, 2014 and 2015 and April 30, 2016, our dividend payables were RMB57.3 million, RMB21.9 million and RMB21.9 million, respectively. Our net current liabilities as of December 31, 2015 were also attributable to the purchase price in the amount of RMB50.0 million payable to a related party relating to an acquisition as part of our Reorganization in contemplation of the Listing (for more details, please refer to Note 29(a) of Section B of the Accountants' Report in Appendix I to this prospectus). For more details, please refer to the sub-section headed "Financial Information — Current Assets and Current Liabilities" starting on page 289 in this prospectus.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Controlling Shareholders are Mr. Song Weiping, Mr. Shou Bainian, Ms. Xia Yibo, Osmanthus Garden Investment, Lily International Investment, ShenaLan International Investment and Orchid Garden Investment. Immediately upon completion of the Global Offering, our Controlling Shareholders will, in aggregate, own approximately 36.72% of the total issued share capital of our Company. We operate independently of our Controlling Shareholders. Our Ultimate Controlling Shareholders have retained interests in certain excluded businesses that compete to a limited extent with our Group's business. For details, please refer to the section headed "Relationship with our Controlling Shareholders" starting on page 205 in this prospectus.

Our Group has entered into transactions with some of these excluded businesses, which will constitute continuing connected transactions upon Listing. For further details, please refer to the section headed "Connected Transactions" starting on page 220 in this prospectus.

PRE-IPO SHARE AWARD SCHEME

We have adopted the Pre-IPO Share Award Scheme. The principal terms of the Pre-IPO Share Award are summarized in the sub-section headed "Statutory and General Information — D. Other Information — 1. Pre-IPO Share Award Scheme" starting on page IV-22 in Appendix IV to this prospectus.

GLOBAL OFFERING STATISTICS

Offer size:	Initially 28% of the enlarged issued share capital of our Company
Offering structure:	Approximately 10% for Hong Kong Public Offering (subject to reallocation) and approximately 90% for International Offering (subject to reallocation and the Over-allotment Option)
Over-allotment Option:	Up to 116,666,000 Shares to be sold by Lilac International Investment, representing 15% of the number of Offer Shares initially available under the Global Offering
Offer Price Per Share:	HK$1.74 to HK$2.20 per Offer Share

	Based on Minimum Indicative Offer Price of HK$1.74	Based on Maximum Indicative Offer Price of HK$2.20
Market capitalization of our Shares(1)	HK$4,833.3 million	HK$6,111.1 million
Unaudited pro forma adjusted net tangible asset per Ordinary Share(2)	HK$0.51	HK$0.64

Notes:

(1) The calculation of market capitalization is based on 2,777,776,000 Shares expected to be in issue immediately upon completion of the Global Offering.

(2) The unaudited pro forma adjusted net tangible asset value per Share has been arrived at after adjustments referred to in the section headed "Appendix II — Unaudited Pro Forma Financial Information" and on the basis of 2,777,776,000 Shares in issue at the Offer Price immediately upon the completion of the Global Offering.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,409.0 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming an Offer Price of HK$1.97 per Share, being the mid-point of the indicative Offer Price range of HK$1.74 to HK$2.20 per Share in this prospectus. We intend to use the net proceeds we will receive from this offering for the following purposes:

Amount (HK$ in million)	Approximate % of Total Estimated Net Proceeds	Intended Use
690.4	49%	Acquisitions of property management companies and companies providing value-added services
310.0	22%	Developing and promoting our "smart community" project and our community products and services
267.7	19%	Loan repayment
140.9	10%	Working capital and general corporate purpose

From the launch of our "smart community" project in September 2014 to March 31, 2016, we had invested an aggregate of approximately RMB23.7 million in our "smart community" project, including (i) approximately RMB19.8 million for software development and management and promotion of our "Happy Greentown" mobile application and (ii) approximately RMB3.9 million for hardware procurement and maintenance in connection with all the three components of our "smart community" project. Of the three components of our "smart community" project, our "Happy Greentown" mobile application (the online gateway to certain of our community products and services) generated revenue, while our "smart property management" platform and "smart hardware management" platform did not directly generate revenue during the Track Record Period. Nevertheless, we believe our investment in the "smart property management" platform and the "smart hardware management" platform will enable us to reduce our labor costs by automating and optimizing our service processes. In addition, we believe that the technologies utilized on both platforms will improve our service quality and users' satisfaction which we believe will enhance our brand image and increase acceptance of the premium property management fees we charge for high-end residential properties. For more details, please refer to the sub-section headed "Business — Our 'Smart Community' Project — Our 'Smart Property Management' Platform and 'Smart Hardware Management' Platform" starting on page 162 in this prospectus.

Please see the section headed "Future Plans and Use of Proceeds" starting on page 306 in this prospectus for further details of our future plans and use of the net proceeds from the Global Offering.

LISTING EXPENSES

The total listing expenses (including underwriting commissions) in relation to the Global Offering are estimated to be approximately RMB104.4 million (assuming an Offer Price of HK$1.97 per Share, being the mid-point of the indicative Offer Price range of HK$1.74 to HK$2.20 per Share in this prospectus and the over-allotment option is not exercised). During the Track Record Period, we incurred RMB30.4 million listing expenses, of which RMB21.5 million was recognized in our consolidated statements of profit or loss and other comprehensive income and RMB8.9 million is expected to be charged against equity upon the Listing. We estimate that we will incur additional RMB74.0 million during the year ended December 31, 2016, of which (i) RMB57.0 million is expected to be charged against equity upon the Listing and (ii) RMB17.0 million is expected to be charged to our consolidated statements of profit or loss and other comprehensive income for the year ending December 31, 2016. These listing expenses mainly comprise professional fees paid to our legal advisors and the reporting accountants for their services rendered in relation to the Listing and the Global Offering, the sponsor fees for the Joint Sponsors for their services rendered in relation to the Listing and the Global Offering and underwriting commissions.

DIVIDEND POLICY

We currently intend to pay dividends in the amount of 25% of our profit after tax for each year after the Listing. The payment and the amount of dividends (if any) will depend on our results of operation, cash flows, financial position, statutory and regulatory restrictions on the payment of dividends by us, future prospects, and other factors that we may consider relevant. In 2013, 2014 and 2015, dividends in the amount of RMB31.4 million, RMB120.0 million and RMB230.0 million were declared by Greentown Property Management, and dividends in the amount of RMB28.5 million, RMB86.4 million and RMB265.4 million were paid by Greentown Property Management in 2013, 2014 and 2015, respectively.

NON-COMPLIANCE INCIDENTS

We had certain incidents of regulatory non-compliance during the Track Record Period. Our Board of Directors confirms that these incidents should not cause a material adverse effect on our business, financial condition or results of operations. As of the Latest Practicable Date, we, as the tenant, did not register the leases for 36 of our offices and warehouses and 343 apartments that we use as staff quarters. We were advised by our PRC legal advisors that the total amount of potential penalty is estimated to be RMB379,000 to RMB3.79 million.

Further, we did not pay contributions in respect of social security and housing provident funds for some of our employees. Our PRC legal advisors have advised us that, if any competent government authority is of the view that the housing provident fund contributions we made did not satisfy the requirements under PRC laws and regulations, it can order us to pay the unpaid amount to the relevant local authorities within a certain period and impose a fine in an amount ranging from RMB10,000 and RMB50,000. Our PRC legal advisors have also advised us that, under PRC laws and regulations, we might be subject to late fees and fines for not paying the social security fund contributions in full in a timely manner. If any competent government authority is of the view that the social security fund payments we made for our employees do not satisfy the requirements under relevant PRC laws and regulations, it can order us to make up the unpaid amount to the relevant local authorities within a certain period and impose a late fee that equals 0.05% of the total unpaid amount per day. If we fail to pay the unpaid amount or the late fee, we may be subject to a fine ranging between one to three times of the total unpaid amount.

For further details of our material non-compliance incidents, please refer to the section headed “Business — Legal Proceedings and Compliance” starting on page 176 of this prospectus.

RECENT DEVELOPMENTS

On June 15, 2016, our Company has entered into a share purchase agreement with Zhejiang Communications Investment Property Group Co., Ltd. for an acquisition of 40% interest in Zhejiang Zheyuan Property Management Co., Ltd.. The acquisition is expected to close in or about July 2016. For details, please see the section headed "Business — Property Management Services — Acquisition of Third-party Property Management Companies" on page 140 in this prospectus.

Our Directors confirm that there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since December 31, 2015, the date of the latest audited financial information of our Group, and up to the date of this prospectus.

SUMMARY OF MATERIAL RISK FACTORS

We are subject to a number of risks, including but not limited to risks relating to our business and industry, risks relating to doing business in the PRC and risks relating to the Global Offering. As different investors may have different interpretations and standards for determining the materiality of a risk, you should read the entire section headed "Risk Factors" starting on page 27 of this prospectus carefully before you decide to invest in the Offer Shares. Some of the major risks we face include:

- We may not be able to grow our portfolio of managed properties as planned, which may have a material adverse effect on our business, financial position and results of operations.
- Termination or non-renewal of our preliminary property management agreements or property management agreements could have a material adverse effect on our business, financial position and results of operations.
- We may not be able to successfully collect property management fees from property owners and real estate developers and, as a result, may incur impairment losses on receivables.
- Increase in staff costs and sub-contracting costs could slow our growth, harm our business and reduce our profitability.
- Our "Happy Greentown" mobile application may fail to attract and retain sufficient interest from residents.
- Our pricing of property management fees under preliminary property management agreements and for affordable housing is subject to PRC government regulations.

In this prospectus, unless the context otherwise requires, the following words and expressions shall have the following meanings. Certain other terms are defined in "Glossary of Technical Terms."

"2016 CIA Top Hundred Report"	the "2016 China Top Hundred Property Management Companies Report" published by China Index Academy in collaboration with China Property Management Association (中國物業管理協會) in June 2016, which is based on historical data collected as of December 31, 2015, covering 210 property management companies
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s) or **GREEN** Application Form(s), individually or collectively, as the context so requires, any of them, which is used in relation to the Hong Kong Public Offering
"Articles" or "Articles of Association"	the articles of association of our Company conditionally adopted on June 13, 2016 (as amended from time to time) which will become effective upon the Listing, a summary of which is set out in Appendix III to this prospectus
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"associated company(ies)"	has the meaning of "associate(s)" as set out in the Accountants' Report in Appendix I to this prospectus
"Begonia International Investment"	Begonia International Investment Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on November 21, 2014 and is directly owned as to 100% by Mr. Yang Zhangfa, our executive Director and a connected person of our Company
"Blue-Bay International Investment"	Blue-Bay International Investment Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on November 21, 2014 and is directly owned as to 100% by Mr. Wu Zhihua, our executive Director and a connected person of our Company
"Board"	the Board of Directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"BVI"	British Virgin Islands
"Capitalization Issue"	the issue of Shares to be made upon capitalization of certain sums standing to the credit of the share premium account of the Company, as further described in the section headed "Statutory and General Information — A. Further Information about our Company and our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on June 13, 2016" in Appendix IV to this prospectus

"CCASS"	The Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"China" or "PRC"	the People's Republic of China, which for the purpose of this prospectus and for geographic reference only, excludes Hong Kong, Macau and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Law of the Cayman Islands"	Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Greentown Service Group Co. Ltd. (綠城服務集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on November 24, 2014
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and, in the context of this prospectus, means Mr. Song Weiping, Mr. Shou Bainian, Ms. Xia Yibo, Osmanthus Garden Investment, Lily International Investment, ShenaLan International Investment and Orchid Garden Investment
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)

"Deed of Indemnity"	a deed of indemnity dated June 13, 2016 entered into by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of our subsidiaries) as further detailed in the section headed "Statutory and General Information — D. Other Information — 3. Tax and other Indemnity" in Appendix IV to this prospectus
"Deed of Non-Competition"	a deed of non-competition undertakings dated June 13, 2016 entered into by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of our subsidiaries), particulars of which are summarized in the sub-section headed "Relationship with our Controlling Shareholders — Non-competition Undertakings" in this prospectus
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	PRC Enterprise Income Tax Law
"Global Offering"	the Hong Kong Public Offering and the International Offering
"GREEN Application Form(s)"	the application form(s) to be completed by the **White Form eIPO** Service Provider, Computershare Hong Kong Investor Services Limited
"Greentown China"	Greentown China Holdings Limited (綠城中國控股有限公司), a Cayman Islands incorporated real estate developer listed on the Stock Exchange (stock code: 3900). Mr. Shou Bainian, our non-executive Director and Ultimate Controlling Shareholder, and Mr. Song Weiping, our Ultimate Controlling Shareholder, collectively own 18.6% of the issued share capital of Greentown China as of the Latest Practicable Date
"Greentown Holdings"	Greentown Holdings Group Co., Ltd. (綠城控股集團有限公司), a limited liability company established in the PRC on December 6, 2001 and is indirectly owned as to 40%, 39% and 21% by Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo, respectively. Through its investment in various subsidiaries, it mainly engages in various businesses including hospital investment, agricultural inspection, hotel management and construction design, and a connected person of our Company

"Greentown Property Management"	Greentown Property Management Group Company Limited (綠城物業服務集團有限公司), a company established in the PRC on October 16, 1998 and an indirect wholly-owned subsidiary of our Company. It was formerly known as Zhejiang Greentown Property Management Company Limited (浙江綠城物業管理有限公司)
"Greentown Service BVI"	Greentown Service Group Investment Co. Ltd., a company incorporated under the laws of the BVI with limited liability on November 25, 2014 and a directly wholly-owned subsidiary of our Company
"Greentown Service Hong Kong"	Greentown Service Group (Hong Kong) Co. Limited, a company incorporated under the laws of Hong Kong with limited liability on December 16, 2014 and an indirect wholly-owned subsidiary of our Company
"Greentown Telecommunications"	Hangzhou Greentown Information and Technology Company Limited (杭州綠城信息技術有限公司), a limited liability company established in the PRC on April 10, 2014, which is a connected person of our Company
"Group," "our Group," "we," "us," or "our"	our Company and its subsidiary(ies) from time to time or where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"Hangzhou Dangui Investment"	Hangzhou Dangui Investment Company Limited (杭州丹桂投資管理有限公司), a limited liability company established in the PRC on November 13, 2014 and engages in various businesses including elevator maintenance and cemetary development through its investment in various subsidiaries. It is owned as to 51% by Greentown Holdings and 49% by a limited partnership controlled by family members of Ms. Li Hairong, and a connected person of our Company
"Hangzhou Osmanthus Garden Investment Management"	Hangzhou Osmanthus Garden Investment Management Company Limited (杭州桂花園投資管理有限公司), a limited liability company established in the PRC on July 29, 2015 and an indirect wholly-owned subsidiary of our Company
"HKFRS"	Hong Kong Financial Reporting Standards
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	the lawful currency of Hong Kong
"Hong Kong Offer Shares"	77,780,000 Shares (subject to adjustment as described in the section headed "Structure of the Global Offering" in this prospectus) being offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering
"Hong Kong Public Offering"	the offering of initially 77,780,000 Shares for subscription by the public in Hong Kong (subject to adjustment as described in the section headed "Structure of the Global Offering" in this prospectus) at the Offer Price and on the terms and subject to the conditions described in this prospectus and the Application Forms
"Hong Kong Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Hong Kong Underwriter(s)"	the underwriters of the Hong Kong Public Offering listed in the section headed "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement dated June 27, 2016 relating to the Hong Kong Public Offering entered into, among others, our Company, our Controlling Shareholders, the Joint Global Coordinators and the Hong Kong Underwriters
"Independent Third Party(ies)"	a person or persons, or entity or entities who/which is/are not a connected person(s) of our Company under the Listing Rules
"International Offer Shares"	699,996,000 Shares (subject to adjustment and the exercise of the Over-allotment Option as described in the section headed "Structure of the Global Offering" in this prospectus), which are the subject of the International Offering
"International Offering"	the offer of the International Offer Shares at the Offer Price to institutional, professional, corporate and other investors (other than to retail investors in Hong Kong), as further described in the section headed "Structure of the Global Offering" in this prospectus

"International Underwriter(s)"	the underwriter(s) of the International Offering
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering to be entered into by, among others, our Company, our Controlling Shareholders, the Joint Global Coordinators and the International Underwriters on or about July 4, 2016
"Joint Bookrunners"	Merrill Lynch International, BOCI Asia Limited, Haitong International Securities Company Limited, Credit Suisse (Hong Kong) Limited, Morgan Stanley Asia Limited, CCB International Capital Limited and Convoy Investment Services Limited
"Joint Global Coordinators"	Merrill Lynch International, BOCI Asia Limited, Haitong International Securities Company Limited and Credit Suisse (Hong Kong) Limited
"Joint Lead Managers"	Merrill Lynch Far East Limited (in relation to the Hong Kong Public Offering only), Merrill Lynch International (in relation to the International Offering only), BOCI Asia Limited, Haitong International Securities Company Limited, Credit Suisse (Hong Kong) Limited, Morgan Stanley Asia Limited, CCB International Capital Limited and Convoy Investment Services Limited
"Joint Sponsors"	Merrill Lynch Far East Limited and BOCI Asia Limited
"Latest Practicable Date"	June 20, 2016, being the latest practicable date for ascertaining certain information in this prospectus
"Lilac International Investment"	Lilac International Investment Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on November 21, 2014 and is directly wholly-owned by Ms. Li Hairong, our Chairlady and executive Director, and a connected person of our Company
"Lily International Investment"	Lily International Investment Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on November 21, 2014, our Controlling Shareholder and is directly owned as to 100% by Mr. Shou Bainian, our non-executive Director and one of our Ultimate Controlling Shareholders
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange

"Listing Date"	the date, expected to be on or about Tuesday, July 12, 2016, on which the Shares are listed and from which dealings in the Shares are permitted to take place on the Stock Exchange
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time
"Management Trust"	the management trust established on January 1, 2016 with our Company as the settlor, TMF (Cayman) Ltd. as the trustee and Ms. Li Hairong as the protector, as described in detail in the sub-section headed "History and Reorganization — Reorganization" in this prospectus
"Mass Wisdom"	Mass Wisdom Group Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on January 2, 2015 and is directly owned as to 100% by the Pre-IPO Trustee
"Memorandum" or "Memorandum of Association"	the memorandum of association of our Company adopted on November 24, 2014 (as amended from time to time), a summary of which is set out in Appendix III to this prospectus
"MIIT"	the Ministry of Industry and Information Technology of PRC (工業和信息化部)
"MOFCOM"	the Ministry of Commerce of PRC, formerly the Ministry of Foreign Trade and Economic Cooperation of PRC (商務部，原對外貿易經濟合作部)
"MOHURD"	the Ministry of Housing and Urban-Rural Development of PRC, formerly the Ministry of Construction of PRC (住房和城鄉建設部，原建設部)
"NDRC"	the National Development and Reform Commission of PRC (國家發展和改革委員會)
"NPC"	the National People's Congress of PRC (全國人民代表大會)
"Offer Price"	the final Hong Kong dollar price per Offer Share (before brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) at which Shares are to be subscribed or purchased pursuant to the Global Offering, which will not be more than HK$2.20 and is expected to be not less than HK$1.74, to be determined as described in "Structure of the Global Offering — Pricing and Allocation"

"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, where relevant, with any Shares being sold by Lilac International Investment pursuant to the exercise of the Over-allotment Option
"operating subsidiaries"	the subsidiaries listed in Note 1(b) of Section B of the Accountants' Report in Appendix I to this prospectus
"Orchid Garden Investment"	Orchid Garden Investment Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on February 4, 2015, our Controlling Shareholder and is indirectly owned as to 40%, 39% and 21% by Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo, respectively
"Osmanthus Garden Investment"	Osmanthus Garden Investment Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on November 21, 2014, a Controlling Shareholder and is directly wholly-owned by Mr. Song Weiping, one of our Ultimate Controlling Shareholders
"Over-allotment Option"	the option expected to be granted by Lilac International Investment to the International Underwriters, pursuant to which Lilac International Investment may be required to sell up to an aggregate of 116,666,000 Shares at the Offer Price to, among other things, cover over-allocations in the International Offering, if any
"PBOC"	The People's Bank of China (中國人民銀行)
"Pre-IPO Share Award Scheme"	the share award scheme for the award of Shares to eligible participants prior to the Global Offering approved and adopted by our Company pursuant to a resolution passed by our Shareholders on January 1, 2016 (and subsequently amended on April 18, 2016), the principal terms of which are set out in the section headed "Statutory and General Information — D. Other information — 1. Pre-IPO Share Award Scheme" in Appendix IV to this prospectus
"Pre-IPO Trustee"	TMF (Cayman) Ltd., the trustee of the Management Trust
"Price Determination Agreement"	the agreement to be entered into by the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
"Price Determination Date"	the date, expected to be on or about July 4, 2016 (Hong Kong time) and in any event no later than July 7, 2016, on which the Offer Price is to be fixed by the Price Determination Agreement

"prospectus"	this prospectus
"Receiving Bank"	Bank of China (Hong Kong) Limited
"Receiving Bank Agreement"	the agreement dated June 27, 2016 entered into between our Company, the Receiving Bank, the Joint Sponsors, the Joint Global Coordinators, Bank of China (Hong Kong) Nominees Limited and the Hong Kong Share Registrar
"Regulation S"	Regulation S under the U.S. Securities Act
"Reorganization"	the reorganization of the companies within our Group for the purpose of the Listing as set out in the sub-section headed "History and Reorganization — Reorganization" in this prospectus
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of PRC (國家外匯管理局)
"SAIC"	the State Administration for Industry and Commerce of PRC (國家工商行政管理總局)
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"SAT"	the State Administration of Taxation of PRC (國家稅務總局)
"SFC"	The Securities and Futures Commission of Hong Kong
"Shareholder(s)"	holder(s) of the Share(s)
"Shares"	ordinary share(s) in the share capital of our Company with a par value of HK$0.00001 each
"ShenaLan International Investment"	ShenaLan International Investment Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on November 21, 2014, a Controlling Shareholder and is directly wholly-owned by Ms. Xia Yibo, our non-executive Director and one of our Ultimate Controlling Shareholders
"sq.m."	square meter
"Stabilizing Manager"	Merrill Lynch Far East Limited
"State Council"	the State Council of PRC (國務院)

"Stock Borrowing Agreement"	the stock borrowing agreement expected to be entered into on or about the Price Determination Date between the Stabilizing Manager (or its affiliates or any person acting for it) and Lilac International Investment
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Track Record Period"	the three financial years ended December 31, 2015
"Twin Cities Network"	Zhejiang Twin Cities Network Company Limited (浙江雙城網絡科技有限公司), a limited liability company established in the PRC on April 2, 2015 and our non-wholly owned subsidiary
"U.S. person"	has the meaning ascribed to it in Regulation S
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"Ultimate Controlling Shareholders"	Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo
"Underwriters"	the Hong Kong Underwriter(s) and the International Underwriter(s)
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars" or "US$"	United States dollars, the lawful currency of the United States
"WHITE Application Form(s)"	the application form(s) for use by the public who require(s) such Hong Kong Offer Shares to be issued in the applicant's own name
"White Form eIPO"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website of the **White Form eIPO** Service Provider, **www.eipo.com.hk**
"White Form eIPO Service Provider"	Computershare Hong Kong Investor Services Limited
"YELLOW Application Form(s)"	the application form(s) for use by the public who require(s) such Hong Kong Offer Shares to be deposited directly into CCASS

"ZJCA"	Zhejiang Communications Administration (浙江省通信管理局), the MIIT's counterpart in Zhejiang province
"%"	percent

Unless otherwise specified, statements contained in this prospectus assume no exercise of the Over-allotment Option. See the section headed "Underwriting" in this prospectus.

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese or another language included in this prospectus is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus is as of the date of this prospectus.

"active user"	a registered user who has logged-in on one of our platforms at least once within a calendar month during the relevant year
"active user rate"	calculated as the number of active registered users in a calendar month divided by the number of registered users as of the end of the same calendar month
"average property management fee"	revenue from property management services for a period divided by the average of the revenue-bearing GFA as of the beginning and end of the same period
"Bohai Economic Rim"	as of the Latest Practicable Date, includes Beijing, Tianjin, Dalian, Qingdao, Rizhao, Dongying, Jinan, Zibo, Binzhou, Dezhou, Jining, Huludao, Langfang, Liaoyang, Linyi, Shenyang, Shijiazhuang, Tai'an, Tangshan, Weifang and Zhangjiakou for the purpose of this prospectus
"brick-and-mortar"	a traditional business serving customers in a physical building as compared to an online business
"first-tier cities"	as of the Latest Practicable Date, included Beijing, Shanghai, Guangzhou and Shenzhen in the PRC, according to the National Bureau of Statistics of the PRC
"GFA"	gross floor area
"high-end residential property"	China Index Academy defines "high-end residential property" as residential property with a monthly property management fee per sq.m. not less than the 75th percentile of the monthly property management fee per sq.m. charged by the residential properties managed by the Top Hundred Property Management Companies
"ICP License"	the commonly known name for value-added telecommunication license, granted by MIIT or its local counterparts pursuant to The Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》)
"lump sum basis"	when the management fees are charged on a lump sum basis, all property management fees collected will be recorded as revenue and all expenses incurred in providing property management services will be recorded as costs or expenses

"Other Regions" as of the Latest Practicable Date, includes Chongqing, Zhengzhou, Xinyang, Kaifeng, Xiangfan, Xi'an, Wuhan, Huangshi, Urumqi, Changji, Korla, Tongliao, Shangqiu, Hefei, Fuyang, Chizhou and Bengbu for the purpose of this prospectus

"overall strength" China Index Academy ranks the overall strength of property management companies by evaluating the following aspects:

- scale of operations, taking into account the number of cities where the company operates, total contracted GFA under management, number of properties under management and total assets;
- financial performance, taking into account the total revenue, gross margin (replaced by net profit in the 2016 CIA Top Hundred Report), revenue per employee and selling and administration expenses and finance costs as a percentage to total revenue;
- service quality, taking into account the customer satisfaction rate (no longer a factor in the 2016 CIA Top Hundred Report), property management fee collection rate and property management contract renewal rate;
- growth potential, taking into account the revenue growth, total contracted GFA under management growth, reserved GFA under management, number and composition of employees and commitment to enterprise technology and intelligence or "smart community" (no longer a factor in the 2016 CIA Top Hundred Report); and
- social responsibility, taking into account the amount of tax paid, number of job opportunities created and total GFA under management of affordable housing

"Pearl River Delta Business Region" as of the Latest Practicable Date, includes Zhuhai, Beihai, Changsha, Hengyang, Jiujiang, Nanchang, Qionghai, Sanya and Xishuangbanna of the PRC for the purpose of this prospectus

"POS" point of sale

"registered households" households who have completed the registration process on at least one of our platforms

"scale of operations"	China Index Academy ranks the scale of operations of property management companies by evaluating the number of cities where the company operates, total contracted GFA under management, number of properties under management and total assets
"second-tier cities"	as of the Latest Practicable Date, included 36 major cities, other than first tier cities in the PRC, as categorized by the National Bureau of Statistics of the PRC, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities and other major cities designated as "municipalities with independent planning" by the State Council in the PRC
"Top Hundred Property Management Companies"	top hundred property management companies ranked by China Index Academy taking into account various factors regarding overall strength, including total assets, number of managed properties, total GFA, number of cities where the company operates, customer satisfaction rate, property management fee collection rate and property management contract renewal rate
"Yangtze River Delta"	as of the Latest Practicable Date, includes Hangzhou, Shanghai, Zhoushan, Huzhou, Jiaxing, Jinhua, Lishui, Ningbo, Quzhou, Shaoxing, Taizhou (台州), Taizhou (泰州), Wenzhou, Wuxi, Suzhou, Nanjing, Nantong, Xuzhou, Changzhou, Yangzhou, Zhenjiang and Kunshan of the PRC for the purpose of this prospectus

You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in our Shares. Our business, financial condition, results of operations or prospects could be materially and adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline significantly due to any of these risks and uncertainties, and you may lose all or part of your investment.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into (i) risks relating to our business and industry, (ii) risks relating to conducting business in the PRC and (iii) risks relating to the Global Offering.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may not be able to grow our portfolio of managed properties as planned, which may have a material adverse effect on our business, financial position and results of operations.

Our contracted GFA under management increased during the Track Record Period from approximately 44.2 million sq.m. as of January 1, 2013 to approximately 82.8 million sq.m. as of December 31, 2015, representing an increase of 87.3%. We have been expanding our portfolio of managed properties primarily through securing new property management engagements and, to a lesser extent, strategically acquiring regional property management companies with attractive portfolios of managed properties. We seek to continue to grow our portfolio of managed properties. For more details, please refer to the sub-section “Business — Our Core Value and Strategies” in this prospectus. However, there is no assurance that we can grow our portfolio of managed properties as planned, which may have a material adverse effect on our business, financial position and results of operations. Our growth may be affected by a number of factors beyond our control, such as China’s general economic condition, developments in the real estate market, supply and demand dynamics of the property management industry and our ability to obtain sufficient financing for our growth. In addition, our future growth depends on our management’s ability to improve our operational and financial conditions. Our ability to grow also depends on our ability to successfully hire, train, manage additional employees, manage and cultivate our relationships with a growing number of customers, sub-contractors, other suppliers and other business partners.

In circumstances where we expand into a new market, we may have limited knowledge of the local property management service market, which could be substantially different from those in our established markets. In addition, we may not have established relationships with local sub-contractors, other suppliers and other business partners as we do in our established markets. We may also be unable to leverage our brand equity in a new market as we have done so in our established markets, and may face intense competition from the local property management companies.

Termination or non-renewal of our preliminary property management agreements or property management agreements could have a material adverse effect on our business, financial position and results of operations.

Revenue from our property management services amounted to RMB1,223.9 million, RMB1,623.6 million and RMB2,090.9 million, representing approximately 73.2%, 73.7% and 71.6% of our total revenue for the years ended December 31, 2013, 2014 and 2015, respectively.

Our property management services are provided in accordance with preliminary property management agreements we enter into with real estate developers or property management agreements we enter into with the property owners' associations. Our preliminary property management agreements expire when the property owners' associations enter into the property management agreements. Our property management agreements typically have a term ranging from one to three years and can also be terminated for cause. In relation to our preliminary property management agreements, there is no assurance that the relevant property owners' associations will decide to enter into property management agreements with us instead of other property management companies. Once the property owners' associations enter into property management agreements with other companies instead of our Company, our preliminary property management agreements automatically terminate. In relation to our property management agreements, there is no assurance that such agreements will not be terminated prior to expiration for cause or renewed upon expiration. In the event of such terminations or non-renewals, our business, results of operations and financial condition could be materially and adversely affected. Furthermore, the growth of our community value-added services segment depends in part on the number of communities we manage under our property management services segment. As a result, terminations or non-renewals of our preliminary property management agreements or property management agreements could also adversely affect the performance of our community value-added services segment.

Moreover, during the Track Record Period, we continued to provide property management services to some properties for which the relevant preliminary property management agreements or property management agreements have already expired and are in the process of being renewed. Although during the Track Record Period our collection rates for management fees under those expired property management agreements were no worse than the collection rates for management fees under effective property management agreements, the expired property management agreements are no longer enforceable, and in the future, we may be unable to recover our fees or expenses incurred associated with providing property management services for those properties. In addition, the property owners' associations may terminate the agreements after they have expired. If we are required to cease the provision of our property management services under these circumstances, our business, results of operations and financial condition may be materially and adversely impacted.

We may not be able to successfully collect property management fees from property owners and real estate developers and as a result, may incur impairment losses on receivables.

We may encounter difficulties in collecting property management fees from property owners that live in communities where the vacancy rate is relatively high. Even though we seek to collect overdue property management fees through various collection measures, we cannot assure you that such measures will be effective. In addition, before accepting new engagements, we assess the historical collectability of management fees in these properties. However, there is no assurance that such assessment would enable us to accurately predict our future collection rate.

Our allowance for impairment of trade and bills receivables amounted to RMB12.5 million, RMB16.1 million and RMB23.2 million as of December 31, 2013, 2014 and 2015, respectively. Although our management's estimation and the related assumptions have been made in accordance with information available to us currently, such estimation or assumptions may need to be adjusted if new information becomes known. In the event that the actual recoverability is lower than expected, or that our past allowance for impairment of trade and bills receivables in relation to trade receivables becomes insufficient in light of the new information, we may need to make more allowance for impairment of trade and bills receivables, which may in turn materially and adversely affect our business financial position and results of operations. For the years ended December 31, 2013, 2014 and 2015, our impairment losses for trade and bills receivables amounted to RMB13.3 million, RMB21.0 million, and RMB22.3 million, respectively.

Increase in staff costs and sub-contracting costs could slow our growth, harm our business and reduce our profitability.

Staff costs included in cost of sales amounted to RMB975.4 million, RMB1,180.5 million and RMB1,151.5 million, representing the single largest component of our cost of sales and accounted for approximately 68.2%, 64.1% and 48.2% of our cost of sales for the years ended December 31, 2013, 2014 and 2015, respectively. Staff costs included in administrative expenses amounted to RMB85.2 million, RMB97.9 million and RMB135.1 million, representing the single largest component of our administrative expenses and accounted for approximately 68.1%, 65.4% and 58.1%, respectively, of our administrative expenses for the years ended December 31, 2013, 2014 and 2015. In addition, we outsource certain functions, such as security, cleaning and maintenance services, to sub-contractors. For the three years ended December 31, 2013, 2014 and 2015, sub-contracting costs amounted to RMB186.8 million, RMB348.9 million and RMB801.2 million, respectively, representing approximately 13.1%, 18.9% and 33.6% of our cost of sales, respectively. To maintain and improve our profitability, it is important for us to control and manage our staff costs and sub-contracting costs. We face rising pressures in relation to staff costs and sub-contracting costs from various aspects. The general level of compensation in the regions where we operate has been increasing in recent years, resulting in upward pressure on our staff costs and the fees we pay to our sub-contractors. In addition, during the Track Record Period and up to the Latest Practicable Date, substantially all of our property management fees were charged on a lump sum basis under which we retained all the property management fees we collected, but we also bore all the expenses associated with providing our property management services, including staff costs and sub-contracting costs. To the extent we are unable to increase the level of our property management fees sufficiently to pass the increases in staff costs or sub-contracting costs onto our customers, our business, financial position and results of operations may be materially and adversely affected.

As we continue to expand our operations, we also expect to increase our total headcount by retaining and continuously recruiting qualified employees. The competition for recruiting qualified employees in the PRC property management industry is intense and could require us to pay higher wages in our recruitment and employee retention efforts, resulting in an increase in our staff costs and sub-contracting costs. Any future inability to recruit and retain qualified employees and sub-contractors may also delay the growth in the portfolio of our managed properties, and could also materially and adversely impact our property management operations at our existing portfolio of managed properties.

Our "Happy Greentown" mobile application may fail to attract and retain sufficient interest from residents.

We believe that our "Happy Greentown" mobile application is crucial to the successful growth of our Company. We plan to attract increased use by residents of our managed properties. For more details about our planned measures to increase the use of our platform, please refer to the sub-section headed "Business — Our Core Value and Strategies — Continue to develop our "smart community" project to enhance the user experience and generate higher-margin revenue" in this prospectus.

However, our “Happy Greentown” mobile application is relatively new and still evolving. As we may have limited experience operating an online platform, there can be no assurance that the residents will respond favorably. The future growth of our “Happy Greentown” mobile application depends on our ability to continue to attract new users as well as to increase the spending and repeat purchase rate of existing users. Constantly changing consumer preferences have historically affected, and will continue to affect, the e-commerce industry. Consequently, we must stay abreast of emerging life-style and consumer preferences and anticipate product trends that will appeal to existing and potential users. New products and services, or entrance into new markets, may require substantial time, resources and capital, and profitability targets may not be achieved. If our residents cannot find desired products or services within our portfolio at attractive prices, our residents may lose interest in our “Happy Greentown” mobile application and thus may use our mobile application less frequently or even stop using our mobile application altogether, which in turn, may materially and adversely affect our community products and services segment and its financial condition and results of operations.

We rely on sub-contractors to perform some of our property management services and may be held responsible for their substandard services to our customers.

We rely on sub-contractors to perform some of our property management services, primarily including security, cleaning, gardening and repair and maintenance services. For the three years ended December 31, 2013, 2014 and 2015, sub-contracting costs amounted to RMB186.8 million, RMB348.9 million and RMB801.2 million, respectively, representing approximately 13.1%, 18.9% and 33.6% of our cost of sales, respectively. We may not be able to monitor such services as directly and efficiently as with our own services. Sub-contractors may take actions contrary to our instructions or requests, or be unable or unwilling to fulfill their obligations in accordance with the sub-contracting agreements. For example, if our sub-contractors fail to maintain a stable team of qualified staff, their work may be interrupted, which could negatively affect their ability to provide the contracted services. Accordingly, we may be held responsible for their substandard services to our customers, which in turn could damage our reputation, result in additional expenses and business disruptions and potentially expose us to litigation and damage claims from our customers. In addition, we could also be required to indemnify customers for work performed by our sub-contractors to our customers. We may be able to recover from a sub-contractor the amounts we are required to pay to customers due to the sub-contractor’s failure to perform pursuant to the agreements that we enter into with the sub-contractors, but there is no guarantee that we will be able to do so.

In addition, when our existing sub-contracting agreements expire, there can be no assurance that we will be able to renew such agreements or find suitable replacements in a timely manner, on terms favorable to us, or at all. Any of such events could materially and adversely affect our service quality, our reputation, as well as our business, financial position and results of operations.

Our provision of property management services on a lump sum basis could subject us to losses.

During the Track Record Period, we charged almost all of the property management fees on a lump sum basis and we were paid a pre-negotiated amount of management fees regardless of the actual amount of property management expenses we incurred. In the event the property management fees we collect are insufficient to cover all the management expenses incurred, we may be unable to collect the shortfall from property owners. Accordingly, we may suffer losses which could result in a material adverse effect on our profitability, financial position and results of operations.

A significant portion of our operations are concentrated in Yangtze River Delta of the PRC, and we are susceptible to trends and developments in these regions.

A significant portion of our operations are concentrated in Yangtze River Delta, particularly in Hangzhou of the PRC. As of December 31, 2013, 2014 and 2015, the total contracted GFA under management of our managed properties located in Yangtze River Delta represented approximately 72.6%, 72.9% and 70.9% of the total contracted GFA of all our managed properties, respectively. As of the same dates, the total contracted GFA under management of our managed properties located in Hangzhou represented approximately 21.3%, 18.7% and 18.6% the total contracted GFA under management of all our managed properties, respectively.

We expect that Yangtze River Delta will continue to account for a significant portion of our operations in the near future. If the Yangtze River Delta experiences any adverse economic conditions, such as an economic downturn, natural disaster, contagious disease outbreak or terrorist attack, or if the local governmental authorities adopt regulations that place additional restrictions or burdens on us or on the property management industry in general, our business, financial position and results of operations could be materially and adversely affected.

We operate in a highly competitive industry with numerous competitors and we may not be able to compete successfully against our competitors.

The property management industry is highly fragmented, with around 100,000 companies operating in the industry in 2015 according to China Index Academy. We compete against other property management companies in the PRC, especially the Top Hundred Property Management Companies, with respect to a wide range of factors including, among others, service quality, brand recognition, innovation, cost efficiency and financial resources. Moreover, our community value-added services segment faces competition from other companies providing similar services to consumers. Please see the sub-section headed “Industry Overview — PRC Property Management Industry — Competitive Landscape of the PRC Property Management Industry” in this prospectus.

Competition in our industry may intensify as our competitors expand their product or service offerings, or as new competitors enter our existing or new markets. Our competitors may have better track records, longer operating histories and greater financial, technical and other resources. They may also have greater brand recognition and larger customer bases. As a result, these competitors may be able to devote more resources to the development, promotion and sale of their services. There can be no assurance that we will be able to continue to compete effectively or maintain or improve our market position, and such failure could have a material adverse effect on our business, financial position and results of operations.

We may be unable to adequately manage the national rollout plan for our "Happy Greentown" mobile application or implement the national rollout plan within our desired timeframe.

As of December 31, 2015, we had launched our "Happy Greentown" mobile application at 405, or 63.1%, of the residential communities managed by us. We are implementing the national rollout plan for our "Happy Greentown" mobile application. However, there is no assurance that we will adequately manage or implement the national rollout plan within our desired timeframe.

In order to roll out our "Happy Greentown" mobile application at all residential communities managed by us across China, we will need to install smart management devices to update our property management system at the residential communities. We will also need to provide necessary training to our staff members with respect to operating the enhanced property management system in an efficient manner. Moreover, it is our goal to continuously develop the "Happy Greentown" mobile application to increase accessibility, improve user experience and offer more categories of community products and services.

Our ability to manage the national rollout plan for our "Happy Greentown" mobile application requires continuous improvements to our operational and financial systems, the skills of our management team and employees and our technological capabilities. There can be no assurance that our systems, procedures, controls, personnel and expertise will be adequate to support the implementation of the national rollout plan. Furthermore, our managerial, operational and financial resources may be strained in the execution of the national rollout plan. If we fail to manage the national rollout plan for our "Happy Greentown" mobile application effectively, we may be unable to sustain our profitability and our business, results of operations and financial condition could be materially and adversely affected.

Damage to the common areas of our managed properties could adversely affect our business, results of operations, financial position and reputation.

The common areas of our managed properties, such as the lobby, hallway, outdoor open space, stairway, car park, elevator shaft and equipment room, may be damaged in a variety of ways that are beyond our control, including but not limited to natural disasters and intentional or unintentional human actions.

Under PRC law, each residential community is required to establish a special fund to pay for the costs for the repair and maintenance of common areas that are jointly-owned by all property owners. However, there is no assurance that such special fund will be sufficient to cover all of the repair and maintenance costs. We may need to pay the shortfall on behalf of the property owners in case the special fund is not sufficient to cover all of the repair and maintenance costs and then attempt to collect the shortfall from the property owners' associations. If we face any difficulties in the collection process, our business, results of operations and financial position could be materially and adversely affected. In addition, we may also need to divert management attention and resources to assist the police and other governmental authorities in their investigations in connection with any damage to the common areas of our managed properties.

Furthermore, as we intend to continue to grow the portfolio of our managed properties, we also cannot assure you that the likelihood of such incidents occurring will not increase as the size of our portfolio of managed properties increases.

Our future acquisitions may not be successful and we may face difficulties in integrating acquired operations.

During the Track Record Period, we acquired majority interests in two operating property management companies from third parties. We plan to continue to evaluate opportunities to acquire other property management companies.

Acquisitions involve inherent risks and uncertainties, including, without limitation, unforeseen or hidden liabilities in connection with the target, failure to achieve the intended acquisition objectives or benefits, and diversion of resources and management attention from managing our existing business operations. In addition, there can be no assurance that we will be able to identify suitable acquisition opportunities. Even if we can, we may not be able to complete the acquisitions on terms favorable to us, in a timely matter, or at all. As a result, our competitiveness and growth prospects could be materially and adversely affected.

Furthermore, although we have implemented a series of measures to facilitate post-acquisition integration and we did not experience any significant difficulty in integrating our acquired companies during the Track Record Period, we may face difficulties in integrating acquired operations in the future as we continue to expand our operations through acquisition. Such post-acquisition difficulties could disrupt our business operations, distract our management or increase our operating expenses, any of which could materially and adversely affect our business, financial position and results of operations. For details regarding our post-acquisition integration, please refer to the sub-section headed "Business — Property Management Services — Growth of Our Property Management Portfolio — Acquisition of Third-party Property Management Companies" in this prospectus.

We are exposed to risks in relation to work safety and occurrence of accidents.

Work injuries and accidents may occur when providing our property management services. For example, when our employees or employees of our sub-contractors provide repair and maintenance services to the elevators of the residential communities managed by us, there are inherent risks of work injuries or accidents occurring due to the nature of the services being performed. During the Track Record Period and up to the Latest Practicable Date, we did not experience any work injury incident or accident in the course of our operations that resulted in a material and adverse effect on our business, financial position and results of operations.

Nevertheless, there can be no assurance that any such incident or accident, which could result in property damage, personal injury or even death to the residents, property owners, our employees or employees of our sub-contractors, will not occur in the future. In such event, we may be held liable for the losses. We may also be exposed to claims of negligent or reckless behavior on the part of our employees or employees of our sub-contractors. Although we typically require our sub-contractors to maintain accident personal injury insurance policies, there is no assurance that any such insurance coverage will be sufficient or available to cover the damages, liabilities or losses we may be exposed to as a result of such incidents or accidents. We may also experience interruptions to our business operations and may be required by government authorities to change the manner in which we operate following any incidents or accidents. Any of the foregoing could materially and adversely affect our reputation, business, financial position and results of operations.

Our pricing of property management fees under preliminary property management agreements and for affordable housing is subject to PRC government regulations.

During the Track Record Period, some of our managed properties were subject to price control. For more details, please refer to the section headed "Regulatory Overview — Fees Charged by Property Management Company" in this prospectus. In December 2014, the National Development and Reform Commission of the PRC issued the Circular of NDRC on the Opinions on Relaxing Price Controls in Certain Services (《國家發展改革委關於放開部分服務價格意見的通知》) (發改價格[2014]2755號), which requires provincial-level price administration authorities to abolish all price control or guidance policies on residential properties other than affordable housing and preliminary property management agreement. Property management fees for affordable housing, housing-reform properties and properties in old residential areas and management fees under preliminary property management agreements remain subject to price guidance imposed by provincial level price administration departments and the administrative departments of housing and urban-rural development. Although we expect the price controls on residential properties to relax over time pursuant to the Circular, our property management fees will continue to be subject to price controls until local regulations implementing the Circular are passed. Government price control policies may have a negative impact on our earnings and profitability as such restrictions may lower the prices we may charge. In addition, since we charge property management fees for a significant majority of the properties managed by us (in terms of contracted GFA under management) on a lump sum basis, our business, financial position and results of operations may be materially and adversely affected if we are unable to increase the level of our property management fees sufficiently to pass any increases in costs to our customers.

We are affected by PRC government regulations on the real estate industry, which may limit our growth potential.

We derived a significant portion of our revenue from our property management services segment during the Track Record Period and up to the Latest Practicable Date. The performance of our property management services segment is primarily dependent on the amount of our contracted GFA under management and number of our managed properties. Therefore, the growth potential of our property management services segment is, and will likely continue to be, affected by PRC government regulations on the real estate industry. For more details on the PRC laws that are applicable to our business operations, please refer to the section headed "Regulatory Overview" in this prospectus.

The PRC government has implemented a series of measures to control the economic growth in recent years. In particular, the PRC government has continued to introduce various restrictive measures to discourage speculative investments in the real estate market, such as imposing controls over the land supply for property development, foreign exchange controls, restrictions against property development financing, additional taxes and levies on property sales and foreign investments in the PRC real estate market. Such government measures may negatively affect sales and the delivery schedules of the properties we service, thus limiting our growth potential and resulting in a material adverse effect on our business, financial position and results of operations.

Our business may be adversely affected if we fail to obtain, or experience material delays in obtaining, requisite government approvals or licenses in carrying out our operations.

We are required to obtain and maintain certain licenses, permits, certificates and approvals in order to provide property management and certain other services that we currently offer. We must meet various specific conditions in order for the government authorities to issue or renew any certificate or permit. We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to our services or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our operations, we will not be able to continue with our development plans, and our business, financial condition and results of operations may be adversely affected.

Our insurance may not sufficiently cover, or may not cover at all, our potential losses and liabilities.

We believe our insurance coverage is in line with the industry practice in the PRC and we did not experience any material insurance claims in relation to our business during the Track Record Period and up to the Latest Practicable Date. For more details regarding our insurance policies, please refer to the sub-section headed “Business — Insurance” in this prospectus. In addition, we typically require our sub-contractors to purchase accident insurance policies for their employees or to otherwise be responsible for all injuries suffered by their employees when they work at our sites. However, our insurance coverage may not adequately protect us against all potential losses and liabilities that we may incur in the course of our business operations, which may result in adverse effects on our business. Moreover, there are certain types of losses or liabilities for which there are no insurance policies in the PRC available at commercially practicable terms, such as losses suffered due to business interruptions, earthquakes, typhoons, flooding, war or civil disorder. If we are held responsible for any such damages, liabilities or losses due to insufficiency or unavailability of insurance, there could be a material adverse effect on our business, financial position and results of operations.

We may be involved in legal and other disputes and claims from time to time arising out of our operations.

We may, from time to time, be involved in disputes with and subject to claims from, among others, the residents, guests and property owners of our managed properties. For example, property owners may take legal action against us if they believe that our services are below the standards set forth in the relevant preliminary property management agreements or property management agreements. Furthermore, we may from time to time be involved in disputes with and subject to claims by other parties associated with our business operations, such as our sub-contractors, suppliers and employees, or other third parties who sustain injuries or damages at the premises of our managed properties.

Such disputes and claims may lead to legal or other proceedings or result in negative publicity against us and damage our reputation. We may also incur substantial costs and have to divert management attention and other resources from our business operations to defend ourselves in such proceedings. For more details, please refer to the section headed “Business — Legal Proceedings and Compliance” in this prospectus. Any such dispute, claim or proceeding may have a material adverse effect on our business, financial position and results of operations.

We may be subject to fines for our failure to make full amount of contributions to social security and housing provident funds for some of our employees.

During the Track Record Period, we failed to make contributions to social security and housing provident funds for some of our employees. During the Track Record Period, some of our subsidiaries were requested by competent authorities to make up the overdue payments to the social security funds upon the authorities' review of those subsidiaries' year-end financial statements filed for tax purpose. As of the Latest Practicable Date, all such amounts had been paid. We have made provisions in the amount of approximately RMB1.9 million in aggregate with respect to housing provident funds and believe such amount is sufficient to cover our liabilities in respect of the unpaid contributions. Although we are not aware of any complaints or demands for payment of these contributions from employees, and as of the Latest Practicable Date, all of the employees for whom we did not make full amount of contribution had undertaken that they would not claim from us their portion of the social security and housing provident funds and would waive any rights against us, our PRC legal advisors have advised us that the relevant PRC authorities may nevertheless require us to pay the unpaid amount within a certain period and impose late fees and/or fines. Our PRC legal advisors have advised us that, under PRC laws and regulations, late fees and fines will be imposed on an employer for not paying social security and housing provident funds contributions in full amount in a timely manner. If any competent government authority is of the view that the social security payments we paid for our employees did not satisfy the requirements under relevant PRC laws and regulations, it can order us to pay the unpaid amount to the relevant local authorities within a certain period and impose a late fee that equals 0.05% of the total unpaid amount per day. If we fail to rectify, we may be subject to a fine ranging between one to three times of the total unpaid amount. Our PRC legal advisors have also advised us that, if any competent government authority is of the view that the housing provident fund contributions did not satisfy the requirements under PRC laws and regulations, it can order us to pay the unpaid amount to the relevant local authorities within a certain period and impose a fine ranging from RMB10,000 to RMB50,000.

We have not registered all of our lease agreements with housing administration authorities and as a result we may be subject to fines.

Pursuant to applicable PRC laws and regulations, property lease contracts must be registered with housing administration authorities. As of the Latest Practicable Date, we, as the tenant, failed to register lease agreements for 36 of our offices and warehouses and 343 apartments that we use as staff quarters primarily due to the lack of cooperation from the landlords in registering such agreements. Under PRC regulations, while the failure to register a lease agreement does not affect its effectiveness between the tenant and the landlord, we and the landlords may be subject to administrative fines for failing to register the lease agreements and be required by the competent authorities to register such agreements within a prescribed period. Our operations may be interrupted if our failure to register lease agreements gives rise to disputes with any landlord or third party, and we may incur additional compliance costs if we are subject to administrative penalties. Our PRC legal advisors advised us that a penalty of between RMB1,000 and RMB10,000 for each agreement may be imposed as a result of our failure to register. The total amount of potential penalty is estimated to be RMB379,000 to RMB3.79 million for failing to register the leases. In the event that we are required by relevant authorities to rectify the non-compliance with lease registration requirement, we intend to find alternative locations nearby and relocate. We may incur additional relocation costs and we cannot assure you that we will be able to find alternative locations in a timely manner. The occurrence of any of the above conflicts or disputes or the imposition of the above fines could require us to make additional efforts and/or incur additional expenses, any of which could adversely impact our business, financial condition and results of operation.

We have not yet obtained valid titles or rights to use certain properties occupied by us.

We have not obtained any valid title certificate for an office in Hangzhou that we bought in 2009 due to the delay by the seller in completing certain registrations for selling the property to our Company. For some of our leased properties, our landlords failed to provide valid title certificates and as such we are not able to verify whether the landlords are the legal owners of the leased properties or otherwise have rights to lease the properties to us. Any dispute or claim in relation to the titles of these properties, including any litigation involving allegations of illegal or unauthorized use of these properties, could require us to relocate our business operations occupying these properties. If any of our leases are terminated or voided as a result of challenges from third parties or the government or if the lease is otherwise not renewed by our landlords upon expiration, we would need to seek alternative premises and incur relocation costs. Further, we cannot assure you that we will be able to secure alternative properties for our business if we are required to relocate. Any relocation could disrupt our operations and adversely affect our business, financial condition, results of operations and growth prospects.

Expansion of our business may expose us to increased risks of non-compliance with the rules and regulations in new geographic markets and new products and services.

As we expand our operations into new geographic markets and new products and services, we expect to become subject to an increasing number of rules and regulations. In addition, as the size and scope of our operations increase, the difficulty of ensuring compliance with the various rules and regulations and the potential for penalties or fines from non-compliances increase. If we fail to comply with application rules and regulations, we may be subject to penalties by the competent authorities. The laws and regulations applicable to our business, whether national, provincial or local, may also change in ways that materially increase the costs of compliance, and any failure to comply could result in significant financial penalties which could have a material adverse effect on our business, financial position and results of operations.

Our net current liabilities may expose us to certain liquidity risks and could constrain our operational flexibility as well as adversely affect our ability to expand our business.

We recorded net current liabilities in the amount of RMB2.6 million, RMB95.4 million and RMB81.5 million as of December 31, 2014 and 2015 and April 30, 2016, respectively. Our net current liabilities as of December 31, 2014 and 2015 and April 30, 2016 were partially attributable to the purchase of our new office building for RMB121.4 million using cash and short-term borrowings and a large amount of dividend payables as of the respective dates. As of December 31, 2014 and 2015 and April 30, 2016, our dividend payables were RMB57.3 million, RMB21.9 million and RMB21.9 million, respectively. Our net current liabilities as of December 31, 2015 were also attributable to the purchase price in the amount of RMB50.0 million payable to a related party relating to an acquisition as part of our Reorganization in contemplation of the Listing (for more details, please refer to Note 29(a) of Section B of the Accountants' Report in Appendix I to this prospectus). For more details, please refer to the section headed "Financial Information — Current Assets and Current Liabilities" in this prospectus.

Net current liabilities may expose us to certain liquidity risks and could constrain our operational flexibility as well as adversely affect our ability to expand our business. Our future liquidity, the payment of trade and other payables, as and when they become due will primarily depend on our ability to maintain adequate cash inflows from our operating activities and adequate external financing, which will be affected by our future operating performance, prevailing economic conditions, our financial, business and other factors, many of which are beyond our control. If we do not have sufficient working capital to meet our present and future financial needs, we may need to resort to external funding. Our inability to obtain additional external borrowings on a timely basis or on acceptable terms, or at all, may also force us to abandon our development and expansion plans, and our business, financial condition and results of operations may be materially and adversely affected.

We may be exposed to liabilities arising from or relating to disputes and claims in relation to products and services provided by our suppliers (including sub-contractors).

We may become, or may be joined as, a defendant in litigation or other proceedings brought against merchants that sell community products or services by purchasers or users of their products and services, government authorities or other third parties. These proceedings could involve claims alleging, among other things, the failure of products and services provided by our suppliers to conform to required quality standards, false or misleading representations made by our suppliers in relation to the products and services provided, property damage or personal injuries arising from the products and services provided by our suppliers and infringement of third parties' intellectual property rights by our suppliers in connection with the products and services provided. We may be required to pay damages as a result of such litigation or other proceedings. We may also be subject to administrative fines and ordered to cease sales of the relevant products and services. In the event of serious offenses, our business license may be suspended or revoked, and we may be investigated or even prosecuted under PRC criminal laws. Although our agreements with suppliers provide that they will indemnify us for any liability attributable to their own or their employees' conduct, we may not be able to effectively enforce or collect under such contractual obligations.

Any of the foregoing events could materially affect the operation of our community value-added services segment, harm our brand and reputation, divert our management's attention and other resources and have a material adverse effect on our business, financial position and results of operations.

Elimination of, or changes to, any of the incentives provided to us by the PRC government could reduce our profitability.

We received government grants in the amount of RMB9.8 million, RMB11.4 million and RMB16.1 million for the years ended December 31, 2013, 2014 and 2015, respectively. Those government grants were offered by local governmental authorities in recognition of our innovation efforts and leading market position. As government grants are typically awarded at the discretion of the relevant governmental authorities, we cannot assure you that we will continue to receive them in the future. Furthermore, although we believe that the government grants are provided by local authorities in compliance with current policies, laws and regulations in China, we face uncertainty relating to the availability of government grants due to unexpected changes in PRC laws, regulations and governmental policies. Any loss of or reduction in government grants could have an adverse effect on our financial condition, results of operations and prospects.

We may not be able to protect our intellectual properties, which could damage our brand equity and adversely affect our business.

We consider our intellectual properties, including the "Greentown Service (綠城服務)" trademark and the "Happy Greentown" mobile application, to be crucial business assets, key to customer loyalty and essential to our future growth. The success of our business depends substantially upon our continued ability to use our intellectual properties to increase brand recognition and to further grow our brand equity. Unauthorized use of our intellectual properties could diminish the value of our brand, market reputation and competitive advantages.

We rely on a combination of registration of trademarks and confidentiality arrangements to protect our intellectual property rights. Nevertheless, these may only afford limited protections. Policing unauthorized use of our intellectual properties can be difficult and expensive. In addition, the enforceability, scope and validity of laws governing intellectual property rights in the PRC are uncertain and still evolving, and could involve substantial risks to us. If we were unable to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights, such inability or failure could have a material adverse effect on our business, operating results and financial position.

Our success depends upon the retention of our senior management, as well as our ability to attract and retain qualified and experienced employees.

Our success depends upon the efforts of our Directors, senior management and other key employees, such as Ms. Li Hairong (李海榮), our executive Director and Chairlady. If any of our Directors, senior management and other key employees leave and we are unable to promptly identify and appoint or employ a qualified replacement, our business, financial position and results of operations may be materially and adversely affected.

In addition, the future growth of our business will depend in part on our ability to attract and retain qualified personnel in all aspects of our business, such as corporate management personnel, property management personnel and information technology personnel. If we are unable to attract and retain qualified personnel, our growth may be limited and our business, financial position and operating results could be materially and adversely affected.

Our "smart community" project is subject to the risks of system interruptions and security risks.

Our "smart community" project depends on the efficient and uninterrupted operation of our computer system. We may experience system interruptions that make our mobile application and their services unavailable or difficult to access, and prevent us from promptly responding or providing services to the residents of our managed properties. Such events could reduce the attractiveness of our mobile application and adversely affect our operating results.

In addition, providing certain of our community products and services through a mobile application involves security risks, including security breaches and identity theft. In order to succeed, we must be able to provide secured transmission of confidential information over public networks. Although we have implemented a series of measures to protect our Company against security risks, such as installing surveillance systems and requiring our employees and third parties who may have access to our proprietary technologies and information to enter into agreements imposing non-disclosure obligations, our current security measures may not be adequate.

Concerns about our practices with regard to the collection, use or disclosure of personal information or other privacy-related matters, even if unfounded, could damage our reputation and operating results. Pursuant to applicable PRC laws and regulations concerning the collection, use and sharing of personal data, our PRC subsidiaries are required to keep our users' personal information confidential and are prohibited from disclosing such information to any third parties without users' consent. We apply strict management and protection to any information provided by users. Under our privacy policy, we cannot provide any of our users' personal information to any unrelated third party without our users' prior consent. In December 2012 and July 2013, new laws and regulations were issued by the standing committee of the PRC National People's Congress and the MIIT to enhance the legal protection of information security and privacy on the Internet, including taking measures to ensure confidentiality of information of users. While we strive to comply with our privacy guidelines as well as all applicable data protection laws and regulations, any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, and could damage our reputation. User and regulatory attitudes towards privacy are evolving, and future regulatory or user concerns about the extent to which personal information is shared with merchants or others may adversely affect our ability to share certain data with merchants, which may limit certain methods of targeted marketing. Concerns about the security of personal data could also lead to a decline in general Internet use, which could lead to lower user traffic on our "Happy Greentown" mobile application. A significant reduction in user traffic could lead to lower revenues from paying users, which could have a material adverse effect on our business, in particular, our value-added services, financial condition, results of operations and prospects.

We could be liable for any breach of security relating to the third-party online payment platforms we use, and concerns about the security of Internet transactions could damage our reputation, deter current and potential users from using our online marketplace and have other adverse consequences to our business.

Users of our "Happy Greentown" mobile application may conduct transactions through third-party online payment platforms. In these online payment transactions, secured transmission of confidential information, such as customer credit card numbers and expiration dates, personal information and billing addresses, over public networks is essential to maintain consumer confidence. As the prevalence of using online payment methods increases, associated online crimes will likely increase as well. Although we have implemented a series of measures to protect our Company against security breaches, such as installing an advanced security system and requiring our employees and third parties who may have access to our proprietary technologies and information to enter into non-disclosure agreements, our current security measures and those of the third-party online payment platform service providers may not be adequate. Increasing and enhancing our security measures and efforts so that users of our "Happy Greentown" mobile application have confidence in the reliability of the online payment platforms that we use may impose additional costs and expenses but still not guarantee complete safety. In addition, we do not have control over the security measures of our third-party online payment platform service providers. Security breaches of the online payment platforms that we use could expose us to litigation and possible liability for failing to secure confidential user information and could, among other things, damage our reputation. Furthermore, even if a security breach did not occur on the online payment platforms that we use, if an Internet or mobile network security breach were to occur, the perceived security of online payment platforms in general may be adversely affected and cause users to be reluctant to utilize our "Happy Greentown" mobile application.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

PRC economic, political, social and industry conditions as well as government policies could affect our business.

The economy of the PRC differs from the economies of most developed countries in many respects, including but not limited to structure, level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources.

While the PRC economy has grown significantly in the past 30 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also negatively affect our operations. For example, our financial position and results of operations may be adversely affected by the PRC government's control over capital investment in the real estate industry.

The PRC economy has been transitioning from a planned economy to a market oriented economy. For the past three decades, the PRC government has implemented economic reform measures emphasizing the utilization of market forces in the development of the PRC economy. The PRC economy has grown significantly in recent decades, but there can be no assurance that this growth will continue or continue at the same pace. In addition, demand for our services and our business, financial position and results of operations may be adversely affected by (i) political instability or changes in social conditions in the PRC, (ii) changes in laws, regulations or policies or the interpretation of laws, regulations or policies, (iii) measures which may be introduced to control inflation or deflation, (iv) changes in the rate or method of taxation and (v) imposition of additional restrictions on currency conversion and remittances abroad. Further, our business, financial position and results of operations depend on and will continue to depend on various factors affecting the property management industry, most of which are beyond our control. Any economic slowdown, recession or other developments in the PRC social, political, economic or legal environment could result in fewer new property development projects, or a decline in the purchasing power of the residents and property owners of our managed properties, resulting in lower demand for our services. As such, our business, financial position and results of operations would be materially and adversely affected.

We may be considered a "resident enterprise" under the EIT Law and may not be able to enjoy the preferential income tax rate on the dividends that we receive from our PRC operating subsidiaries.

Our Company was incorporated in the Cayman Islands. We conduct our business through operating subsidiaries in the PRC. Under the EIT Law, enterprises established under the laws of foreign countries or regions and whose "de facto management bodies" are located within the PRC are considered "resident enterprises" and thus will generally be subject to enterprise income tax at the rate of 25% on their global income. On December 6, 2007, the State Council adopted the Regulation on the Implementation of EIT Law, effective as of January 1, 2008, which defines the term "de facto management bodies" as "bodies that substantially carry out comprehensive management and control on the business operation, employees, accounts and assets of enterprises." Currently, our management is based in the PRC, and may continue to be based in the PRC in the future. In April 2009, the PRC State Administration of Taxation promulgated a circular to clarify the definition of "de facto management bodies" for enterprises incorporated overseas with controlling shareholders being onshore enterprises or enterprise groups in the PRC. However, it remains unclear how the tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise and ultimately controlled by PRC individual residents, as in our case.

If we were considered a PRC resident enterprise, we would be subject to enterprise income tax at the rate of 25% on our global income, and any dividend or gain on the sale of our Shares received by our non-resident enterprise shareholders may be subject to a withholding tax at a rate of up to 10%. In addition, although the EIT Law provides that dividend payments between qualified PRC resident enterprises are exempted from enterprise income tax, it remains unclear as to the detailed qualification requirements for this exemption and whether dividend payments by our PRC operating subsidiaries to us would meet such qualification requirements if we were considered a PRC resident enterprise for this purpose. If our global income were to be taxed under the EIT Law, our financial position and results of operations would be materially and adversely affected.

Under the EIT Law and its implementing rules, if the foreign shareholder of a PRC subsidiary is not deemed a PRC tax resident enterprise under the EIT Law, then dividend payments from the PRC subsidiary to the foreign shareholder are subject to a withholding tax at the rate of 10%, unless the jurisdiction of such foreign shareholders has a tax treaty or similar arrangement with China and the foreign shareholder obtains approval from competent local tax authorities for application of such tax treaty or similar arrangement. We invest in our PRC operating subsidiaries and Greentown Telecommunications through Greentown Service Hong Kong, a company incorporated in Hong Kong. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Hong Kong Tax Treaty**"), the Hong Kong incorporated parent company will be subject to a withholding tax at a rate of 5% on dividends received from its PRC operating subsidiaries. However, the SAT promulgated a circular on October 27, 2009 ("**Circular 601**"), which provides that tax treaty benefits will be denied to "conduit" or shell companies without business substance, and a beneficial ownership analysis will be adopted based on a "substance over form" analysis to determine whether or not to grant tax treaty benefits to a "conduit" company. It is unclear whether Circular 601 applies to dividends from our PRC operating subsidiaries paid to us through Greentown Service Hong Kong and as such we had made a provision for withholding tax on dividend payments at the rate of 10%.

Our ability to access credit and capital markets may be adversely affected by factors beyond our control.

Interest rate increases by the PBOC, or market disruptions such as those experienced in the United States, European Union and other countries or regions, may increase our cost of borrowing or adversely affect our ability to access sources of liquidity upon which we have relied to finance our operations and satisfy our obligations as they become due. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges. There can be no assurance that the anticipated cash flow from our operations will be sufficient to meet all of our cash requirements, or that we will be able to secure external financing at competitive rates, or at all. Any such failure may adversely affect our ability to finance our operations, meet our obligations or implement our growth strategy.

SAFE regulations may limit our ability to finance our PRC subsidiaries effectively with the net proceeds from the Global Offering, which may affect the value of your investment and may make it more difficult for us to grow our business.

We plan to finance our PRC subsidiaries with the net proceeds from the Global Offering through overseas shareholder loans or additional capital contributions, which require registration with or approvals from the PRC government authorities. Any overseas shareholder loans to our PRC subsidiaries must be registered with the local branch of SAFE as a procedural matter, and such loans cannot exceed the difference between the total amount of investment our PRC subsidiaries are approved to make under the relevant PRC laws and their respective registered capital. In addition, the amounts of the capital contributions are subject to the approval of the MOFCOM or its local counterpart. Under the applicable PRC laws, Renminbi converted from the foreign currency-denominated capital contribution of a foreign-invested company may only be used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments. In addition, SAFE strengthened its oversight of the flow and use of Renminbi funds converted from the foreign currency denominated capital of a foreign-invested company. The use of such Renminbi may not be changed without approval from SAFE, and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used for purposes within our Company's approved business scope.

There can be no assurance that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, or at all, with respect to making future loans or capital contributions to our PRC subsidiaries with the net proceeds from the Global Offering. If we fail to complete such registrations or obtain such approvals, our ability to contribute additional capital to fund our PRC operations may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

Our Company is a holding company relying on dividend payments from our subsidiaries for funding.

Our Company was incorporated in the Cayman Islands, and operates through operating subsidiaries in the PRC. As a result, the availability of funds to pay dividends to our Shareholders and to service our debt obligations is dependent upon dividends received from these PRC subsidiaries. Under PRC regulations, such subsidiaries may distribute to us their after-tax profits, as determined in accordance with the PRC accounting rules and regulations, which differ in many respects from generally accepted accounting principles in other jurisdictions. Furthermore, our PRC operating subsidiaries may only distribute their after-tax profits to us subsequent to setting aside relevant statutory reserve funds at a rate of at least 10% of their annual net profit until such fund reaches 50% of its registered capital. The statutory reserve is not available for distribution as cash dividends. Furthermore, restrictive covenants in bank credit facilities or other agreements that we may enter into in the future may also restrict the ability of our PRC operating subsidiaries to make dividend payments to us and our ability to receive distributions from them. These restrictions could reduce the amount of distributions that we receive from our subsidiaries, which would restrict our cash flow and our ability to pay dividends and settle our debt obligations.

Fluctuation in the value of the Renminbi may have a material adverse effect on our business.

We conduct substantially all our business in Renminbi. However, following the Global Offering, we may also maintain a significant portion of the proceeds from the offering in Hong Kong dollars before they are used in our PRC operations. The value of the Renminbi against the US dollar, Hong Kong dollar and other currencies may be affected by changes in the PRC's policies and international economic and political developments. As a result, exchange rates may be volatile. Fluctuations in exchange rates may adversely affect the value, translated or converted into US dollars or Hong Kong dollars (which are pegged to the US dollar), of our cash flows, revenues, earnings and financial position, the value of and any dividends payable to us by our PRC subsidiaries. For example, an appreciation of the Renminbi against the US dollar or the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert US dollars or Hong Kong dollars into Renminbi for such purposes.

Uncertainty with respect to the PRC legal system could adversely affect us and may limit the legal protection available to you.

As our businesses are conducted, and our assets are located, in the PRC, our operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can only be cited as reference. Because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of PRC laws and regulations involve uncertainties and can be inconsistent. Even where adequate laws exist in the PRC, the enforcement of existing laws or contracts based on existing laws may be uncertain or sporadic, and it may be difficult to obtain swift and equitable enforcement of a judgment by a PRC court. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after such violation. Finally, any litigation in the PRC may be protracted and result in substantial costs and the diversion of resources and management's attention. The materialization of all or any of these uncertainties could have a material adverse effect on our financial position and results of operations.

It may be difficult to effect service of process on our management or to enforce against us or them in the PRC any judgments obtained from non-PRC courts.

Nearly all of our Directors and executive officers reside in the PRC, and substantially all of the assets of those people and of our Group are located in the PRC. Therefore, it may be difficult for investors to effect service of process upon those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands, the United States, the United Kingdom, Japan and many other developed countries. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions may be difficult or even impossible.

Governmental control of currency conversion may limit our ability to use capital effectively.

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Please see the sub-section headed "Regulatory Overview — Legal Regulations on Foreign Exchange in the PRC" in this prospectus. We receive substantially all our revenue in Renminbi. Under our current structure, our income is primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations, if any. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay dividends in foreign currencies to our shareholders.

The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of the SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of indebtedness denominated in foreign currencies. The restrictions on foreign exchange transactions under capital accounts could also affect our subsidiaries' ability to obtain foreign exchange through debt or equity financing, including by means of loans or capital contribution from us.

Natural disasters, acts of war, occurrence of epidemics, and other disasters could affect our business and the national and regional economies in the PRC.

Our business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics such as the human swine flu, also known as Influenza A (H1N1), H5N1 avian flu or severe acute respiratory syndrome ("**SARS**"), and other natural disasters which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the PRC and also the properties we manage. Some regions in the PRC, including certain cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought or epidemics. Our business, financial position and results of operations may be materially and adversely affected if natural disasters or other such events occur.

For instance, a serious earthquake and its successive aftershocks hit Sichuan Province in May 2008, resulting in tremendous loss of life and injury, as well as destruction of assets in the region. In 2003, the PRC reported a number of cases of SARS. Since its outbreak in 2004, there have been reports on occurrences of avian flu in various parts of the PRC, including several confirmed human cases and deaths. Any future outbreak of SARS, avian flu or other similar adverse epidemics may, among other things, significantly disrupt our business. An outbreak of infectious disease may also severely restrict the level of economic activity in affected areas and also the properties we manage, which in turn may have a material and adverse effect on our business, financial position and results of operations.

RISKS RELATING TO THE GLOBAL OFFERING

Purchasers of our Shares in the Global Offering will experience immediate dilution and may experience further dilution if we issue additional Shares in the future.

The Offer Price of our Shares is higher than our net book value on a per Share basis immediately prior to the Global Offering. Therefore, purchasers of our Shares in the Global Offering will experience an immediate dilution in the consolidated net tangible asset value, and our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per Share with respect to their Shares. In addition, holders of our Shares may experience a further dilution of their interest if we obtain additional capital in the future through equity offerings. In order to raise capital and expand our business, we may consider offering and issuing additional Shares or securities convertible into Shares in the future. Purchasers of our Offer Shares may experience dilution in the net tangible assets book value per share of their Shares if we issue additional Shares or securities convertible into Shares in the future at a price which is lower than the net tangible assets value per Share.

There has been no prior public market for our Shares.

Prior to the Global Offering, there was no public market for our Shares. The initial issue price range for our Shares was the result of negotiations between our Company and the Joint Global Coordinators on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. We have applied for listing of, and permission to deal in, our Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, will be sustained following the Global Offering or that the market price of our Shares will not decline following the Global Offering.

The liquidity and market price of our Shares may be volatile, which may result in substantial losses for investors subscribing to or purchasing our Shares pursuant to the Global Offering.

The price and trading volume of our Shares may be volatile, which may be subject to a number of factors, including but not limited to those that are discussed in this "Risk Factors" section or elsewhere in this prospectus, and the following which are beyond our control:

- actual or anticipated fluctuations in our results of operations (including variations arising from foreign exchange rate fluctuations);
- news regarding recruitment or loss of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- changes in general economic conditions or other developments affecting us or our industry;
- price movements on international stock markets, the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and
- release of lock-up or other transfer restrictions on our outstanding Shares or sales or perceived sales of additional Shares by us, our Controlling Shareholders or other Shareholders.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related or disproportionate to the operating performance of particular companies. For instance, during the global economic downturn and financial market crisis begun around the middle of 2008, the global stock markets witnessed drastic price drops with heavy unprecedented selling pressure. Many stocks fell to a fraction of their highs in 2007. Similar stock price movements were observed in the second half of 2011 as certain adverse financial developments affected the global securities and financial markets. These developments included a general global economic downturn, substantial volatility in equity securities markets and volatility and tightening of liquidity in credit markets. While it is difficult to predict how long such conditions last, they may continue to present risks for an extended period of time. These conditions may result in greater interest expenses on our bank borrowings or reduction of the amount of banking facilities currently available to us. Moreover, general market fluctuations may also materially and adversely affect the market price of our Shares.

Future issues, offers or sales of our Shares may adversely affect the prevailing market price of our Shares.

Future issues of the Shares by our Company or the disposal of the Shares by any of our Shareholders or the perception that such issues or sale may occur, may negatively affect the prevailing market price of the Shares. Moreover, future sales or perceived sales of a substantial amount of our Shares or other securities relating to our Shares in the public market may cause a decrease in the market price of our Shares, or adversely affect our ability to raise capital in the future at a time and at a price which we deem appropriate. The Shares held by our Controlling Shareholders are subject to certain lock-up undertakings for a period of up to six months after the Listing Date. Details of such lock-up undertakings are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses" in this prospectus. We cannot give any assurance that they will not dispose of their Shares they may own after the lock-up period expires.

The market price of our Shares when trading begins could be lower than the Offer Price as a result of, among other things, adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins.

The Offer Price will be determined on the Price Determination Date. However, the Offer Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be on the fifth business day after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Offer Shares during that period. Accordingly, holders of the Offer Shares are subject to the risk that the price of the Offer Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

Our Controlling Shareholders have substantial control over our Company and its interests may not be aligned with the interests of the other Shareholders.

Prior to and immediately following the completion of the Global Offering, our Controlling Shareholders will possess substantial control over its interests in the issued share capital of our Company. Subject to the Articles of Association, the Companies Law of the Cayman Islands and the Listing Rules, our Controlling Shareholders by virtue of their controlling beneficial ownership of the share capital of our Company, will be able to exercise significant control and exert significant influence over our business or otherwise on matters of significance to us and other Shareholders by voting at the general meeting of the Shareholders and at Board meetings. The interests of our Controlling Shareholders may differ from the interests of other Shareholders and they are free to exercise their votes according to their interests. To the extent that the interests of our Controlling Shareholders conflict with the interests of other Shareholders, the interests of other Shareholders can be disadvantaged and harmed.

Certain facts and other statistics with respect to China, the PRC economy, the PRC property management industry and the PRC e-commerce industry in this prospectus are derived from various official government sources and third-party sources and may not be reliable.

Certain facts and other statistics in this prospectus relating to China, the PRC economy, the PRC property management industry and the PRC e-commerce industry have been derived from various official government publications, data from China Index Academy and publicly available sources. However, we cannot guarantee the quality or reliability of these sources. They have not been prepared or independently verified by us or any of our affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies. As a result, prospective investors should consider carefully how much weight or importance they should attach to or place on such facts or statistics.

You may not have the same protection of your shareholder rights under the Cayman Islands law compared to what you would have under the law.

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

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

There may be coverage in the media regarding the Global Offering and our operations. There had been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering, which contained, among other matters, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We do not accept any responsibility for the accuracy or completeness of the information and make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. To the extent that any of the information in the media is inconsistent or conflicts with the information contained in this prospectus, we disclaim it. Accordingly, prospective investors should read the entire prospectus carefully and should not rely on any of the information in press articles or other media coverage. Prospective investors should only rely on the information contained in this prospectus and the Application Forms to make investment decisions about us.

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will,” “expect,” “anticipate,” “estimate,” “believe,” “going forward,” “ought to,” “may,” “seek,” “should,” “intend,” “plan,” “projection,” “could,” “vision,” “goals,” “objective,” “target,” “schedules” and “outlook”) are not historical facts, but are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this prospectus), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our business and operating strategies and our ability to implement such strategies;
- our ability to further develop and operate new products and services;
- the regulatory environment as well as the general industry outlook for the PRC property management industry;
- future developments and the competitive environment in the PRC property management industry;
- general economic trends in the PRC; and
- all other risks and uncertainties described in the section headed “Risk Factors” in this prospectus.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments.

All forward-looking statements in this prospectus are expressly qualified by reference to this cautionary statement.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) (as amended) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus. Our Directors confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

THE HONG KONG PUBLIC OFFERING, UNDERWRITING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to us and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. An International Underwriting Agreement relating to the International Offering is expected to be entered into on or around July 4, 2016, subject to the Offer Price being agreed. The Global Offering is managed by the Joint Global Coordinators.

If, for any reason, the Offer Price is not agreed among us and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares is set out in the section entitled "How to Apply for Hong Kong Offer Shares" and on the relevant Application Forms.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in the section headed "Structure of the Global Offering" in this prospectus.

RESTRICTIONS ON OFFER OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus and/or Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus and/or Application Forms may not be used for the purpose of, and does not constitute an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering.

Save as disclosed in this prospectus, no part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence on Tuesday, July 12, 2016. The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares will be 2869.

ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, our Shares and we comply with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

REGISTER OF MEMBERS AND STAMP DUTY

Our Company's principal register of members will be maintained by our principal registrar, Codan Trust Company (Cayman) Limited, in the Cayman Islands and our Company's Hong Kong register of members will be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Share Registrar and may not be lodged in the Cayman Islands.

All Offer Shares will be registered on the Hong Kong register of members of our Company in Hong Kong. Dealings in the Shares registered on our Hong Kong register of members will be subject to Hong Kong stamp duty. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the Shares transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required).

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if there is any doubt as to the taxation implications of subscribing for, purchasing, holding or disposal of, and dealing in our Shares (or exercising rights attached to them). None of our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, our Shares.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain Renminbi amounts into Hong Kong dollars, of Renminbi amounts into U.S. dollars and of Hong Kong dollars into U.S. dollars at specified rates.

Unless we indicate otherwise, the translation of Renminbi into Hong Kong dollars, of Renminbi into U.S. dollars and of Hong Kong dollars into U.S. dollars, and vice versa, in this prospectus was made at the following rate:

- RMB0.85 to HK$1.00 (being the prevailing exchange rate on June 13, 2016 set by the People's Bank of China)
- RMB6.56 to US$1.00 (being the noon buying rate in the City of New York for cable transfers as certified by the Federal Reserve Bank of New York on June 10, 2016)
- HK$7.76 to US$1.00 (being the noon buying rate in the City of New York for cable transfers as certified by the Federal Reserve Bank of New York on June 10, 2016)

No representation is made that any amounts in Renminbi, Hong Kong dollars or U.S. dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. Translated English names of Chinese laws and regulations, governmental authorities, departments, entities (including certain of our subsidiaries), institutions, natural persons, facilities, certificates, titles and the like included in this prospectus and for which no official English translation exists are unofficial translations for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

ROUNDING

Unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

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

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Our Group's principal business and operations are located, managed and conducted in the PRC through our PRC operating subsidiaries; (i) our entire revenue is generated from the PRC and (ii) none of our executive Directors is a Hong Kong permanent resident or is ordinarily based in Hong Kong and they will continue to be based in the PRC after Listing. As a result, our Company does not, and will not, in the foreseeable future, have a sufficient management presence in Hong Kong as required under Rule 8.12 of the Listing Rules. Further, it would be impractical and commercially unnecessary for our Company to appoint an additional executive Director who is ordinarily resident in Hong Kong or to relocate its existing PRC based executive Directors to Hong Kong.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the condition that the following measures and arrangements are made for maintaining regular and effective communication with the Stock Exchange:

(i) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company's principal channel of communication with the Stock Exchange. The two authorized representatives of our Company are Mr. Wu Zhihua (吳志華), our executive Director and chief operating officer, and Mr. Ho, Kenneth Kai Chung (何啟忠) ("**Mr. Ho**"), our chief financial officer and joint company secretary;

(ii) any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the compliance advisor of our Company or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and our compliance advisor;

(iii) each of the authorized representatives of our Company will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email. Each of the authorized representatives of our Company is authorized to communicate on behalf of our Company with the Stock Exchange;

(iv) each of the authorized representatives of our Company has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. To enhance the communication between the Stock Exchange, the authorized representatives and our Directors, we have implemented a policy that (a) each Director will provide his/her respective office phone number, mobile phone number, facsimile number and email address to the authorized representatives and (b) each Director and authorized representative will provide, if available, his/her respective office phone number, mobile phone number, facsimile number and email address to the Stock Exchange. In the event that a Director expects to travel or is out of the office, he/she will provide the phone number of the place of his/her accommodation or other means of communication to our authorized representatives;

(v) our Directors, who are not ordinarily resident in Hong Kong, have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and are able to come to Hong Kong and, when required, meet with the Stock Exchange upon reasonable notice;

(vi) we have, in compliance with Rule 3A.19 of the Listing Rules, appointed Haitong International Capital Limited as our compliance advisor who will, among other things, in addition to the two authorized representatives of our Company, act as our additional channel of communication with the Stock Exchange for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. Haitong International Capital Limited will have full access at all times to the two authorized representatives of our Company and our Directors; and

(vii) we will also retain legal advisors to advise on on-going compliance requirements, other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after Listing.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, an issuer must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that an issuer must appoint as its company secretary an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

We have appointed Mr. Ho and Ms. Ng Sau Mei (伍秀薇) as joint company secretaries of our Company. Mr. Ho joined our Group in August 2015 as a member of the senior management and has been responsible for company secretarial duties, finance and accounting works and a wide range of administrative affairs such as preparation of board meeting and related documentation work. By virtue of Mr. Ho's experience and familiarity with our Group, we believe Mr. Ho is capable of discharging the duties as a joint company secretary of our Company and is a suitable person to act as one of our joint company secretaries.

Since Mr. Ho does not possess the requisite professional qualifications required of a company secretary under Note 1 to Rule 3.28 of the Listing Rules, we have sought and obtained from the Stock Exchange a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Ho may be appointed as our company secretary. The waiver was granted for a three-year period on the condition that we engage Ms. Ng Sau Mei, who possesses the requisite qualification and experience as required under Rule 3.28 and 8.17 of the Listing Rules, as another company secretary to assist Mr. Ho in the discharge of his duties as our joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. Ng Sau Mei ceases to provide such assistance. It is anticipated that Mr. Ho will gain further relevant experience with the assistance of Ms. Ng Sau Mei. It is intended that a further evaluation of the qualification and experience of Mr. Ho and the need for on-going assistance would be made three years after the Listing. The expectation is that we should then endeavor to demonstrate to the satisfaction of the Stock Exchange that Mr. Ho, having had the benefit of Ms. Ng Sau Mei's assistance for three years, would then have acquired the "relevant experience" within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

For further details about the biographies of Mr. Ho and Ms. Ng Sau Mei, please refer to the section headed "Directors and Senior Management" in this prospectus.

CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute partially exempt continuing connected transactions for our Company under the Listing Rules following the completion of the Global Offering. We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. For details of such continuing connected transactions and the waiver, see the section headed "Connected Transactions" in this prospectus.

BUSINESS ACQUIRED AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules (the "**Relevant Requirements**"), the accountants' report to be included in a listing document must include the income statements and balance sheet of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts of the issuer have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Zhejiang Zheyuan Property Management Co., Ltd. (浙江浙元物業管理有限公司) ("**Zhejiang Zheyuan**") is a company established in the PRC on June 26, 2009 and wholly-owned by Zhejiang Communications Investment Property Group Co., Ltd. (浙江省交投地產集團有限公司) ("**Zhejiang Communications Investment**"). Zhejiang Zheyuan is principally engaged in property management, housing agency services, hotel management, exhibition services, housekeeping services and sales of general merchandise. On June 14, 2016, our Company won an open bid for the acquisition of 40% interest in Zhejiang Zheyuan (the "**Acquisition**") and entered into a share purchase agreement with Zhejiang Communications Investment on June 15, 2016 (the "**Share Purchase Agreement**"). The Acquisition is expected to close in or about July 2016 (after our latest audited accounts were made up to), following which Zhejiang Zheyuan will be accounted as our associated company based on the assumption that our Company will not be able to exercise control over Zhejiang Zheyuan by way of its minority interest.

In such circumstance, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules on the following grounds:

(a) **Acquisition of a minority interest only** — As our Company will only acquire 40% interest in Zhejiang Zheyuan, such acquisition of a minority interest will not result in consolidation of Zhejiang Zheyuan's financial information into that of our Group. Therefore, Zhejiang Zheyuan will not be treated as our subsidiary and will only be accounted as our associated company based on the assumption that our Company will not be able to exercise control over Zhejiang Zheyuan by way of its minority interest.

(b) **Exemption would not prejudice the interests of the investing public** — the Acquisition is de minimus as all the applicable size test calculations (as set out in Rule 14.07 of the Listing Rules) relating to the Acquisition produce a ratio of less than 5% for each test. For indication purpose, based on (i) the financial information of Zhejiang Zheyuan stated in the open bid notice provided by Zhejiang Communications Investment; (ii) the consideration to be paid by our Company for the Acquisition as provided under the Share Purchase Agreement of RMB2,275,560; and (iii) the expected minimum total market capitalization of our Company upon Listing of approximately HK$4,833.3 million, the asset ratio, profits ratio, revenue ratio and consideration ratio of the Acquisition by reference to the most recent financial year of our track record period (i.e. the year ended December 31, 2015) are approximately 0.96%, 0.25%, 0.93% and 0.06%, respectively. Further, the Acquisition will not be significant enough to require our Company to prepare pro forma financial information under Rule 4.28 of the Listing Rules. Accordingly, the Acquisition does not result in any significant change to the financial position of our Group since December 31, 2015 and all information that is reasonably necessary for the potential investors to make an informed assessment of the activities or financial position of our Group has been included in this prospectus. As such, an exemption from compliance with the Relevant Requirements would not prejudice the interests of the investing public.

(c) **Historical financial information of Zhejiang Zheyuan is not available** — As Zhejiang Zheyuan is a state-owned enterprise which is currently wholly owned by Zhejiang Communications Investment, we are unable to obtain its historical financial information, save for those stated in the open bid notice and the Share Purchase Agreement, for the purpose of satisfying the Relevant Requirements.

(d) **Disclosure of details of Zhejiang Zheyuan in this prospectus** — We have provided in this prospectus alternative information in connection with the Acquisition which relates to the proposed acquisition of interest in Zhejiang Zheyuan in order to compensate for the non-inclusion of historical financial information of Zhejiang Zheyuan. For further details, please see the sub-section headed "Business — Property Management Services — Growth of Our Property Management Portfolio — Acquisition of Third-party Property Management Companies" in this prospectus.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Ms. Li Hairong (李海榮)	No. 27, Fenghuang Xicun, Western District of Taohuayuan Xiaoqu, Taohuayuan Community, Zhongtai Street, Yuhang District, Hangzhou City, Zhejiang Province, the PRC	Chinese
Mr. Yang Zhangfa (楊掌法)	Room 301, Unit 2, Building 8, Langui Garden, Xihu District, Hangzhou City, Zhejiang Province, the PRC	Chinese
Mr. Wu Zhihua (吳志華)	Room 202, Unit 1, Building 21, Xinzhou Huayuan, Binjiang District, Hangzhou City, Zhejiang Province, the PRC	Chinese
Mr. Chen Hao (陳浩)	Room 201, Unit 1, Building 12, Qianjiangwan Huayuan, Binjiang District, Hangzhou City, Zhejiang Province, the PRC	Chinese
Non-Executive Directors		
Mr. Shou Bainian (壽柏年)	10/F, Huanglong Century Plaza, No. 1 Hangda Road, Hangzhou City, Zhejiang Province, the PRC	Chinese
Ms. Xia Yibo (夏一波)	No. 25, Ziyunyuan, Guihua City, No. 69 Zijinghua Road, Xihu District, Hangzhou City, Zhejiang Province, the PRC	Chinese
Independent Non-Executive Directors		
Mr. Tian Zaiwei (田在瑋)*	Building 201B, Tiantongyuan Community, Changping District, Beijing City, the PRC	Chinese
Mr. Poon Chiu Kwok (潘昭國)*	Flat G, 22/F, Block 19, Laguna City, Kwun Tong, Kowloon, Hong Kong	Chinese
Mr. Wong Ka Yi (黃嘉宜)*	Flat E, 3/F, Tower 1, 198 Argyle Street, The Astoria, Kowloon City, Kowloon, Hong Kong	Chinese

* *Their appointments will take effect on the Listing Date*

Further information is disclosed in the section headed “Directors and Senior Management” in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	Merrill Lynch Far East Limited 55th Floor, Cheung Kong Center 2 Queen’s Road Central Central Hong Kong
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central, Hong Kong
Joint Global Coordinators	Merrill Lynch International 2 King Edward Street London EC1A 1HQ United Kingdom
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central, Hong Kong
	Haitong International Securities Company Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
	Credit Suisse (Hong Kong) Limited Level 88, International Commerce Centre 1 Austin Road West Kowloon, Hong Kong

Joint Bookrunners	Merrill Lynch International 2 King Edward Street London EC1A 1HQ United Kingdom
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central, Hong Kong
	Haitong International Securities Company Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
	Credit Suisse (Hong Kong) Limited Level 88, International Commerce Centre 1 Austin Road West Kowloon, Hong Kong
	Morgan Stanley Asia Limited Level 46 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	Convoy Investment Services Limited Unit C, 24/F, @CONVOY 169 Electric Road North Point Hong Kong

Joint Lead Managers	Merrill Lynch Far East Limited *(in relation to the Hong Kong Public Offering only)* 55th Floor, Cheung Kong Center 2 Queen's Road Central Central Hong Kong
	Merrill Lynch International *(in relation to the International Offering only)* 2 King Edward Street London EC1A 1HQ United Kingdom
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central, Hong Kong
	Haitong International Securities Company Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
	Credit Suisse (Hong Kong) Limited Level 88, International Commerce Centre 1 Austin Road West Kowloon, Hong Kong
	Morgan Stanley Asia Limited Level 46 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	Convoy Investment Services Limited Unit C, 24/F, @CONVOY 169 Electric Road North Point Hong Kong

Legal Advisors to our Company	*As to Hong Kong law and United States law* Paul Hastings 21-22/F, Bank of China Tower 1 Garden Road Hong Kong *As to PRC law* Commerce & Finance Law Offices 6/F, NCI Tower, A12 Jianguomenwai Avenue Beijing, the PRC *As to Cayman Islands law* Conyers Dill & Pearman Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Legal Advisors to the Joint Sponsors and the Underwriters	*As to Hong Kong law and United States law* Simpson Thacher & Bartlett 35/F, ICBC Tower 3 Garden Road, Central Hong Kong *As to PRC law* Grandall Law Firm 23–25/F, Garden Square 968 West Beijing Road Shanghai, the PRC
Auditors and Reporting Accountants	KPMG *Certified Public Accountants* 8th Floor Prince's Building 10 Chater Road Central, Hong Kong
Compliance Advisor	Haitong International Capital Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Industry Consultant	China Index Academy Building 5 Hanwei International Plaza Beijing, the PRC

Property Valuer	Jones Lang LaSalle Corporate Appraisal and Advisory Limited 6/F, Three Pacific Place 1 Queen's Road East Hong Kong
Receiving Bank	Bank of China (Hong Kong) Limited 1 Garden Road Hong Kong

CORPORATE INFORMATION

Registered Office	Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands
Headquarters and Principal Place of business in China	Property Building Dangui Garden No. 85, Wensan Western Road Hangzhou, Zhejiang Province the PRC
Place of business in Hong Kong registered under Part 16 of the Companies Ordinance	36/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Company's Website	www.lvchengfuwu.com *(the information contained on the website does not form part of this prospectus)*
Joint Company Secretaries	Mr. Ho, Kenneth Kai Chung (何啟忠) 10E, Block 6, The Coronation 1 Yau Cheung Road, Yau Ma Tei Kowloon, Hong Kong Ms. Ng Sau Mei (伍秀薇) *Member of the Hong Kong Institute of Chartered Secretaries and member of the Institute of Chartered Secretaries and Administrators in UK* 36/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Authorized Representatives	Mr. Wu Zhihua (吳志華) Room 202, Unit 1, Building 21 Xinzhou Huayuan, Binjiang District Hangzhou, Zhejiang Province, the PRC Mr. Ho, Kenneth Kai Chung (何啟忠) 10E, Block 6, The Coronation 1 Yau Cheung Road, Yau Ma Tei Kowloon, Hong Kong
Audit Committee	Mr. Poon Chiu Kwok (潘昭國) *(chairman)* Mr. Tian Zaiwei (田在瑋) Mr. Wong Ka Yi (黃嘉宜)
Remuneration Committee	Mr. Poon Chiu Kwok (潘昭國) *(chairman)* Mr. Tian Zaiwei (田在瑋) Mr. Wong Ka Yi (黃嘉宜)

CORPORATE INFORMATION

Nomination Committee	Mr. Wong Ka Yi (黃嘉宜) *(chairman)* Mr. Poon Chiu Kwok (潘昭國) Mr. Tian Zaiwei (田在瑋)
Principal Share Registrar and Transfer Office	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Principal Bank	Agricultural Bank of China (Hangsan Road Branch) 283 Wensanxi Road Xihu District, Hangzhou Zhejiang Province The PRC

The information and statistics set forth in this section and elsewhere in this prospectus have been derived from various official and government publications, publicly available market research sources and from the market research report prepared by China Index Academy which were commissioned or purchased by us, unless otherwise indicated.

We believe that the sources of the information presented here are appropriate, including forward-looking information for future periods as identified, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render the information false or misleading in any material respect. The information has not been independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any other party involved in the Global Offering or any of our or their respective directors, officers, representatives, affiliates or advisors and no representation is given as to its accuracy or completeness. The information may not be consistent with other information available from other sources within or outside the PRC. Accordingly, such information should not be unduly relied upon.

BACKGROUND AND METHODOLOGIES OF CHINA INDEX ACADEMY

China Index Academy

We purchased the right to use and quote data from various publications by China Index Academy related to the PRC property management industry for a total consideration of approximately RMB740,000. Established in 1994, China Index Academy is a professional property research organization in the PRC with over 500 analysts. It covers the five regions in the PRC, namely, northern China, Yangtze River Delta, southern China, central China and southwestern China and has 20 branches. Its research covers more than 300 cities across the PRC. China Index Academy has extensive experience in researching and tracking the property management industry in the PRC, and has conducted research on the Top Hundred Property Management Companies in the PRC since 2008. In June 2016, China Index Academy published the 2016 CIA Top Hundred Report in collaboration with China Property Management Association (中國物業管理協會) based on their research on the Top Hundred Property Management Companies in China in 2015. In the 2016 CIA Top Hundred Report, more than one property management company can take the same ranking, rendering the total number of property management companies to increase to 210 instead of 100 in reports published in previous years.

In its research from 2008 to 2015, China Index Academy considered primarily property management companies that had managed at least five properties or 100,000 sq.m. of GFA for the past three years. China Index Academy used research parameters and assumptions by gathering data from a multitude of primary and secondary sources, including data from property management companies (including data from reported statistics, websites and marketing materials), surveys conducted by China Index Academy, data gathered from the China Real Estate Index System ("**CREIS**"), the China Real Estate Statistics Yearbooks, public data from governmental authorities and data gathered from prior reports published by China Index Academy. In the 2016 CIA Top Hundred Report, China Index Academy used research parameters and assumptions by gathering data from a multitude of primary and secondary sources, including data from property management companies (including financial data from accounting firms and public information), self-conducted surveys, public data from governmental authorities and data gathered from its prior reports. China Index Academy ranks the overall strength of property management companies by evaluating each property management company's scale of operation, financial performance, service quality, growth potential and social responsibility. Unless otherwise specified, the data analyses in this prospectus is primarily based on the Top Hundred Property Management Companies ranked by China Index Academy based on the factors mentioned above.

The following sets forth the main reasons why China Index Academy has adopted the above sources of information and considered them as reliable:

- It is general market practice to adopt official data and announcements from various Chinese government agencies; and
- China Index Academy fully understands the data collection methodology and data source of the subscribed database from CREIS China Index Database and database of fdc.soufun.com.

While preparing the industry report and ranking information, China Index Academy has relied on the assumptions listed below:

- All contracted average selling prices of select projects provided by our Company are accurate;
- All published data by the Bureaus of Statistics are accurate;
- All collected information relating to residential sales transactions from the relevant local housing administrative bureaus are accurate; and
- Where subscribed data is obtained from renowned public institutions, China Index Academy has relied upon the expertise of such institutions. China Index Academy will not verify the accuracy of such information or reports, and will not be responsible for their accuracy.

PRC PROPERTY MANAGEMENT INDUSTRY

The history of the PRC property management industry can be traced back to the early 1980s. The PRC property management industry has experienced rapid growth since then. In June 2003, the *Provisions on Property Management* (《物業管理條例》) were officially promulgated, providing a legal framework regulating the property management industry. As the legal framework for the property management industry gradually matured, an open and fair market system for the industry was established, which further promoted significant growth in the PRC property management industry. The PRC property management industry now services a wide range of properties, including residential communities, office buildings, shopping centers, industrial facilities, school and hospitals. In accordance with Article 9 of the "Measures on the Charges of Property Management Enterprises" promulgated by the PRC government, property management fees may be charged either on a lump sum basis or commission basis. The "lump sum" model for property management fees is the dominant model in the property management industry in China.

Key Drivers for Growth

Rapid Urbanization and Increasing Disposable Income

China has experienced an accelerating trend towards urbanization and increasing disposable income since the 1980s. Increasing urbanization has led to an increase in the number and size of cities, resulting in an increased demand for residential and other real estate projects, together with growing demand for property management services to manage the increased stock of properties. According to the National New Urbanization Plan (2014–2020) (國家新型城鎮化規劃 (2014–2020)) published in March 2014, the urbanization rate (常住人口城鎮化率) is expected to reach 60% by 2020. We expect that the PRC real estate industry and property management industry will continue to grow in tandem with rising urbanization.

In addition, China's rapid economic growth has spurred continuous growth in annual disposable income per urban capita from RMB15,781 in 2008 to RMB28,844 in 2014, with a CAGR of approximately 10.6% according to the National Bureau of Statistics of the PRC. Chinese consumers increasingly demand better living conditions and high-quality property management services, which is another underlying reason for the growth of the PRC property management industry.

The growing economy in the PRC has also led to the formation of a middle- to high-income class. As a result, we expect Chinese consumers will become increasingly sophisticated and be willing to pay a premium for quality. Increasingly, they will consider discretionary spending on goods and services beyond basic necessities. We believe the emerging middle- to high-income class in the PRC and their growing budgets will have a large influence on the development of property management services catering to the high-end market in the PRC.

The table below sets forth selected data showing China's urbanization level and the annual disposable income per urban capita for the periods indicated.

	2008	2009	2010	2011	2012	2013	2014	2008–2014 CAGR
Total population (million)	1,328.0	1,334.5	1,340.9	1,347.4	1,354.0	1,360.7	1,367.8	0.49%
Urban population (million)	624.0	645.1	669.8	690.8	711.8	731.1	749.2	3.09%
Urban population as a percentage of the total population (%)	47.0%	48.3%	49.9%	51.3%	52.6%	53.7%	54.8%	N/A
Annual disposable income per urban capita (RMB)	15,781	17,175	19,109	21,810	24,565	26,955	28,844	10.57%

Source: National Bureau of Statistics of the PRC (中華人民共和國國家統計局)

Increasing Land Supply and Construction

Due to the recent development of the PRC economy and increasing urbanization, both supply and demand for residential properties have experienced remarkable growth. The past few years alone have accounted for a significant portion of the development experienced by the PRC property management industry.

According to the National Bureau of Statistics of the PRC and the Ministry of Land and Resources, the site area for new land supplied for property use increased from approximately 341.2 million sq.m. in 2008 to approximately 1,353.9 million sq.m. in 2014 in the PRC, with a CAGR of approximately 25.8%. The total GFA of properties under construction increased at a CAGR of approximately 17.0% from approximately 2,832.6 million sq.m. in 2008 to approximately 7,264.8 million sq.m. in 2014. The GFA of completed properties increased from approximately 665.4 million sq.m. in 2008 to approximately 1,074.6 million sq.m. in 2014, representing a CAGR of approximately 8.3%. The table below sets forth the breakdown of the total site area by nature of new land supply for the periods indicated.

	Residential				Non-residential			
	First tier cities(1)	Second tier cities(2)	Other selected cities(3)	Total	First tier cities(1)	Second tier cities(2)	Other selected cities(3)	Total
	(million sq.m.)							
2008	15.4	143.8	125.0	284.2	2.7	29.9	24.4	57.0
2009	26.0	211.1	237.7	474.8	7.6	42.9	53.9	104.4
2010	25.0	280.2	431.9	737.1	10.9	64.6	106.7	182.2
2011	22.7	296.9	884.0	1,203.6	7.2	95.5	300.4	403.1
2012	14.4	276.6	868.5	1,159.5	5.2	123.0	431.5	559.7
2013	20.1	301.3	952.9	1,274.3	8.7	117.0	458.4	584.1
2014	14.3	221.5	668.3	904.1	7.9	83.7	358.2	449.8

Source: National Bureau of Statistics of the PRC and Ministry of Land and Resources

Notes:

(1) First tier cities refer to Beijing, Shanghai, Shenzhen, and Guangzhou.

(2) Second tier cities comprise the 36 major cities, other than first tier cities, as categorized by the *National Bureau of Statistics of the PRC*, including provincial capitals, administrative capitals of autonomous regions, direct-controlled municipalities, and other major cities designated as "municipalities with independent planning" by the State Council.

(3) Other selected cities comprise 108 economically developed non-regional central cities and prefecture-level cities in the PRC, other than first and second tier cities, as categorized by the *National Bureau of Statistics of the PRC*.

The table below sets forth the breakdown by nature of the GFA of properties under construction and GFA of completed properties for the periods indicated in the PRC.

	GFA of Properties under Construction			GFA of Completed Properties		
	Residential	Non-residential	Total	Residential	Non-residential	Total
	(million sq.m.)					
2008	2,228.9	603.7	2,832.6	543.3	122.1	665.4
2009	2,513.3	690.4	3,203.7	596.3	130.5	726.8
2010	3,147.6	906.0	4,053.6	634.4	153.0	787.4
2011	3,877.1	1,190.7	5,067.8	743.2	183.0	926.2
2012	4,289.6	1,444.5	5,734.1	790.4	203.8	994.2
2013	4,863.5	1,792.3	6,655.8	787.4	226.9	1,014.3
2014	5,150.9	2,113.9	7,264.8	808.7	265.9	1,074.6

Source: National Bureau of Statistics of the PRC and Ministry of Land and Resources

Key Market Trends

Favorable Government Policies

The PRC government has issued a series of favorable policies supporting the development of the property management industry. For example, the *Twelfth Five-Year Plan for the Development of Service Industries* (《服務業發展"十二五"規劃》), issued by the PRC State Council in 2012, emphasizes the reform and improvement of the pricing regime for the property management industry and encourages property management companies to diversify their service offering. In December 2014, the National Development and Reform Commission of the PRC issued the Circular of NDRC on the Opinions of Relaxing Price Controls in Certain Services (《國家發展改革委關於放開部分服務價格意見的通知》) (發改價格[2014]2755號), which requires provincial-level price administration authorities to abolish price control and guidance policies on residential properties other than affordable housing and preliminary property management agreements, and allows property management companies to freely negotiate property management fees with property owners. Many provincial-level governments also introduced regulations designed to promote the local property management industry. For example, the Zhejiang provincial government issued *Opinions to Facilitate Development of the Modernized Property Management Industry* (關於加快發展現代物業服務業的若干意見) in March 2012, promulgating a series of fiscal and financial incentives, among other things, for property management companies in Zhejiang Province. We believe that the various favorable government policies will continue to improve and accelerate the development and transformation of the PRC property management industry.

Growing Independence of PRC Property Management Companies

Many PRC property management companies were set up by real estate developers, for the purpose of providing property management services for their own projects upon completion of construction. As the PRC property management industry has matured, some of the property management companies have gradually reduced their reliance on the founding real estate developers by increasing proportions of their portfolio of managed properties developed by third-party developers. Residents of residential communities in the PRC are increasingly willing to replace the property management companies that were contracted by the real estate developers if such property management companies do not deliver services satisfactory to the residents. With the emergence of branded and independently-operated property management companies in the PRC, a growing number of property development companies prefer to engage reputable and high-profile property management companies for their newly developed real estate projects.

We believe that the growing independence of PRC property management companies will promote healthy competition in the industry and in turn force industry participants to continuously improve their service quality and profitability.

Rising Cost Pressure

The property management industry requires a large amount of labor for delivering cleaning, gardening, repair, maintenance and security services. According to China Index Academy, labor costs are the single largest component under operating costs. According to China Index Academy, average property management fees for residential properties in the 20 major cities surveyed by China Index Academy remained relatively stable from 2013 to 2015. As a result, many property management companies find it increasingly difficult to grow or maintain profit margins solely from delivering property management services.

Since 2011, local governments in China have supported the improvement in the quality of property management services as an important policy objective. According to China Index Academy, in response to these policy developments, property management companies have increasingly outsourced labor-intensive aspects of their operations so that their personnel can focus more on their core management responsibilities. The Top Hundred Property Management Companies have been enhancing their management specialization by sub-contracting labor-intensive functions to improve their service standards and lower operating costs, especially as labor costs continue to rise.

Increasing Standardization and Adoption of Information Technology

Most of the Top Hundred Property Management Companies in the PRC have set up standardized operating procedures for providing services. When property management companies expand into new markets, standardization is one of the prerequisites for growing operating scale without sacrificing service quality. We believe increasing adoption of information technology could enhance service quality while reducing labor costs. For example, many property management companies have adopted centralized information systems enabling the headquarters to monitor managed properties across China to ensure the quality of property management services. Many have also installed automated gates for residential communities to help reduce the labor costs of providing security services. According to China Index Academy, the top 10 property management companies in the PRC enjoy lower operating costs, compared to the Top Hundred Property Management Companies, as a result of the former's adoption of information technology and standardization.

Diversification of Service and Revenue

PRC property management companies have been seeking to diversify their service offering and revenue streams. Please see the chart under the sub-section headed "— Competitive Landscape of the PRC Property Management Industry — Types of Properties Managed and Services Provided by the Top Hundred Property Management Companies" in this section below for a breakdown by revenue of the Top Hundred Property Management Companies. Some of them provide consulting services to real estate developers regarding site selection, project planning and design, sales and marketing in relation to real estate development projects. Some operate real estate agencies or manage an increasing number of office, shopping and other non-residential properties. Some others provide services in addition to standard property management services, such as home care services, housekeeping services, rental and sales management, and e-commerce. We believe that PRC property management companies will continue to seek new revenue streams and will further expand the scope of their services to meet the demands of consumers.

Increasing Merger and Acquisition Activities

The PRC property management industry is highly fragmented. Industry consolidation through mergers and acquisitions is expected to improve the efficiency of resource utilization and increase economies of scale in the property management industry. Many property management companies use mergers and acquisitions as tools to mitigate risks when expanding into new markets, which can help new entrants access the local market by leveraging the resources of the merged or acquired entity that is already established in the local market.

Growing High-End Property Management Market

In recent years, the high-end property management market has enjoyed rapid growth with the scale of services continuing to expand. According to China Index Academy, the number of high-end residential properties managed by the Top Hundred Property Management Companies reached nearly 4,200 in 2014, representing a CAGR of 33.0% since 2012, which was significantly higher than the CAGR of the number of all residential properties managed by the Top Hundred Property Management Companies during the same period. The total GFA of high-end residential properties managed by the Top Hundred Property Management Companies increased to approximately 665 million sq.m. in 2014, representing a CAGR of 34.8% since 2012, while the CAGR of the total GFA of all residential properties managed by the Top Hundred Property Management Companies was 25.8%. The proportion of high-end residential properties as to all residential properties managed by the Top Hundred Property Management Companies in terms of contracted GFA under management also increased to 25.4% in 2014, compared to 21.6% in 2012. We believe the high-end property management market will continue to expand in the foreseeable future.

Emergence of Smart Residential Communities

We believe that the Internet will play a central role in further transforming and upgrading the PRC property management industry. China has witnessed remarkable growth in e-commerce transactions in recent years. Many property management companies are exploring development of “smart communities,” which aim to use the Internet to connect the residents, the relevant residential community and the property management company that manages the residential community. For example, some property management companies have developed smart phone applications through which residents of the residential communities under management may request, pay, and provide feedback for various property management services as well as other services, such as assistance to purchase staple foods.

Competitive Landscape of the PRC Property Management Industry

Overview

Our property management services primarily compete against large national, regional and local property management companies. We believe that the principal competitive factors include, among others, operational scale, price and quality of services, brand recognition and financial resources.

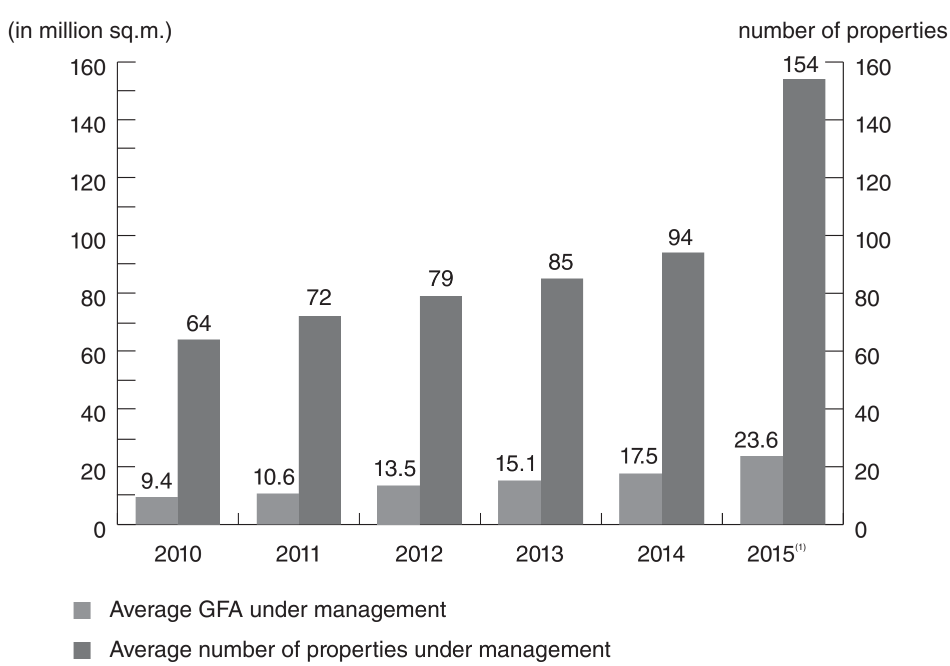
The property management industry is highly fragmented, with approximately 100,000 companies operating in the industry in 2015, according to the China Index Academy. However, few have built up operations of national scale with established brand awareness among customers. According to the China Property Management Association (中國物業管理協會), an industry body, the top 200 property management companies in 2013 managed only 13.6% in terms of the floor area of all properties managed by PRC property management companies. According to the China Index Academy, the Top Hundred property management service providers in China managed properties with a total GFA of 17.5 million sq.m. on average and no more than nine property management companies have a contracted GFA under management exceeding 65.0 million sq.m. as at December 31, 2014. According to the 2016 CIA Top Hundred Report, in 2015, top 10 property management companies had an average GFA under management of 133.3 million sq.m., accounting for approximately 2.7% of the total GFA managed by Top Hundred Property Management Companies while our GFA under management amounted to 82.8 million sq.m., accounting for approximately 1.7% of the total GFA managed by Top Hundred Property Management Companies. These companies generally provide property management services to residential and commercial properties and some of these companies are also engaged in the provision of property consulting services and value-added services.

Entry Barriers

We believe that the high-end property management industry in the PRC has relatively high entry barriers. Property management companies are classified under PRC law into three grades, *i.e.* Level One, Level Two and Level Three. Companies that hold Level One Property Management Qualification Certificates are qualified to manage all types and sizes of properties, while companies that hold Level Two Property Management Qualification Certificates may only manage residential communities with a GFA of under 300,000 sq.m. and non-residential properties with a GFA of under 80,000 sq.m. and companies that hold Level Three Property Management Qualification Certificates may only manage residential communities with a GFA of under 200,000 sq.m. and non-residential properties with a GFA of under 50,000 sq.m. As of the Latest Practicable Date, six, five and four of our subsidiaries held Level Three, Level Two and Level One Property Management Qualification Certificates, respectively.

Scale and Geographic Distribution of Properties Managed by the Top Hundred Property Management Companies

According to China Index Academy, the average GFA managed by the Top Hundred Property Management Companies in the PRC was approximately 23.6 million sq.m. in 2015. The average number of properties under management by companies included in the list of the Top Hundred Property Management Companies in the PRC was 154 in 2015. The chart below sets forth the average GFA under management and the average number of properties under management by the Top Hundred Property Management Companies for the periods indicated.



Source: China Index Academy

Note:

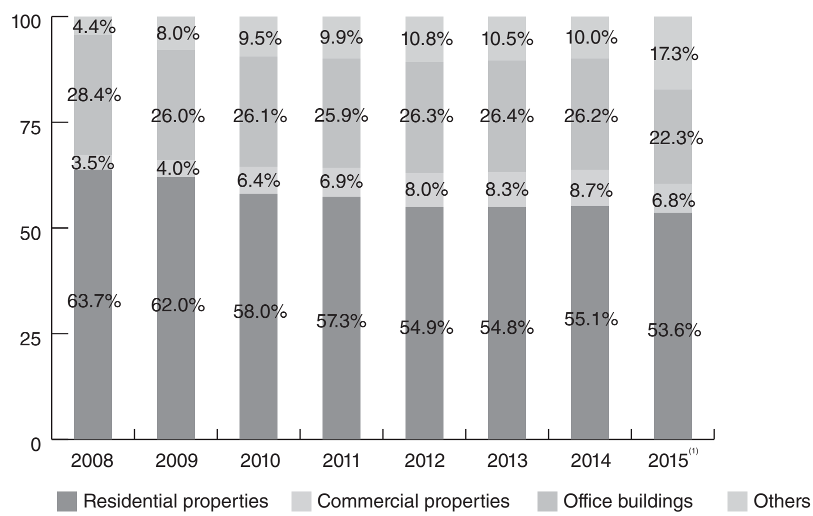
(1) Based on the 2016 CIA Top Hundred Report

According to China Index Academy, the increase in the average GFA and the average number of managed properties from 2010 to 2015 was mainly attributable to the geographic expansion of the Top Hundred Property Management Companies and the increase in penetration of their existing markets.

Types of Properties Managed and Services Provided by the Top Hundred Property Management Companies

To diversify revenues and improve profitability, PRC property management companies endeavor to expand the types of properties under management beyond residential properties. Particularly, property management companies have been deriving an increasing proportion of their revenues from managing commercial properties since 2008.

The chart below sets forth the breakdown of property management services revenue by the type of property managed by the Top Hundred Property Management Companies in the PRC for the periods indicated.

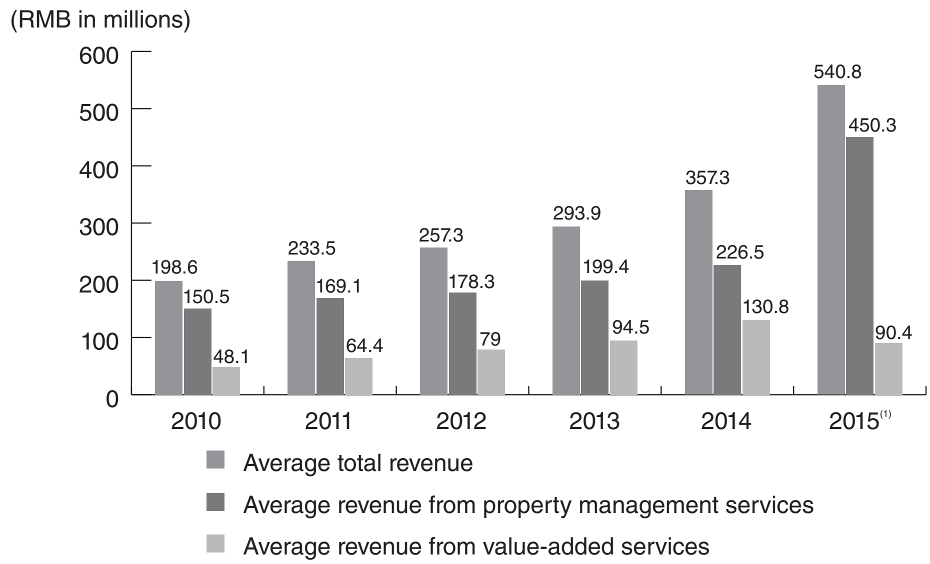


Source: China Index Academy

Note:

(1) Based on the 2016 CIA Top Hundred Report

In addition, the Top Hundred Property Management Companies seek to provide diversified service offering beyond standard property management services, such as consulting services for real estate developers and housekeeping services, rental and sale management and home care services for property owners and residents. The chart below sets forth the average total revenue, the average revenue from property management services and the average revenue from value-added services of the Top Hundred Property Management Companies in the PRC for the periods indicated.



Source: China Index Academy

Note:

(1) Based on the 2016 CIA Top Hundred Report.

Our Competitive Position in PRC Property Management Industry

Leader of the High-end Residential Property Management Market

Based on a market research study conducted by China Index Academy in December 2014, China Index Academy ranks the top ten enterprises in the high-end residential property management market in the PRC by their respective weighted grades in a series of relevant factors. We are ranked number one among all the high-end residential property management companies in the PRC, achieving the highest weighted grade among all ten enterprises. The relevant factors considered by China Index Academy in the market research study include the following:

- *Contracted GFA under management and corresponding number of high-end residential properties.* According to China Index Academy, we are one of the leading enterprises in terms of the total contracted GFA under management and corresponding number of high-end residential properties.

- *Grading of managed properties.* Using a grading system designed by China Index Academy incorporating the hardware features of the managed residential properties as well as the quality of property management services, China Index Academy placed residential properties into grades of five stars, four stars, three stars, or below-three stars with five stars representing the best quality in terms of both hardware facilities and property management services. According to a market survey in ten cities conducted by China Index Academy in 2014, the portion of our residential properties that were graded at or above four stars amounted to 56.5% of all residential properties managed by our Company, which was the highest among the ten cities. The ten cities included Beijing, Shanghai, Hangzhou, Nanjing, Ningbo, Suzhou, Qingdao, Changsha, Wuhan, and Hefei, which China Index Academy believes are representative of the high-end residential property management market across the PRC.

- *Customer satisfaction level.* According to China Index Academy, we ranked first in terms of customer satisfaction among all the Top Hundred Property Management Companies in 2015.

- *Market presence in terms of number of cities.* As of December 31, 2015, we managed 637 properties located in 82 cities across 23 provinces, direct-controlled municipalities and autonomous regions across China with a total contracted GFA under management of 82.8 million sq.m. Properties managed by the Top Hundred Property Management Companies on average covered 27 cities in 2015.

Leading Player in terms of Overall Strength and GFA under Management

China Index Academy has ranked us second in terms of overall strength among the Top Hundred Property Management Companies in the PRC consecutively since 2010, and also ranked as third in terms of scale of operations among the Top Hundred Property Management Companies in 2015. China Index Academy ranks the overall strength of property management companies by evaluating the following aspects:

- scale of operations, taking into account the number of cities where the company operates, total contracted GFA under management, number of properties under management and total assets;

- financial performance, taking into account the total revenue, gross margin (replaced by net profit in the 2016 CIA Top Hundred Report), revenue per employee and selling and administration expenses and finance costs as a percentage to total revenue;

- service quality (no longer a factor in the 2016 CIA Top Hundred Report), taking into account the customer satisfaction rate, property management fee collection rate and property management contract renewal rate;

- growth potential, taking into account the revenue growth, total contracted GFA under management growth, reserved GFA under management, number and composition of employees and commitment to enterprise technology and intelligence or “smart community” (no longer a factor in the 2016 CIA Top Hundred Report); and

- social responsibility, taking into account the amount of tax paid, number of job opportunities created and total GFA under management of affordable housing.

As of December 31, 2015, our total contracted GFA under management reached 82.8 million sq.m., representing approximately four times the average for all the Top Hundred Property Management Companies, which is 17.5 million sq.m.; the number of managed properties of our Company reached 637, representing approximately four times the average for all the Top Hundred Property Management Companies, which is 154 properties.

DIRECTORS’ CONFIRMATION

As of the Latest Practicable Date, after taking reasonable care, our Directors confirm that there is no adverse change in the market information since the respective dates of the various data contained herein, which may qualify, contradict or have an impact on the information in this section.

REGULATORY OVERVIEW

Foreign-invested Property Management Companies

According to the Provisions on Guiding the Orientation of Foreign Investment (《指導外商投資方向規定》) (Order No. 346 of the State Council) (the "**Foreign Investment Orientation Provision**"), which were promulgated by the State Council on February 11, 2002 and came into effect on April 1, 2002, projects with foreign investment are divided into four categories, namely, encouraged, permitted, restricted and prohibited. The encouraged, restricted and prohibited projects with foreign investment are listed in the Catalogue of Industries for Guiding Foreign Investment (2015 version) (《外商投資產業指導目錄》(2015年修訂)) (the "**Catalogue**"). Projects not listed in the Catalogue are deemed to be permitted projects for foreign investment.

According to the Catalogue, which was jointly amended by NDRC and MOFCOM on March 10, 2015 and came into effect on April 10, 2015, the property management industry is among the industries in which foreign investment is permitted.

The Qualification of Property Management Companies

According to the Regulations on Property Management (《物業管理條例》) (Order No. 379 of the State Council), which were promulgated by the State Council on June 8, 2003, came into effect on September 1, 2003 and were amended on August 26, 2007 and February 6, 2016, a qualification system for companies engaging in property management activities has been adopted. According to the Administrative Measures on Qualifications of Property Management Companies (《物業服務企業資質管理辦法》) (Order No. 125 of MOHURD) (the "**Property Management Company Qualification Measures**"), which were promulgated by MOHURD on March 17, 2004, came into effect on May 1, 2004 and were amended on November 26, 2007, a newly established property management company is required to, within 30 days from the date of the receipt of its business license, send an application for class qualification to the competent real estate administration department of the local municipal people's government with authority over its license registration. The real estate administration department will review the application and issue the appropriate property management class qualification certificate to the property management company if it meets the class requirements as set out in the Measures.

According to the Property Management Company Qualification Measures, the levels of class qualification for a property management company are grouped into first, second and third classes. The Property Management Company Qualification Measures have laid out specific criteria for each class.

First class property management companies are permitted to undertake real estate management projects of any scale. Second class property management companies are permitted to undertake the real estate management of residential projects of less than 300,000 sq.m. and non-residential projects of less than 80,000 sq.m. Third class property management companies are permitted to undertake the real estate management of residential projects of less than 200,000 sq.m. and non-residential projects of less than 50,000 sq.m. Property management companies must undergo annual review to maintain their qualification.

If property management companies do not obtain a qualification certificate, or if the projects they undertake are outside the operational scope permitted by their class qualification, the property management companies may be ordered to surrender any income earned from unlawful property management activities and pay a fine.

Appointment of the Property Management Company

According to the Law on Property (《物權法》) (Order No. 62 of the President of the PRC), which was promulgated by the NPC on March 16, 2007 and came into effect on October 1, 2007, property owners can either manage the buildings and the ancillary facilities by themselves or engage a property management company or custodian. Property owners may replace the property management company or custodian engaged by the developer. Property management companies or other custodians should manage the buildings and the ancillary facilities subject to supervision by the owners.

According to the Regulations on Property Management, property owners can engage or replace a property management company at a general meeting of the property owners with the affirmative votes of owners who own more than half of the total construction area of the building(s) and who account for more than half of the total number of property owners. Before the formal engagement of a property management company by a general meeting of the property owners, a written preliminary service contract should be signed between the construction institutions (for example, a real estate developer) and a property management company. The preliminary service contract will be terminated once a property management agreement is signed between the property owners' association and the property management company.

Fees Charged by Property Management Company

According to the Administrative Measures on Property Management Company Fees (《物業服務收費管理辦法》) (發改價格[2003]1864號), which were jointly promulgated by NDRC and MOHURD on November 13, 2003 and came into effect on January 1, 2004, property management companies are permitted to charge property owners fees for the maintenance and management of properties and ancillary facilities, and for compliance with environmental protection regulations and other relevant standards.

The fees charged by property management companies nationwide are regulated by the price administration department and construction administration department of the State Council. The competent property administration departments at the local level are jointly responsible for regulating the fees charged by property management companies in their respective administrative regions.

Property management companies can charge management fees either on a lump sum basis, in which case the property management companies receive a fixed amount of property management fees and enjoy all the profits and bear all losses, or on a commission basis, in which case the property management companies may collect their percentage fee from the total property management fees in the proportion or amount agreed under the property management agreement, and regarding the remainder of the property management fees to be collected, the property owners then retain the surplus or assume the shortage.

Property management companies should charge service fees at a clearly marked rate in accordance with regulations of the competent price administration departments of the people's government, and display their service offerings, product offerings and standards and other related content publicly at prominent places in the management areas.

According to the Regulations on Clearly Labeled Fees for Property Management Services (《物業服務收費明碼標價規定》) (發改價檢[2004]1428號), which were promulgated by NDRC and MOHURD on July 19, 2004 and came into effect on October 1, 2004, property management companies should charge service fees at a clearly marked rate, and publicly display their service offerings, standards and other related content provided to the property owners (including the services set forth in the property management agreement as well as other services requested by property owners). When there is any change in the prices, the property management companies should update the display information and indicate the effective date of the new standards at least one month prior to the effectiveness of the new standards.

If property management companies do not comply with government guidance on prices according to regional regulations, they may be ordered to surrender any income unlawfully earned, pay a fine, or in serious cases cease business operations until the non-compliance has been rectified.

According to the Measures on Supervision over Pricing of Property Management Services (Trial) (《物業服務定價成本監審辦法(試行)》) (發改價格[2007]2285號), which was promulgated by NDRC and MOHURD on September 10, 2007 and came into effect on October 1, 2007, the prices of property management services should be based on the average cost of property management services as determined by the competent price administration department of the people's government. The competent price administration department of the people's government is responsible for the supervision over and investigation of the pricing of property management services with assistance from the competent property administration department of the people's government. The cost of property management services should fairly represent the staff costs, the daily operation and maintenance costs of the common area and facilities of the property, gardening maintenance costs, sanitation and hygiene costs, security maintenance costs, insurance costs for the common areas and facilities (including liability insurance), office expenses, management costs apportionment, depreciation of fixed assets and other costs agreed to by the property owners.

According to the Circular of NDRC on the Opinions on Relaxing Price Controls in Certain Services (《國家發展改革委關於放開部分服務價格意見的通知》) (發改價格[2014]2755號), which was promulgated by NDRC and became effective on December 17, 2014, price controls on the following have been lifted:

(1) Property management services for residential properties except for affordable housing: fees for the repair, maintenance and management of residential properties except for affordable housing, ancillary facilities and equipment as well as for relevant sites and maintenance of environmental standards, sanitation and order within the managed areas. Property management fees for affordable housing, housing-reform properties, properties in old residential areas and under preliminary property management remain subject to government guidance on prices determined by competent provincial level price administration departments in cooperation with the administrative departments of housing and urban-rural development.

(2) Parking in residential areas: fees charged to owners or residents of residential areas by property management companies or parking service companies for the management of parking spaces and parking facilities.

Judicial Interpretation

The Explanation of Several Issues relating to the Application of Laws to the Hearing of Certain Property Management Service Disputes (《關於審理物業服務糾紛案件具體應用法律若干問題的解釋》) (法釋[2009]8號), which was promulgated by the Supreme People's Court on May 15, 2009 and came into effect on October 1, 2009, identifies principles applied by the court when hearing disputes on specific matters between property owners and property management companies. Subject to the Explanation of Several Issues relating to the Application of Laws to the Hearing of Certain Property Management Service Disputes, property management agreements entered into by real estate developers or property owners' associations on behalf of property owners are legally binding on property owners. Furthermore, the court confirms that the clauses in property management agreements which exempt property management companies from liability and enhance the liability of property owners and property owners' associations are invalid.

LEGAL SUPERVISION OVER TELECOMMUNICATIONS SERVICES IN THE PRC

Qualification for Telecommunications Services

The Telecommunications Regulations (《電信條例》) (Order No. 291 of the State Council), which were promulgated by the State Council on September 25, 2000 and revised on July 29, 2014 and February 6, 2016, draw a distinction between "basic telecommunication services" and "value-added telecommunication services." The Internet content provision services are considered value-added telecommunications services. Under the Telecommunications Regulations, commercial operators of value-added telecommunications must first obtain an operating license from the MIIT or its provincial level counterparts.

The Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》) (Order No. 5 of the MIIT), or the Telecom License Measures, which were promulgated by the MIIT on March 1, 2009 and became effective from April 10, 2009, set forth the types of licenses required to operate value-added telecommunications services and the qualifications and procedures for obtaining operating licenses. For example, an ICP operator providing value-added services in multiple provinces is required to obtain an inter-regional license, whereas an ICP operator providing the same services in a single province is required to obtain a local license.

If a company provides value-added telecommunications services without first obtaining an ICP License, it may be ordered to surrender any income unlawfully earned, pay a fine, or in serious cases cease its business operations until the non-compliance has been rectified.

Foreign Investment in Value-Added Telecommunications Businesses

Pursuant to the Catalogue of Industries for Guiding Foreign Investment (2015 version) (《外商投資產業指導目錄》(2015年修訂)》), the provision of value-added telecommunication services (excluding e-commerce) is subject to foreign investment restrictions and a foreign investor may not hold more than 50% of the equity interest in a PRC value-added telecommunications services provider. Our PRC legal advisors have advised that call center operations and certain information services provided by Greentown Telecommunications constitute value-added telecommunications services. According to the Administrative Rules for Foreign Investment in Telecommunications Enterprises (《外商投資電信企業管理規定》), foreign investors may not contribute more than 50% of the registered capital of a value-added telecommunications services provider and foreign investors must maintain a good track record and possess relevant operational experience in the value-added telecommunication services industry ("**Qualification Requirements**") before they can invest in a PRC value-added telecommunications services provider.

According to the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Businesses (《關於加強外商投資經營增值電信業務管理的通知》) (the "**Circular**"), which was promulgated by the MIIT on July 13, 2006, foreign investors are required to set up foreign-invested companies and obtain ICP Licenses in order to invest in the telecommunications business or conduct any commercial ICP business in the PRC. Under this Circular, a domestic company that holds an ICP License is prohibited from leasing, transferring or selling the license to foreign investors in any form and from providing any assistance, including providing resources, sites or facilities to foreign investors that conduct unlicensed value-added telecommunications business in the PRC. Furthermore, certain relevant assets, such as trademarks and domain names that are used in the value-added telecommunications business, must be owned by the local ICP License holder or its shareholders. This Circular further requires each ICP License holder to have the facilities necessary for operating its approved business and to maintain such facilities in the regions covered under its license. In addition, all value-added telecommunications service providers are required to maintain network and information security in accordance with the standards set forth under relevant PRC regulations. If an ICP License holder fails to comply with the requirements in this Circular and fails to remedy such non-compliance within a specified period of time, the MIIT or its local counterparts have the discretion to take administrative measures against such license holder, including revoking its ICP License.

On June 19, 2015, the MIIT issued the Circular on Loosening the Restrictions on Shareholding by Foreign Investors in Online Data Processing and Transaction Processing Business (Operating E-commerce) (《關於放開在綫數據處理與交易處理業務(經營類電子商務)外資股比限制的通告》) (the "**Circular No. 196**"), which allows a foreign investor to hold 100% of the equity interest in a PRC entity that provides online data processing and transaction processing services. The operations that we conduct do not fall into the scope of businesses to which Circular No. 196 applies.

Internet Information Services and Content

According to the Measures on the Internet Information Services (《互聯網信息服務管理辦法》) (Order No. 292 of the State Council), which were promulgated by the State Council on September 25, 2000 and revised on January 8, 2011, entities engaging in providing Internet information services in the PRC must either (i) obtain an ICP License issued by the MIIT or its local bureau if the services in question are regarded as "commercial Internet information services"; or (ii) file an ICP form with the local MIIT bureau if the services in question are regarded as "non-commercial Internet information services." "**Non-commercial Internet information services**" refer to "information, web page creation and other services that provide information of a publicly available and accessible nature to the Internet users via the Internet." MIIT is responsible for approving ICP License applications for operating a value-added telecommunications business in more than one province, direct-controlled municipality or autonomous region, regardless of whether the applicant is foreign owned or not. The local bureaus of MIIT (e.g., ZJCA, in the case of our Company) are responsible for approving ICP License applications submitted by domestic-owned companies for operating value-added telecommunications businesses within one single province, direct-controlled municipality or autonomous region. Applications by foreign-invested companies for operating value-added telecommunications businesses within one single province, direct-controlled municipality or autonomous region should be reviewed and approved by MIIT's local bureaus before they are submitted to MIIT for final approval. If an Internet information service provider fails to obtain an ICP License or make an ICP filing, the relevant local branch of MIIT may levy fines, confiscate its income or even block its website. The concepts of commercial and non-commercial Internet information services are stipulated generally and hence, in practice, leave much up to the discretion of the local MIIT bureau.

The Measures on the Internet Information Service further specify that the Internet content providers are prohibited from providing services beyond that included in the scope of their business license or other required licenses or permits, and clearly specify a list of prohibited content. The Internet content providers must monitor and control the information posted on their websites. If any prohibited content is found, they must remove the offending content immediately, make and keep a record of it and report it to the relevant authorities.

LEGAL SUPERVISION OVER LABOR PROTECTION IN THE PRC

According to the Labor Law of the PRC (《中華人民共和國勞動法》) (Order of the President [1994] No. 28) (the "**Labor Law**"), which was promulgated by the Standing Committee of the NPC on July 5, 1994, came into effect on January 1, 1995 and was amended on August 27, 2009, an employer should develop and improve its rules and regulations to safeguard the rights of its employees. An employer should develop and improve its labor safety and health system, stringently implement national protocols and standards on labor safety and health, conduct labor safety and health education for employees, guard against labor accidents and reduce occupational hazards. An employer's labor safety and health facilities must comply with relevant national standards. An employer must provide employees with the necessary labor protection gear that complies with labor safety and health requirements stipulated under national regulations, as well as provide regular health checks for employees engaging in operations with occupational hazards. Laborers engaging in special operations must have received specialized training and obtained pertinent qualifications. An employer should develop a vocational training system. Vocational training funds should be set aside and used in accordance with national regulations, and vocational training for employees should be carried out systematically based on the actual labor conditions of the company.

The Labor Contract Law (《勞動合同法》) (Order No. 65 of the President), which was promulgated by the SCNPC on June 29, 2007, came into effect on January 1, 2008, and was amended on December 28, 2012, and the Labor Contract Law Implementation Regulations (《勞動合同法實施條例》) (Order No. 535 of the State Council), which was promulgated and became effective on September 18, 2008, regulate the relationship between two parties to labor contracts, namely, the employers and the employees, and contain specific provisions concerning the terms of the labor contract. It is stipulated under the Labor Contract Law and the Labor Contact Law Implementation Regulations that a labor contract must be made in writing. An employer and an employee may enter into a fixed-term labor contract, a variable term labor contract, or a labor contract that concludes upon the completion of certain work assignments, upon reaching agreement after due negotiation. An employer may legally terminate a labor contract and dismiss its employees upon reaching agreement after due negotiation with the employee or by fulfilling the statutory conditions. Valid labor contracts concluded prior to the enactment of the Labor Law will continue to be honored. With respect to circumstances where a labor contract relationship has already been established but no formal contract has been made, a written labor contract should be entered into within one month from the effective date of the Labor Contract Law.

According to the Interim Regulations on the Collection and Payment of social security Premiums (《社會保險費徵繳暫行條例》), the Regulations on Work Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》) and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), PRC incorporated companies are required to provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance. PRC incorporated companies must provide social security by registering with local social security agencies and paying or withholding relevant social security premiums for or on behalf of employees. The Law on Social Security (《社會保險法》) (Order No. 35 of the President), which was promulgated on October 28, 2010 and became effective on July 1, 2011, has consolidated pertinent provisions for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, and has provided in detail the legal obligations and liabilities of employers who do not comply with relevant laws and regulations on social security.

According the Regulations on the Administration of the Housing Provident Fund (《住房公積金管理條例》) (Order No. 262 of the State Council), which was promulgated and became effective on April 3, 1999 and was amended on March 24, 2002, housing provident fund contributions made by an individual employee and housing provident fund contributions made by his or her employer belong to the individual employee.

Employers are required to pay and deposit housing provident fund contributions in full and on time. Employers should process housing provident fund payments and deposit registrations with the housing provident fund administration center. Employers that violate these regulations and fail to process housing provident fund payments or deposit registrations with the housing provident fund administration center within a designated period are subject to a fine ranging from RMB10,000 to RMB50,000. When employers breach these regulations and fail to pay housing provident fund contributions in full when due, the housing provident fund administration center will order such employers to pay within a grace period, and may apply to the People's Court for mandatory enforcement if the fund is not paid in full before the expiry of the grace period.

LEGAL REGULATIONS ON TAX IN THE PRC

Income Tax

According to the EIT Law, which was promulgated by the NPC on March 16, 2007 and came into effect on January 1, 2008, and the Implementation Regulations of EIT Law (《企業所得稅法實施條例》), which was promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008, a uniform income tax rate of 25% applies to all PRC companies, foreign-invested companies and foreign companies which have established production and operation facilities in the PRC. These companies are classified as either resident companies or non-resident companies. Under the EIT Law, enterprises established under the laws of foreign countries or regions and whose "de facto management bodies" are located within the PRC are considered "resident enterprises" and thus will generally be subject to enterprise income tax at the rate of 25% on their global income. Also, the Implementation Measures of EIT Law defines the term "de facto management bodies" as "bodies that substantially carry out comprehensive management and control on the business operation, employees, accounts and assets of enterprises."

According to the EIT Law and its implementing regulations, a 10% PRC withholding tax applies to dividends payable to investors that are non-resident companies (who do not have an establishment or place of business in the PRC, or have an establishment or place of business but to whom the relevant income tax is not effectively connected) to the extent that such dividends are derived from sources in the PRC, unless there is an applicable tax treaty between the PRC and the jurisdiction of the non-resident company which may reduce the tax rate or provide an exemption. Similarly, any gain realized on the transfer of shares by such investors is subject to a 10% PRC income tax (or lower treaty rate if applicable) if such gain is regarded as income derived from sources within the PRC.

According to the Arrangement between the PRC and Hong Kong Special Administrative Region for the Avoidance of Double Taxation the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was promulgated by SAT on August 21, 2006 and came into effect on December 8, 2006, a company incorporated in Hong Kong will be subject to withholding tax at the lower rate of 5% on dividends it receives from a company incorporated in the PRC if it holds a 25% interest or more in the PRC company. According to the Notice on the Understanding and Identification of the Beneficial Owners in the Tax Treaty (《關於如何理解和認定稅收協定中"受益所有人"的通知》) (國稅函[2009]601號), which was promulgated by SAT and became effective on October 27, 2009, a beneficial ownership analysis will be used based on a substance-over-form principle to determine whether or not to grant tax treaty benefits.

According to the Notice on Strengthening the Administration of Enterprise Income Tax on Income From Transfers of Equity Interests by Non-resident Enterprises (《國家稅務總局關於加強非居民企業股權轉讓所得企業所得稅管理的通知》), which was promulgated by SAT on December 10, 2009 with retroactive effect from January 1, 2008, and the No. 24 Public Notice in 2011 (《國家稅務總局公告2011年第24號》), which was promulgated by SAT on March 28, 2011, in the event that a non-resident company transfers equity interests of a PRC resident company indirectly through disposing of the equity interests of an overseas holding company, and the actual tax imposed on the capital gain from the equity transfer is lower than 12.5%, or the jurisdiction in which the overseas holding company is established excludes foreign-sourced capital gain income, the foreign investor should report this indirect transfer to the competent tax departments in the PRC. Under the substance-over-form principle, PRC tax departments may disregard the existence of the overseas holding company if such company lacks a reasonable commercial purpose and was established for the purpose of avoiding PRC tax. As a result, gains derived from such indirect transfer may be subject to a PRC withholding tax at a rate of 10% and the foreign investor may be subject to a penalty for any late tax payment.

Business Tax

According to the Temporary Regulations on Business Tax (《營業稅暫行條例》) (Order No.136 of the State Council), which were promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994, and were amended on November 10, 2008, and the Detailed Implementing Rules on the Temporary Regulations on Business Tax (《營業稅暫行條例實施細則》), which were promulgated by MOFCOM and SAT, came into effect on December 25, 1993, were amended on May 22, 1997, December 15, 1998, and further amended on December 28, 2011, a business income tax at the rate of 3% to 20% is imposed on income derived from providing certain services or transferring immovable property or intangible property, depending on the nature of the taxable activities. A business income tax at the rate of 5% is imposed on revenue derived from providing property management services.

Value-added Tax

According to the Temporary Regulations on Value-added Tax (《增值稅暫行條例》) (Order No. 538 of the State Council), which were promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994, and were amended on November 10, 2008 and February 6, 2016 and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax (《增值稅暫行條例實施細則》) (Order No. 65 of MOFCOM), which were promulgated by MOFCOM and came into effect on December 25, 1993, and were amended on December 15, 2008 and October 28, 2011, all taxpayers selling goods, providing processing, repairing or replacement services or importing goods within the PRC are required to pay a 17% value-added tax.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (《營業稅改徵增值稅試點方案》) (財稅[2011]110號), which was promulgated by MOFCOM and SAT, the State launched taxation reforms in a gradual manner with effect from January 1, 2012, whereby the collection of value-added tax in lieu of business tax items was implemented on a trial basis in regions showing significant radiating effects in economic development and providing outstanding reform examples, beginning with production service industries such as transportation and certain modern service industries. According to the implementation measures issued on December 12, 2013, all companies in production service and certain modern service industries are subject to value added taxes. As of the date of this prospectus, our property management services are subject to value-added taxes.

LEGAL REGULATIONS ON FOREIGN EXCHANGE IN THE PRC

According to the Regulations on the Control of Foreign Exchange (《外匯管理條例》) (Order No. 193 of the State Council), which were promulgated by the State Council on January 29, 1996, came into effect on April 1, 1996 and were amended on January 14, 1997 and August 5, 2008, foreign exchange receipts of domestic institutions or individuals may be transferred to the PRC or deposited abroad; the conditions for transfer to the PRC or overseas deposit, time limit and other details will be specified by the foreign exchange control department of the State Council. Foreign exchange receipts for current account transactions may be retained or sold to financial institutions engaging in the settlement of foreign exchange in accordance with relevant regulations. Domestic institutions or individuals that make direct investments abroad or are engaging in the overseas distribution or trade of valuable securities or derivative products should register according to the provisions of the foreign exchange control department of the State Council. Relevant institutions or individuals should submit relevant documentation for examination and approval or for record-filing prior to foreign exchange registration, if they are required to file with, or receive approval from, the competent administration departments in advance as required by the State. The exchange rate for RMB follows a managed floating exchange rate system based on market demand and supply.

SAFE Circular No. 37

SAFE Circular No. 37, the Notice of the State Administration of Foreign Exchange on the Administration of Foreign Exchange Involved in the Investment and Financing and Return on Investment Conducted by PRC Residents via Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) and its appendices were promulgated and became effective on July 4, 2014.

According to SAFE Circular No. 37, "**Special purpose vehicle**" refers to an overseas company directly established or indirectly controlled by a domestic resident (including domestic institutions and domestic individual residents) for the purpose of engaging in investment and financing involving assets or interests which the domestic entity legally holds, or involving the overseas assets or interests it legally holds.

"**Round-trip investments**" refer to direct investment activities carried out within the territory of China by a domestic resident directly or indirectly via a special purpose vehicle, i.e., establishing a foreign-funded company or project (hereinafter referred to as the "**foreign-funded company**") within the territory of China through new establishment, merger, acquisition or otherwise, and obtaining ownership, control, operation and management and other rights and interests.

"**Domestic institutions**" refer to companies, public institutions, legal persons or other economic organizations legally established within the territory of China. A "**domestic individual resident**" refers to a Chinese citizen who holds a Chinese domestic resident, military or Armed Police ID card, as well as any overseas individual who has no legal identity within the territory of China but habitually resides within the territory of China for reasons of economic interest.

"**Control**" refers to the rights to carry out the business operations of, or to gain proceeds from or to make decisions on behalf of, a special purpose vehicle by means of acquisition, trusteeship, holding shares on behalf of others, voting rights, repurchase, convertible bonds, etc.

Pursuant to the SAFE Circular No. 37, the PRC individual residents conduct investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments. SAFE Circular No.37 also requires the PRC residents to file changes to their registration where their offshore special purpose vehicles undergo material events such as the change of basic information including PRC residence, name and operation period, as well as capital increase or decrease, share transfer or exchange, merger or division.

According to Item 10 "The Registration of the Special Purpose Vehicles by PRC Resident Individuals," Appendix 1 "Operating Guidelines for Businesses Involved in the Foreign Exchange Administration of Round-trip Investment" of SAFE Circular No. 37, PRC resident individuals shall only register the (first layer) SPV directly established or controlled by the applicant.

SAFE Circular No. 13

Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (SAFE Circular No. 13) (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) was promulgated on February 13, 2015 and became effective on June 1, 2015.

Foreign exchange registration for domestic direct investment and foreign exchange registration for overseas direct investment (hereinafter collectively referred to as "**direct investment-related foreign exchange registration**") will be directly reviewed and handled by banks in accordance with SAFE Circular No. 13 and the Guidelines for Direct Investment-related Foreign Exchange Business (《直接投資外滙業務操作指引》) (which is the appendix to SAFE Circular No. 13), and SAFE and its branches (hereinafter referred to as the "**foreign exchange**

regulatory authorities") shall perform indirect regulation over the direct investment-related foreign exchange registration via the aforementioned banks.

SAFE Circular No. 19

Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (SAFE Circular No. 19) (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) was promulgated on March 30, 2015 and became effective on June 1, 2015.

Discretionary settlement of foreign exchange capital of foreign-invested companies means that foreign exchange capital in the capital account of foreign-invested companies whose rights and interests of monetary contribution have been confirmed by the local foreign exchange bureau (or book-entry registration through the banks) can be settled at the banks based on the actual operating needs of the companies. The proportion of discretionary settlement of foreign exchange capital for foreign-invested companies is temporarily set at 100%.

Capital by foreign-invested companies should only be used for legitimate operating needs within the business scope. The capital of foreign-invested companies and capital in RMB obtained through foreign exchange settlement should not be used for the following purposes:

(1) directly or indirectly used for payments outside the business scope or for payments prohibited under national laws and regulations;

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

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

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

Except for transfers of equity investment in the original currency, foreign-invested companies whose primary business is investing (including foreign-invested investment companies, foreign-invested venture capital companies and foreign-invested equity investment companies) are permitted to directly settle foreign exchange capital or transfer capital in RMB to the account of the invested companies provided that the domestic investment project is authentic and compliant.

Generally, foreign-invested companies other than the aforementioned companies shall be governed by the prevailing provisions on domestic reinvestment if they make domestic equity investments with capital transfers in the original currency. For domestic equity investments made with capital obtained from a foreign exchange settlement, the invested companies must first register domestic reinvestment at the foreign exchange bureaus (banks) and open the corresponding settlement account, after which the companies making the investment then transfer the capital in RMB obtained from the foreign exchange settlement to the settlement account opened by the invested companies. The invested company must comply with the aforementioned principles if it continues to make domestic equity investments.

LEGAL REGULATIONS ON MERGERS AND ACQUISITION

On August 8, 2006, MOFCOM, together with SASAC, SAT, SAIC, CSRC and SAFE issued the Rules on the Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**Circular No.10**"), which became effective on September 8, 2006 and were amended on June 22, 2009. An acquisition under the M&A Rules can be either an equity acquisition or an asset acquisition. An equity acquisition is an acquisition of equity interest in a PRC domestic company or the subscription of registered capital of a PRC domestic company by foreign investors for the purpose of converting such PRC domestic company into a foreign-invested company.

An asset acquisition is the acquisition of a domestic PRC company's assets (i) by a foreign-invested company for the purpose of controlling such assets and using them in business operations or (ii) by foreign investors, through contract, in order to establish a foreign-invested company for the purpose of conducting business operations.

According to the Circular No. 10, where a domestic company, enterprise or natural person intends to acquire its or his/her related domestic company in the name of an offshore company which it or he/she lawfully established or controls, the acquisition shall be subject to the examination and approval of the MOFCOM; and where a domestic company or natural person holds an equity interest in a domestic company through an offshore special purpose company, any overseas listing of that special purpose company shall be subject to approval by the CSRC.

HISTORY AND DEVELOPMENT

History

The history of our Group can be traced back to October 1998, when Greentown Property Management, our first operating subsidiary in the PRC, was established for the purpose of providing property management services to Greentown Property Group Co., Ltd. (綠城房地產集團有限公司) (which is currently a subsidiary of Greentown China) engaging in the business of property development. Greentown Property Management was then owned by Zhejiang Greentown Property Development Co., Ltd. (浙江綠城房地產開發有限責任公司) ("**Zhejiang Greentown Property Development**") as to 60% and Ningbo Baoshui Qu Yige Property Investment Co., Ltd. (寧波保税區義格實業投資有限公司) ("**Ningbo Baoshui Qu Yige**") as to 40%. At the time of establishment of Greentown Property Management, Zhejiang Greentown Property Development was owned as to 55% by Ningbo Baoshui Qu Yige, 30% by Zhejiang International Trust Investment Co., Ltd. (浙江國際信託投資公司) (an Independent Third Party) and 15% by Zhejiang Wanbo Electric Technical Co., Ltd. (浙江萬博電子技術有限責任公司) (an Independent Third Party), while Ningbo Baoshui Qu Yige was owned as to 50% by Mr. Song Weiping and 50% by Mr. Lu Hong (路虹) (an Independent Third Party). For details of the corporate development of Greentown Property Management, please see the sub-section headed "— History and Development — Corporate Development" in this section.

Mr. Song Weiping is our founder and one of our Ultimate Controlling Shareholders and he financed his investment in Ningbo Baoshui Qu Yige with his personal funds. Mr. Song Weiping has been the chairman, co-chairman and executive director of Greentown China from January 1995 to March 2015, from March 2015 to present and from January 1995 to present, respectively. He has also been the chairman of Bluetown Property Construction Management Group Co., Ltd. (藍城房產建設管理集團有限公司) (formerly known as Greentown Property Construction Management Co., Ltd. (綠城房產建設管理有限公司)) since September 2010. Bluetown Property Construction Management Group Co., Ltd. is mainly engaging in property project development and operation for third parties, with Mr. Song Weiping holding 34.6% of the equity interest therein, thus, it is a connected person of our Company.

Our property management business, which includes services such as security, cleaning, gardening, repair and maintenance primarily for residential communities, has been our main business segment. To complement our property management services, in March 2000, we began to provide property consulting services to real estate developers and local property management companies. Through cooperating with and guiding real estate developers to optimize housing designs and improve construction quality, we manage to provide a more convenient and comfortable living environment to residents. Our years of experience in property management provide us with thorough understanding of customer needs and the industry as a whole, which makes up our core competitive advantage in the property development and management consulting business.

In April 2007, we introduced a full-fledged service platform and began to provide a comprehensive range of community value-added services for the residential communities we manage. Such service platform directly addresses our customers' demands for residential communities with a high-quality of living and effectively boosts customer satisfaction, which in turn expands our high-end customer base and enhances our Company's brand image to strongly support our rapid business expansion throughout the PRC, particularly with respect to high-end property developments. It also bolsters our Company's position within the PRC property management industry.

Leveraging on the healthy and orderly development of our standard property management services, we launched our "smart community" project in September 2014 which primarily comprises (i) our "Happy Greentown" mobile application, which among others allows users to purchase certain products and services from us, (ii) a "smart property management" platform, which assists our staff in providing enhanced property management services and (iii) a "smart hardware management" platform. Such online service platform connects the property management facilities and equipment at our managed properties via the Internet. It has enabled our Company to take advantage of the rapid increase in the use and penetration of smart phones, the Internet and mobile applications in the PRC, thereby increasing our Company's work efficiency and lowering operation costs, as well as bringing higher convenience and a wider range of services to our customers.

In November 2014, our Company was incorporated in the Cayman Islands and became the offshore holding company as a result of the Reorganization. Hangzhou Osmanthus Garden Investment Management is the onshore holding company of our operating subsidiaries in the PRC. For details, please refer to the sub-section headed "— History and Development — Corporate Development" in this section.

Key Business Development Milestones

The following table sets forth the key business milestones of our Group:

Year	Milestone Event
1998	Greentown Property Management was established in the PRC under the name of Zhejiang Greentown Property Management Company Limited (浙江綠城物業管理有限公司) and started providing property management services.
2000	Greentown Property Management started providing property consulting services.
2003	Greentown Property Management started expanding its business operations across the PRC, particularly major first tier cities in the Yangtze River Delta and Bohai Economic Rim.
2004	Greentown Property Management was recognized as a property management company of first class quality (一級資質認證).
2005	Greentown Property Management was certified under ISO 9000 for the quality of its property management services.
2006	Greentown Property Management's nationwide 24-hour telephone hotline commenced operations.
2007	Greentown Property Management started providing community value-added services.
2008	Greentown Property Management was certified under ISO 14001 for environmental management.

Year	Milestone Event
2010	Our Group was certified under GB-T28001 for occupational health and safety.
	In November 2010, our Group was recognised as one of the "Key Enterprises in the Service Industry in Zhejiang Province" by the Zhejiang provincial government.
2011	In November 2011, Greentown Property Management was awarded by China Index Academy the first runner-up in the "2011 Top Hundred China Property Service Enterprises" and obtained the same award for the four subsequent consecutive years from 2012 to 2015.
	Greentown Property Management was elected as the vice-chairman for the China Property Management Association and the Zhejiang Real Estate Association.
2013	In July 2013, Greentown Property Management was recognised as one of the "Top Hundred Service Industry Key Enterprises in Zhejiang Province" by the Zhejiang General Chamber of Commerce and the Zhejiang Entrepreneurs Association and was awarded with the same title for the two subsequent years of 2014 and 2015.
2014	Our Company was incorporated on November 24, 2014 in the Cayman Islands.
	In September 2014, our Group launched the "smart community" project, including the "Happy Greentown" mobile application, the "smart property management" platform and the "smart hardware management" platform.
	Greentown Property Management was awarded the "2014 China Property Service Market Leading Branding Enterprise."
	Greentown Property Management was approved to use the "95059" special service number for its nationwide 24-hour telephone hotline.
2015	In June 2015, our Group was granted the following awards relating to the 2015 China Top Hundred Property Management Companies by China Index Academy:
	(a) China Top Hundred Property Management Company with the Most Satisfied Property Owners (Rank No.1);
	(b) China Top Hundred Property Management in Overall Strength (Rank No. 2);
	(c) 2014-2015 Top Hundred Socially Responsible Companies (Rank No. 3);
	(d) Leading China Featured Property Services Company; and
	(e) Enterprise with corporate social responsibility.

Year	Milestone Event
	As of December 31, 2015, we managed properties located in 82 cities across 23 provinces, direct-controlled municipalities and autonomous regions across China with a total contracted GFA under management of 82.8 million sq.m. As of December 31, 2015, there were more than 180,000 registered users of the "Happy Greentown" mobile application. Greentown Property Management was awarded the Gold Prize for Community Management in the 2015 China Blue Chip Real Estate Rankings by the Economic Observer, an independent Chinese weekly newspaper that publishes news and commentary related to China's economic, political and social developments.

Corporate Development

As of the Latest Practicable Date, our Group had either established or acquired a number of operating subsidiaries in the PRC to carry out our property management business. Our major subsidiaries comprise our intermediate holding company of all PRC operating subsidiaries, and our subsidiary which contributes a substantial amount of our Group's revenue. Details of our major subsidiaries as of the Latest Practicable Date are set forth below:

Greentown Property Management

Greentown Property Management (formerly known as Zhejiang Greentown Property Management Company Limited (浙江綠城物業管理有限公司)), is principally engaged in the provision of property management services and was established in the PRC in October 1998 with an initial registered capital of RMB1,000,000. As of the date of establishment, Greentown Property Management was owned as to 60% by Zhejiang Greentown Property Development and 40% by Ningbo Baoshui Qu Yige.

On December 7, 2001, Greentown Holdings acquired 60% equity interest of Greentown Property Management from Zhejiang Greentown Property Development for an aggregate consideration of RMB600,000, which was equal to the amount of Zhejiang Greentown Property Development's contribution to the registered capital of Greentown Property Management.

On September 8, 2002, the registered capital of Greentown Property Management was increased from RMB1,000,000 to RMB5,000,000, of which Greentown Holdings contributed RMB3,900,000 and Ningbo Baoshui Qu Yige contributed RMB100,000. Greentown Property Management was then owned as to 90% and 10% by Greentown Holdings and Ningbo Baoshui Qu Yige, respectively.

On February 27, 2003, Ms. Li Hairong entered into an equity transfer agreement with each of Greentown Holdings and Ningbo Baoshui Qu Yige, pursuant to which Greentown Holdings and Ningbo Baoshui Qu Yige agreed to transfer 39% equity interest and 10% equity interest in Greentown Property Management to Ms. Li Hairong, respectively, for a consideration of RMB1,950,000 and RMB500,000, which was equal to the respective amount of the registered capital contributed by Greentown Holdings and Ningbo Baoshui Qu Yige to Greentown Property Management. Upon completion of such transfer, Greentown Property Management was owned as to 51% and 49% by Greentown Holdings and Ms. Li Hairong, respectively.

On July 1, 2010, the registered capital of Greentown Property Management was increased from RMB5,000,000 to RMB50,000,000, of which Greentown Holdings contributed RMB22,950,000 and Ms. Li Hairong contributed RMB22,050,000. Greentown Property Management was then owned as to 51% and 49% by Greentown Holdings and Ms. Li Hairong, respectively.

On March 17, 2015, Ms. Li Hairong entered into an equity transfer agreement with each of Mr. Yang Zhangfa and Mr. Wu Zhihua, pursuant to which Ms. Li Hairong agreed to sell, and each of Mr. Yang Zhangfa and Mr. Wu Zhihua agreed to purchase 0.1% equity interest in Greentown Property Management, respectively, for a consideration of RMB123,990.10 each, which was determined based on the valuation of Greentown Property Management by the Zhejiang branch of Beijing China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司浙江分公司). Upon completion of such transfer, Greentown Property Management was owned as to 51%, 48.8%, 0.1% and 0.1% by Greentown Holdings, Ms. Li Hairong, Mr. Yang Zhangfa and Mr. Wu Zhihua, respectively. Such consideration was settled on March 14, 2016.

Zhejiang Lvsheng Property Management Company Limited (浙江綠升物業服務有限公司) ("Zhejiang Lvsheng Property Management")

Zhejiang Lvsheng Property Management (formerly known as Zhejiang Huali Property Management Co., Ltd. (浙江華立物業管理有限公司)) is principally engaged in the provision of property management services and was established in the PRC on September 16, 1999 with an initial registered capital of RMB500,000. As of the date of establishment, Zhejiang Lvsheng Property Management was owned as to 95% and 5% by Zhejiang Huali Property Development Co., Ltd. (浙江華立房地產開發有限公司) and Zhejiang Huali Import Export Co., Ltd. (浙江華立進出口有限公司), respectively, each being an Independent Third Party.

Since its establishment, Zhejiang Lvsheng Property Management has undertaken a series of equity transfer and increase in registered capital and on June 21, 2007, it became wholly-owned by Huali Real Estate Group Co., Ltd. (華立地產集團有限公司) ("**Huali Real Estate Group**"), being an Independent Third Party.

As a strategy of Greentown Property Management to expand its property management business into different levels of market and to add a sub-brand to its business portfolio, on February 3, 2008, Greentown Property Management entered into an equity transfer agreement with Huali Real Estate Group to acquire the entire equity interest in Zhejiang Lvsheng Property Management for an aggregate consideration of RMB2,800,000, which was determined based on the then net asset value of Zhejiang Lvsheng Property Management.

Upon completion of such acquisition on March 6, 2008, Zhejiang Lvsheng Property Management became a wholly-owned subsidiary of Greentown Property Management.

Other operating PRC subsidiaries

As of the Latest Practicable Date, in addition to Greentown Property Management and Zhejiang Lvsheng Property Management, our Group also had other operating subsidiaries in the PRC covering a wide range of businesses, including but not limited to the provision of property management services, the provision of home maintenance and repair services, real estate agencies, the provision of property consulting services, event management services, home renovation services, housekeeping services (including laundry, cleaning, installation of home utilities) and community facility management services. For details of our subsidiaries, please see the corporate structure chart of our Group in the sub-section headed "Corporate Structure Immediately After The Reorganization and Before Completion of the Global Offering" below in this section and the list of subsidiaries set out in Note 1 of Section B of the Accountants' Report in Appendix I to this prospectus.

MAJOR ACQUISITIONS

Set out below are the major acquisitions made by our Group which were material to the performance of our Group during the Track Record Period:

Shenyang Greentown Property Services Company Limited (瀋陽綠城物業服務有限公司) ("Shenyang Greentown Property Services")

Shenyang Greentown Property Services (formerly known as Shenyang Yinji Property Co., Ltd. (瀋陽銀基物業有限公司)) is principally engaged in the provision of property management services in the Northeastern region of the PRC. Shenyang Greentown Property Services was established in the PRC in October 1996 with a registered capital of RMB500,000 and was owned as to 80% and 20% by Shenyang Yinji Property Development Co., Ltd. (瀋陽銀基房屋開發有限公司) and Shenyang Property Investment Development Co., Ltd. (瀋陽物業投資發展股份有限公司), each being an Independent Third Party.

After a series of equity transfers in Shenyang Greentown Property Services and immediately before our acquisition of Shenyang Greentown Property Services, it was owned as to 50%, 30% and 20% by Shenyang Yinji Group Co., Ltd. (瀋陽銀基集團有限公司) (formerly known as Shenyang Yinji Corporation (瀋陽銀基企業有限公司)) ("**Shenyang Yinji Group**"), Shenyang Yinji Materials Supply Co., Ltd. (瀋陽銀基物資供應有限公司) ("**Shenyang Yinji Materials Supply**") and Liaoning Hangao Elevator Engineering Co., Ltd. (遼寧杭奧電梯工程有限公司) ("**Liaoning Hangao Elevator**"), respectively, each being an Independent Third Party.

As a strategy of Greentown Property Management to expand into the property management market in the Northeastern region of the PRC, Greentown Property Management entered into certain agreements with the then shareholders of Shenyang Greentown Property Services to acquire 30% equity interest in Shenyang Greentown Property Services from each of Shenyang Yinji Group and Shenyang Yinji Materials Supply, respectively, for an aggregate consideration of RMB3,600,000, which was determined based on the then net asset value of Shenyang Greentown Property Services.

Upon completion of such acquisition on March 20, 2012, Shenyang Greentown Property Services was owned as to 60%, 20% and 20% by Greentown Property Management, Shenyang Yinji Group and Liaoning Hangao Elevator, respectively.

On April 10, 2014, Shenyang Yinji Group transferred its remaining 20% equity interest in Shenyang Greentown Property Services to Mr. Yang Zhangfa for a consideration of RMB1,200,000, which is equal to the amount of registered capital of Shenyang Greentown Property Services contributed by Shenyang Yinji Group. Upon completion of such transfer, Shenyang Greentown Property Services was owned as to 60%, 20% and 20% by Greentown Property Management, Mr. Yang Zhangfa and Liaoning Hangao Elevator, respectively.

Shanghai Xinhu Greentown Property Services Co., Ltd. (上海新湖綠城物業服務有限公司) ("Shanghai Xinhu Greentown Property Services")

Shanghai Xinhu Greentown Property Services (formerly known as Shanghai Xinhu Property Management Co., Ltd. (上海新湖物業管理有限公司)) is an indirect subsidiary of Xinhu Zhongbao Co. Ltd. (新湖中寶股份有限公司) ("**Xinhu Zhongbao**"), a company listed on the Shanghai Stock Exchange, and is principally engaged in the provision of property management services in the PRC and is an associated company of our Group. Shanghai Xinhu Greentown Property Services was established in the PRC in February 2003 with a registered capital of RMB5,000,000 and was owned as to 70% and 30% by Zhejiang Xinhu Group Holdings Co., Ltd. (浙江新湖集團股份有限公司) ("**Zhejiang Xinhu Group**") and Zhejiang Xinhu Real Estate Group Co., Ltd. (浙江新湖房地產集團有限公司) ("**Zhejiang Xinhu Real Estate Group**"), respectively, each being an Independent Third Party and a subsidiary of Xinhu Zhongbao.

As a strategy of Greentown Property Management to raise its profile by establishing strategic cooperation with well-known real estate developers in the PRC and to build up a long-term stable supply of property projects, Greentown Property Management considered Shanghai Xinhu Greentown Property Services to be a suitable acquisition target as its holding company, Xinhu Zhongbao, is a real estate developer in the PRC with property projects in more than 20 cities in the PRC. Accordingly, Greentown Property Management entered into certain agreements to acquire 10% and 30% equity interest in Shanghai Xinhu Greentown Property Services from Zhejiang Xinhu Group and Zhejiang Xinhu Real Estate Group, respectively, for an aggregate consideration of approximately RMB2,145,000, which was determined based on the then net asset value (excluding the indirectly-controlled immovable assets) of Shanghai Xinhu Greentown Property Services.

Upon completion of such acquisition on February 28, 2012, Shanghai Xinhu Greentown Property Services was owned as to 60% and 40% by Zhejiang Xinhu Group and Greentown Property Management, respectively. Accordingly, Shanghai Xinhu Greentown Property Services became our associated company.

Zhejiang Xinhu Greentown Property Services Co., Ltd. (浙江新湖綠城物業服務有限公司) ("Zhejiang Xinhu Greentown Property Services")

Zhejiang Xinhu Greentown Property Services is a subsidiary of Xinhu Zhongbao and is an associated company of our Group. Zhejiang Xinhu Greentown Property Services (formerly known as Zhejiang Xinhu Property Management Co., Ltd (浙江新湖物業管理有限公司)) was established in the PRC in June 2000 with a registered capital of RMB500,000 and was owned as to 80% and 20% by Zhejiang Xinhu Property Development Co., Ltd. (浙江新湖房地產開發有限公司) and Zhejiang Xinhu Group, respectively, each being an Independent Third Party and a subsidiary of Xinhu Zhongbao.

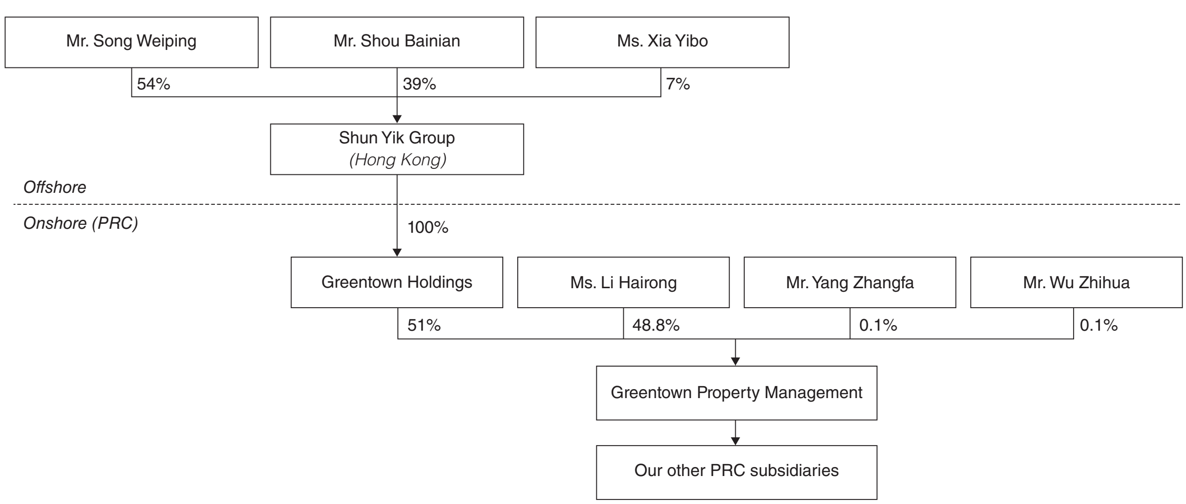
Since the date of its establishment, Zhejiang Xinhu Greentown Property Services has undertaken a series of equity transfers, including the acquisition by Shanghai Xinhu Greentown Property Services of the equity interest in Zhejiang Xinhu Greentown Property Services.

Accordingly, immediately before our acquisition of Zhejiang Xinhu Greentown Property Services, it was owned as to 51% and 49% by Zhejiang Xinhu Group and Shanghai Xinhu Greentown Property Services. As a strategy of Greentown Property Management to raise its profile by establishing strategic cooperation with well-known real estate developers in the PRC and to build up a long-term stable supply of property projects, Greentown Property Management considered Zhejiang Xinhu Greentown Property Services to be a suitable acquisition target in light of Xinhu Zhongbao being its holding company. Accordingly, Greentown Property Management entered into the equity transfer agreement dated December 31, 2011 with Zhejiang Xinhu Group to acquire 20.4% equity interest in Zhejiang Xinhu Greentown Property Services for an aggregate consideration of approximately RMB897,000, which was determined based on the then net asset value (excluding the indirectly-controlled immovable assets) of Zhejiang Xinhu Greentown Property Services.

Upon completion of such acquisition on May 7, 2012, Zhejiang Xinhu Greentown Property Services was owned as to 49%, 30.6% and 20.4% by Shanghai Xinhu Greentown Property Services, Zhejiang Xinhu Group and Greentown Property Management, respectively. Accordingly, Zhejiang Xinhu Greentown Property Services became our associated company.

REORGANIZATION

As part of our restructuring in contemplation of the Listing, we have implemented the Reorganization. The Reorganization can be broadly categorized into two parts: (1) the offshore reorganization (the "**Offshore Reorganization**"), which comprises steps undertaken in respect of our Company and subsidiaries outside the PRC and (2) the onshore reorganization (the "**Onshore Reorganization**"), which comprises steps undertaken in respect of our subsidiaries in the PRC. The following chart sets forth the shareholding structure of our Group immediately before the Reorganization.



The Offshore Reorganization

(i) Incorporation of offshore holding companies

On November 21, 2014, Mr. Song Weiping, Mr. Shou Bainian, Ms. Xia Yibo, Ms. Li Hairong, Mr. Yang Zhangfa and Mr. Wu Zhihua, each incorporated a wholly-owned investment holding company in the BVI, details of which are set forth in the table below:

Company Name	Shareholder	Equity interest
Osmanthus Garden Investment	Mr. Song Weiping	100%
Lily International Investment	Mr. Shou Bainian	100%
ShenaLan International Investment	Ms. Xia Yibo	100%
Lilac International Investment	Ms. Li Hairong	100%
Begonia International Investment	Mr. Yang Zhangfa	100%
Blue-Bay International Investment	Mr. Wu Zhihua	100%

Each of these companies has an authorized share capital of 50,000 shares without par value.

(ii) Incorporation of our Company

On November 24, 2014, our Company was incorporated in the Cayman Islands as an exempted company with limited liability. The initial authorized share capital of our Company was HK$380,000 divided into 38,000,000,000 Shares of HK$0.00001 each. On the same day, one Share was allotted and issued for cash at par to our initial subscriber, and was subsequently transferred to Osmanthus Garden Investment (wholly-owned by Mr. Song Weiping). On the same day, 53,999 Shares, 39,000 Shares and 7,000 Shares, respectively, were allotted and issued for cash at par to Osmanthus Garden Investment, Lily International Investment (wholly-owned by Mr. Shou Bainian) and ShenaLan International Investment (wholly-owned by Ms. Xia Yibo). Our Company was then owned as to 54%, 39% and 7% by Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment respectively.

(iii) Incorporation of offshore subsidiaries

On November 25, 2014, Greentown Service BVI was incorporated in the BVI with an authorized share capital of 50,000 shares without par value. On the same day, 100 shares were allotted and issued to our Company for a consideration of US$100, and Greentown Service BVI became a direct wholly-owned subsidiary of our Company.

On December 16, 2014, Greentown Service Hong Kong was incorporated in Hong Kong with a total amount of issued share capital of HK$100. On the same day, 100 shares were allotted and issued to Greentown Service BVI for a consideration of HK$100, and Greentown Service Hong Kong became an indirect wholly-owned subsidiary of our Company.

(iv) Allotment and issue of Shares to Lilac International Investment

On August 7, 2015, our Company allotted and issued an aggregate of 96,078 new Shares at par to Lilac International Investment. Upon completion, the shareholding of our Company was set forth in the table below:

Shareholder	Number of newly allotted Shares	Total number of Shares being held	Approximate Shareholding percentage
Osmanthus Garden Investment	—	54,000	27.54%
Lily International Investment	—	39,000	19.89%
ShenaLan International Investment	—	7,000	3.57%
Lilac International Investment	96,078	96,078	49.00%
Total	**96,078**	**196,078**	**100.00%**

(v) Transfer of Shares from Lilac International Investment to Begonia International Investment and Blue-Bay International Investment

As a recognition of the significant contribution by Mr. Yang Zhangfa and Mr. Wu Zhihua to our Group, both being our executive Directors, and to further enhance their relationship with, and loyalty to, our Group by entitling them to participate in an equity investment to become a Shareholder of our Company, on August 18, 2015, Lilac International Investment, a company wholly-owned by Ms. Li Hairong, our Chairlady and executive Director, transferred 5,882 and 2,941 Shares to Begonia International Investment and Blue-Bay International Investment, which were wholly-owned by Mr. Yang Zhangfa and Mr. Wu Zhihua, respectively, for a consideration of RMB126,570,000 and RMB63,285,000, respectively, which were determined with reference to the valuation of our Company prepared by an independent valuer as of June 30, 2015 and will be settled by Mr. Yang Zhangfa and Mr. Wu Zhihua after Listing (such Shares were subsequently transferred back to Lilac International Investment on April 18, 2016, details of which are set out in "(viii) Establishment of the Management Trust" below). Upon completion of such transfers of Shares, the shareholding of our Company was as set forth in the table below:

Shareholder	Total number of Shares	Approximate Shareholding percentage
Osmanthus Garden Investment	54,000	27.54%
Lily International Investment	39,000	19.89%
ShenaLan International Investment	7,000	3.57%
Lilac International Investment	87,255	44.5%
Begonia International Investment	5,882	3.0%
Blue-Bay International Investment	2,941	1.5%
Total	**196,078**	**100.0%**

(vi) Consolidation of shareholdings in our Company by Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo

On February 4, 2015, Orchid Garden Investment was incorporated in the BVI with an authorized share capital of 50,000 shares with par value of HK$0.01 each. On the same day, one nil-paid share was allotted and issued to Osmanthus Garden Investment. Upon completion of such allotment, Orchid Garden Investment became wholly-owned by Osmanthus Garden Investment.

By way of a share swap, on August 19, 2015, Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment transferred their respective shareholdings in our Company to Orchid Garden Investment as consideration for their subscription of 39, 39 and 21 ordinary shares in Orchid Garden Investment, respectively, as well as crediting the existing one ordinary share held by Osmanthus Garden Investment as fully paid. Upon completion of such share swap, our Company became wholly-owned by Orchid Garden Investment and Orchid Garden Investment was owned by Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment as to 40%, 39% and 21% respectively.

(vii) Further allotment and issue of Shares to existing Shareholders

On August 20, 2015, our Company further allotted and issued 509,900,000, 444,912,745, 29,994,118 and 14,997,059 Shares to Orchid Garden Investment, Lilac International Investment, Begonia International Investment and Blue-Bay International Investment, respectively. Upon completion, the shareholding of our Company was as set forth in the table below:

Shareholder	Number of newly allotted Shares	Total number of Shares being held	Approximate Shareholding percentage
Orchid Garden Investment	509,900,000	510,000,000	51.0%
Lilac International Investment	444,912,745	445,000,000	44.5%
Begonia International Investment	29,994,118	30,000,000	3.0%
Blue-Bay International Investment	14,997,059	15,000,000	1.5%
Total	**999,803,922**	**1,000,000,000**	**100.0%**

On September 8, 2015, Begonia International Investment and Blue-Bay International Investment each executed a deed of undertaking, under which each of them undertook to Lilac International Investment that if the Listing does not take place on or before December 31, 2016, it shall transfer its respective shareholding in our Company (including, but not limited to, Shares issued to each of them pursuant to any scrip dividend exercise, bonus issue, rights issue or capitalization issue), back to Lilac International Investment at nil consideration as the consideration for the acquisition of such Shares would not have been paid by then since it shall only be settled after Listing.

The Shares held by Begonia International Investment and Blue-Bay International Investment were transferred back to Lilac International Investment on April 18, 2016, details of which are set out in "(viii) Establishment of the Management Trust" below.

(viii) Establishment of the Management Trust

On January 1, 2016, the Management Trust in relation to the Pre-IPO Share Award Scheme was established in the Cayman Islands, with our Company as the settlor, TMF (Cayman) Ltd. as the trustee (the "**Pre-IPO Trustee**") and Ms. Li Hairong as the protector. The beneficiaries under the Management Trust are senior management of our Group (the "**Beneficiaries**"). Pursuant to the Management Trust, the Pre-IPO Trustee holds the Shares on trust for the benefit of all the Beneficiaries.

On the same day, Lilac International Investment transferred 105,000,000 Shares to the Pre-IPO Trustee at an aggregate consideration of RMB446,460,000, which was determined with reference to the valuation of our Company prepared by an independent valuer as of December 31, 2015 and will be borne and be paid by the Beneficiaries after Listing. Upon completion of the establishment of the Management Trust, the shareholding of our Company was as set forth in the table below:

Shareholder	Total number of Shares	Approximate Shareholding percentage
Orchid Garden Investment	510,000,000	51.0%
Lilac International Investment	340,000,000	34.0%
Begonia International Investment	30,000,000	3.0%
Blue-Bay International Investment	15,000,000	1.5%
Pre-IPO Trustee	105,000,000	10.5%
Total	**1,000,000,000**	**100.0%**

As a step to restructure the management incentive measures taken by our Company, a series of Share transfers were undertaken to the effect that Mr. Yang Zhangfa and Mr. Wu Zhihua have become the beneficiaries under the Management Trust instead of holding Shares through Begonia International Investment and Blue-Bay International Investment. On April 18, 2016, Begonia International Investment and Blue-Bay International Investment transferred 30,000,000 and 15,000,000 Shares to Lilac International Investment for a consideration of RMB240 and RMB120, respectively. Such consideration was determined based on the par value of HK$0.00001 per Share in respect of 29,994,118 Shares and 14,997,059 Shares, which were subscribed for by Begonia International Investment and Blue-Bay International Investment respectively on August 20, 2015. The consideration for the acquisition of the remaining 5,882 Shares and 2,941 Shares have not yet been paid since it shall only be settled after Listing. On April 18, 2016, Lilac International Investment transferred such 45,000,000 Shares to the Pre-IPO Trustee for an aggregate consideration of RMB191,340,000, which was determined with reference to the valuation of our Company prepared by an independent valuer as of December 31, 2015, and will be borne by and be paid by Mr. Yang Zhangfa and Mr. Wu Zhihua (being the Beneficiaries) after Listing. The 45,000,000 Shares became part of the assets under the Management Trust and were awarded to Mr. Yang Zhangfa and Mr. Wu Zhihua on April 18, 2016 through the Pre-IPO Share Award Scheme as a continuation of the original Share incentive granted to Mr. Yang Zhangfa and Mr. Wu Zhihua by way of the transfer of Shares by Lilac International Investment to Begonia International Investment and Blue-Bay International Investment, respectively in August 2015. Upon completion of the Share transfers, the shareholding of our Company was as set forth in the table below:

Shareholder	Total number of Shares	Approximate Shareholding percentage
Orchid Garden Investment	510,000,000	51%
Lilac International Investment	340,000,000	34%
Pre-IPO Trustee	150,000,000	15%
Total	**1,000,000,000**	**100%**

The Onshore Reorganization

(i) Disposal of or deregistration of subsidiaries, associated companies and other equity interest

To streamline our Group's organizational structure and to focus on our core business, Greentown Property Management disposed of our entire interest in 10 subsidiaries, four associated companies and our equity interest in four other PRC companies (collectively, the "**Disposed Group**"). In addition, four subsidiaries and one company in which our Group had an equity interest have been de-registered. The consideration for each of the disposals was determined based on arm's length negotiations between the parties.

The members of the Disposed Group are not engaged in property management services and we have disposed of the Disposed Group to streamline our organizational structure and to focus on our core business. The Disposed Group either (i) carries on services which are unrelated to property management services; or (ii) carries on ancillary and supporting services to property management, including security guard, cleaning, gardening services and building maintenance, all of which are very labour intensive. The resources and expertise required for carrying on the businesses of the Disposed Group are different from those required for the provision of overall property management services with a full-fledged service platform and comprehensive range of community value-added services. By disposing of the Disposed Group, we can focus our resources on our core business, namely, property management services, property consulting services and community value-added services. Accordingly, such ancillary and supporting services are generally outsourced by our Group to sub-contractors or service providers. Moreover, Hangzhou Greentown Automobile Service Company Limited (杭州綠城汽車服務有限公司), being one of the members of the Disposed Group, was established on June 19, 2012 and was supposed to be engaged in the business of automobile maintenance services. However, it has not commenced any actual operations since its establishment, and was disposed of from our Group. Details of such disposals and de-registrations are set forth as follows:

Subsidiaries being disposed of to Hangzhou Dangui Investment[(1)]

	Name of subsidiary	Interests held by our Group before the Reorganization		Principal business	Disposal consideration	Disposal completion date
		Direct	Indirect			
1.	Zhejiang Gelingtong Elevator Engineering Company Limited (浙江格靈通電梯工程有限公司)	100%	—	Elevator installation and maintenance service	RMB3,420,455 (based on the then net asset value)	December 22, 2014
2.	Zhejiang Lvjun Hengye Enterprise Development Company Limited (浙江綠郡恒業實業發展有限公司)	100%	—	Graveyard investment	RMB44,067,446 (based on the then net asset value)	December 24, 2014

Note:

(1) Hangzhou Dangui Investment is a connected person of our Company, which is held as to 51% by Greentown Holdings and 49% by a limited partnership controlled by family members of Ms. Li Hairong, our Chairlady and executive Director.

Name of subsidiary		Interests held by our Group before the Reorganization		Principal business	Disposal consideration	Disposal completion date
		Direct	Indirect			
3.	Hangzhou Lvzhen Architectural Decoration Design and Engineering Company Limited (杭州綠臻建築裝飾設計工程有限公司)	—	100%	Interior design service	RMB1,854,099 (based on the then net asset value)	December 25, 2014
4.	Hangzhou Lvjun Funeral Service Company Limited (杭州綠郡生命禮儀服務有限公司)	100%	—	Funeral service	RMB448,505 (based on the then net asset value)	December 25, 2014
5.	Zhejiang Greentown Housing Services System Company Limited (浙江綠城房屋服務系統有限公司)	40%	60%	Interior design, repair and maintenance service	RMB7,396,597 (based on the then net asset value)	December 25, 2014
6.	Zhejiang Greentown Security Services Company Limited (浙江綠城保安服務有限公司)(2)	75%	—	Community security service	RMB8,255,572 (based on the then net asset value)	December 26, 2014
7.	Greentown Yile Education Investment Management Company Limited (綠城頤樂教育投資管理有限公司)	60%	—	Healthcare consultation service for the elderly	RMB25,840,375 (based on the then net asset value)	December 26, 2014
8.	Zhejiang Greentown Health Development Management Company Limited (浙江綠城健康促進管理有限公司)	51%	—	Healthcare consultation and nursing service	RMB1 (nominal consideration as the company was loss-making)	December 29, 2014
9.	Zhejiang Greentown Jiabo Decoration Engineering Management Company Limited (浙江綠城家博裝飾工程管理有限公司)	—	100%	Interior design and decoration service	RMB2 (nominal consideration as the company was loss-making)	December 29, 2014
10.	Shenyang Yinji Greenery Engineering Company Limited (瀋陽銀基園林工程有限公司)	—	60%	Gardening service	RMB1 (nominal consideration as the company was loss-making)	December 31, 2014

Note:

(2) The 75% equity interest held by Hangzhou Dangui Investment was subsequently transferred to Ms. Shen Ping (沈萍), an Independent Third Party, on June 25, 2015 at a consideration of approximately RMB8,324,000.

Associated companies being disposed of to Hangzhou Dangui Investment[1]

	Name of associated company	Interests held by our Group before the Reorganization — Direct	Interests held by our Group before the Reorganization — Indirect	Principal business	Disposal consideration	Disposal completion date
1.	Hangzhou Greentown Air-conditioning Equipment Maintenance Services Company Limited (杭州綠城空調設備維護服務有限公司)	30%	—	Air-conditioning maintenance service	RMB1,205,776 (based on the then net asset value)	December 25, 2014
2.	Hangzhou Greentown Jiayou Holdings Investment Management Company Limited (杭州綠城家友投資管理有限公司)	40%	—	Supermarket operations	RMB1 (nominal consideration as the company was loss-making)	December 25, 2014
3.	Zhejiang Greentown Greenery Engineering Company Limited (浙江綠城園林工程有限公司)	20%	—	Gardening service	RMB3,081,439 (based on the then net asset value)	December 26, 2014
4.	Hangzhou Greentown Automobile Service Company Limited (杭州綠城汽車服務有限公司)	40%	—	Automobile maintenance service	RMB800,000 (based on the then net asset value)	December 30, 2014

Equity interest being disposed of to Hangzhou Dangui Investment[1]

	Name of company	Interests held by our Group before the Reorganization — Direct	Interests held by our Group before the Reorganization — Indirect	Principal business	Disposal consideration	Disposal completion date
1.	Hangzhou Greentown Capital Holding Company Limited (杭州綠城資本控股有限公司)	15%	—	Investment	RMB6,184,962 (based on the then net asset value)	December 30, 2014
2.	Shanghai Lanxi Health Service Company Limited (上海藍熙健康服務有限公司)	15%	—	Healthcare service	RMB3,750,000 (based on the then net asset value)	January 20, 2015
3.	Greentown Modern Agriculture Development Company Limited (綠城現代農業開發有限公司)	4.25%	—	Agricultural business	RMB5,000,000 (based on the registered capital)	January 22, 2015

Note:

(1) Hangzhou Dangui Investment is a connected person of our Company, which is held as to 51% by Greentown Holdings and 49% by a limited partnership controlled by family members of Ms. Li Hairong, our Chairlady and executive Director.

Equity interest being disposed of to Zhejiang Greentown Education Investment Company Limited (浙江綠城教育投資有限公司)(2)

Name of company		Interests held by our Group before the Reorganization		Principal business	Disposal consideration	Disposal completion date
		Direct	Indirect			
1.	Hangzhou Greentown Football Club (杭州綠城足球俱樂部有限公司)	10%	—	Organizing football competition and football training	RMB5,000,000 (based on the registered capital)	December 29, 2014

Subsidiaries being de-registered

Name of subsidiary		Interests held by our Group before the Reorganization		Principal business	Reason for de-registration	De-registration completion date
		Direct	Indirect			
1.	Hohhot Lvmeng Property Services Company Limited (呼和浩特市綠蒙物業服務有限責任公司)	100%	—	Property management	No ongoing projects and no further development plans for this subsidiary	January 29, 2016
2.	Tonglu Lvsheng Property Services Company Limited (桐廬綠升物業服務有限公司)	—	100%	Property management	No ongoing projects, and any further projects will be directly operated by its parent company, Zhejiang Lvsheng Property Management Company Limited	December 24, 2014
3.	Hangzhou Huake Property Management Company Limited (杭州華科物業管理有限公司)	—	100%	Property management	No ongoing projects, and any further projects will be directly operated by its parent company, Zhejiang Lvsheng Property Management Company Limited	October 19, 2015
4.	Chongqing Greentown Property Management Company Limited (重慶綠城物業服務有限公司)	100%	—	Property management	No ongoing projects	June 8, 2016

Note:

(2) Zhejiang Greentown Education Investment Company Limited is a connected person of our Company, which is directly held as to 40%, 39% and 21% by Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo, respectively, our Ultimate Controlling Shareholders.

Company in which our Group had an equity interest being de-registered

	Name of the company	Interests held by our Group before the Reorganization		Principal business	Reason for de-registration	De-registration completion date
		Direct	Indirect			
1.	Hangzhou Heren Decoration Company Limited (杭州合仁裝飾有限公司)	10%	—	Interior design and decoration service	No existing business activities, requested by its major shareholder to be de-registered	July 30, 2015

Competition between the Disposed Group and our Group

The following members of the Disposed Group do not compete with our Group:

(i) Hangzhou Lvjun Funeral Service Company Limited (杭州綠郡生命禮儀服務有限公司);

(ii) Zhejiang Lvjun Hengye Enterprise Development Company Limited (浙江綠郡恒業實業發展有限公司);

(iii) Greentown Yile Education Investment Management Company Limited (綠城頤樂教育投資管理有限公司);

(iv) Zhejiang Greentown Health Development Management Company Limited (浙江綠城健康促進管理有限公司);

(v) Shanghai Lanxi Health Service Company Limited (上海藍熙健康服務有限公司);

(vi) Greentown Modern Agriculture Development Company Limited (綠城現代農業開發有限公司);

(vii) Hangzhou Greentown Jiayou Holdings Investment Management Company Limited (杭州綠城家友投資管理有限公司);

(viii) Hangzhou Greentown Automobile Service Company Limited (杭州綠城汽車服務有限公司);

(ix) Hangzhou Greentown Capital Holding Company Limited (杭州綠城資本控股有限公司); and

(x) Hangzhou Greentown Football Club (杭州綠城足球俱樂部有限公司).

(together, the "**Non-competing Disposed Group**")

The Non-competing Disposed Group does not compete with our Group's business as the nature of the respective businesses of the Non-competing Disposed Group and our Group are entirely different.

Our Group is focused on providing general property management services with a broad scope, including:

(i) standard property management services: provides cleaning, security guard, gardening and reception services (but among which security guard and gardening services are partially outsourced to the Group's suppliers);

(ii) property consulting services: makes use of the Group's brand advantage to provide property project and construction management services based on different stages of property development projects; and

(iii) community value-added services: provides a broad range of daily necessities and other lifestyle services through a variety of channels.

On the other hand, the Non-competing Disposed Group is engaged in businesses which are entirely different from and irrelevant to standard property management services, property consulting services and community value-added services carried on by our Group, as set out in the tables above.

Accordingly, our Directors are of the view that the Non-competing Disposed Group does not compete with our Group's business given the difference in nature of the services provided. Based on the foregoing, the Joint Sponsors concur with the view of our Directors that the business carried out by the Non-competing Disposed Group does not compete with our Group's business.

For details of the competition between the remaining members of the Disposed Group and our Group, please refer to the section headed "Relationship with our Controlling Shareholders — Excluded Business — Excluded Group" of this prospectus.

Accounting implications

For the accounting implications regarding the above disposals and de-registration, please refer to the further information as set forth under Note 31 of Section B of the Accountants' Report in Appendix I to this prospectus.

(ii) Establishment of Hangzhou Osmanthus Garden Investment Management

On July 29, 2015, Hangzhou Osmanthus Garden Investment Management was established in the PRC as a wholly foreign-owned enterprise by Greentown Service Hong Kong.

(iii) Acquisition of the equity interests in Greentown Property Management by Hangzhou Osmanthus Garden Investment Management

On August 7, 2015, Greentown Holdings, Ms. Li Hairong, Mr. Wu Zhihua and Mr. Yang Zhangfa transferred its/his/her respective 51%, 48.8%, 0.1% and 0.1% interest in Greentown Property Management to Hangzhou Osmanthus Garden Investment Management for a consideration of RMB25,500,000, RMB24,400,000, RMB50,000 and RMB50,000, respectively, which was determined based on the registered capital of Greentown Property Management. Upon completion of such transfer, Greentown Property Management became a foreign invested and re-invested enterprise wholly-owned by Hangzhou Osmanthus Garden Investment Management.

(iv) Structured Contracts

In order to enable us to operate our value-added telecommunication services in the PRC through Greentown Telecommunications, our Group entered into a set of structured contracts with Greentown Telecommunications, Ms. Li Hairong and Mr. Yang Zhangfa on October 10, 2015.

Through these structured contracts, we were able to supervise and control the business operations of Greentown Telecommunications, and as such these contracts permitted the results and financial operations of Greentown Telecommunications to be consolidated by our Group as if it were our subsidiary. During the time when Greentown Telecommunications was treated as a subsidiary of our Company, it did not generate any profit.

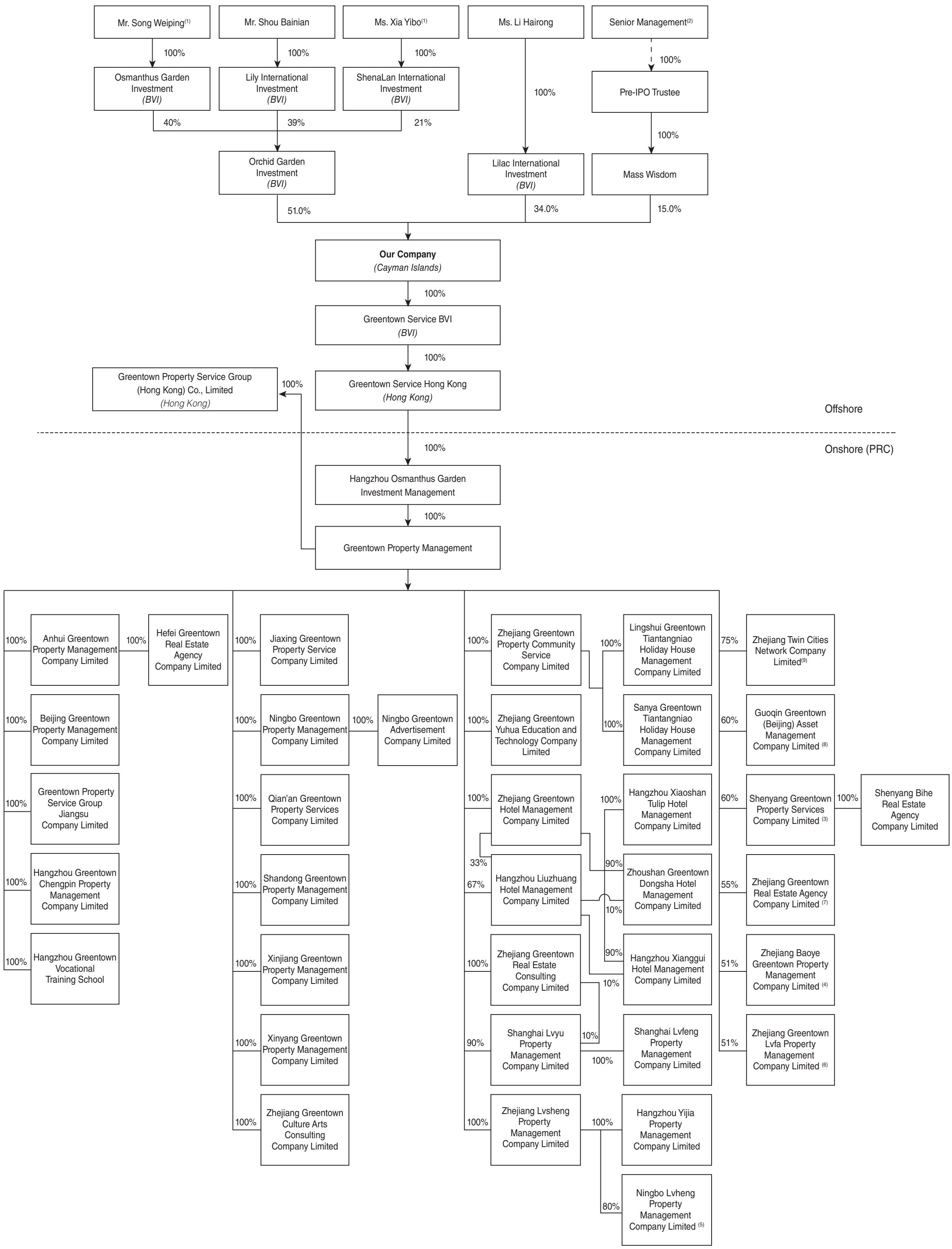
Greentown Telecommunications was initially established and included in our Group to assist in offering and selling community products and services through call centers and internet referral services. However, in order to reduce the burdens and resources to maintain the structured contracts and comply with relevant regulatory requirements in the PRC, we terminated the structured contracts with Greentown Telecommunications, Ms. Li Hairong and Mr. Yang Zhangfa with effect on March 31, 2016, and ceased to have any control over Greentown Telecommunications. The termination of the structured contracts was not subject to any consideration and each of Greentown Telecommunications, Hangzhou Osmanthus Garden Investment Management, Ms. Li Hairong and Mr. Yang Zhangfa confirmed that from the date of termination, there were no unexercised rights or unperformed obligations under the structured contracts, and the parties were released and discharged from all obligations and liabilities under the structured contracts. After the termination of the structured contracts, we no longer carry on the internet referral business, while our call center business is being subcontracted to Greentown Telecommunications. For further details of our call center business, please refer to the section headed "Connected Transactions — (C) WHOLLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS — 5. Provision of Call Center Services by Greentown Telecommunications to our Group" in this prospectus. After termination of the structured contracts, Greentown Telecommunications also provides call center services to other customers which are not part of our Group.

Our Directors consider that the operational and financial impact on us resulting from the termination of the structured contracts is insignificant given that (i) Greentown Telecommunications has not generated any profit since its establishment and (ii) we have not made any material investments into this entity because its business was still in its infancy. In addition, we did not pay any consideration for entering into the structured contracts, and therefore the termination did not result in any loss or impact on cash flow. As a result, we estimate our net assets will be slightly reduced by approximately RMB6,500,000 based on Greentown Telecommunications' management accounts as of March 31, 2016. This reduction in net assets primarily represented the registered capital of Greentown Telecommunications after offsetting the accumulated losses sustained by Greentown Telecommunications.

Our PRC legal advisors have confirmed that, our Group has completed all necessary filings and obtained all relevant approvals for the completion of the Reorganization, and the Reorganization was duly completed on October 10, 2015.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE REORGANIZATION AND BEFORE COMPLETION OF THE GLOBAL OFFERING

The following chart sets forth the shareholding structure of our Group immediately after the Reorganization and before completion of the Global Offering.



Notes:

(1) Mr. Song Weiping is the spouse of Ms. Xia Yibo.

(2) Certain members of the senior management of our Group are the beneficiaries under the Management Trust.

(3) The remaining shareholding is held as to 20% by Liaoning Hangao Elevator Engineering Co., Ltd. (遼寧杭奧電梯工程有限公司), an Independent Third Party, and 20% by Mr. Yang Zhangfa.

(4) The remaining 49% is held by Zhejiang Newspaper Media Holdings Group Limited (浙報傳媒控股集團有限公司), an Independent Third Party.

(5) The remaining 20% is held by Hengyuan Property Co., Ltd. (恒元置業有限公司), an Independent Third Party.

(6) The remaining 49% is held by Greentown Properties Development Limited (綠城置業發展有限公司), which is held as to 5% by Greentown China, a company listed on the Main Board of the Stock Exchange and which is held as to 10.51% by Mr. Song Weiping and 8.08% by Mr. Shou Bainian.

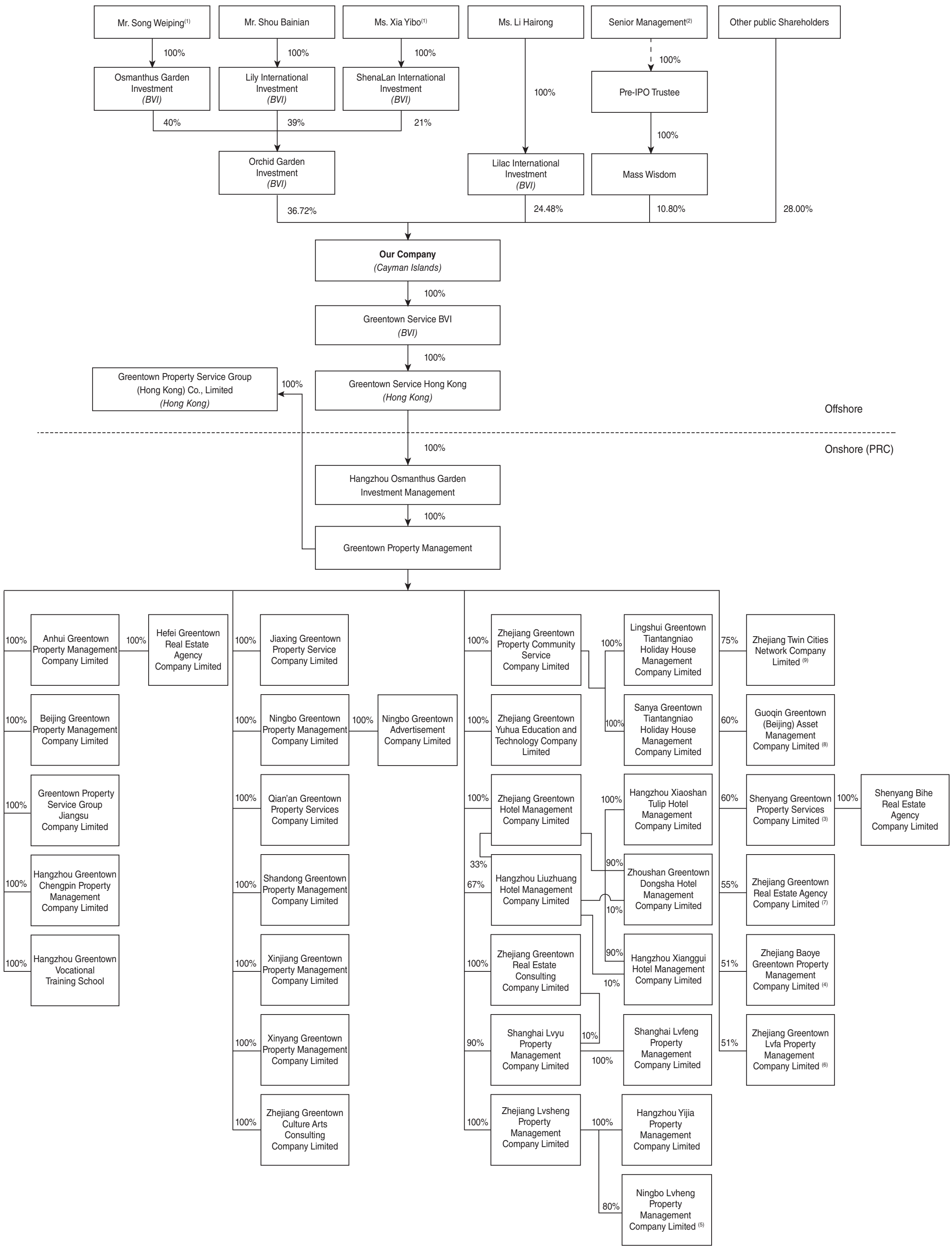
(7) The remaining 45% is held by Teng Gaoming (滕皋明), an Independent Third Party.

(8) The remaining 40% is held by Beijing Guoqin Houde Investment Co., Ltd. (北京國勤厚德投資有限公司), an Independent Third Party.

(9) The remaining 25% is held by Zhejiang Langdao Trade Co., Ltd. (浙江朗道貿易有限公司), an Independent Third Party.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE GLOBAL OFFERING

The following chart sets forth the shareholding structure of our Group immediately after the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised).



Notes:

(1) Mr. Song Weiping is the spouse of Ms. Xia Yibo.

(2) Certain members of the senior management of our Group are the beneficiaries under the Management Trust.

(3) The remaining shareholding is held as to 20% by Liaoning Hangao Elevator Engineering Co., Ltd. (遼寧杭奧電梯工程有限公司), an Independent Third Party, and 20% by Mr. Yang Zhangfa.

(4) The remaining 49% is held by Zhejiang Newspaper Media Holdings Group Limited (浙報傳媒控股集團有限公司), an Independent Third Party.

(5) The remaining 20% is held by Hengyuan Properties Limited (恒元置業有限公司), an Independent Third Party.

(6) The remaining 49% is held by Greentown Properties Development Limited (綠城置業發展有限公司), which is held as to 5% by Greentown China, a company listed on the Main Board of the Stock Exchange and which is held as to 10.51% by Mr. Song Weiping and 8.08% by Mr. Shou Bainian.

(7) The remaining 45% is held by Teng Gaoming (滕皋明), an Independent Third Party.

(8) The remaining 40% is held by Beijing Guoqin Houde Investment Co., Ltd. (北京國勤厚德投資有限公司), an Independent Third Party.

(9) The remaining 25% is held by Zhejiang Langdao Trade Co., Ltd. (浙江朗道貿易有限公司), an Independent Third Party.

PRE-IPO SHARE AWARD SCHEME

To incentivize and recognize the contributions of certain employees and officers of our Group, our Company adopted the Pre-IPO Share Award Scheme on January 1, 2016 and Lilac International Investment transferred an aggregate of 150,000,000 Shares to the Pre-IPO Trustee, a third party trust company, which was appointed as the trustee under the Pre-IPO Share Award Scheme.

A total of 300,000,000 Shares (including the Shares to be issued pursuant to the Capitalization Issue) were held by the Pre-IPO Trustee, representing approximately 15% of the total issued share capital of our Company immediately prior to the completion of the Global Offering and approximately 10.80% of the total issued share capital of our Company immediately after the completion of the Global Offering. For details of the Pre-IPO Share Award Scheme, please refer to the section headed "Statutory and General Information — D. Other information — 1. Pre-IPO Share Award Scheme" in Appendix IV to this prospectus.

The Shares awarded under the Pre-IPO Share Award Scheme will be vested on the date of Listing.

The Pre-IPO Trustee is holding the relevant Shares on trust for the benefit of the 56 grantees in accordance with the Pre-IPO Share Award Scheme. Of the 56 grantees of the Pre-IPO Share Award Scheme, six are regarded as our connected persons pursuant to Chapter 14A of the Listing Rules. A total of 165,600,000 Shares (including the Shares to be issued pursuant to the Capitalization Issue) were granted to these six grantees under the Pre-IPO Share Award Scheme, representing approximately 8.28% of our total issued share capital immediately prior to the completion of the Global Offering and approximately 5.96% of the total issued share capital of our Company immediately after the completion of the Global Offering. Details of these six grantees are set out as follows:

Name of grantee	Position(s) within our Group
1. Mr. Yang Zhangfa (楊掌法) ...	• Please refer to the section headed "Directors and Senior Management — Board of Directors — Executive Directors" in this prospectus
2. Mr. Wu Zhihua (吳志華)	• Please refer to the section headed "Directors and Senior Management — Board of Directors — Executive Directors" in this prospectus
3. Ms. Sun Caixia (孫彩霞)	• Previous vice president of Greentown Property Management, an indirect wholly-owned subsidiary of our Company, having retired in September 2015
	• Director of Zhejiang Lvsheng Property Management Company Limited (浙江綠升物業服務有限公司) ("**Zhejiang Lvsheng Property Management**"), Beijing Greentown Property Management Company Limited (北京綠城物業管理有限公司), Xinjiang Greentown Property Management Company Limited (新疆綠城物業服務有限公司), and Shandong Greentown Property Management Company Limited (山東綠城物業服務有限公司), each being an indirect wholly-owned subsidiary of our Company
4. Mr. Ju Jianhua (鞠建華)[1]	• Previous chairman of Zhejiang Lvsheng Property Management, an indirect wholly-owned subsidiary of our Company, having left from his position in August 2014
5. Ms. Xu Yaping (徐亞萍)	• Assistant to general manager of Greentown Property Management, an indirect wholly-owned subsidiary of our Company
	• Director of Zhejiang Lvsheng Property Management, Hangzhou Xiaoshan Tulip Hotel Management Company Limited (杭州蕭山鬱金香岸酒店管理有限公司), Hangzhou Xianggui Hotel Management Company Limited (杭州香瑰酒店管理有限公司), Zhoushan Greentown Dongsha Hotel Management Company Limited (舟山綠城東沙度假酒店管理有限公司), and Shanghai Huamu Greentown Property Management Company Limited (上海花木綠城物業服務有限公司), each being an indirect wholly-owned subsidiary of our Company
6. Ms. Ju Xiaowei (鞠曉威)	• Vice general manager of Greentown Property Management, an indirect wholly-owned subsidiary of our Company
	• Director and General Manager of Zhejiang Lvsheng Property Management, an indirect wholly-owned subsidiary of our Company
	• Director of Ningbo Lvheng Property Management Company Limited (寧波綠恒物業服務有限公司), an indirect wholly-owned subsidiary of our Company

Note:

(1) Mr. Ju Jianhua is also the spouse of Ms. Li Hairong, one of our Directors.

Based on the valuation of an independent valuer, the fair value of the Shares awarded under the Pre-IPO Share Award Scheme as of December 31, 2015 is approximately RMB637,800,000. As the Pre-IPO Share Award Scheme was adopted after December 31, 2015, there would not be any impact on our consolidated statements of comprehensive income for the year ended December 31, 2015.

No new Shares will be issued by our Company for the purpose of the Pre-IPO Share Award Scheme (other than pursuant to the Capitalization Issue). We may adopt other share option scheme(s) or similar incentive scheme(s) after Listing. Thereupon, we will comply with all applicable legal and regulatory requirements, including the Listing Rules, in respect of the adoption and implementation of such share option scheme(s) or any incentive scheme(s).

Please refer to the section headed "Statutory and General Information — D. Other information — 1. Pre-IPO Share Award Scheme" in Appendix IV to this prospectus for a summary of the principal terms of the Pre-IPO Share Award Scheme.

PRC REGULATORY REQUIREMENTS

Our PRC legal advisors have confirmed that all relevant approvals and permits in respect of the equity transfers of our PRC subsidiaries as described above have been obtained and the procedures and steps involved are in compliance with relevant PRC laws and regulations.

The Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors in the PRC

According to the "Provisions Regarding Mergers and Acquisitions of Domestics Enterprises by Foreign Investors" (《關於外國投資者併購境內企業的規定》) (the "**Circular No. 10**") jointly issued by the MOFCOM, the SASAC, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006 and effective as of September 8, 2008 and amended on June 22, 2009, where a domestic company, enterprise or natural person intends to acquire its or his/her related domestic company in the name of an offshore company which it or he/she lawfully established or controls such that it becomes a foreign invested enterprise, the acquisition shall be subject to the examination and approval of the MOFCOM; and where a domestic company or natural person holds an equity interest in a domestic company through an offshore special purpose company, any overseas listing of that special purpose company shall be subject to approval by the CSRC.

In this respect, neither the establishment of Hangzhou Osmanthus Garden Investment Management nor the acquisition of Greentown Property Management by Hangzhou Osmanthus Garden Investment Management constitutes a foreign merger or acquisition specified in Circular No. 10, so the relevant reviewing and approving procedures required by Circular No. 10 do not apply.

Therefore, as advised by our PRC legal advisors, the Reorganization was not subject to the Circular No. 10 and it is not necessary for us to obtain approval from the CSRC or the MOFCOM for the Listing and trading of our Shares on the Stock Exchange.

SAFE Registration in the PRC

Pursuant to the Circular on the Administration of Foreign Exchange Involved in the Investment and Financing and Round-trip Investment Conducted by PRC Residents via Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) ("**SAFE Circular No. 37**") issued by SAFE on July 4, 2014, where the PRC individual residents conduct investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments. SAFE Circular No.37 also requires the PRC residents to file changes to their registration where their offshore special purpose vehicles undergo material events such as the change of basic information including PRC residence, name and operation period, as well as capital increase or decrease, share transfer or exchange, merger or division. Accordingly, as each of Mr. Song Weiping, Ms. Li Hairong, Mr. Shou Bainian, Ms. Xia Yibo, Mr. Yang Zhangfa and Mr. Wu Zhihua, being ultimate beneficial shareholders of our Company during the process of the Reorganization, have established an investment holding company in the British Virgin Islands on November 21, 2014 through which they indirectly hold shares in Orchid Garden Investment during the process of the Reorganization, such act is subject to registration in accordance with SAFE Circular No. 37.

Pursuant to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) ("**SAFE Circular No. 13**") issued by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interest in the domestic entity was located.

Accordingly, as advised by our PRC legal advisors, each of Mr. Song Weiping, Ms. Li Hairong, Mr. Shou Bainian, Ms. Xia Yibo, Mr. Yang Zhangfa and Mr. Wu Zhihua has duly complied with the requirements under SAFE Circular No. 37 and SAFE Circular No. 13, and the registrations stipulated thereunder were completed on July 22, 2015.

OVERVIEW

We are a leading high-end residential property management service provider in the PRC with a diversified service portfolio comprising three segments: property management services, property consulting services and community value-added services. According to China Index Academy, we ranked first among high-end residential property management service providers in the PRC in 2014. We differentiate ourselves from other property management service providers by providing our residents with access to a broad products and services portfolio that addresses the evolving everyday and life-style needs of our customers, property owners and residents. We launched our "smart community" project in September 2014 and were recognized as an industry leader for developing the "smart community" project. In particular, our "Happy Greentown" mobile application, which forms part of our "smart community" project, has made significant progress since its launch. Registered users of our "Happy Greentown" mobile application had exceeded 180,000 as of December 31, 2015, covering 137,206 registered households in 405 residential communities we manage located in 50 cities in China.

Our products and services portfolio consists of the following three segments:

- *Property management services*. We provide a range of property management services, such as security, cleaning, gardening, and repair and maintenance services, which we refer to collectively as "standard" property management services, and charge the residents and owners of our managed properties or real estate developers management fees for such services. For nearly all the properties we manage, we charge management fees on a lump sum basis, which are paid annually, semi-annually or quarterly over the terms of property management agreements. Our billing cycle starts on January 1 of each calendar year for management fees that are payable annually, on every January 1 and July 1 for management fees that are payable semi-annually and on the first day of each calendar quarter for management fees that are payable quarterly. Although our preliminary property management agreements and property management agreements require the customers to pay our management fees upfront at the beginning of each billing cycle, we generally allow customers to pay the fees at any time during the billing cycle. In line with the market practice, we typically increase our efforts to collect overdue management fees at the end of each calendar year for management fees payable annually and at the end of each half year or quarter for management fees payable semi-annually or quarterly.

  The "lump sum" model for property management fees is the dominant model in the property management industry in China, because it provides more incentives for property management companies to implement cost-saving initiatives and improve operational efficiency. In the event the property management fees we collect are insufficient to cover all the management expenses incurred, we may be unable to collect the shortfall from property owners. As a result, our business, financial position and results of operations may be materially and adversely affected. For details, please see the section headed "Risk Factors — Risks Relating to Our Business and Industry — Our provision of property management services on a lump sum basis could subject us to losses" in this prospectus.

  As of December 31, 2015, we managed properties located in 82 cities across 23 provinces, direct-controlled municipalities and autonomous regions across China with a total contracted GFA under management of 82.8 million sq.m. Since 2010, we have been in six consecutive years ranked by China Index Academy as the second in terms of overall strength among the Top Hundred Property Management Companies in the PRC taking into account various factors.

- *Property consulting services*. We offer consulting services to real estate developers and local property management companies to address various needs that arise during each major stage throughout the course of their property development projects, capitalizing on our brand equity and expertise. For example, we provide real estate developers with project planning, design management, construction management and marketing management consulting services during the design and development stages and display unit management services to facilitate sales of their developed projects. We also provide management consulting services with respect to delivered properties to real estate developers and property management companies.
- *Community value-added services*. We provide property owners and residents of our managed communities with access to an extensive array of daily necessities complemented by a wide assortment of life-style products and services through a variety of channels. Our services under this segment include community products and services, home living services and community space services.

Our property consulting services help us gain early access to property development projects and establish business relationships with the real estate developers, putting us in a stronger position to secure engagements for servicing new projects. Our community value-added services help increase our engagement level with property owners and residents and improve their satisfaction and loyalty by offering them access to a full range of products and services. This also leads to greater market acceptance of our premium property management fees and creates additional revenue streams for us thereby creating a win-win outcome for us and the property owners and residents.

Taking advantage of the rapid increase in the use and penetration of smart phones, the Internet and mobile applications in the PRC, we launched our "smart community" project in September 2014 in selected residential communities that we manage as one of our initiatives to transform our Company from a provider of standard property management services to a community products and services provider offering everyday and life-style products and services. Our "smart community" project primarily comprises (i) our "Happy Greentown" mobile application, which among others allows users to purchase certain products and services from us, (ii) our "smart property management" platform, which assists our staff in providing enhanced property management services; and (iii) our "smart hardware management" platform, which connects the property management facilities, equipment and devices at our managed communities via the Internet. In particular, our "Happy Greentown" mobile application primarily serves as (a) the online gateway to our certain community products and services, (b) an information and community social networking platform and (c) an online channel for the residents to interact with our property management service personnel, for example, by requesting repairs and maintenance, checking and paying bills, registering for community activities and managing guest entry and exit. We have made significant progress since we launched our "smart community" project in September 2014. For instance, the number of registered users and active registered users ratio increased to 180,422 and 68.0% as of December 31, 2015 from 1,091 and 46.6% as of September 30, 2014, respectively.

We experienced steady growth during the Track Record Period. Our revenue increased from RMB1,671.6 million in 2013 to RMB2,204.6 million in 2014 and further increased to RMB2,918.6 million in 2015, representing a CAGR of 32.1%. Our profit from continuing operations increased from RMB82.7 million in 2013 to RMB149.9 million in 2014 and further increased to RMB202.6 million in 2015, representing a CAGR of 56.5%.

OUR STRENGTHS

We believe that our success is primarily attributable to the following competitive strengths.

Leading high-end residential property management services provider in the PRC with a reputable brand for first-class service quality.

Our "Greentown Service" (綠城服務) brand is an industry-leading brand in high-end property management service industry. According to China Index Academy, our "Greentown Service" brand was recognized as a leading brand in the PRC property management industry and valued at approximately RMB2.42 billion in 2015. Our industry-leading brand benefits us in the following ways:

- *Brand appeal generates demand and growth opportunities.* With our industry-leading brand, we believe that we are among the top property management services providers that customers in our target markets engage for quality property management services. We believe that our customers seek us not only because of our brand appeal but also because of our first-class quality services. Our reputation and brand precede us and allow us to continue to grow our property management services and generate new engagement opportunities without requiring us to dedicate significant resources to marketing.

- *Premium property management fees.* Our industry-leading brand and reputation for providing premium, high-quality services allow us to charge premium prices. The average property management fee for our residential properties in 2014 and 2015 amounted to approximately RMB2.63 per sq.m./month and RMB2.73 per sq.m./month, respectively. In comparison, according to the China Index Academy, the average property management fee for residential properties in the surveyed cities amounted to RMB2.06 per sq.m./month and RMB2.07 per sq.m./month in 2014 and 2015, respectively.

- *Ability to maintain a high renewal rate*. We believe that our reputation for being a leading provider of high quality property management services enables us to maintain high customer retention rates. We typically propose a renewal two months before the expiration of an existing property management agreement and renew the agreement following a review of the agreement's terms with our customer. In 2013, 2014 and 2015, our renewal rates, calculated as the number of renewed property management agreements in a given year divided by the number of expiring property management agreements in the same year, were 95.6%, 98.9% and 96.9%, respectively.

- *Promotion of our property consulting services*. Our position as the number one high-end property *management* services provider helps us promote our property consulting services to real estate developers and other property management companies. Our property consulting services in turn help us further strengthen our business relationships with real estate developers and provide us with early access and a competitive advantage in securing new property management engagements.

The results we have achieved and the recognition we have received are evidence of our industry-leading brand and reputation. We were the number one high-end residential property management services provider in terms of the total contracted GFA under management and number of managed high-end residential properties in 2014, according to China Index Academy. In addition, according to China Index Academy, our residential properties that were graded at or above four stars amounted to 56.5% of all residential properties managed by our Company in 2014, which was the highest proportion among the Top Hundred Property Management

Companies in the PRC ranked by China Index Academy, compared to an average of 37.8% among the Top Hundred Property Management Companies in the PRC. We also ranked first among property management companies in terms of customer satisfaction among all Top Hundred Property Management Companies in 2015, according to China Index Academy.

Industry-leading scale developed over 17 years' strong and steady growth.

As one of the first property management services providers in the PRC, we established our first operating subsidiary providing property management services in 1998 in Hangzhou, Zhejiang Province. Our property management services have achieved industry-leading scale after 17 years of steady growth. Since 2010, we have been ranked by China Index Academy in six consecutive years as the second strongest in terms of overall strength among the Top Hundred Property Management Companies in the PRC. We also ranked third in terms of scale of operations among the Top Hundred Property Management Companies in 2015. In 2015, we also ranked second in terms of growth potential by China Index Academy among the Top Hundred Property Management Companies in the PRC. For more details, please refer to the sub-section headed "Industry Overview — PRC Property Management Industry — Our Competitive Position in PRC Property Management Industry" in this prospectus.

Our industry-leading position is demonstrated by the portfolio size and geographic breadth of our managed properties and our consistently growing financial results.

- *Portfolio size.* As of December 31, 2015, our total contracted GFA under management reached 82.8 million sq.m. and our total contracted GFA for newly built properties not yet delivered to property owners reached 89.1 million sq.m. According to China Index Academy in 2015, the Top Hundred Property Management Companies in the PRC on average managed approximately 154 delivered properties with a total GFA of 23.6 million sq.m.. The large size of our portfolio of managed properties enhances the market recognition of our brand, creates a greater entry barrier for potential competitors and allows us to promote our community value-added services to a large customer base.

- *Extensive geographic presence.* As of December 31, 2015, our managed properties were located in over 82 cities across 23 provinces, direct-controlled municipalities and autonomous regions across China. In comparison, according to China Index Academy, the Top Hundred Property Management Companies in the PRC in 2015 provided property management services in only 27 cities on average. We believe that a geographically-diverse portfolio reduces sensitivities to overall market fluctuations. In addition, around 80% of our managed properties in terms of contracted GFA under management are located in the Yangtze River Delta, Bohai Economic Rim and Pearl River Delta Business Region, where the population density and per capita disposable income are higher than most other regions in the PRC.

- *Steadily growing financial results.* Our revenue increased from RMB1,671.6 million in 2013 to RMB2,204.6 million in 2014 and RMB2,918.6 million in 2015, representing a CAGR of 32.1%. Our profit from continuing operations increased from RMB82.7 million in 2013 to RMB149.9 million in 2014 and RMB202.6 million in 2015, representing a CAGR of 56.5%. According to the 2016 CIA Top Hundred Report, the average revenue of the Top Hundred Property Management Companies in the PRC increased by 27.2% from RMB425.0 million in 2014 to RMB540.8 million in 2015. Our steadily growing financial results demonstrate our ability to expand our business faster than the markets as a whole while maintaining profitability.

A first mover and recognized industry leader in developing and implementing our "smart community" project, including our "Happy Greentown" mobile application.

We started conducting research projects in preparation of the launch of our "smart community" project in 2007. We were among the first to embrace the idea of a "smart community" when we originated the concept of a "community-based life service system" in 2007, in which providing residents with services that are more convenient, efficient and cost-effective using internet and digital technologies plays a vital part. In the same year, our initiatives were recognized by China City Forum and we were granted a "Chinese Urban Management Progress Award," being the only non-governmental entity among the recipients. In May 2010, our social science study project "Greentown Community Services System" passed the acceptance review by MOHURD.

In September 2014, we launched our "smart community" project in selected residential communities we managed making us one of the early pioneers that provide "smart community" services. Our "smart community" project consists of a series of initiatives through which our property management services and community value-added services become interconnected, allowing us to provide offline services and experiences through the "Happy Greentown" mobile application. We believe that our "smart community" project has expanded our offering of community value-added services and increased our efficiency in providing services and reduced our reliance on labor by utilizing smart technologies at our managed communities. For more details, please refer to the sub-section headed "— Our 'Smart Community' Project" in this section. In 2015, we were recognized by China Index Academy as a leading property management company in developing the "smart community" project. We are the only property management company among the 19 companies designated by MOHURD to operate the national "smart community" pilot program. Six of our residential communities are designated by MOHURD as pilot "smart communities." We also applied to MOHURD for a research project to draft standards for "smart community" operations and related services and received approval from MOHURD for this research project. We believe that this initiative demonstrates our leadership status in the PRC property management industry in developing smart communities. For more details, please refer to the sub-section headed "— Our 'Smart Community' Project" in this section.

In September 2014, we launched our "Happy Greentown" mobile application as part of our "smart community" project in selected properties as one of our initiatives to transform our Company from a provider of standard property management services to a community products and services provider offering everyday and life-style services. We believe that our offering of community products and services has enabled our Company to increase our engagement level with property owners and residents and diversify the spending channels of property owners and residents. As of December 31, 2015, our "Happy Greentown" mobile application covered 405 residential communities under our management located in 50 cities, representing 63.1% of our managed residential communities with 137,206 registered households. The registered users of our "Happy Greentown" mobile application reached 180,422 as of December 31, 2015 compared to 1,091 as of September 30, 2014.

Customer-driven business model built upon three synergistic segments and diversified service offering with the ability to quickly capture new market opportunities.

Our service offering is multi-faceted and driven by evolving customers' needs. In addition to standard property management services, we also offer property consulting services and community value-added services. Our property consulting services help us to gain early access to property development projects and establish business relationships with the real estate developers, putting us in a stronger position to secure new project engagements. Our community value-added services help boost the satisfaction and loyalty of the property owners and residents of our managed properties by offering them access to a wide range of products and services. In turn, this creates greater market acceptance of our premium property management fees. For more details about the interaction between our three business segments, please refer to the sub-section headed "— Our Business Model" in this section.

Our business model also generates diversified revenue streams and reduces our exposure to fluctuations in individual industries. Our portfolio of managed properties comprises various types of properties, including (i) residential communities and (ii) non-residential properties, such as office buildings, industrial parks, public facilities and mixed-use properties with both residential and non-residential portions. As of December 31, 2015, non-residential properties (including mixed-use properties) accounted for 16.8% of the total GFA of our managed properties. We have been investing significant resources in diversifying our revenue streams by expanding our community value-added services. Our community value-added service offering features a comprehensive assortment of more than 130 categories of services.

We believe that our business model will allow us to capture market opportunities presented by the following trends:

- *Increase in the percentage of high-end residential properties in our portfolio.* Our property management services focus on high-end residential properties. According to China Index Academy, the total number of high-end residential properties contracted by the Top Hundred Property Management Companies in the PRC reached nearly 4,200 in 2014, representing a CAGR of 33.0% since 2012, and the total GFA of high-end residential properties contracted by the Top Hundred Property Management Companies increased to approximately 665 million sq.m. in 2014, representing a CAGR of 34.8% since 2012. This market trend presents an attractive opportunity to us to expand our high-end property management portfolio. Property owners and residents of high-end residential properties generally demand superior quality services and enjoy strong spending power, presenting room to increase our property management fees.

- *Growing use of mobile technologies.* Our "smart community" project comprises a series of initiatives through which we integrate offline, physical experiences with online channels by making our offline property management services and part of our community products and services accessible online through smart phones and other mobile devices. The growth of mobile technologies presents us with opportunities to further serve, and unlock spending potential of property owners and residents of our managed properties. Our "Happy Greentown" mobile application is the online gateway to certain of our community products and services. The residents of our managed residential communities can use our "Happy Greentown" mobile application to purchase a wide range of products and services from us to meet their everyday and life-style needs.

- *Continued growth in property development.* Continuing urbanization in the PRC creates more opportunities for us to expand our property management services as well as our property consulting services. According to the National Bureau of Statistics of the PRC and the Ministry of Land and Resources, the total GFA of residential properties under construction increased from 2,229 million sq.m. in 2008 to 5,151 million sq.m. in 2014, representing a CAGR of 15.0%, and the total GFA of other properties under construction increased from 604 million sq.m. to 2,114 million sq.m. during the same period, representing a CAGR of 23.2%.
- *Market consolidation.* According to China Index Academy, there were around 100,000 firms providing property management services in 2015 across China. The fragmented market provides us with ample acquisition opportunities.

Standardized operations incorporating advanced and optimized information technology designed to increase scalability and profitability.

We are focused on streamlining and standardizing our property management services to improve our operational efficiency, service quality and overall customer satisfaction while still allowing for flexibility to respond to local market demands to create opportunities for scalability and maximization of profitability. Our standardization efforts are evidenced by numerous awards that we have received. For example, in 2007, we were the only non-governmental entity among awardees that received a "China Urban Management Progress Award" from China City Forum in recognition of our efforts in developing community services system. In May 2010, our social science study project "Greentown Community Services System" passed the acceptance review by MOHURD.

We provide systematic training to help our staff understand and follow our service standards and procedures. Standardizing our operations also allows us to more effectively replicate our operations in new markets and with new customers, thereby developing a scalable business model. Our standardized processes also help ensure the delivery of consistent premium quality services across markets and promote simpler, faster and standardized interactions with customers, thereby enhancing customer satisfaction and loyalty as well as market awareness of our "Greentown Service" brand. Our management team has demonstrated strong execution capabilities in implementing standardized processes. Our reputation as a premium property management service provider has been built on an excellent performance record of delivering standardized services across operating companies.

We also utilize advanced and optimized information technology in our operations to improve our efficiency in providing services, reduce reliance on labor and expand the scope of our service offerings, all of which directly help maximize our profitability. For example, we replaced our traditional package receiving services with our self-developed "smart package receipt and delivery system" (智慧快件收發系統). This eliminated many of the time-consuming and labor-intensive, often paper-based, processes associated with recording, managing the storage and ensuring the safekeeping of packages — functions that were provided by our staff at our reception desks — thereby reducing our operating costs. Further, our on-site property management staff is equipped with handheld devices that allow them to perform a wide range of functions, which significantly improve their work efficiency. For example, our staff uses the handheld devices to scan QR codes displayed on common-area equipment and facilities at our managed properties, and update the condition and repair and maintenance status on our "Smart Property Management" platform.

Strong and experienced management team supported by human resources policies designed to identify and cultivate outstanding employees.

Outstanding employees are critical to providing services that exceed customers' expectations, boost customer satisfaction and loyalty and ultimately increase our profitability. We believe that our entrepreneurial and results-driven culture encourages highly dedicated employees to provide our customers with outstanding services that differentiate us from our competitors. We empower our front line managers with the independence and authority to make decisions locally. We incentivize employees throughout our Company to generate profitable business through an incentive program that includes variable compensation and equity ownership. We believe that our entrepreneurial culture, combined with our dedication to developing, training and providing opportunities for all of our employees, helps us attract and retain top talent.

We have an outstanding, stable and experienced management team. Ms. Li Hairong, who has been a member of our Group since its earliest years and has more than 17 years of experience in the property management services industry, has led our management team and built our industry-leading position in the PRC. Ms. Li's services as the vice president of the China Property Management Association (中國物業管理協會), vice president of the Zhejiang Provincial Real Estate Industry Association (浙江省房地產業協會) and head of its Property Management Special Committee (物業管理專業委員會) provide her with extensive experience in the property management industry which enables her to bring valuable perspectives to our management. A majority of our senior management team has been with us for over ten years. Our general managers at our subsidiaries and branch offices have on average over six years of experience in the property management industry and more than five years of experience with us.

We believe that our strong management team is a reflection of our human resources system. We designed our human resources system first to identify prospective employees who share our values and our core business philosophy. To encourage the development of skilled and reliable employees, we provide all employees with systematic and extensive continuous training programs. Our employee training programs primarily consist of new hire trainings, on-the-job training and training for newly promoted employees. We operate Hangzhou Greentown Vocational Training School (杭州市綠城職業培訓學校), a wholly-owned vocational training institute approved by the local government to provide vocational training on property management services. To assess the performance of our employees in terms of customer services and other key metrics, we periodically engage third-party research entities to conduct surveys of the satisfaction level of the property owners and residents of our managed properties, the results of which we treat as the most important factor in the appraisal of our on-site employees. We focus on providing career development opportunities to our employees and opportunities for upward mobility, which not only attracts management personnel but also helps retain key employees needed in our business expansion. For more details regarding our plans to attract and retain talented employees, please refer to the sub-sections headed "Our Core Value and Strategies — Continue to strengthen our corporate culture by providing professional human resources support to our expanding operations and ensure the highest quality of services" and "— Employees" in this section.

OUR CORE VALUE AND STRATEGIES

We define our core value as "Better Service, Better Life" (服務改善生活). We believe that our mission and responsibility is to provide premium quality services to property owners and residents, improve their quality of life and sense of happiness, and contribute to the advancement of our employees, our Company and society at large along the way.

Our goal is to become a leading community operator promoting happiness in life. We strive to deliver to our residents a residential life-style that offers not only an extensive array of daily necessities bringing comfort and convenience, such as security and maintenance services, but also a wide range of life-style products and services leading to greater health and sense of happiness of all community residents, such as housekeeping, trip booking and on-site health specialist services. We intend to implement the following competitive strategies to achieve this goal.

Continue to focus on high-end residential properties in geographic markets with relatively high population densities and consumer spending power, expand our operating scale and increase our revenue, thereby reinforcing our industry-leading position.

We intend to continue to focus on high-end residential properties in geographic markets with relatively high population densities and consumer spending power. In addition, we intend to take the following measures to expand our operating scale and increase our revenue:

- *Increase penetration in existing geographic markets.* We intend to increase our market penetration in our existing geographic markets, especially cities in the Yangtze River Delta and Bohai Economic Rim, by increasing our contracted GFA under management and the number of our managed properties primarily through the following:
  - — Securing more property management service engagements through organic growth, leveraging our position as a leading high-end property management service provider.
  - — Selectively acquiring regional property management companies with attractive property management portfolios at reasonable and fair prices.
  - — Cooperating and/or forming project companies with real estate developers to provide management services to properties developed by those real estate developers.
  - — Entering into additional strategic cooperation agreements with selected real estate developers to obtain priority rights to enter into preliminary property management agreements or provide property consulting services with respect to the projects developed by those real estate developers.
- *Strategically expand into new geographic markets.* We intend to expand into new geographic markets, such as the first- and second-tier cities in the Pearl River Delta, by acquiring majority or minority equity interests in existing property management companies or setting up wholly-owned subsidiaries or majority-owned subsidiaries with local property management companies and developers.
- *Raise property management fee rates.* As we expand the scope and enhance the quality of our property management services, we intend to continue to seek raises in our property management fee rates to improve our profit margin.

- *Upgrade Management Consulting Services to "Greentown Alliance" Services.* We plan to launch our "Greentown Alliance" program to address what we believe is growing demand for enhanced services among real estate developers and local property management companies that are existing customers of our property management consulting services. Currently, only the residents and owners of our managed communities are eligible to use our "Happy Greentown" mobile application to access the application's benefits, such as browsing and purchasing certain of our community products and services online. If our customers participate in our "Greentown Alliance" program, we plan to allow the residents at the communities under their management to become registered users of our "Happy Greentown" mobile application.

Continue to develop our "smart community" project to enhance the user experience and generate higher-margin revenue.

We constantly evaluate new technology trends and invest in business initiatives that have the potential to become future growth drivers. One of our initiatives is to deploy our "smart community" project at all our managed residential communities across the PRC. Leveraging our information technology, we expect our "smart community" project to facilitate the interaction among our Company, property owners and residents of our managed properties, shorten our service response time and improve our operational efficiency and customers' satisfaction rates. We expect the technology tools of our "smart community" project to serve as an information platform enabling us to analyze the data collected from users. We also expect it to improve our profitability because community products and services typically have higher margins compared to property management services. With increased engagement between property owners and residents of our managed properties and us and a more tailored and convenient service offering, we expect that our "smart community" project will generate increased revenue opportunities. By building a "smart community" that integrates hardware and software, we plan to develop a platform comprising community services, social networking and e-commerce and ultimately create an ecosystem for property owners, residents and property management service providers to interact efficiently.

We intend to take the following steps to continue developing and implementing our "smart community" project:

- *Continue to expand the user base for our "Happy Greentown" mobile application and increase the users' level of engagement*. We intend to continue to increase the number of registered users for, and the usage of, our "Happy Greentown" mobile application by expanding the coverage of our "Happy Greentown" mobile application to all our managed residential communities and our "Greentown Alliance" network, increasing the functionalities of our mobile application and hosting a series of promotion activities to attract more traffic. For example, we plan to set up a reward point system. Registered users of our "Happy Greentown" mobile application can earn reward points by logging in our mobile application and redeem for free gifts with points accumulated over time.

- *Continue to increase the variety of our community value-added services.* We plan to build on the reliability and safety of our existing service offering and consolidate our resources to expand our service offering to improve user experience and convenience. We plan to set up community service centers and financial service centers at all of our managed communities and continue to develop health service centers, cultural and education centers and recreation centers. We expect to focus additional resources on value-added services with higher gross margins, such as brokerage services, leaseback services, house decoration and furnishing services and childhood education services. We also plan to continue to increase the variety of services through strategic alliances with or investments in companies providing community value-added services that are complementary to ours.

- *Implement our "smart property management" platform and "smart hardware management" platform*. Our "smart property management" platform and "smart hardware management" platform aim to connect the smart property management facilities and equipment at our managed properties (such as the surveillance cameras at the entry points, reception areas, water pump room and power distribution room). We believe that our "smart property management" and "smart hardware management" platforms will increase the level of convenience for the residents, increase their satisfaction level, improve our service efficiency, reduce our reliance on labor and lower our operating costs. We intend to continue installing information technology-based hardware and upgrading our existing hardware and software at our managed communities, including the smart access control system and smart surveillance system.

Continue to strengthen our corporate culture by providing professional human resources support to our expanding operations and ensure the highest quality of services.

We firmly believe that to continue our success, we will have to continue maintaining a professional and dedicated team of management and employees who are committed to the core values which have been instrumental in our growth over the past 17 years. We intend to adopt the following measures:

- *Share our business philosophies with our employees.* To help our employees identify and understand our core values, we plan to continue to promote interaction between our management and employees and encourage our management team to share their experiences in implementing our business philosophies with other employees.

- *Promote employee development.* Our training programs are part of the benefits that we offer to our employees. Our employee training programs primarily consist of new hire training, on-the-job training and training for newly promoted employees. In particular, we ensure that specialized training and post-training assessments are provided to all employees when they first come on board, are promoted, or are transferred to a new position. We also expect to continue to provide career development opportunities to our employees and promote internally, which helps retain our key employees and our future leader candidates.

- *Optimize employee remuneration system.* We plan to continue to optimize our employee remuneration system and provide our employees with competitive remuneration. We also expect to continue to implement a performance appraisal system and tie remuneration to the feedback we receive from property owners and residents of properties.

- *Promote partnership program*. We plan to establish a partnership program including employee partners and management partners. In our flat management model, our senior management and employees become our partners by participating in the performance incentive program and share award scheme. By entering into these partnerships and sharing profits and risks with us, our management and employees become engaged entrepreneurs, and show greater initiative, creativity and enthusiasm in their work.

Continue to pursue strategic acquisition, investment and alliance opportunities to grow our property management portfolio and service offering.

In addition to growing our business through organic growth initiatives, we plan to selectively acquire or invest in regional property management companies with attractive property management portfolios at reasonable and fair prices. We believe that our industry-leading brand provides us with attractive opportunities to expand our contracted property portfolio through the acquisition of and strategic investments in other property management companies. From time to time, we acquire majority or minority equity interests in property management companies that hope to capitalize on our brand equity and service quality. During the Track Record Period, we acquired majority equity interests in two operating property management companies at prices equal to the acquired portion of the book value of net assets or registered capital of the target companies.

We believe that acquisitions will provide efficient access to new geographic markets and support our strategy to diversify and expand our operations. We usually seek potential acquisition opportunities and investment candidates based on our industry experience. For more details regarding the selection of acquisition targets, please refer to the sub-section headed "— Property Management Services — Acquisition of Third-party Property Management Companies — Identification and Evaluation of Potential Candidates" in this section. Third-party property management companies and their shareholders may also approach us proactively with potential transaction opportunities.

We may also pursue strategic alliances with, investments in and potential acquisitions of companies providing community products and services that are complementary to ours, including opportunities that can help us promote our brand to new customers, expand our service offering, improve our information technology and enhance the functionalities of our "Happy Greentown" mobile application. For example, we have entered into a binding cooperation framework agreement with UoKo.com, a Chinese online apartment rental site headquartered in Chengdu, to set up a joint venture in which we will hold 40% equity interest. By entering into the joint venture, we expect to capitalize on Uoko.com's experience in property rental and lease vacant units in the communities that we manage through the joint venture to maximize the commercial value of the vacant units for the property owners and create an additional revenue stream for us.

OUR BUSINESS MODEL

We are adapting to the evolving industry by diversifying our revenue streams through new product offerings to better meet the needs of the owners and residents of our managed properties. In addition to standard property management services, we also provide property consulting services and community value-added services. Below are the summary descriptions of our three business segments.

- *Property Management Services*. Our property management services primarily include security, cleaning, gardening and repairs and maintenance services. Our portfolio of managed properties comprises (i) residential communities, with a focus on high-end residential communities and (ii) non-residential properties including office buildings, industrial parks and public facilities, such as schools and airports, and mixed-use properties with both residential and non-residential portions, such as urban complexes comprising residential units, offices and retail spaces.

- *Property Consulting Services*. Leveraging our property management expertise and capitalizing on our brand equity, we offer consulting services to real estate developers and property management companies to address their various needs arising during each major stage of property development projects. For example, we provide real estate developers with property development consulting services before the projects start and display unit management services after the projects are constructed to facilitate sales of the developed projects. In addition, we provide management consulting services to real estate developers and other property management companies which manage the delivered properties.

- *Community Value-added Services*. Our community value-added services endeavor to provide property owners and residents of our managed properties with access to a wide range of products and services through a variety of channels with the goal of improving life quality and style of the property owners and residents at our managed communities.

Our three business segments complement each others in the following ways:

- *Property Management Services and Property Consulting Services*. We capitalize on our brand equity gained through our property management services by offering property consulting services. We can also gain early access to projects under development and establish and expand business relationships with the real estate developers, which provides us with a competitive advantage in securing those new property management engagements. We are able to improve the efficiency of our property management services by providing consulting services at the design and development stage, such as providing advice with respect to traffic engineering and common area planning in the communities.

- *Property Management Services and Community Value-added Services*. Our property management services provide a large customer base for our community value-added services. Our community value-added services help boost the satisfaction and loyalty of the property owners and residents of our managed properties by offering them access to a wide range of products and services through a variety of channels, which we believe helps create greater market acceptance of our premium property management fees. The extensive range of products and services that we offer supports our value proposition to property owners and residents, satisfies their diverse demands and thereby increases their loyalty to our property management services.

• *Property Consulting Services and Community Value-added Services*. We plan to launch our "Greentown Alliance" program to address what we believe is growing demand for enhanced services among real estate developers and local property management companies that are existing customers of our property management consulting services. Currently, only the residents and owners of our managed communities are eligible to use our "Happy Greentown" mobile application to access the application's benefits, such as browsing and purchasing certain of our community products and services online. If our customers participate in our "Greentown Alliance" program, we plan to allow the residents at the communities under their management to become registered users of our "Happy Greentown" mobile application.

OUR GEOGRAPHIC COVERAGE

We provide property management services for residential properties and non-residential properties (including mixed-use properties) located in over 82 cities across 23 provinces, direct-controlled municipalities and autonomous regions in the PRC. The map below shows the geographic distribution of our managed properties as of December 31, 2015.

The following tables set forth a breakdown of our total revenue by geographic region for the years indicated:

	Year ended December 31,					
	2013		2014		2015	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Hangzhou (excluding Yuhang)	525,222	30.4	639,601	28.3	832,276	28.4
Yuhang	84,562	4.9	116,590	5.2	166,962	5.7
Ningbo	154,731	8.9	195,277	8.6	232,067	7.9
Yangtze River Delta (excluding Hangzhou and Ningbo)	470,329	27.2	677,325	30.0	921,104	31.4
Bohai Economic Rim	234,820	13.6	291,651	12.9	384,125	13.1
Pearl River Delta Business Region	69,673	4.0	104,011	4.6	132,428	4.5
Other Regions	136,788	7.9	185,851	8.2	263,267	9.0
Discontinued operations	54,037	3.1	49,066	2.2	–	–
Reportable segment revenue	**1,730,162**	**100.0**	**2,259,372**	**100.0**	**2,932,229**	**100.0**
Minus:						
Revenue from inter-segment transactions	4,478	n/a	5,741	n/a	13,602	n/a
Revenue from discontinued operations	54,037	n/a	49,066	n/a	–	n/a
Total consolidated revenue	**1,671,647**	**n/a**	**2,204,565**	**n/a**	**2,918,627**	**n/a**

During the Track Record Period, around 90% of our revenues were generated from properties located in the three major economic zones in the PRC, namely, the Yangtze River Delta, the Bohai Economic Rim and the Pearl River Delta Business Region. The population density and per capita disposable income are higher in these economic zones than in most other regions in the PRC. We expect that our properties in the three major economic zones will continue to account for a significant portion of our operations in the near future.

PROPERTY MANAGEMENT SERVICES

The table below sets forth the contracted GFA under management as of the dates indicated.

	As of December 31,					
	2013		2014		2015	
	Contracted GFA	% of total	Contracted GFA	% of total	Contracted GFA	% of total
	('000 sq.m., except for percentages)					
Hangzhou (excluding Yuhang)	11,645	21.3	12,301	18.7	15,441	18.6
Yuhang	4,365	8.0	4,788	7.3	6,862	8.3
Ningbo	5,238	9.6	6,219	9.4	7,163	8.7
Yangtze River Delta (excluding Hangzhou and Ningbo)	18,468	33.7	24,719	37.5	29,248	35.3
Bohai Economic Rim	5,984	10.9	7,567	11.6	9,473	11.4
Pearl River Delta Business Region	2,327	4.3	2,552	3.9	3,975	4.8
Other Regions	6,700	12.2	7,743	11.8	10,637	12.8
Total	**54,727**	**100.0**	**65,888**	**100.0**	**82,799**	**100.0**

Our reserve contracted GFA of undelivered properties for which we have entered into preliminary property management agreements amounted to approximately 52.5 million sq.m., 67.3 million sq.m. and 89.1 million sq.m. as of December 31, 2013, 2014 and 2015, respectively.

The table below sets forth the numbers of property management agreements for delivered properties under our management as of the dates indicated.

	As of December 31,					
	2013		2014		2015	
	Number	% of total	Number	% of total	Number	% of total
Hangzhou (excluding Yuhang)	135	29.3	146	27.4	175	27.5
Yuhang	31	6.7	34	6.4	42	6.6
Ningbo	36	7.8	44	8.3	50	7.8
Yangtze River Delta (excluding Hangzhou and Ningbo)	150	32.6	189	35.5	215	33.7
Bohai Economic Rim	49	10.7	52	9.8	66	10.4
Pearl River Delta Business Region	15	3.3	17	3.2	23	3.6
Other Regions	44	9.6	50	9.4	66	10.4
Total	**460**	**100.0**	**532**	**100.0**	**637**	**100.0**

The table below sets forth a breakdown of our total contracted GFA under management for which we provide property management services by type of properties as of the dates indicated.

	As of December 31,					
	2013		2014		2015	
	Contracted GFA	% of total	Contracted GFA	% of total	Contracted GFA	% of total
	('000 sq.m., except for percentages)					
Residential communities	45,466	83.1	55,429	84.1	68,921	83.2
Non-residential properties	9,261	16.9	10,459	15.9	13,878	16.8
Total	**54,727**	**100.0**	**65,888**	**100.0**	**82,799**	**100.0**

The table below sets forth a breakdown of our revenue from providing property management services by type of properties for the years indicated.

	For the year ended December 31,					
	2013		2014		2015	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	(RMB'000)		(RMB'000)		(RMB'000)	
Residential communities	887,537	72.5	1,212,959	74.7	1,564,638	74.8
Non-residential properties	336,352	27.5	410,638	25.3	526,234	25.2
Total	**1,223,889**	**100.0**	**1,623,597**	**100.0**	**2,090,872**	**100.0**

We have developed a mature business model operating independently from the property development businesses of Greentown China and its consolidated subsidiaries. During the Track Record Period, the percentage of our managed properties in terms of contracted GFA under management and revenue developed by independent real estate developers increased and over 70% of our managed properties in terms of contracted GFA under management and revenue were developed by independent real estate developers. Revenue generated from property management services provided to Greentown China and its consolidated subsidiaries amounted to RMB41.5 million, RMB68.7 million and RMB115.2 million for the years ended December 31, 2013, 2014 and 2015, respectively, representing approximately 3.4%, 4.2% and 5.5% of our revenue from property management services, respectively.

The table below sets forth a breakdown of our total contracted GFA under management by real estate developers as of the dates indicated.

	As of December 31,					
	2013		2014		2015	
	Contracted GFA	% of total	Contracted GFA	% of total	Contracted GFA	% of total
	('000 sq.m., except for percentages)					
Independent real estate developers	40,158	73.4	49,220	74.7	64,598	78.0
Greentown China(1)	14,569	26.6	16,668	25.3	18,201	22.0
Total	**54,727**	**100.0**	**65,888**	**100.0**	**82,799**	**100.0**

Note:

(1) includes the GFA under the property management agreements entered into with property owners' associations of the properties developed by Greentown China.

The table below sets forth a breakdown of our revenue from providing property management services by properties developed by real estate developers for the years indicated.

	For the year ended December 31,					
	2013		2014		2015	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	(RMB'000)		(RMB'000)		(RMB'000)	
Independent real estate developers	871,025	71.2	1,170,643	72.1	1,561,950	74.7
Greentown China(1)	352,864	28.8	452,954	27.9	528,922	25.3
Total	**1,223,889**	**100.0**	**1,623,597**	**100.0**	**2,090,872**	**100.0**

Note:

(1) includes the revenue from property management agreements entered into with property owners' associations of the communities developed by Greentown China.

The table below sets forth the expiration schedule of the preliminary property management agreements and property management agreements with respect to our portfolio of managed properties as of December 31, 2015.

	Contracted GFA under management	Number of agreements
	('000 sq.m.)	
Preliminary property management agreements with fixed terms and property management agreements expiring in		
Year ending December 31, 2016	37,345	301
Year ending December 31, 2017	3,296	32
Year ending December 31, 2018	1,111	13
Year ending December 31, 2019 and beyond	812	6
Subtotal	42,564	352
Preliminary property management agreements with no fixed term(1)	40,235	285
Total	**82,799**	**637**

Note:

(1) All of our property management agreements have fixed terms while the vast majority of our preliminary property management agreements do not have any fixed terms and will terminate automatically when the property owners' associations have entered into property management agreements.

A significant portion of our preliminary property management agreements and property management agreements will expire in the year ending December 31, 2016, while our sub-contracting agreements typically have a term ranging from one to three years. We believe that the risk of an income/cost mismatch is low, primarily because our sub-contracting agreements terminate automatically if the corresponding real estate developers do not renew the preliminary property management agreement with us or if the corresponding property owners' associations, after their establishment, do not engage us as the property management service provider. For details, please see the sub-section headed "— Our Sub-Contractors — Key Terms of Our Sub-contracting Agreements" in this section. Furthermore, an average of more than 97% of our customers have renewed their agreements with us during the Track Record Period and we will endeavor to maintain high renewal rates in the future.

In addition, we have a substantial amount of reserve contracted GFA of undelivered properties in our pipeline (approximately 89.1 million sq. m. as of December 31, 2015).

The table below sets forth the number of, contracted GFA under management of, revenue and gross profit contributed by, preliminary property management agreements with no fixed term as of or for the years indicated.

	As of or for the year ended December 31,		
	2013	2014	2015
Number of agreements	187	224	285
Contracted GFA under management ('000 sq.m.)	22,981	29,121	40,235
Revenue (RMB'000)	452,413	668,144	915,566
Gross profit (RMB'000)	24,992	58,642	94,114

Scope of Our Property Management Services

The property management services we provide typically include:

- *Security services.* The security services that we provide primarily include patrolling, access control, manned guard stations, visitor handling and emergency handling. Prior to the end of 2014, we staffed all of our security services with our own employees. Since July 2015, we have been outsourcing a substantial majority of our security services to sub-contractors. For more details, please refer to the sub-section headed "— Employees" in this section.

- *Cleaning and gardening services*. We provide general cleaning, gardening, pest control and landscaping services primarily through sub-contractors.

- *Property repair and maintenance services*. The scope of our property repair and maintenance services typically covers common area equipment and facilities, such as elevators, central air conditioning system and electricity generators. We outsource substantially all of the specialized property repair and maintenance services to sub-contractors. Our in-house technicians perform routine management and inspections of certain systems and equipments. Our in-house technicians also take charge of planning equipment maintenance and maintaining ledgers to ensure the normal operation of the equipment in the serviced areas.

For more details of our sub-contracting arrangements, please refer to the sub-section headed "— Our Sub-contractors — Key Terms of Our Sub-contracting Agreements" below in this section.

Agreements for Our Property Management Services

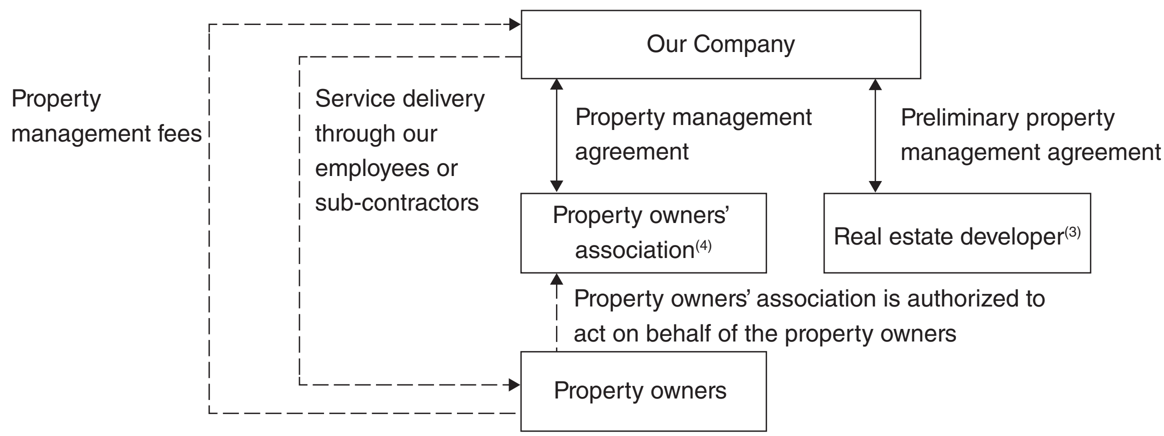
The provision of our property management services is governed by (i) preliminary property management agreements entered into between the real estate developers and us before the newly developed properties are delivered to the property owners or (ii) property management agreements entered into between the property owners' associations and us, after the developed properties have been delivered to the property owners and the property owners' associations have been established in accordance with PRC laws.

The table below sets forth a breakdown of our revenue from property management services by type of customer for the years indicated.

	For the year ended December 31,					
	2013		2014		2015	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	(RMB'000)		(RMB'000)		(RMB'000)	
Real estate developers	944,112	77.1	1,350,728	83.2	1,595,116	76.3
Property owners' associations	279,777	22.9	272,869	16.8	495,756	23.7
Total	**1,223,889**	**100.0**	**1,623,597**	**100.0**	**2,090,872**	**100.0**

During the Track Record Period, the vast majority of the new engagements we entered into were for newly developed properties for which the property owners' associations are yet to be set up. We position our Company as a high-end property management service provider. As such, we generally prefer to provide management services for newly developed properties rather than existing properties as newly developed properties typically have better infrastructures which enable us to provide better services to the residents. In addition, once a property is delivered, it typically takes more than three years before a property owners' association is set up. As a result, the increases in the number of and revenue from the preliminary property management agreements entered into with real estate developers outpaced the increases in the number of and the revenue from the property management agreements entered into with property owners' associations, and thus the revenue from preliminary property management agreements accounted for an increasing percentage of our total revenue from property management services during the Track Record Period.

The diagram below illustrates our relationships with various contracting parties under our property management agreements.



Notes:

(1) Solid lines indicate binding agreements were entered into between the parties.

(2) Dotted lines indicate no agreements were entered into between the parties.

(3) Real estate developer enters into the preliminary property management agreement with us. Such agreement is legally binding on the future property owners in accordance with PRC laws.

(4) Property owners' association enters into the property management agreement on behalf of property owners with us. Such agreement is legally binding on all property owners in accordance with PRC laws.

Real estate developers typically engage property management service providers before newly developed properties are sold to property owners to ensure that property management services are available before the property owners' associations are established and able to contract with the property management service providers directly.

Our PRC legal advisors have advised us that although neither the property owners' association nor property owners are parties to the preliminary property management agreements, the agreements are nonetheless legally binding on the future property owners under PRC law. When the real estate developers enter into property sale and purchase agreements with property owners, we take the following precautionary measures to highlight to the property owners their legal obligations to comply with the preliminary property management agreements: (i) we typically request the real estate developers to incorporate the major terms of the preliminary property management agreements into their property sale and purchase agreements with the property owners and (ii) we typically enter into separate confirmation letters with the property owners contemporaneously with the execution of the property sale and purchase agreements. The confirmation letters contain the same terms as those in the preliminary property management agreements.

Under PRC law, the property owners' association, once formed, may engage a property management company on behalf of the property owners and enter into a property management agreement that is legally binding on all property owners.

The key terms of our preliminary property management agreement and property management agreement are substantially identical and typically include the following:

- *Scope of services*. In addition to providing our typical property management services consisting of security, cleaning, gardening, repair and maintenance services, we may also inspect and, if in satisfactory condition, accept the delivery of the common areas of the developed property, including the lobby, hallway, outdoor open space, stairway, parking lot, elevator shaft and equipment room, and common area equipment and facilities such as elevators, central air conditioning equipment, electricity generators, fire protection equipment, drainage systems, community gates and community surveillance systems.

- *Real estate developer's obligations*. The real estate developer is primarily responsible for, among other things, obtaining a commitment from every property buyer that it will comply with the preliminary property management agreement, providing sufficient space at the community for us to use as our on-site property management office and providing us with blueprints and other construction design documents and completion inspection documents.

- *Property management fees*. The agreement sets out the property management fee amount, which begins to accrue upon delivery of the purchased property or at the beginning of the month immediately following the delivery of the purchased property. The real estate developer is responsible for paying the property management fees for the units that remain unsold, which fees begin to accrue upon execution of the preliminary property management agreement.

- *Outsourcing*. We are allowed to outsource individual components of the property management services to specialized third-party contractors. For example, we may choose to outsource security, cleaning, gardening, repair and maintenance services to third-party contractors and only conduct the overall coordination and planning ourselves. However, we are not allowed to outsource all aspects of the property management services on a wholesale basis.

- *Term*. The vast majority of our preliminary property management agreements do not have any fixed terms and expire only when the relevant property owners' association is established and a property management agreement is entered into to replace the preliminary property management agreement. The remaining preliminary property management agreements have fixed terms of between one to three years. If the preliminary property management agreement has a fixed term and expires before the property owners' general meeting is held to establish the property owners' association in accordance with applicable PRC laws, we and the real estate developer may negotiate to renew the expiring preliminary management agreement. If no renewal agreement is reached, the preliminary property management agreement will expire at the end of the current term. A property owners' association may be established through election by the eligible property owners at a duly held property owners' general meeting. When the property owners' association has entered into a property management agreement with us or another property management company, our preliminary property management agreement will be terminated automatically, even if its current term has not expired. A property management agreement typically has a fixed term ranging from one to three years.

The table below sets forth the breakdown of our preliminary property management agreements with fixed terms and property management agreements by tenor as of December 31, 2015.

Preliminary property management agreements with fixed terms and property management agreements	Number of agreements	Percentage
One year or less	101	28.7%
More than one year and up to two years	114	32.4%
More than two years	137	38.9%
Total	**352**	**100.0%**

- *Late fees*. We may also impose late fees on overdue property management fees and have the right to initiate legal proceedings against the property owners to collect the fees.

Property Management Fees

For the years ended December 31, 2013, 2014 and 2015, our revenue from property management services amounted to RMB1,223.9 million, RMB1,623.6 million and RMB2,090.9 million, respectively.

Calculation and Collection of Our Property Management Fees

We charge our management fees on a lump sum basis for nearly all the properties we manage and collect them periodically. The property management fees are payable annually or semi-annually during the terms of the agreements for the substantial majority of our managed properties, and are payable quarterly for the remaining properties. Our billing cycle starts on January 1 of each calendar year for management fees that are payable annually, on every January 1 and July 1 for management fees that are payable semi-annually, on the first day of each calendar quarter for management fees that are payable quarterly. Although our preliminary property management agreements and property management agreements require the customers to pay the management fees upfront at the beginning of each billing cycle, we generally allow customers to pay our management fees at any time during the billing cycle. In line with the market practice, we typically increase our efforts to collect overdue management fees at the end of each calendar year for management fees payable annually and at the end of each half year or quarter for management fees payable semi-annually or quarterly. Our collection measures include home visits, mailing reminders to residents and sending payment reminders through our “Happy Greentown” mobile application. When the management fees become overdue, we will deliver payment notices in person or to the mailboxes of the relevant residents and follow up with frequent payment reminders. For payments that are overdue for more than 16 months, our staff at the management offices will pay home visits to the relevant residents to collect the management fees in person and our legal department will send out demand letters if the management fees have not been paid within a reasonable time period after the home visits. We may also choose to post the names of the residents who owe significant amounts of management fees on the notice boards in the relevant communities. In the event of significant payment delays after repeated failed collection attempts, we may initiate legal proceedings to collect the fees. In addition to making payments at our on-site management offices by cash or bank cards, we have made available to our residents electronic payment options, such as payment through our “Happy Greentown” mobile application which is linked to third-party payment platforms, including Alipay and All-in-Pay. As of December 31, 2013, 2014 and 2015, our collection rates of property management fees, calculated as the percentages of actually collected property management fees out of total property management fees receivable, were approximately 95.6%, 95.9% and 96.6%, respectively.

Structure of Our Property Management Fees

Under PRC law, property management fees may be charged on a lump sum basis or on a commission basis. We believe the "lump sum" model is the dominant model in China and provides more incentives for property management companies to implement cost-saving initiatives and improve operational efficiency.

When the property management fees are charged on a lump sum basis, we record all the fees as revenue and all the expenses we incurred in connection with providing the property management services as cost of sales. In case the management fees that we charge are not sufficient to cover all the expenses incurred, the owners and residents of our management properties are not obligated to pay the shortfall and we will bear the losses.

In comparison, when we charge property management fees on a commission basis, we essentially act as the agent of the property owners and record only a pre-determined portion of property management fees as revenue and the remainder of the property management fees that we collect are used as working capital to pay for expenses associated with providing property management services. Under the commission model, the costs associated with providing property management services are borne by the owners and residents of the properties that we manage rather than us, and hence are not recorded as our costs or expenses. Accordingly, the relevant gross profit margins are 100%. In case there is a surplus of working capital after reducing all the expenses incurred for providing property management services, the surplus will be rolled over to the next fiscal year. In case there is a shortfall, we typically pay the shortfall on behalf of the owners and residents of our managed properties first and seek to recover the amount from the owners and residents of our managed properties. There is, however, no assurance that we will be able to recover the shortfall from the owners and residents of our managed properties.

During the Track Record Period and up to the Latest Practicable Date, we charged property management fees on a lump sum basis for nearly all the properties we manage. As of December 31, 2013, 2014 and 2015, we charged property management fees on a lump sum basis for properties representing approximately 98.4%, 97.8% and 98.2% of our total contracted GFA under management, respectively, which generated approximately 99.8%, 99.9% and 99.9% of our total property management fees, respectively.

Range of Our Property Management Fees

Leveraging our "Greentown Service" brand, we have been able to charge premium property management fees that reflect the premium quality of our property management services. According to China Index Academy, the average property management fees for residential properties in the surveyed cities amounted to RMB2.06 per sq.m./month and RMB2.07 per sq.m./month in 2014 and 2015, respectively. The property management fees for the majority of managed properties surveyed by China Index Academy remained relatively stable with a slight increase in recent years. In comparison, our average property management fees for residential properties amounted to approximately RMB2.33 per sq.m./month, RMB2.63 per sq.m./month and RMB2.73 per sq.m./month in 2013, 2014 and 2015, respectively. Our average property management fees for all properties in 2013, 2014 and 2015 amounted to approximately RMB2.69 per sq.m./month, RMB2.94 per sq.m./month and RMB3.06 per sq.m./month, respectively. In line with the general trend of increasing management fees according to China Index Academy, property management fee rates for newly built properties are generally higher than those for existing properties. As we entered into engagement for newly delivered projects and renewed existing property management agreements at higher fee rates, our average property management fee continue to increase during the Track Record Period. Our property management fee rates vary depending on a wide range of factors, such as type, age and infrastructure features of the managed properties, geographic location, neighborhood profile and fee levels of our competitors.

Our Property Management Fee Pricing Policies

During the Track Record Period, some of our managed properties were subject to price control. The Circular of NDRC on the Opinions on Relaxing Price Controls in Certain Services (《國家發展改革委關於放開部分服務價格意見的通知》) (發改價格[2014]2755號) (the "**Circular No. 2755**"), promulgated on December 17, 2014, requires the provincial-level price administration authorities to abolish any price control or guidance policies on residential properties other than affordable housing. Property management fees for affordable housing, housing-reform properties and properties in old residential areas remain subject to price guidance imposed by competent provincial level price administration departments and the administrative departments of housing and urban-rural development. Although our property management fees continue to be subject to price controls until local regulations implementing the Circular No. 2755 are passed, we expect the price controls to be relaxed over time pursuant to the Circular No. 2755. Management fees under the preliminary property management agreements remain subject to price control imposed by local government. For more details, please refer to the section headed "Regulatory Overview — Fees Charged by Property Management Company" in this prospectus. As we continue to target high-end residential properties, we do not expect the price control on affordable housing to materially impact our property management fees.

We determine the property management fee rates by taking into account, among other things, (i) our budgeted expenses for providing the property management services, (ii) our target profit margins, (iii) profiles of the property owners and residents, (iv) fee rates charged by our competitors in the same region and (v) price controls and guidelines (if applicable).

We may negotiate with property owners to raise the property management fees when renewing expiring property management service agreements to maintain our profit margin in response to enhancements in the standard or scope of our property management services or increases in our costs.

Growth of Our Property Management Portfolio

The table below sets forth changes in our total contracted GFA under the property management agreements and preliminary property management agreements during the years indicated.

	For the year ended December 31,		
	2013	2014	2015
		('000 sq.m.)	
As of beginning of the year	44,180	54,727	65,888
New engagements	315	406	4,051
Newly delivered	12,106	12,868	15,251
Terminations[(1)]	1,874	2,113	2,391
Net increase	10,547	11,161	16,911
As of end of the year	**54,727**	**65,888**	**82,799**

Note:

(1) During the Track Record Period, almost all the terminations were due to the expiration of the property management agreements and we chose not to renew a majority of these expired property management agreements so that we could allocate our resources to more profitable engagements and optimize our property management portfolio.

The table below sets forth the number and contracted GFA under the preliminary property management agreements that were not renewed during the years indicated.

	For the year ended December 31,		
	2013	2014	2015
Number of agreements	3	4	8
Contracted GFA under management ('000 sq.m.)	112	258	944

All of the other preliminary property management agreements were either still in effect or superseded by property management agreements after the property owners' associations were set up.

For the years ended December 31, 2013, 2014 and 2015, our renewal rates with respect to property management agreements, calculated as the number of renewed property management agreements in a given year divided by the number of expiring property management agreements in the same year, were 95.6%, 98.9% and 96.9%, respectively.

We have expanded our property management portfolio primarily through securing new property management engagements with real estate developers or property owners' associations and, to a lesser extent, by selectively acquiring regional property management companies with attractive property management portfolios.

Organic Growth through New Engagements

We actively seek opportunities for new property management engagements in geographic markets with relatively dense populations and strong spending power, such as cities located in the Yangtze River Delta or Bohai Economic Rim. We are also expanding into new geographic markets such as cities located in the Pearl River Delta. Once we have established a presence in a new geographic market, we expect to grow our penetration rate in the market by increasing our contracted GFA and number of managed properties within the market.

We conduct feasibility analyses and financial projections before taking on a new engagement, taking into account a variety of factors, such as the expected rate of return, profile and size of the project, competitive landscape of the local market and potential synergy with our community value-added services.

Under PRC law, real estate developers are typically required to select property management service providers through a bidding process. In circumstances where there are not enough bidders or the size of the residential community is small, real estate developers are permitted under PRC law to select property management service providers without conducting any bidding process, subject to approval by competent PRC property administration authorities.

A typical bidding process primarily involves the following stages:

- *Invitation.* The real estate developer may publish an announcement to invite potential bidders or issue private invitations to at least three qualified bidders.
- *Review.* The real estate developer will establish a tender review committee to review and rank the submitted tenders. The tender review committee takes into account factors such as credentials, service quality, availability of capital and human resources and proposed fee levels when it reviews the proposals.

- *Selection.* Based on its review, the tender review committee recommends to the real estate developer not more than three candidate firms. The real estate developer will then engage the property management company ranked the first.

A public bidding process is also required for engaging property management service providers for non-residential properties owned by the PRC government or government-controlled entities, such as public schools, airports and industrial parks. The bidding processes are generally similar to those for entering into preliminary property management agreements in relation to residential communities.

Our bidding success rate, which is calculated as the number of public biddings that we won in a relevant year divided by the total number of public biddings in which we participated in the same year, in 2013, 2014 and 2015 was approximately 83.1%, 76.8% and 85.4%, respectively.

Our bidding success rate for projects developed by independent real estate developers, which is calculated by dividing the number of public biddings with respect to projects developed by independent real estate developers that we won in a year by the total number of public biddings with respect to projects developed by independent real estate developers in which we participated in the same year, in 2013, 2014 and 2015 was approximately 82.7%, 76.0% and 85.0%, respectively.

Our bidding success rate for residential projects developed by independent real estate developers, which is calculated by dividing the number of public biddings with respect to residential projects developed by independent real estate developers that we won in a year by the total number of public biddings with respect to residential projects developed by independent real estate developers in which we participated in the same year, in 2013, 2014 and 2015 was approximately 97.7%, 100.0% and 100.0%, respectively.

During the Track Record Period, we won all of the public biddings with respect to projects developed by Greentown China for which we bid.

Acquisition of Third-party Property Management Companies

We are open to selectively acquiring regional property management companies with attractive property management portfolios for a reasonable consideration. We believe acquisition is an efficient manner to grow our property management portfolio, especially in new geographic markets. We may achieve control of other property management companies by (i) acquiring a controlling stake in the target entity through one transaction or (ii) acquiring additional equity interest in the target entity to become a controlling equity holder, such as by acquiring control in stages. The table below sets forth selected key details concerning the property management companies that we acquired during the Track Record Period. For more details, please refer to Note 31(a) of section B in the Accountants' Report of our Group set out in Appendix I to this prospectus.

Location of acquired property management company	Acquisition date	Consideration for control	Pre-acquisition equity interest	Post-acquisition equity interests	Contracted GFA under management as of the time when the target company became our subsidiary	Number of properties as of the time when the target company became our subsidiary
		(RMB in millions)			(million sq.m.)	
Zhejiang Province	January 2013	0.2	49%	51%	0.06	1
Shanghai	April 2013	0.25	50%	100%	0.04	2

We constantly seek out and evaluate potential candidates for acquisitions. On June 14, 2016, we participated in an open bid for the acquisition of a 40% interest in Zhejiang Zheyuan from Zhejiang Communications Investment. Established in June 2009 with a registered capital of RMB5.0 million, Zhejiang Zheyuan is principally engaged in property management, housing agency services, hotel management, exhibition services, housekeeping services and sales of general merchandise. According to the information in the bidding invitation provided to us by Zhejiang Communications Investment, Zhejiang Zheyuan recorded RMB27.3 million in revenue from its operating activities and RMB0.5 million in net profit for the year ended December 31, 2015 and had total assets of RMB15.8 million and net assets of RMB5.6 million as of December 31, 2015. As determined by a third party evaluator, the base price for the 40% interest in Zhejiang Zheyuan is set at RMB2.3 million. Based on our own valuation using the net assets plus premium method (the premium being five times Zhejiang Zheyuan's net profit in 2015), Zhejiang Zheyuan is worth approximately RMB3.2 million. We won the bid at the base price of RMB2.3 million and entered into a share purchase agreement with Zhejiang Communications Investment on June 15, 2016. The acquisition is expected to close in or about July 2016 and we expect to fund this acquisition with our Company's internal resources. We believe that this acquisition is in line with our corporate strategy of acquiring regional property management companies to enhance our property management portfolio.

Identification and Evaluation of Potential Candidates

In evaluating a potential acquisition candidate, we consider and seek to balance a variety of considerations based on our due diligence results, primarily including:

- the candidate's property management portfolio, such as the total contracted GFA, number of properties, property management fee levels and age profile of the properties. Leveraging our premium service quality and well-recognized reputation, we plan to continue to target high-end markets which have greater acceptance of our premium property management fees;
- the geographic markets where the candidate operates, such as the population density, demographic profile, income level and proximity to the locations of our existing property management portfolio. In line with our expansion plan, we expect that we will continue to target the three major economic zones in China, namely, the Yangtze River Delta, the Bohai Economic Rim and the Pearl River Delta where the population density and per capita disposable income are higher than in most other regions in the PRC;
- financial performance of the candidate, such as audited total and net assets, outstanding account receivables and provisions, existing and contingent liabilities and tax obligations;

- compliance with relevant laws and regulations, such as existing or pending disputes and proceedings, labor relations and availability of necessary qualifications and licenses; and
- potential for revenue growth from providing our community value-added services to the candidate's property management portfolio.

Post-acquisition Integration

Upon execution of the transaction agreements, we usually dispatch a team of managers to the target company to implement our post-acquisition integration plans. Our goal is to integrate the resources, operations and management of the acquired company into our Group as soon as commercially feasible. The following are examples of the integration steps we usually take:

- *Integrating human resources*. We usually choose to retain the employees of the acquired company to ensure stability of its operations. To facilitate the assimilation of the retained personnel, we usually temporarily transfer selected key employees of the acquired company to comparable positions of our property management operations. We also endeavor to implement our employee training system at the acquired company by adopting measures such as dispatching teams of instructors to the acquired company to provide specialized trainings. If needed, we will adjust the job responsibilities of the acquired company's employees.
- *Integrating operating procedures and quality control*. We require the acquired company to adopt our operating procedures, including our standardized operating procedures for property management services. In addition, to replicate our quality control system at the acquired company, we will establish our internal quality supervision procedures at the properties managed by the acquired company. At the same time, we will introduce our external quality supervision mechanism which allows property owners and residents to provide input on the quality of our services.
- *Integration of additional services*. In addition to property management services, we aim to integrate our community value-added services to the acquired company. Our headquarters will adapt the portfolio of services in view of the market demand and resources available at the properties managed by the acquired company.

Strategic Investments in Our Managed Properties

We also selectively take minority equity positions in regional property management companies for which we provide property management services. We believe we can derive the following benefits from making strategic minority investments in other property management companies in addition to attractive capital returns:

- *Facilitating provision of additional services*. Our investments help facilitate our provision of community value-added services to the property owners and residents of properties managed by an investee company. To the extent any real estate developer owns any equity interests in or is otherwise affiliated with the investee property management company, we can cross-sell our property consulting services to such real estate developer by leveraging the relationships built up through the investee company.

- *Facilitating future potential acquisitions*. We believe that these strategic investments allow us to better assess the intrinsic value of an investee company and the expected synergies, if any, with our existing operations before committing to acquiring a controlling interest in the investee company. If we are satisfied that an investee company presents an attractive acquisition opportunity, we may increase our stake to acquire a controlling interest.

For more details about our equity investments in property management companies during the Track Record Period, please refer to Note 15 of section B in the Accountants' Report set out in Appendix I to this prospectus. As of December 31, 2015, the amount of contracted GFA managed by our investee companies amounted to 11.4 million sq.m. and the number of properties managed by our investee companies amounted to 68.

Standardization of Property Management Services

We have streamlined and standardized our property management services, focusing particularly on standardizing key elements of our services which involve significant customer interaction. Our standardization initiatives are designed to reduce costs, improve operational efficiency, ensure consistent service quality and help develop a scalable business model. It also facilitates our post-acquisition integration. The following are descriptions of the main components of our standardization initiatives:

- *Formulation of standards*. We have implemented nearly 400 service standards in relation to the provision of our property management services. To facilitate the standardization of key services, we have recorded a number of instructional videos to visually demonstrate the service standards and procedures applicable to the relevant services. For example, we have recorded videos for *Requirements for Community Outdoor Public Space Cleaning Services* (《室外公共區域保潔內容及要求》) and *Demonstration Video for Security Patrol Services* (《秩序維護服務巡邏崗位元培訓演示片》) to help the cleaning and security staff to fully understand and comply with the applicable standards.

  We have also prepared written operating manuals with copious photographs and other visual images to provide detailed guidance on key standards and procedures of our property management services, primarily including:

  — *Service Standardization Manual for Twenty Customer Touch-points* (《"二十觸點"服務標準工作手冊》), which lays out the service standards and procedures with respect to 20 categories of selected customer touch-points, such as community gates, hallways and elevator cabins, which are key locations where we interact with the property owners and residents;

  — *Supervision Standardization Manual for Inspecting Ten Key Aspects* (《"十必查"督導標準工作手冊》), which lays out the service standards and inspection procedures with respect to ten key aspects of our provision of property management services, such as community security management, fire safety management and water and sewage system management; and

— *Management Standardization Manual for Machine Rooms* (《設備房管理標準工作手冊》), which lays out maintenance requirements for equipment as well as standardized operating procedures and required identification signage in relation to various machine rooms involved in our property management, such as water pump rooms, elevator machine rooms and electrical switch rooms.

- *Implementation*. We provide systematic trainings to the property management staff to help them understand and follow our service standards and procedures. For more details about our training system, please refer to the sub-section headed "— Employees — Training" in this section.

We are also in the process of implementing our "smart property management" system, which aims to further standardize and facilitate our provision of property management services by allowing the property management staff to, among other things, perform various property management functions through our "smart property management" mobile application platform. For more details about our "smart property management" system, please refer to the sub-section headed "— Our "Smart Community" Project" in this section.

- *Supervision*. We have adopted a "dual" valuation system mainly comprising our internal supervision and external feedback, which is designed to identify deficiencies in implementing our standardization initiatives:

  — *Internal Supervision*. Our internal supervision system comprises supervision committees at (i) our headquarters, (ii) our regional subsidiaries or branches and (iii) the communities under our management. The supervision committees at each level conduct periodic inspections of our property management services to proactively identify areas in our services that need further improvement.

  — *External Feedback*. We have established a series of programs and channels through which we obtain external feedback on our property management services. For example, we designate property owner representatives for properties under our management, who provide feedback from the perspective of property owners and residents. Property owners and residents are also able to voice their feedback through our nationwide toll-free hotline "95059." In addition, we have implemented a "mystery customer" program that allows us to assess our property management services proactively and incognito.

- *Improvement*. We follow up on our identified deficiencies in implementing our standardization initiatives primarily by revising or formulating new standards and procedures.

PROPERTY CONSULTING SERVICES

Leveraging our property management expertise, we offer a wide range of property consulting services to address the issues arising during each major stage of a property development project.

Our property consulting service segment operates in two sub-segments:

- *Property under construction services*, which comprise primarily display unit management services and construction site security services; and

- *Management consulting services*, which comprise property development consulting services, which are provided during the project design and development stages, and various property management consulting services we provide after the delivery of properties.

For the years ended December 31, 2013, 2014 and 2015, our revenue generated from providing property consulting services amounted to approximately RMB330.3 million, RMB439.4 million and RMB550.8 million, respectively, representing approximately 19.8%, 19.9% and 18.9% of our total revenue for the same years. The table below sets forth a breakdown of revenue, gross profit and gross profit margin of our property consulting services during the years indicated by sub-segment.

	Year ended December 31,											
	2013				2014				2015			
	Revenue	% of total	Gross Profit	Gross Profit Margin	Revenue	% of total	Gross Profit	Gross Profit Margin	Revenue	% of total	Gross Profit	Gross Profit Margin
	(RMB'000)		(RMB'000)	(%)	(RMB'000)		(RMB'000)	(%)	(RMB'000)		(RMB'000)	(%)
Property under construction services	278,800	84.4	88,481	31.7	377,847	86.0	119,335	31.6	475,957	86.4	139,798	29.4
Management consulting services	51,475	15.6	31,778	61.7	61,568	14.0	38,388	62.4	74,820	13.6	47,122	63.0
Total	**330,275**	**100.0**	**120,259**	**36.4**	**439,415**	**100.0**	**157,723**	**35.9**	**550,777**	**100.0**	**186,920**	**33.9**

Property under Construction Services

Our property under construction services comprise primarily display unit management services and to a less extent construction site security services. The table below sets forth changes in the number of our property under construction projects during the years indicated.

	For the year ended December 31,		
	2013	2014	2015
Number of projects as of end of the year	199	227	212
Average revenue per project[1] (RMB in millions)	1.4	1.7	2.2

Note:

(1) Calculated as the revenue from property under construction services for the relevant year divided by the number of property under construction projects as of the end of the same year.

Display Unit Management Services

When real estate developers market their property development projects, they typically set up display units to showcase their properties to potential buyers. In light of the high foot traffic at display units, the real estate developers usually need dedicated on-site teams to provide cleaning, security and maintenance services. We deploy our staff to the display units and offer display unit management services to the real estate developers to address such needs in return for a fixed service fee.

The key terms of a display unit management service agreement typically include the following.

- *Scope of services*. Our services typically include reception services, cleaning and preventive and corrective maintenance on the display units and equipment inside the units, site surveillance, parking and site touring. We typically attach a service proposal to the service agreement listing out the detailed standards and procedures, staffing requirements and other requirements that we follow in providing our services. Our customers conduct monthly review and rate our services against the requirements set forth in the service proposal. Our management fees are subject to downward adjustments based on the ratings.

- *Our customers' responsibilities*. Our real estate developer customers are responsible for providing our staff with office space, office supplies, cleaning equipment, housing and meals and purchasing insurance for the display units.

- *Management fees*. We usually charge fixed amount of fees, which are required to be paid in installments over the course of the agreements. We determine the amount of fees that we charge based on our estimates of expenses that we would incur in performing services required under the display unit management service agreements.

- *Term*. The typical term for our display unit management service agreements ranges from one to two years and may be terminated upon advance notice by our customers.

Construction Site Security Services

During the Track Record Period, we provided security services for the construction sites of property development projects. We deployed security guards to the construction sites to guard and maintain security at the sites and charged a fixed fee which is payable by the real estate developers in installments over the course of the agreements. The construction site security service agreements we entered into with real estate developers had a term ranging from one to two years.

Revenue from our construction site security services amounted to RMB19.6 million, RMB21.1 million and RMB13.5 million for the years ended December 31, 2013, 2014 and 2015, respectively, representing approximately 1.2%, 1.0% and 0.5% of our revenue in the respective years.

In July 2015, we began to outsource a substantial majority of our security function to sub-contractors and have therefore gradually ceased to provide construction site security services. As of the Latest Practicable Date, we had two outstanding construction site security service agreements.

Management Consulting Services

Management consulting services are a cooperation model in which we help real estate developers and management companies achieve growth by replicating our management philosophy and successful operation models and implementing our standardized processes in their businesses.

The table below sets forth changes in the number of management consulting projects and average revenue per project during the years indicated.

	For the year ended December 31,		
	2013	2014	2015
Number of projects as of end of the year	167	180	170
Average revenue per project[1] (RMB'000)	308.2	342.0	440.1

Note:

(1) Calculated as the revenue from the management consulting services for the relevant year divided by the number of management consulting projects as of the end of the same year.

Property Development Consulting Services

Property development consulting services primarily comprise project planning advisory services, design management consulting services, construction management consulting services and marketing management consulting services. Offering property development consulting services to real estate developers enables us to gain early access to property development projects and establish business relationships with real estate developers and provides us with a competitive advantage in competing against other property management service providers in securing new property management engagements. In addition, by providing property development consulting services, we believe we can also improve the efficiency of our property management services if we are later engaged to provide property management services for the same property as our planning and designing is driven by our experience and practices in providing property management services.

Components of Our Property Development Consulting Services

Our property development consulting services primarily comprise the following services:

- *Project planning advisory services*. We advise real estate developers on the overall planning and market positioning of their proposed development projects, such as development strategies, design concepts, budget and cash flow estimates and target sales prices. Benefiting from our daily interaction with the property owners and residents, we believe we possess valuable and deep insights into and understanding of the preferences and spending patterns of the property owners and residents. We can apply those insights in providing project planning advisory services to the real estate developers.

- *Design management consulting services*. We offer consultations to optimize the layout and design plans proposed by third-party design agencies engaged by real estate developers, including architectural designs, landscaping designs, interior designs, display unit designs and designs of common area equipment and facilities such as drainage systems and community surveillance systems. By managing a diversified portfolio of residential communities and non-residential properties, we are able to assess the proposed layout and design from the vantage point of a user and manager of a wide range of properties.

- *Construction management consulting services*. We provide construction management consulting services to real estate developers by conducting periodic inspections of the construction sites as the construction progresses and by providing ongoing suggestions or advice on issues such as appropriate construction techniques to minimize possible damages to common area equipment and facilities, quality control measures to ensure the durability of the buildings and suitable building materials to balance cost efficiency against quality and durability. We believe that our user-oriented approach brings value to our customers by focusing the construction and building processes on the occupation and enjoyment of the buildings by future property owners.

- *Marketing management consulting services*. We provide marketing management consulting services to real estate developers by analyzing features of the development projects, profiles of the target customers and the competitive landscape of the local markets and offering suggestions on marketing strategies and specific marketing plans. We may also assist real estate developers in establishing and training sales teams.

Agreements for Our Property Development Consulting Services

The typical term for agreements for our property development consulting services is in the range of one to two years. Upon execution of a service agreement, we usually organize a team of not more than ten members dedicated to the specific project. During the Track Record Period, no property development consulting service contract was terminated prior to its expiration date.

Fees for Our Property Development Consulting Services

We generally offer our property development consulting services for a fixed, pre-negotiated fee specified in the service agreements. The real estate developers are typically required to pay the service fees in installments during the course of the service agreements.

Property Management Consulting Services

Market Opportunity

Many small- to medium-size property management companies and developers in the PRC face difficulties in effectively improving the quality and efficiency of their property management services, which may adversely affect their business prospects. Many such property management companies are owned or otherwise controlled by real estate developers primarily for the purpose of providing property management services for their own projects. Inferior property management services may hamper the sale and marketing of property development projects, leading to detrimental results of operations for real estate developers. The customers of our property management consulting services are primarily local property management companies and real estate developers that are not capable of providing quality property management services after the delivery of the properties. These local property management companies are usually small- to medium-scaled and therefore are not our direct competitors. We believe that we are able to capitalize on this market opportunity by providing property management consulting services to these customers. We usually charge a fixed consulting fee for providing the property management consulting services to our clients.

We typically dispatch an on-site team of four to five advisors, comprising managerial as well as technical personnel, to each of the properties managed by our consulting service customers to oversee our consulting service customers' daily operations, including human resources, business development and quality control functions and security, gardening, engineering, customer services and other community services. The team implements our management systems and philosophies into our customers' day-to-day operations and eventually upgrades their service quality. Those consulting services complement our property management services.

Furthermore, we believe that we can derive the following benefits from providing property management consulting services:

- *Unlock our brand value*. We can capitalize on our brand equity and diversify our revenue streams by offering property management consulting services. We can also further improve the public awareness of our brand as we broaden our market presence by providing consulting services to other market participants.

- *Increase our profitability*. Compared with our property management services, our property management consulting services enjoy relatively higher margins. We typically charge property management company customers pre-negotiated fixed fees which are not tied to their collection of property management fees.

- *Broaden customer base for our other services*. We believe that interacting with property management company customers positions us to cross-sell and promote our other services, such as community value-added services, to residents at the properties managed by consulting service customers.

Greentown Alliance Program

We plan to launch our "Greentown Alliance" program to address what we believe is growing demand for enhanced services among real estate developers and local property management companies that are existing customers of our property management consulting services. Specifically, some of these customers want to engage us to provide our full suite of property management services directly to selected residential communities under their management, while other customers prefer to manage their properties on their own but want to benefit from the innovations that we have developed with our "smart community" project. Currently, only the residents of our managed communities are eligible to use our "Happy Greentown" mobile application to access the application's benefits, such as browsing and purchasing certain of our community products and services online. If our customers participate in our "Greentown Alliance" program, we plan to allow the residents at the communities under their management to become registered users of our "Happy Greentown" mobile application.

We expect to generate revenue from our "Greentown Alliance" program through increases in the management and consulting fees that we charge our existing customers and through an increase in the customer base for our community products and services.

Key Terms of Our Property Management Consulting Services

The key terms of a property management consulting agreement typically include the following.

- *Scope of services*. We will prepare operating guidelines and procedures for the property management company customers to implement in their property management operations. We also prepare work plans and budgets for their property management operations. In addition to dispatching an on-site team to each of the properties managed by the property management company customers, we also organize periodic inspections or training sessions for their teams.

- *Our customers' responsibilities*. The property management company customers are responsible for all fees and expenses incurred in providing property management services and the salaries for our on-site team members. The property management company customers are also parties to the agreements with third party service providers involved in the management of the properties.

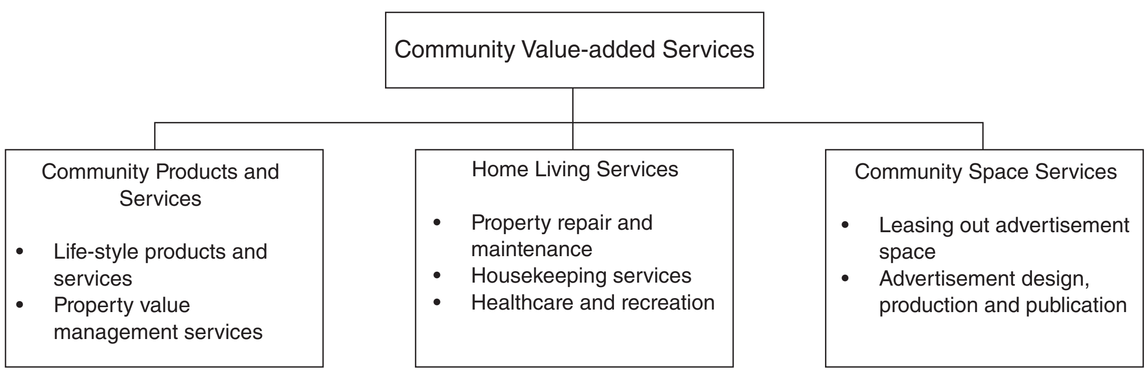
- *Consulting fees*. We usually charge fixed amounts of fees, which are required to be paid quarterly or semi-annually and upfront over the course of the consulting agreements.
- *Term*. Our property management consulting agreements typically have a term of two or more years.

Legal Compliance

We were advised by our PRC legal advisors that our property management consulting services do not contravene the prohibition under the *Regulation on Property Management* (《物業管理條例》) against wholesale subcontracting of the entire property management services by property management company customers.

COMMUNITY VALUE-ADDED SERVICES

The following diagram illustrates the principal categories of our community value-added services:



Set forth below are the key business milestones of our community value-added services segment:

- In 2007, we started conducting research in preparation of the launch of our "smart community" project when we originated the concept of a "community-based life service system," which is an earlier model of our community value-added services.
- In 2009, we launched our community value-added services when we started providing our residents with certain home living services, such as property repair and maintenance and housekeeping services.
- In September 2014, we launched our "Happy Greentown" mobile application as part of our "smart community" project in selected residential communities. For details, please see the sub-section headed "— Our 'Smart Community' Project — Our 'Happy Greentown' Mobile Application" in this section.

Value Propositions

Our community value-added services are an extension of our property management services. These services address the life-style and everyday needs of property owners and residents with an array of products and services to improve our service quality and customer experience and provide a healthier and more convenient life for our residents.

By the end of 2015, our "Happy Greentown" mobile application had covered 405, or 63.1%, of residential communities under our management located in 50 cities, with 137,206 registered households. We aim to capitalize on the large number of property owners and residents in our communities by providing community value-added services and deriving revenue by selling selected products and services directly to these property owners and residents.

Portfolio of Our Community Value-added Services

We have been providing community value-added services since 2009 and have developed a portfolio of community value-added services anchored by an extensive array of daily necessities and complemented by a wide assortment of life-style products and services. We have a detailed catalogue of community value-added services, featuring a comprehensive assortment of more than 130 categories of community value-added services, to guide and manage the provision of our community value-added services at our managed properties across China. We update the catalogue from time to time to better meet the evolving needs of the property owners and residents and tailor our actual portfolio of community value-added services to be provided at each community, taking into account factors such as the community profile and availability of facilities.

For the years ended December 31, 2013, 2014 and 2015, revenue generated from our community value-added services amounted to approximately RMB117.5 million, RMB141.6 million and RMB277.0 million, respectively, representing approximately 7.0%, 6.4% and 9.5% of our total revenue for the same years.

The table below sets forth a breakdown of our revenue, gross profit and gross profit margin of our community value-added services during the years indicated.

	For the year ended December 31,											
	2013				2014				2015			
	Revenue	%	Gross Profit	Gross Profit Margin	Revenue	%	Gross Profit	Gross Profit Margin	Revenue	%	Gross Profit	Gross Profit Margin
	(RMB'000)		(RMB'000)	(%)	(RMB'000)		(RMB'000)	(%)	(RMB'000)		(RMB'000)	(%)
Community products and services	34,450	29.3	9,987	29.0	40,862	28.9	12,238	29.9	105,023	37.9	35,074	33.4
Home living services	69,045	58.8	37,439	54.2	84,503	59.7	44,021	52.1	145,691	52.6	81,637	56.0
Community space services	13,988	11.9	6,331	45.3	16,188	11.4	9,853	60.9	26,264	9.5	14,734	56.1
Total	**117,483**	**100.0**	**53,757**	**45.8**	**141,553**	**100.0**	**66,112**	**46.7**	**276,978**	**100.0**	**131,445**	**47.5**

We offer certain community value-added services free-of-charge, such as organizing exercise programs for senior citizens, organizing festive and celebratory activities in common areas and offering "free-to-use" umbrellas, shopping trolleys, baby strollers and bicycles to the property owners and residents. These services typically can be provided by our on-site property management staff at no or low cost. We believe offering these free-of-charge services will enable us to increase our engagement level with the property owners and residents at minimal cost, accentuate our role as the single point of contact for their life-style and everyday needs and improve their satisfaction level.

Community Products and Services

Our community products and services include life-style products and services and property value management services.

Life-style Products and Services

Our major life-style products and services include:

(i) *Purchase assistance.* We offer purchase assistance to property owners and residents for a full range of products and services for sale by us or by pre-screened merchants. The property owners and residents may place orders at our property management offices, through our service hotline or our "Happy Greentown" mobile application. Our active engagement and relationships with the property owners and residents nurtured through our property management services helps us understand and respond to their demands.

Our purchase assistance services include:

- "Greentown Select," an online service providing for the sale of select groceries, snacks, nutrition supplements, home appliances and local specialty food items;
- "Duty-free Shop," an online service providing for the sale of duty-free merchandise consisting of well-known brands of cosmetics and skin care products, baby care products, snacks, nutrition supplements and organic food;
- "Community Supermarket," an online service providing for the sale of convenience-oriented merchandise;
- Offline value-added services, such as trip booking provided in cooperation with China CYTS Tours Holdings Co., Ltd., dry cleaning and laundry, automobile maintenance and home decoration provided by local merchants.

(ii) *Turnkey furnishing services.* We offer to the owners and residents of our managed properties design and purchasing services with total turnkey furnishing packages to create a move-in ready residence. Leveraging our integrated supplier resources and centralized procurement, we assist the owners and residents of our managed properties in decorating and furnishing the units and purchasing furniture, home appliances and accessories, saving them time and efforts. We charge a pre-negotiated fee for our turnkey furnishing services. These services are offered and sold offline.

(iii) *Transport services.* We provide car rental services in cooperation with a joint venture of Kangdi Electric Vehicles Group, a public electric car rental service provider promoting "Micro Public Transport" in Hangzhou, in our managed communities in Hangzhou. We provide car parking spaces as well as charging facilities and charge a commission on each successful transaction. We have also entered into a one-year strategic cooperation agreement with DiDi Chuxing (滴滴出行), one of the world's largest smart transport service companies, pursuant to which we will set up designated DiDi stations in our managed communities and cooperate with DiDi on marketing activities. These services are offered and sold offline.

(iv) *Cultural and educational services.* We partner with educational service providers to provide a variety of cultural and educational services, which are offered primarily in the form of training and cultural activities, to owners and residents of all ages. For example, we offer early childhood education, preschool, playgroup and after-school study programs for children and interest courses for seniors. These services are offered and sold offline.

We generate revenue from life-style products and services in the following ways.

- Direct sale of products provided by our Company to our residents, resulting in profits from the difference between our procurement prices and our sale prices for the products. Examples include sale of groceries, cosmetics and other merchandise in our purchase assistance business line (all as described above). We use the cost-plus method to price our products by adding a mark-up to the unit cost of the products. Our mark-up varies depending on the types of the products and market prices.

- Direct sale of services provided by our Company to our residents, resulting in profits from the margin between the service fees we charge and the costs we incur in providing these services. Examples include turnkey furnishing services and cultural and educational services (all as described above). We use the cost-plus method to price our services by adding a mark-up to the cost of providing these services. Our mark-up varies depending on the types of the services and market prices.

- Offline recommendations of various products and services provided by third party merchants to our residents and settled offline, resulting in profits from commissions (fixed or contingent based on types of products and services) we charge for recommending these products and services. Examples include certain offline value-added services (such as dry cleaning and laundry, automobile maintenance and home decoration provided by local merchants) in our purchase assistance business line and transport services (all as described above). We determine our fixed commissions or commission rates based on commercial arrangements with our cooperative partners. Our contingent commission rates vary based on commercial negotiations and market rates.

Users of our “Happy Greentown” mobile application can pay for the products and services they purchase directly from us either offline at one of our property management offices or through a third party online payment system, such as Alipay and China UnionPay. According to our PRC legal advisors and the Joint Sponsors’ PRC legal advisers, an ICP License is not required for these transactions because they do not constitute value-added telecommunication services, such as sales of information services through Internet. Our PRC legal advisors and the Joint Sponsors’ PRC legal advisers have also confirmed that the current operating model for providing community products and services complies with all applicable laws and regulations in the PRC.

Property Value Management Services

Our major property value management services include:

(i) *Housing leaseback services.* We commenced our housing leaseback program in August 2014. To maximize the commercial value of vacant units in our managed communities, we assist the owners of these units by finding tenants. In some cases, we act as the owners' agent in leasing the units to tenants, for which we charge a commission. In all other cases, we lease the units from the owners and sublease the units to tenants, and in these circumstances we are obligated to pay rents to the landlords of these vacant units even if we are unable to sublease them to tenants. In 2015, seven out of the eight participating projects were profitable, while one participating project incurred a loss of approximately RMB0.5 million, resulting in a total gross profit of approximately RMB2.1 million from our housing leaseback program. Our Directors believe that no provision is needed for our housing leaseback program considering its historical profitability.

In addition, we have entered into a binding cooperation framework agreement with UoKo.com, a Chinese online apartment rental site headquartered in Chengdu, to set up a joint venture in which we will hold 40% equity interest. The joint venture, Zhejiang Greentown UoKo Asset Management Co., Ltd. ("**Greentown UoKo**"), was set up in September 2015 and since then has been accounted for as one of our associates. By entering into this joint venture, we expect to capitalize on UoKo's experience in property rental and lease vacant units in the communities that we manage through the joint venture to maximize the commercial value of the vacant units for the property owners and create an additional revenue stream for us. Pursuant to the framework agreement, we have agreed to contribute RMB12.0 million in three installments as the registered capital of Greentown UoKo with the last one to be paid before June 30, 2016, and we have contributed RMB6.0 million as of the Latest Practicable Date. Greentown UoKo will engage in interior and exterior design and decoration, real estate agency and asset management businesses. Our Company and Uoko will bear the expenses incurred in setting up the joint venture in proportion to each's respective shareholdings. Greentown Uoko will have five directors and our Company has the right to appoint the chairman of the board and one additional director. Greentown Uoko has a tentative term of 20 years or a shorter period approved by governmental authority.

(ii) *Property placement services.* We offer sales agency services for primary real estate transactions and brokerage services for secondary real estate transactions.

- Sales agency services for primary real estate transactions

We provide real estate developers with sales agency services with respect to (i) newly developed projects in selected cities and (ii) unsold units at our managed communities. We act as a sales agent for real estate developers, sourcing potential property buyers and assisting real estate developers in entering into real estate sale and purchase agreements with the buyers. We reach out to potential property buyers through our network of property management offices located at our managed communities across China. Leveraging the active engagement and relationships with the residents that we have nurtured through our property management operations, we have access to potential property buyers with proven spending power. As of the Latest Practicable Date, we also operated 37 property agency and brokerage offices located nationwide, through which we advertised and promoted properties. We typically charge the real estate developers a commission equal to a fixed percentage of the aggregate purchase price.

- Brokerage services for secondary real estate transactions

  We offer brokerage services for secondary sales or rental transactions. Through property management offices located at our managed communities across China, we provide brokerage services which primarily include property listing, advertising of property listings in the common areas at our managed communities and assistance in the negotiations and documentation of the leases. As of the Latest Practicable Date, we provided brokerage services through 37 property agency and brokerage offices located nationwide.

  Upon the closing of a successful secondary sale, we charge a commission equal to a pre-determined percentage of the purchase price, which is typically borne by the buyer. Upon the closing of a successful rental transaction, we charge the landlord an amount equal to 100% of the monthly rent and the tenant an amount equal to 50% of the monthly rent as commission for a rental transaction.

All of our property value management services are offered and sold offline.

We generate revenue from property value management services in the following ways:

- Leasing vacant units from property owners and subleasing the units to third parties, resulting in profits from the difference between the rent we pay to property owners and the rent we collect from tenants.
- Performing agency services to property owners or real estate developers, resulting in profits from commissions we charge in performing agency services.

The table below sets forth a breakdown of revenue, gross profit and gross profit margin of our community products and services platform by service types for the periods indicated.

	For the year ended December 31,								
	2013			2014			2015		
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin
	(RMB'000)	(RMB'000)	(%)	(RMB'000)	(RMB'000)	(%)	(RMB'000)	(RMB'000)	(%)
Community products and services									
Life-style products and services[1][2]	5,437	2,326	42.8%	12,253	5,529	45.1%	40,674	19,690	48.4%
Online transactions[3]	–	–	–	1,609[7]	5,529	45.1%	23,493	19,690	48.4%
Offline transactions[4]	5,437	2,326	42.8%	10,644			17,181		
Property value management services[5][6]	29,013	7,661	26.4%	28,609	6,709	23.5%	64,349	15,384	23.9%
Total	**34,450**	**9,987**	**29.0%**	**40,862**	**12,238**	**29.9%**	**105,023**	**35,074**	**33.4%**

Notes:

(1) Includes purchase assistance, turnkey furnishing services, transport services, and cultural and education services.

(2) Separate gross profit and gross profit margin information for online and offline transactions is not available because the cost of sales for these transactions is combined.

(3) Comprises revenue from our Greentown Select, Duty-free Shop and Community Supermarket services, which are conducted through our "Happy Greentown" mobile application and settled either through online payment systems or offline at one of our property management offices.

(4) Comprises revenue from our purchase assistance value-added services, turnkey furnishing services, transport services, and cultural and education services, which are conducted offline and settled offline at one of our property management offices.

(5) Includes housing leaseback services and property placement services.

(6) During the Track Record Period, all revenue from our property value management services was generated offline.

(7) Comprises revenue for the four months ended December 31, 2014.

The revenue and gross profit in each business line increased substantially during the Track Record Period, which was primarily due to an increase in registered users of our "Happy Greentown" mobile application and our efforts to promote our community products and services. The gross profit margin for each of these business lines did not fluctuate materially during the Track Record Period.

Home Living Services

Below is a summary of the major household services that we provide.

Property Repair and Maintenance

We offer property repair and maintenance services upon customers' request. For example, we provide home appliance, window and roof repair and maintenance services. For high-end residential communities such as those primarily comprising villas and townhouses, we also provide private courtyard and swimming pool cleaning and maintenance services. Our on-site property management staff provides substantially all of our property repair and maintenance services. Our property owners or residents can place a service order with our on-site property management staff by phone. We charge the residents by task or hour, depending on the type of services rendered.

Housekeeping Services

We partner with professional housekeeping service providers to provide on-site domestic services such as indoor and outdoor cleaning, exterior cleaning, carpet cleaning, disinfecting and hourly maid services.

Healthcare and Recreation

To capitalize on the growing gap between rising healthcare demand and China's developing healthcare infrastructure, we provide property owners and residents of our managed communities with access to convenient healthcare services. Our on-site health specialists offer basic, self-help examinations such as weighing and measuring blood pressure to the property owners and residents free of charge. In the event that a property owner or occupant seeks more advanced healthcare services, such as full-scale physical examinations, specialized testing, professional medical consultation and dental care, we refer the request to medical institutions with which we have cooperation agreements. We charge the medical institutions a pre-negotiated fixed referral fee for each successful referral.

In addition, we provide a series of programs organizing various recreational activities, primarily targeting the elderly and the children at our managed communities, such as swimming classes, summer camp programs, Tai Chi classes and dancing classes. We believe that these programs are a natural extension of our healthcare services. We collect program fees from the participants of these programs.

All of our home living services are offered and sold offline.

Community Space Services

Common areas belong to the properties' owners or developers. We assist the owners and developers in leasing out the advertisement spaces and charge a management fee for providing such services. In addition, we provide advertisement design, production and publication services to customers that purchase advertisement spaces in our publications which are distributed to the property owners and residents at our community. We also offer a wide range of activities utilizing the common areas of our managed communities. For example, we organize community events utilizing outdoor open spaces at our managed communities and charge corporate sponsor fees. We operate community clubhouses that provide residents with convenient facilities to socialize and relax and generate revenue for us by providing various amenities. All of our community space services are offered and sold offline. We believe that these services can increase our engagement level with the residents, and expand our access to consumer activities of the residents at the same time.

Selection of Third-party Merchants

To ensure the quality of products and services provided by merchants and the sustainability of our community value-added services, we screen and select suitable merchants based on factors including price competitiveness, quality of products or services, responsiveness to demands of customers and long-term sustainability.

We may select one third-party merchant to provide certain products or services to all managed communities within the same region or across the country, considering the nature of the product or service in question and the operating scale and capability of the merchant. For example, we may engage one merchant to provide home cleaning services to all our managed communities. With respect to local merchants mainly targeting neighborhood markets, such as neighborhood restaurants and tea houses, our staff at the community level select local merchants for each community to cater to different needs and preferences of the residents at such community.

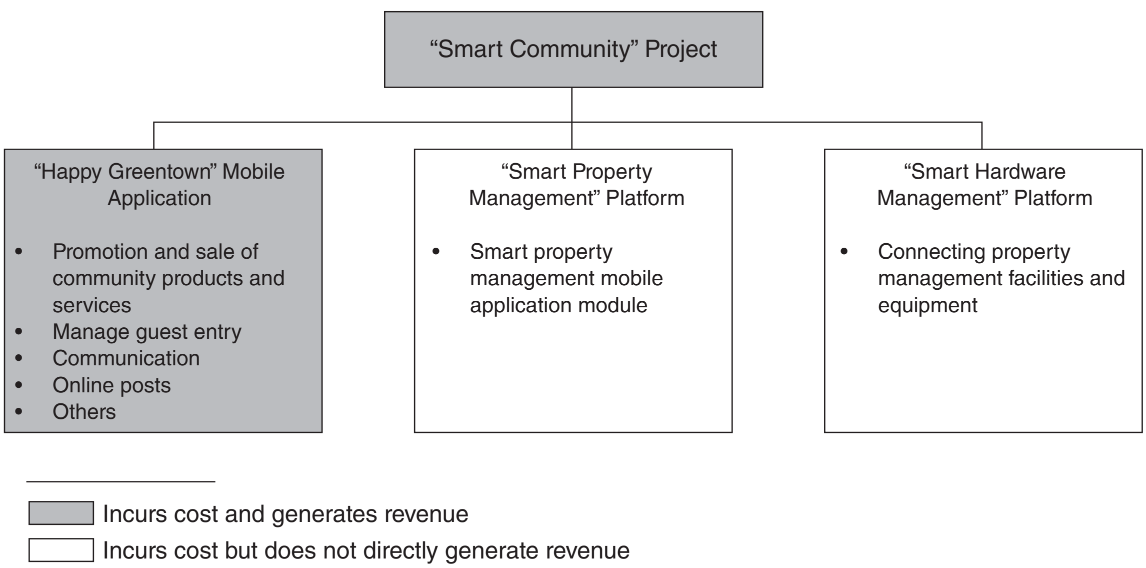
We typically enter into written agreements with merchants, setting forth, among other things, fee rates, settlement mechanisms, logistics for deliveries of products and services. The merchants are also required to indemnify us for losses incurred due to their defective products or substandard services. We may replace a third-party merchant in the event of substandard performances. For more details about our quality control over merchants, please refer to the sub-section headed "— Quality Control — Quality Control over Third-party Merchants" in this section.

OUR "SMART COMMUNITY" PROJECT

Seizing upon the rapid increase in the use of smart phones, the Internet and mobile applications in the PRC, we introduced our "smart community" project in September 2014 in selected residential communities. We aim to increase the efficiency in providing our services, reduce our reliance on labor and expand our community value-added service offering by implementing our "smart community" project.

Our "smart community" project primarily comprises three technology-driven components: (i) our "Happy Greentown" mobile application, which among others allows users to purchase certain products and services from us, (ii) our "smart property management" platform, which assists our staff in providing enhanced property management services and (iii) our "smart hardware management" platform, which connects the property management facilities and equipment at our managed properties via the Internet.

The diagram below sets forth the three components that constitute our "smart community" project:



Of the three components of our "smart community" project, our "Happy Greentown" mobile application generated revenue, while our "smart property management" platform and "smart hardware management" platform did not directly generate revenue during the Track Record Period.

Our "Happy Greentown" mobile application serves as the online gateway for certain of our community products and services. The gross profit margin for our community products and services has been higher than our overall gross profit margin. In 2013, 2014 and 2015, the gross profit for our community products and services was RMB10.0 million, RMB12.2 million and RMB35.1 million, representing gross profit margins of 29.0%, 29.9% and 33.4%. In the same years, our overall gross profit was RMB242.4 million, RMB363.1 million and RMB530.9 million, representing overall gross profit margins of 14.5%, 16.5% and 18.2%. Therefore, as we develop our "smart community" project (especially our "Happy Greentown" mobile application), we expect that the proportion of our revenue and gross profit from community products and services will increase and, as a result, our overall gross profit margin will improve.

Although our "smart property management" platform and "smart hardware management" platform did not directly generate revenue for us during the Track Record Period, we have been able to reduce staff costs and optimize our service processes by utilizing the automated technologies on both platforms. For more details, please refer to the sub-section headed "— Our 'Smart Community' Project — Our 'Smart Property Management' Platform and 'Smart Hardware Management' Platform" in this section.

We believe that our "smart community" project is beneficial to our other business lines. For instance, our "Happy Greentown" mobile application provides the residents of our managed communities with convenient access to diversified products and services, which we believe will improve their overall living experience. We believe that the residents' satisfaction will increase acceptance of the premium property management fees we charge for the high-end residential properties. Partially attributable to our enhanced brand image and customer satisfaction, our average property management fees for all properties increased from RMB2.94 per sq.m./month in 2014 to RMB3.06 per sq.m./month in 2015. Our focus on the "smart community" project is consistent with our competitive strategies. For details, please see the sub-section headed "— Our Core Value and Strategies — Continue to develop our "smart community" project to enhance the user experience and generate higher-margin revenue" in this section.

Our "Happy Greentown" Mobile Application

As part of our "smart community" project, our "Happy Greentown" mobile application is the online gateway to certain of our community products and services. Our "Happy Greentown" mobile application was developed for both Android and iOS based mobile devices. Since its introduction, our "Happy Greentown" mobile application has attracted an increasing number of registered users who browse and transact online and has become an essential method of offering certain of our community products and services.

Users of our "Happy Greentown" mobile application are primarily property owners and residents of our managed properties. To register user accounts, property owners and residents must provide genuine identity information, including names, addresses and telephone numbers, and our staff will corroborate the information submitted against our records. Only verified registration applications will be granted member accounts.

In addition to the revenue we receive from the sales of products and services through our "Happy Greentown" mobile application, we believe that the application provides us with the following additional benefits:

- *Increase our engagement level with property owners and residents*. Our location-based services and other mobile functionalities significantly increase the level of our engagement with property owners and residents, which we believe will improve customer loyalty and satisfy the diverse demand of the property owners and residents, which in turn creates greater market acceptance of our premium property management fees.
- *Diversify spending channels of our property owners and residents*. By providing online access to products and services delivered in our managed communities, we expect our "Happy Greentown" mobile application to broaden our access to consumer activities at our managed communities, thereby diversifying our revenue stream.

Since the launch of our "Happy Greentown" mobile application in September 2014, we have achieved significant progress in deploying this application, which is demonstrated by the following key metrics:

- As of December 31, 2015, our "Happy Greentown" mobile application covered 405 residential communities, accounting for approximately 63.1% of our managed residential communities, compared to eight residential communities and 1.5% of our managed residential communities as of September 30, 2014.
- The total number of transactions conducted using our "Happy Greentown" mobile application increased from 15,957 for the four months ended December 31, 2014 to 813,849 for the twelve months ended December 31, 2015.
- The average number of transactions per active registered user of our "Happy Greentown" mobile application increased from 1.4 for the four months ended December 31, 2014 to 6.6 for the twelve months ended December 31, 2015.
- The number of registered users of our "Happy Greentown" mobile application reached 180,422 in total as of December 31, 2015 covering 137,206 registered households, compared to approximately 1,091 registered users and 949 households as of September 30, 2014.
- We had 122,674 active registered users of our "Happy Greentown" mobile application as of December 31, 2015 compared to 508 as of September 30, 2014, representing an increase in the active registered user rate to 68.0% as of December 31, 2015 from 46.6% as of September 30, 2014.
- The revenue per registered user of our "Happy Greentown" mobile application was RMB68.51 for the four months ended December 31, 2014 and RMB130.21 for the twelve months ended December 31, 2015.

The table below summarizes our progress in deploying our "Happy Greentown" mobile application from September 2014 through December 2015.

	As of					
	2014		2015			
	September 30,	December 31,	March 31,	June 30,	September 30,	December 31,
Number of Communities Covered by "Happy Greentown" mobile application	8	41	195	223	265	405
Community Coverage Ratio(1)	1.5%	7.4%	34.2%	38.2%	44.3%	63.1%
Number of Registered Households	949	20,347	63,691	98,056	118,687	137,206
Household Registration Ratio(2)	51.0%	75.1%	79.4%	85.8%	90.3%	95.3%
Number of Registered Users	1,091	23,485	73,332	112,364	148,021	180,422
Number of Active Registered Users(3)	508	11,604	37,799	64,047	90,461	122,674
Active Registered User Ratio(4)	46.6%	49.4%	51.5%	57.0%	61.1%	68.0%

Notes:

(1) Calculated as the number of communities covered by our "Happy Greentown" mobile application divided by the total number of our managed communities.

(2) Calculated as the number of registered households divided by the total number of households in our managed communities covered by our "Happy Greentown" mobile application.

(3) "Active registered user" refers to a registered user who has logged into our "Happy Greentown" mobile application at least once within each calendar month during the respective year.

(4) Calculated as the number of active registered users divided by the number of registered users.

Registered Users

The table below sets forth the number of registered users of and revenue per registered user generated from our "Happy Greentown" mobile application as of the dates and for the periods indicated.

	As of December 31, 2014	For the four months ended December 31, 2014	As of December 31, 2015	For the twelve months ended December 31, 2015
	Number of registered users	Revenue per registered user	Number of registered users	Revenue per registered user
		(RMB)		(RMB)
Life-style products and services (online transactions)	23,485	68.51	180,422	130.21

We launched our "Happy Greentown" mobile application in September 2014 and had 23,485 registered users as of December 31, 2014. Our registered users increased significantly to 180,422 as of December 31, 2015 primarily due to our efforts in promoting the "Happy Greentown" mobile application in our managed communities in 2015. The revenue per registered user generated from our "Happy Greentown" mobile application was RMB68.51 for the four months ended December 31, 2014 and RMB130.21 for the twelve months ended December 31, 2015.

Active Registered Users

We launched our "Happy Greentown" mobile application in September 2014 and had 11,604 active registered users as of December 31, 2014. Our active registered users increased significantly to 122,674 as of December 31, 2015 primarily due to our efforts in promoting the "Happy Greentown" mobile application in our managed communities in 2015.

In addition to browsing and purchasing the products and services we offer online, users of our "Happy Greentown" mobile application can access the following services:

- *Manage guest entry to community*. A registered user can create a unique and temporary QR code pass for the guest, and then send the QR code pass via messaging applications to the guest. The guest can enter into the community by scanning the QR code pass on his mobile phone or other mobile devices.
- *Communicate*. Property owners and residents can receive public announcements and private messages posted by us with respect to property management services, service orders, pending events, activities, advertisements and promotions. They can also send us feedback and suggestions on our services via an embedded messaging system.
- *Online posts*. To increase the engagement level of our user base and create an active online community, we allow users to make online posts under a column named "The Neighborhood" ("鄰里") on our "Happy Greentown" mobile application. Through online posts, users can organize community gatherings and events. They can also list information about second-hand goods for sale, property for sale and to rent.

- *Others*. The property owners and residents of our managed properties may register for community activities, track package deliveries, track product and service orders and deliveries on our "Happy Greentown" mobile application.

Our "Smart Property Management" Platform and "Smart Hardware Management" Platform

"Smart Property Management" Platform

Our "smart property management" platform primarily comprises a "smart property management" mobile application module, which assists our property management staff in performing various property management functions and providing selected community value-added services.

Our "smart property management" mobile application module is installed on hand-held devices we issue to our property management staff. It facilitates the provision of our property management services and community value-added services by allowing our staff to perform a series of functions through the hand-held devices, increasing operating efficiency and reducing reliance on labor. For example, our staff can scan the QR code displayed on common-area equipment and facilities at our managed properties, which will prompt repair and maintenance instructions to automatically appear on the hand-held devices, guiding our staff through the work process. When a property owner or occupant places a service order, such as a service order for property repair and maintenance, via our "Happy Greentown" mobile application, such order will be pushed on a real-time basis to the hand-held devices of all property management staff at the relevant community and thereby reduce our response time.

"Smart Hardware Management" Platform

Our "smart hardware management" platform connects the smart property management facilities, equipment and devices at our managed properties via the Internet allowing them to exchange data and be sensed and controlled remotely. The platform creates opportunities for more direct integration between the physical world and computer-based systems, leading to improved efficiency, accuracy and reduced reliance on labor. For example, all the surveillance cameras at the entry points, reception areas and water pump room are connected to the Internet and the image data is pushed to the surveillance platform at our headquarters. Therefore, we are able to monitor our managed residential communities from our control room in real time. The platform also includes automation equipment, such as smart car-park security systems, smart package receipt and delivery system, smart surveillance system, smart visitors and vehicles entry-exit control system.

Enhance Our Residents' Experience

The aforementioned functionalities offered on our "smart property management" platform and "smart hardware management" platform have enhanced our residents' experience in their daily life from entry-exit control to package delivery and to property repair and maintenance. Although our "smart property management" platform and "smart hardware management" platform did not directly generate revenue for us during the Track Record Period, we have been able to reduce staff costs by utilizing the automated technologies on both platforms. For instance, our property management personnel can monitor the status of various pieces of equipment through hand-held devices and therefore we can reduce our number of technicians who conduct regular in-person inspections. By installing surveillance cameras at entry points, reception areas and water pump rooms, we can reduce the number of security guards without sacrificing the security of our residential areas. We believe that the automated technologies utilized on both platforms will improve our service quality and users' satisfaction, which we believe will enhance our brand image and increase acceptance of the premium property management fees we charge for high-end residential properties.

AWARDS AND RECOGNITION

We have received numerous awards in recognition of the quality and popularity of our services, among which include the following:

Award Year	Awards/Recognition	Awarding Institution/Authority
2015	Top Hundred Fastest-growing Companies (浙江省成長性最快百強企業)	Enterprises Association of Zhejiang Province (浙江省企業聯合會), Entrepreneurs Association of Zhejiang Province (浙江省企業家協會), and the Industrial Economic Federation of Zhejiang Province (浙江省工業經濟聯合會)
2012, 2014 and 2015	China Top Hundred Property Management Company with the Most Satisfied Property Owners (Rank No.1) (中國物業服務百強滿意度領先企業) (第一名)	China Index Academy (中國指數研究院)
2011–2015	China Top Hundred Property Management in Overall Strength (Rank No. 2) (中國物業服務百強企業綜合實力第二名)	China Index Academy (中國指數研究院)
2015	2014-2015 Top Hundred Socially Responsible Companies (Rank No. 3) (2014-2015中國物業服務年度社會責任企業) (第三名)	China Index Academy (中國指數研究院)
2013–2015	Leading China Featured Property Services Company (中國特色物業服務領先企業)	China Index Academy (中國指數研究院)
2012–2015	Top Hundred Companies in Zhejiang in the Service Industry (浙江省服務業百強企業)	Enterprises Association of Zhejiang Province (浙江省企業聯合會), Entrepreneurs Association of Zhejiang Province (浙江省企業家協會), and the Industrial Economic Federation of Zhejiang Province (浙江省工業經濟聯合會)
2012	Hangzhou Top Hundred Service Provider Enterprises (杭州市服務業企業100強)	People's Government of Hangzhou, Zhejiang Province (浙江省杭州市人民政府)

Award Year	Awards/Recognition	Awarding Institution/Authority
2009	Outstanding Services Award for the Eleventh National Games of the PRC (第十一屆運動會全運村優質服務獎)	The Eleventh National Games of the People's Republic of China (中華人民共和國第十一屆運動會全運村)
2007	China Urban Management Development Award (中國城市管理進步獎)	China Urban Forum (中國城市論壇)

OUR SUPPLIERS

During the Track Record Period, our top five suppliers were primarily sub-contractors for (i) our property management services and (ii) certain property consulting services, such as display unit management services. For more details, please refer to the sub-section headed "— Our Sub-contractors" in this section. We also cooperate with a number of merchants in the operation of our community value-added services, who supply us with products and services that we offer to property owners and residents, such as bottled water, rice and cooking oil. The following table sets forth the major suppliers for each of the three segments:

Segments	Major suppliers
Property management services	Sub-contractors
Property consulting services	Sub-contractors
Community value-added services	Merchants

All of our top five suppliers are sub-contractors that provide cleaning, landscaping, maintenance and security services. For the years ended December 31, 2013, 2014 and 2015, our cost of sales amounted to RMB1,429.2 million, RMB1,841.5 million and RMB2,387.7 million, respectively. Purchases from our top five suppliers collectively amounted to RMB88.7 million, RMB229.7 million and RMB424.4 million, accounting for approximately 6.2%, 12.5% and 17.8% of our total cost of sales, respectively, and purchases from the largest supplier amounted to RMB59.9 million, RMB192.7 million and RMB282.2 million, representing approximately 4.2%, 10.5% and 11.8%, respectively, of our cost of sales for the same years. We have maintained business relationships with our top five suppliers during the Track Record Period on average for approximately seven years. We do not have any long-term agreements with our top five suppliers. We typically enter into one-year agreements with our suppliers and renew them on an annual basis.

None of our Directors, their respective close associates or any Shareholders who, to the best knowledge and belief of our Directors, owned more than 5% of our total issued share capital as of the Latest Practicable Date, has any interest in any of our top five largest suppliers during the Track Record Period except that Zhejiang Gelingtong Elevator Engineering Company Limited (浙江格靈通電梯工程有限公司) ("**Zhejiang Gelingtong Elevator Engineering**"), a company which is held as to 50% by Hangzhou Dangui Investment, one of our top five sub-contractors, provides elevator maintenance services accounting for no more than 1% of our total purchase amount during the Track Record Period.

OUR SUB-CONTRACTORS

We have been outsourcing and expect to continue to outsource certain labor-intensive services and specialized or technical services primarily security, cleaning, gardening, repair and maintenance services, to sub-contractors, which enables us to lower our operating costs, improve service quality and dedicate more resources to improving service quality and to management and other value-added services. For example, in July 2015 we began to outsource a substantial portion of our security services by engaging sub-contractors to supply security guards. As of December 31, 2015, we had a total number of 14,443 security guards in all of our managed communities, of which 10,380 were provided by our sub-contractors.

Our sub-contractors specialize in the services they perform and, therefore, operate in an efficient manner. We believe such sub-contracting arrangements allow us to leverage the human resources and technical expertise of the sub-contractors, reduce our staff costs and enhance the overall profitability of our operations. For the three years ended December 31, 2013, 2014 and 2015, sub-contracting costs (including fees we paid for services outsourced to sub-contractors, such as common area cleaning, landscaping, public facility maintenance and security services) amounted to RMB186.8 million, RMB348.9 million and RMB801.2 million, accounting for approximately 13.1%, 18.9% and 33.6% of our total cost of sales, respectively. The sub-contracting arrangements have positively affected our cost structure. Our sub-contracting cost as a percentage of total cost of sales increased from 18.9% in 2014 to 33.6% in 2015, while our staff cost as a percentage of total cost of sales decreased from 64.1% in 2014 to 48.2% in 2015. Sub-contracting costs and staff costs on a combined basis as a percentage of total cost of sales decreased by 1.2% from 2014 to 2015. Based on our experience in the property management industry in the PRC, we believe that there are readily available alternative sub-contractors that could replace any of our existing sub-contractors if necessary. Therefore, we do not consider our business operations to be reliant on the services provided by any of our sub-contractors.

As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our five largest sub-contractors except that Zhejiang Gelingtong Elevator Engineering, one of our top five sub-contractors, provides elevator maintenance services accounting for no more than 1% of our total purchase amount during the Track Record Period.

Management of Sub-contractors

We maintain a list of qualified suppliers (including sub-contractors) based on our assessment of factors including their professional qualifications, industry reputation and credentials, financial strength, past performance, service quality and price competitiveness. For each sub-contractor included in the list, we prepared a file record to track its background, qualifications and past performance in providing sub-contracted services to us, if applicable. Our list of qualified sub-contractors is subject to periodic review.

We typically engage our sub-contractors through competitive bidding processes, which are administered by internal committees comprising management members, finance personnel, quality control personnel and technical personnel. The internal committees assess the submitted bids and consider a wide range of factors, such as the bidding firms' professional qualifications, industry reputation and credentials, financial strength and price competitiveness, in selecting the bid award. Selected bids are submitted to our headquarters for final review and approval.

Once a selected sub-contractor commences to provide the contracted services, we regularly monitor and evaluate its performance. The sub-contractor's record will also be updated from time to time based on such evaluations. In the event of repeated sub-standard performances, the sub-contractor will be terminated.

Key Terms of Our Sub-contracting Agreements

We enter into sub-contracting agreements with our independent sub-contractors on normal commercial terms. The key terms of our typical sub-contracting agreements include the following.

- *Term.* A sub-contracting agreement typically has a term ranging from one to three years and may be renewed upon mutual consent. The agreement terminates automatically if the corresponding real estate developer does not renew the preliminary property management agreement with us, or if the corresponding property owners' association, after establishment, does not engage us as the property management service provider. Upon termination, we settle the services fees with our sub-contractor based on the actual services provided.

- *Our responsibilities.* We are typically responsible for providing accommodations to on-site staff dispatched by the sub-contractors and other necessary working facilities such as storage units.

- *Obligations of sub-contractors.* The sub-contractors are responsible for providing services in accordance with the scope and standards prescribed in the sub-contracting agreement and in compliance with all applicable laws and regulations. In the event of sub-standard performance, the sub-contractors are required to take necessary rectification measures within the period required by us. If they fail to do so, we have the right to unilaterally terminate the sub-contracting agreements. Sub-contractors are required to manage their staff providing the contracted services and there is no employment relationship between our Company and the staff personnel of our sub-contractors.

- *Risk allocation*. The sub-contractors are responsible for any damage to property or persons caused by the fault of the sub-contractors in the course of providing the contracted services. The sub-contractors are also required to pay all social security and housing provident funds contributions for its staff in accordance with PRC laws and bear the liabilities in the event of any non-compliance with applicable PRC laws or industry standards. We typically require the sub-contractors to indemnify us for any damages that they cause to the properties of the residents and our Company.

- *Procurement of raw materials.* Raw materials may be procured by the sub-contractors themselves or provided by us in accordance with the terms of sub-contracting agreements. If sub-contractors are responsible for procuring raw materials, the procurement costs are usually added on top of the sub-contracting fees.

- *Sub-contracting fees.* Sub-contracting fees are typically determined with reference to costs incurred in connection with the procurement of raw materials, labor costs and other miscellaneous costs incurred by the sub-contractors. We may conduct annual surveys among the property owners and residents with respect to the quality of services provided by our sub-contractors and adjust the sub-contracting fees based on the outcomes of such surveys.

- *No assignment.* Sub-contractors may not assign or sub-contract their obligations to any third party without our prior consent.

OUR CUSTOMERS

We have a large, growing and loyal customer base primarily consisting of property owners and residents of the properties we manage, real estate developers and property management companies. The following table sets forth the major customers for each of the three segments:

Segments	Major customers
Property management services	Property owners and residents
Property consulting services	Real estate developers and property management companies
Community value-added services	Property owners and residents

For the years ended December 31, 2013, 2014 and 2015, revenue from our top five customers collectively amounted to RMB149.9 million, RMB180.8 million and RMB279.8 million, accounting for approximately 9.0%, 8.2% and 9.6%, respectively, of our total revenue. Revenue from Greentown China, which is our single largest customer amounted to RMB110.3 million, RMB144.9 million and RMB223.5 million for the years ended 2013, 2014, 2015, representing approximately 6.6%, 6.6% and 7.7% of our total revenue for the years ended December 31, 2013, 2014 and 2015, respectively. We have had ongoing business relationships with our top five customers during the Track Record Period on average for approximately seven years.

None of our Directors, their respective close associates or any Shareholders, to the best knowledge and belief of our Directors, owned more than 5% of our total issued share capital as of the Latest Practicable Date, has any interest in any of our five largest customers during the Track Record Period, except that Mr. Shou Bainian, our non-executive Director and Ultimate Controlling Shareholder, and Mr. Song Weiping, our Ultimate Controlling Shareholder, collectively own 18.6% of Greentown China. Revenue generated from property management services provided to Greentown China and its consolidated subsidiaries amounted to RMB41.5 million, RMB68.7 million and RMB115.2 million for the years ended December 31, 2013, 2014 and 2015, respectively, representing approximately 3.4%, 4.2% and 5.5% of our revenue from property management services in the respective years.

Customer Relationship Management

Our customer relationship management process aims to build and maintain sustainable customer relationships by focusing on delivering superior customer value and satisfaction, which we believe is critical to the long-term success of our business. We have taken a wide range of measures to actively build long-term relationships with our customers, primarily including:

- *Managing customer touch-points*. We have adopted a Service Standardization Manual for Twenty Customer Touch-points (《"二十觸點"服務標準工作手冊》), which lays out the service standards and procedures with respect to 20 categories of selected customer touch-points, such as community gates, hallways and elevator cabins, which are key locations where we interact with property owners and residents.

- *Strengthening customer bonds*. We regularly organize "open-house" events to enhance the transparency of our operations. During the events, we invite the property owners' supervision committees to visit and engage in open dialogue with our on-site property management team.

- *Managing customer satisfaction and communications*. We regularly conduct surveys of the satisfaction level among the property owners and residents of our managed properties to proactively identify issues. We prepare annual and quarterly property management work reports, which are accessible to all property owners of the communities we manage. We have also set up a nationwide toll-free hotline "95059," through which property owners and residents can provide us with their feedback and suggestions. Through our "Happy Greentown" mobile application, property owners and residents can also receive public announcements and private messages from us, pending events and activities and advertisements and promotions.

- *Complementary services.* We offer certain community value-added services free-of-charge, such as organizing physical exercises for the seniors, organizing festive and celebratory activities in the common areas, offering "free-to-use" umbrellas, shopping trolleys, baby strollers and bicycles to the property owners and residents. We have been offering free swimming classes to children living in some of our managed communities for seven consecutive summers since 2009 and over 16,000 children signed up for the program in 2015. These services typically can be provided by our on-site property management staff at no or low costs. In addition, we organize and sponsor community gala and sports events from time to time. We believe offering these free-of-charge services increases our engagement level with the property owners and residents at minimal cost and accentuate our role as the single point of contact for their life-style and everyday needs and improve their satisfaction level.

SALES AND MARKETING

Our sales and marketing team is primarily responsible for planning and developing our overall marketing strategy, conducting market research, coordinating our sales and marketing activities to acquire new customers and maintain and strengthen our relationships with existing customers. Our headquarters manages our overall sales and marketing strategies, while our regional subsidiaries and branches oversee the implementation of our sales and marketing activities within their respective regions.

We have taken sales and marketing measures that are tailored to the characteristics of the following categories of customers:

- *Property owners and residents*. We intend to continue improving our property management service quality to obtain more recommendations and referrals by our existing property owners and residents customers, which we believe is an effective and cost-efficient way to promote our business. We believe our community value-added services also helps us obtain new engagements for our property management services by providing property owners and residents of our managed properties with the benefit of accessing a wide range of products and services addressing their life-style and everyday needs.

- *Third-party merchants*. We solicit merchants to cooperate with us in providing our community value-added services to property owners and residents of our managed properties.

COMPETITION

The property management industry in the PRC is highly competitive and fragmented with numerous market participants. We believe that the PRC property management industry has relatively low entry barriers for the mid-tier and low end segments but relatively higher entry barriers for high-end segment. As a leading player in high-end residential property management, according to China Index Academy, our property management services primarily compete against large national, regional and local property management companies. According to China Index Academy, as of December 31, 2015, there were around 100,000 property management companies, which generally provide property management services to residential and commercial properties.

We believe that the principal competitive factors include, among others, operation scale, price and quality of services, brand recognition and financial resources.

Our property consulting services primarily compete against consulting companies and other property management companies providing similar services. Our community value-added services primarily compete against a wide range of firms and individuals providing similar services, such as firms and individuals providing property repair and maintenance services and property agency and brokerage services.

For more details about the industry and markets that we operate in, please refer to the section headed "Industry Overview" in this prospectus.

RESEARCH AND DEVELOPMENT

As of December 31, 2015, we had a team of 26 research and development personnel, all of whom have college degrees. Our in-house research and development team is primarily responsible for (i) developing technological solutions in support of our "smart community" project in cooperation with external information technology companies and (ii) the maintenance of our "smart community" platforms, including our "Happy Greentown" mobile application, the "smart property management" platform and the "smart hardware management" platform.

Our total expenditure for research and development amounted to RMB3.1 million, RMB3.1 million and RMB8.6 million for the years ended December 31, 2013, 2014 and 2015, respectively.

QUALITY CONTROL

We have a proven track record in prioritizing quality in our services, and we believe quality control is crucial to the long-term success of our business. As of December 31, 2015, we had a dedicated quality control team consisting of 14 members, who primarily focus on, among other things, maintaining service standards, standardizing service procedures and supervising service quality at the corporate level. Our quality control team has an average of over five years of relevant industry experience and all of them have college degrees.

Quality Control over Property Management Services

We have obtained ISO 9000, ISO 14001 and OHSAS 18000 certification in recognition of our service quality. The ISO 9000 family of quality management systems standards is designed to help organizations ensure that they meet the needs of customers and other stakeholders while meeting statutory and regulatory requirements related to a product. ISO 9000 deals with the fundamentals of quality management systems, including the eight management principles upon which the family of standards is based. ISO14001 is a family of standards related to environmental management that exists to help organizations (a) minimize how their operations (processes, etc.) negatively affect the environment (i.e., cause adverse changes to air, water, or land); (b) comply with applicable laws, regulations, and other environmentally oriented requirements, and (c) continually improve in the above. OHSAS 18000 is an international occupational health and safety management system specification. To ensure consistent and high-quality services, we standardize our property management services across all our managed properties. For example, we require our property management staff to complete inspection checklists after each round of regularly-scheduled inspections to record and monitor their most updated conditions. The checklists are specifically designed for different types of devices and equipment. We have also adopted a dual valuation system comprising our internal supervision and external feedback, which enables us to effectively manage the quality of our services and enhance our customer experience. For more details about our standardization initiatives and our dual valuation system, please refer to the sub-section headed "— Property Management Services — Standardization of Property Management Services" in this section.

During the ordinary course of our business operations, we receive feedback and suggestions from property owners and residents of the communities we manage from time to time regarding our services. We have established internal procedures to record, process and respond to the feedback and suggestions, including complaints and conduct follow-up reviews of the results of our responses. During the Track Record Period, we did not experience any customer complaints about our services or products that would have a material adverse impact on our operations or financial results.

Quality Control over Sub-contractors

We typically engage our sub-contractors through competitive bidding processes and consider a wide range of factors such as professional qualifications, industry reputation and credentials, financial strength, past performance, service quality and price competitiveness. For more details, please refer to the sub-section headed "— Our Sub-contractors — Management of Sub-contractors" in this section.

We typically include in the agreements with sub-contractors detailed quality standards for the services to be provided. We regularly monitor and evaluate the performance of the sub-contractors and may require the sub-contractors to take necessary rectification measures when their services do not meet the agreed standards. We may also conduct annual surveys among property owners and residents regarding the quality of services provided by our sub-contractors. We have the contractual right to adjust the sub-contracting fees depending on the outcomes of such surveys.

Quality Control over Third-party Merchants

We implement a variety of measures or policies to the products and services offered, such as screening candidate merchants before entering into cooperation agreements with them and incorporating performance indicators to incentivize such merchants to provide quality products and services. The merchants are also required to indemnify us for losses incurred due to their defective products or substandard services. We also have the right to replace a third-party merchant in the event of substandard performance. For more details, please refer to the sub-section headed "— Community Value-added Services — Selection of Third-party Merchants" in this section.

INTELLECTUAL PROPERTY

We regard our trademarks, domain names, trade secrets and other intellectual property rights as key components of our brand equity and an integral part of our business operations. As of the Latest Practicable Date, we were the registered proprietor of ten trademarks that we believe are material to our business and filed registration applications for one trademark. For more details, please refer to the section headed "Statutory and General Information — 2. Intellectual Property Rights of Our Group" in Appendix IV to this prospectus.

In addition, we have developed a "Happy Greentown" mobile application for both Android and iOS platforms, which serves as an online gateway for certain of our community products and services.

As of the Latest Practicable Date, we were not aware of (a) any infringement which could have a material adverse effect on our business operations by our Group against any intellectual property rights of any third party or by any third party against any intellectual property rights of our Group, or (b) any disputes with third parties with respect to intellectual property rights.

EMPLOYEES

As of December 31, 2013, 2014 and 2015, we had a total of approximately 17,761, 23,767 and 15,016 employees, respectively. The following table sets forth a breakdown of our employees by function as of December 31, 2015.

Operation	14,835
Quality control	15
General management and administration	125
Finance	15
Research and development	26
Total	**15,016**

The following table sets forth a breakdown of our employees by geographic location as of December 31, 2015.

Hangzhou	3,711
Yangtze River Delta (excluding Hangzhou)	6,842
Bohai Economic Rim	2,043
Pearl River Delta Business Region	824
Other regions	1,596
Total	**15,016**

We have been outsourcing and expect to continue to outsource certain labor-intensive service tasks and specialized technical service tasks, primarily including security, cleaning, gardening, repair and maintenance services to sub-contractors, which allows us to dedicate more resources to developing higher margin services. As of December 31, 2015, an aggregate of 22,332 positions providing security, cleaning, gardening, repair and maintenance services were outsourced to independent third parties. In July 2015, we began to outsource a substantial majority of our security function in terms of the number of security guards. As of December 31, 2015, we outsourced approximately 10,380 security guards to independent third-party security companies, accounting for approximately 71.9% of all the security guards at our managed properties. This transition led to a decrease in the number of our own employees providing security services, reducing our headcount to 15,016 employees as of December 31, 2015 from 23,767 as of December 31, 2014. We had 9,911, 12,800 and 14,443 personnel performing security function as of December 31, 2013, 2014 and 2015, respectively. For details of how we manage and select our sub-contractors, please see the sub-section headed "— Our Sub-contractors — Management of Sub-contractors" in this section.

We believe such sub-contracting arrangements allow us to leverage the human resources and technical expertise of the sub-contractors, reduce our reliance on labor and enhance the overall profitability of our operations. For the three years ended December 31, 2013, 2014 and 2015, sub-contracting costs amounted to RMB186.8 million, RMB348.9 million and RMB801.2 million, representing approximately 13.1%, 18.9% and 33.6% of our total cost of sales, respectively. Based on our experience in the PRC, we believe that there are readily available alternative sub-contractors that could replace any of our existing sub-contractors if necessary. Therefore, we do not consider our business operations to be reliant on the services provided by any of our sub-contractors.

We are not subject to any collective bargaining agreements with respect to our operations in the PRC. We believe that we maintain a good working relationship with our employees, and we did not experience any material labor disputes or shortages during the Track Record Period. Pursuant to applicable PRC laws, we have made contributions for our employees to social security funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident fund, except for instances disclosed in the sub-section headed "— Legal Proceedings and Compliance" in this section. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant labor disputes that had a material adverse effect on our business.

Our ability to attract, retain and motivate qualified personnel is critical to our success. We believe that we are able to attract and retain qualified personnel by offering our employees competitive compensation, systematic training and promotion opportunities. With our team of energetic and dedicated employees, we strive to provide services that exceed our customers' expectations, which we believe will help us to secure new opportunities.

Recruiting

We endeavor to hire the best available employees in the market by offering competitive wages and benefits, systematic training opportunities and internal upward mobility. Our recruiting processes primarily comprise the following stages:

- *Candidate sourcing.* We source candidates through a variety of channels including local job placement centers, labor agencies, vocational schools, online advertisements and employee referrals. For example, our employee referral programs are designed to encourage our existing employees to select and recruit suitable candidates from their social networks, expanding the pool of available candidates in a cost-efficient manner.

- *Screening and selection.* Our screening and selection processes primarily include (i) review and screening of resumes, (ii) face-to-face interviews, (iii) vocational preference testing and (iv) background checks. Our review and screening of candidate resumes take into account a variety of factors, such as an applicant's age, education credentials, work experience, professional qualifications, personality and potential. To standardize the interview processes, we have adopted internal guidelines such as our *Guidance on Interview Procedures* (《面試流程規範管理指引》).

- *Hiring.* We require all new hires to attend our work safety briefings before they can commence work. We also assign experienced managers to newly hired management-level personnel as mentors to provide the new hires with tailored coaching and guidance. For more details, please refer to the sub-section headed "— Training" in this section.

Training

We provide systematic and extensive training programs to our employees. Our employee training programs are primarily classified into the following categories:

- *New hire training.* We provide orientation training to new hires, introducing them to our corporate culture and showing them videos to visually demonstrate our service standards and procedures. We also assign our experienced managers to serve as mentors for newly hired management-level personnel. The mentors provide new hires with tailored coaching and guidance and engage in periodic meetings with the new hires to assess their performance. For certain selected new hires with potential, we provide them with full-time training camp sessions at our headquarters, during which the new hires receive training modules at more advanced levels.

- *On-the-job training.* We provide online training courses on various aspects of our business operations, such as quality control and customer relationship management, to our employees. We also offer professional certification training on property management services to our employees. As of December 31, 2015, 204 of our employees have obtained the Certificate for Certified Property Manager (物業管理師證書) issued by the Ministry of Housing and Urban-rural Development (住房和城鄉建設部) in the PRC.

- *Training for newly promoted employees.* We provide training focused on management skills to our employees newly promoted to management roles and above certain management levels. To strengthen our commitment to quality, we have established a rotation program under which all candidate employees, prior to being promoted to the level of manager responsible for a community that we manage, must be rotated to and serve in our quality control team for several months.

We operate Hangzhou Greentown Vocational Training School (杭州市綠城職業培訓學校), a wholly-owned vocational training institute approved by the local government to provide vocational training on property management services. We believe this has helped us to strengthen the quality and sustainability of our trainings provided to our employees.

Career Development

We focus on providing career development opportunities to our employees and opportunities for internal upward mobility, which we believe not only helps to retain our key employees but also produces management personnel needed for our expanding business operations.

Based on a survey of our management personnel, we established a behavioral model to measure the capabilities of our employees in relation to suitability for managerial roles. We identify outstanding employees who demonstrate promising potential and assign them to our management trainee program to facilitate their training and career development. Depending on their job performance, we structure clear promotion tracks for such employees that allow them to mature and assume more managerial responsibilities.

Retention

Our employee retention measures primarily focus on the following areas:

- *Offering competitive wages and benefits.* We offer our employees attractive remuneration packages, subject to adjustments based on their job performance and in response to local labor market conditions. We also provide our employees with benefits such as physical examinations, employee assistance fund program, which is intended to help employees deal with personal financial problems that might adversely impact their health and well-being and we match our employees' contributions to the fund, and "Green Leaf" project under which we sponsor selected employees to pursue continued education.
- *Increasing the level of engagement.* We organize periodic team building activities such as group dinners, sport events, photography, singing, themed essay competitions to instill in our employees our corporate culture and increase the engagement level with our employees. We also conduct interviews with employees to seek feedback about their concerns and suggestions.
- *Promoting internal upward mobility opportunities.* We provide career development opportunities to our employees to help improve their managerial and professional skills and advance their careers. For more details, please refer to the sub-section headed "— Career Development" in this section.
- *Promote partnership program*. We plan to establish a partnership program including employee partners and management partners. In our flat management model, our senior management and employees become our partners by participating in the performance incentive program and share award scheme. By entering into these partnerships and sharing profits and risks with us, our management and employees become engaged entrepreneurs, and they show greater initiative, creativity and enthusiasm in their work.

SOCIAL HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

We are subject to PRC laws in relation to labor, safety and environment protection matters. In addition, we have established occupational safety and sanitation systems, implemented the national occupational safety and sanitation rules and standards, and provided employees with workplace safety trainings to our employees on a regular basis to increase their awareness of work safety issues. As advised by our PRC legal advisors, during the Track Record Period and up to the Latest Practicable Date, we have complied with PRC laws in relation to workplace safety in all material respects and have not had any incidents which have materially and adversely affected our operations.

We consider the protection of the environment to be important and have implemented measures in the operation of our businesses to ensure our compliance with all applicable requirements. Given the nature of our operations, we do not believe we are subject to material environmental liability risk or compliance costs. During the Track Record Period and up to the Latest Practicable Date, no fines or penalties for non-compliance of PRC environmental laws had been imposed on us. Our PRC legal advisors are of the view that we are not subject to any material administrative penalties due to violation of environmental laws in the PRC.

INSURANCE

We believe that our insurance coverage is in line with industry practice in the PRC. We maintain insurance policies against major risks and liabilities arising from our business operations, primarily including (i) public liability insurance to cover liabilities for damages suffered by third parties arising out of our business operations, (ii) insurance to cover losses of cash owned or held by us in the course of our business operations, (iii) property insurance for damages to both movable and immovable property, (iv) machinery insurance to cover losses from damages to machinery and equipment and (v) employer's liability insurance to cover liabilities associated with workplace injuries to our employees. We require our sub-contractors to purchase accident insurance for their employees who provide services to our Group, and in accordance with our agreements with sub-contractors, the sub-contractors are responsible for all workplace injuries to their employees, except for the injuries directly attributable to us.

We are covered by adequate property and liability insurance policies with coverage features that we believe are customary for similar companies in the PRC. However, our insurance coverage may not adequately protect us against certain operating risks and other hazards, which may result in adverse effects on our business. For more details, please refer to the risk factor headed "We are exposed to risks in relation to work safety and occurrence of accidents" in the section headed "Risk Factors" in this prospectus.

PROPERTIES

We occupy certain properties in the PRC and Hong Kong in connection with our business operations. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are principally used as our office premises for our operations.

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all of our Group's interests in land or buildings, for the reason that, as of December 31, 2015, none of the properties interests has a carrying amount of 15% or more of our consolidated total assets. Pursuant to Chapter 5 of the Listing Rules, this prospectus is not required to include valuations of our properties.

We summarize below certain information regarding properties material to our operations:

Self-owned Properties

We owned properties with an aggregate GFA of approximately 11,384 sq.m. as of the Latest Practicable Date. We use those properties as offices. We have entered into pre-sale agreements in 2014 to purchase an office building in Xixi International Commerce Center for an aggregate purchase price of approximately RMB121.4 million and the underground parking spaces for an aggregate purchase price of approximately RMB9.1 million. We have prepaid the full purchase prices. The office building, which has a total GFA of 7,446 sq.m., and the underground parking spaces were delivered in early June 2016.

The table below sets forth a summary of all the properties owned by us which are considered material to our business. None of the other properties is individually material to our operations.

Location	Use of Property	Approx. GFA (sq.m.)
Union Plaza, Liuxia County, Xihu District, Hangzhou	Office	3,265

As of the date of this prospectus, we have not obtained valid title certificate for the property in Union Plaza due to the seller's delay in completing certain registration processes for selling the property to our Company. Our PRC legal advisors do not foresee any legal impediment to obtaining the building ownership certificate once the seller has completed its registration process.

Leased Properties

As of the Latest Practicable Date, we leased 64 properties with a total GFA of over 12,000 sq.m. for offices and warehouses in the PRC. In addition, we leased 468 apartments which are used as our staff quarters. None of these properties is individually material to our operations.

Our PRC legal advisors have advised us that our lease agreements for all our leased properties in the PRC are valid and enforceable, and we are lawfully entitled to occupy and use the leased buildings in accordance with the terms of the lease agreements.

Pursuant to the applicable PRC laws and regulations, leases must be registered with housing administration authorities. As of the Latest Practicable Date, we, as the lessee, did not register the leases for 36 of our offices and warehouses and 343 apartments that we use for staff quarters. We were advised by our PRC legal advisors that a penalty of RMB1,000 to RMB10,000 per agreement may be imposed on us as a result of non-registration. The total amount of potential penalty is expected to be RMB379,000 to RMB3.79 million for failing to register the leases.

Our PRC legal advisors have advised us that our failure to register the lease agreements would not affect the validity of the lease agreements. In the event that we are required by competent authorities to rectify the non-compliance with lease registration requirement and we are not able to rectify due to lack of cooperation from the landlords, we intend to terminate the non-compliant leases, find alternative locations nearby and relocate without causing any material disturbances.

We had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of our failure to register the leases described above. Based on the above described factors, our PRC legal advisors are of the view that the risk we would be penalized as a result of our failure to register leases is remote. Our Controlling Shareholders have undertaken to indemnify us for any penalty or other monetary damages incurred as a result of the failure to register the lease agreements.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. Neither we nor any of our Directors is currently a party to any material legal, arbitral or administrative proceedings. We are not aware of any threat of, any claims or any legal, arbitral or administrative proceedings, which, in our opinion, is likely to have a material adverse effect on our business, financial conditions or results of operations.

The following table sets forth our material non-compliance incidents under the relevant PRC laws and regulations during the Track Record Period and up to the Latest Practicable Date, and the corrective actions we have taken in response to this incident:

Non-compliance Incidents	Reasons for the non-compliance	Legal consequences and potential maximum penalties	Remedies and rectification measures taken
We failed to make contributions to the social security and housing provident funds for some of our employees as required by the PRC government.	These non-compliance incidents occurred primarily because some of our employees chose not to be enrolled in the social security fund and/or housing provident fund as they did not want to bear their portion of the contributions. It was to a less extent caused by administrative oversight, our local staff's unfamiliarity with relevant regulatory requirements, and PRC local authorities' inconsistent implementation or interpretation of the relevant regulations.	Our PRC legal advisors have advised us that, under PRC laws and regulations, we might be subject to late fees and fines for not making social security contributions in full amount in a timely manner. If any competent government authority is of the view that the social security payments we made for our employees do not satisfy the requirements under relevant PRC laws and regulations, we might be ordered to pay the unpaid amount within a certain period and a late fee that equals 0.05% of the total unpaid amount per day. If we fail to pay the unpaid amount or the late fee, we may be subject to a fine ranging between one to three times of the total unpaid amount of the social security fund contribution. Our PRC legal advisors have also advised us that, if any competent government authority is of the view that the housing provident fund contributions we made did not satisfy the requirements under PRC laws and regulations, it can order us to pay the unpaid amount to the relevant local authorities within a certain period and a fine in an amount ranging from RMB10,000 to RMB50,000. Our Controlling Shareholders have undertaken to indemnify us for any unpaid amount, penalty and other monetary damages incurred as a result of our failure to make contributions to the social security and housing provident funds in full amount. For more information relating to risk associated with this non-compliance, please refer to the risk factor headed "We may be subject to fines for our failure to make full amount of contributions to social security and housing provident funds for some of our employees" in the section headed "Risk Factors" in this prospectus.	During the Track Record Period, some of our subsidiaries were requested by competent governmental authorities to make up overdue contributions to the social security funds upon the authorities' review of those subsidiaries' year-end financial statements filed for tax purposes, the full amount of which had been paid. We have obtained compliance certificates from competent governmental authorities confirming that none of those subsidiaries had been penalized for violation of PRC laws with respect to social security funds during the Track Record Period. Our PRC legal advisors have advised us that the risk of those subsidiaries being fined for failing to make social security fund contributions in full amount on time is remote. Therefore, our Directors are of the view that no provision is necessary in respect of the social security fund contributions required to be made by those subsidiaries. Further, some of our other subsidiaries failed to pay contribution to housing provident fund but have not been requested by any authorities or employee to pay the overdue amount. We have therefore made provisions in the amount of approximately RMB1.9 million in aggregate with respect to housing provident funds, which we believe is sufficient to cover our liabilities in respect of the unpaid housing provident fund contributions for those subsidiaries. As of the Latest Practicable Date, all of the employees for whom we did not make full amount of contribution have undertaken that they would not claim from us their portion of the social security fund and housing provident fund and would waive any rights against us.

The following table sets forth our systemic non-compliance incidents under the relevant PRC laws and regulations during the Track Record Period and up to the Latest Practicable Date:

Non-compliance Incidents	Reasons for the non-compliance	Legal consequences and potential maximum penalties	Remedies and rectification measures taken
As of the Latest Practicable Date, we have not registered the leases for 36 leased offices and warehouses and 343 apartments that we used for staff quarters with housing administration authorities of the PRC as required under PRC law.	These non-compliance incidents were primarily caused by lack of cooperation from the landlords in registering lease agreements, which was beyond our control. Registration of lease agreements requires the landlords' cooperation, including submitting of their identity documentations and building title certificates to the relevant authorities.	We were advised by our PRC legal advisors that we might be ordered to rectify this non-compliance by competent authorities and if we fail to rectify within a certain period, a penalty of RMB1,000 to RMB10,000 per agreement may be imposed on us as a result of non-registration. The estimated total amount of penalty for our failure to register leases is approximately RMB379,000 to RMB3.79 million. We did not receive any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of our failure to register the leases described above. Our PRC legal advisors have advised us that the failure to register the lease agreements would not affect the validity of the lease agreements and the risk we will be penalized is remote. Our Controlling Shareholders have undertaken to indemnify us for any penalty or other monetary damages incurred as a result of the failure to register the lease agreements. For more information relating to risks associated with this no-compliance, please refer to the risk factor headed "We have not registered all of our lease agreements with the Ministry of Housing and Urban Development and its local counterparty and as a result we may be subject to fines." in the section headed "Risk Factors" in this prospectus.	In the event that we are required by competent authorities to rectify the non-compliance with lease registration requirement, we intend to find alternative locations nearby and relocate without causing any material disturbances. Given the nature of our business, we do not believe relocation of any of these staff quarters, offices or warehouses would cause any material disruption to our operations. Although we may incur additional relocation costs, our Directors believe that there will not be any material impact on our business, operation or financial condition. Based on our PRC legal advisors' opinion, our Directors are of the view that no provision is required to be made in respect of our non-compliance with lease registration requirements.

Our Directors, as advised by our PRC legal advisors, confirm that, as of the Latest Practicable Date, except as disclosed in the above table, we had complied with relevant PRC laws in all material respects.

In order to continuously improve our corporate governance and internal control and to prevent recurrence of non-compliance in the future, we have adopted the following measures:

(i) we have implemented a policy on managing social security and housing provident funds for our employees;

(ii) we will send out reminders to the landlords of the relevant leased properties to request them to complete the filing and registration procedures; however, as we have no control over the landlords, we are not able to estimate how much time it will take to complete the filing and registration procedures;

(iii) we have adopted procedures to evaluate future leases, which includes a checklist containing requirements that must be satisfied, such as document submissions by the landlord necessary for registering the lease, before we enter into any material lease agreement; our relevant staff members will check the registration status of newly executed lease agreements and follow up with the relevant parties if a lease agreement has not been timely registered;

(iv) we have provided and plan to continue to provide senior management and legal staff with training regarding the legal and regulatory requirements applicable to our operations from time to time;

(v) we have engaged PRC legal advisors to provide legal advice on compliance with PRC laws and regulations and provide trainings to our senior management and legal staff;

(vi) we have engaged Haitong International Capital Limited as our compliance advisor to advise our Directors and management on matters relating to the Listing Rules for the term commencing on the Listing Date and ending on the date of dispatch of the annual report of our Company in respect of our financial results for the first full financial year commencing after the Listing Date;

(vii) our Board has established an audit committee to oversee our internal control, including, among others, reviewing and making recommendation to our Board in respect of our Group's policies and practices on internal control, reviewing and monitoring our Group's policies and practices on compliance with any requirement, direction and regulation that may be prescribed by the Board, contained in any constitutional documents of our Group, or imposed by the Listing Rules and other applicable laws, regulations, rules and codes, and ensuring that appropriate monitoring systems are in place to ensure compliance against the relevant internal control systems, processes and policies, and monitoring the implementation of our Group's plan to maintain compliance with own risk management standards; and

(viii) we have engaged an independent external consulting firm as our independent internal control consultant to review our internal controls over financial reporting for certain areas at some of our entities based on a pre-agreed scope and approach, and have implemented the recommendations made by the independent internal control consultant.

Views of our Directors

Having considered the nature and reasons for the historical non-compliance incidents identified above and the advice from our PRC legal advisors, the corrective actions taken and the internal control measures adopted by our Company and our Directors are of the view that (i) our Group's internal control measures are adequate and effective to prevent recurrence of future non-compliance incidents; (ii) our Group has adequate and effective internal control procedures in place for the purpose of Rule 3A.15(5) of the Listing Rules; and (iii) the past non-compliance incident does not affect the suitability of our Directors to act as directors of a listed issuer under Rules 3.08 and 3.09 of the Listing Rules or the suitability for listing of our Company under Rule 8.04 of the Listing Rules. With respect to the material non-compliance incident as mentioned above, the Joint Sponsors concur with the view of the Directors of our Company.

INTERNAL CONTROL AND RISK MANAGEMENT

It is the responsibility of our Board to oversee and ensure that our Group maintains sound and effective internal control and risk management systems to safeguard our Shareholders' investment and our Group's assets at all times. We have engaged an external internal control advisory firm to carry out a review of our internal control in preparation for the Listing, which covers (i) entity-level controls and business process controls over financial closing and reporting, sales, purchases, treasury, and general information technology controls; and (ii) a report to our Company on factual findings and recommendations for improvements of internal controls over the above-mentioned processes and procedures. We have adopted a series of internal control policies, procedures and programs designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws following the suggestions from the external-internal control advisory firm.

We maintain a set of risk management policies and measures to identify, evaluate and manage risks arising from our operations. The major features of our risk management policies include the following:

- we have adopted stringent quality control and supervision measures and procedures to prevent risks. For more details, please see the sub-section headed "— Quality Control" in this section;
- our human resources department is responsible for monitoring the compliance with our internal rules and manuals by our employees to ensure that we comply with the relevant regulatory requirements and applicable laws, so as to reduce our legal risks;
- we have put in place internal procedures for handling complaints from customers;
- we have also formed an audit committee comprising of three independent non-executive Directors as part of our measures to improve risk management and corporate governance. The primary duties of the audit committees are to provide our Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of our Group, to oversee the audit process and to perform other duties and responsibilities as assigned by our Directors; and

- we have established a selection and monitoring policy in relation to the sub-contractors engaged by our Company, including the selection criteria and the review systems to deal with any complaints/negligence with regards to the sub-contractors.

OUR CASH MANAGEMENT POLICY

We have a cash management system involving our management team that is responsible for functions in the treasury cycle, including cash receipts, cash disbursements, reconciliation of balances, among others. Appropriate authorization must be obtained for all activities in our treasury cycle, including opening and use of bank accounts, payments, purchases and sales, among others. Our cash management policy also sets out detailed requirements for proper documentation and recording of cash receipts and payments.

Property Management Fees

We set forth below the procedures for property management fee collection, reconciliation and recording.

- Before we collect management fees from the residents, we check the outstanding amounts recorded in our system and require the residents to pay the same amounts.
- Management fees can be paid in cash or by bank card or bank transfer. The residents will receive receipts for the amounts they have paid.
- We require our management offices to deposit all management fee payments that were made in cash into bank accounts of our subsidiaries on a timely basis and maintain the bank receipts for bookkeeping and reconciliation purposes.
- Staff at the finance departments of our subsidiaries are required to conduct reconciliation between the cash receipts as recorded in the internal cash collection records prepared by the management offices against the customer receipts, bank receipts for the management fees paid in cash, POS receipts for the management fees paid by bank card and bank statements for management fees paid by bank transfer.
- Our finance departments of our subsidiaries will prepare monthly financial reports based on their management accounts and send the draft reports to the management offices for them to double check before the reports are finalized.

The table below sets forth our cash handling procedures for properties managed the under lump sum model.

Cash flow transactions	Cash handling policies and internal control measures
Payments of management fees from the residents to the management offices	We do not set up separate accounts for projects managed under the lump sum model because we are entitled to retain the full amount of the management fees collected under the lump sum model.
Deposit of cash in our subsidiaries' bank accounts	When the management fees are paid in cash, we require the management offices to deposit the cash in the bank accounts of our subsidiaries on a timely basis. We check the bank account balances on a regular basis.
Transfer from our subsidiaries' bank accounts to our Company's centralized bank account	We have set a deposit cap for each bank account of our subsidiaries. Every Monday, Wednesday and Friday, the funds in each bank account of our subsidiaries in excess of the cap will be transferred to our Company's centralized bank account.
Applications of the management fees to pay the suppliers	Our payment authorization procedures require payments in excess of certain amounts or for certain purposes to be reviewed and approved by our headquarters. Those payments can only be processed when they comply with our internal policy and have been properly authorized. Other payments may be made directly out of the bank accounts of our subsidiaries after being approved by the general managers in charge of the relevant subsidiaries. The finance departments at our subsidiaries are required to check the bank account balances on a regular basis and reconcile any discrepancies between our accounting records and our subsidiaries' records.

The table below sets forth our cash handling procedures for properties managed under the commission model.

Cash flow transactions	Cash handling policies and internal control measures
Payments of management fees from the residents to the management offices	Separate bank accounts are set up to deposit management fees collected from the residents of the projects managed under the commission model to ensure that the management fees are segregated from our Company's fund. Property owners' associations are not legal persons under PRC law and therefore are not permitted to open bank accounts. We thus open and manage bank accounts on behalf of property owners' associations.
Deposit of cash in the segregated bank accounts that we set up on behalf of the property owners' associations	When the management fees are paid in cash, we require the management offices to deposit the cash in the segregated bank accounts that we set up on behalf of the property owners' associations on a timely basis. We check the bank balances on a regular basis.
Transfer from the segregated bank accounts that we set up on behalf of the property owners' associations to our bank accounts	A pre-determined percentage of the property management fees collected will be transferred to our bank accounts and recognized as revenue. The remaining amount will stay in the segregated bank accounts that we set up on behalf of the property owners' associations and be used as working capital of the relevant properties.
Applications of the management fees to pay the suppliers	All payments to be paid out of the segregated bank accounts that we set up on behalf of the property owners' associations generally need to be approved by the relevant property owners' association. The finance departments at our subsidiaries are required to check the bank account balances on a regular basis and reconcile any discrepancies between our accounting records and the management offices' records.

Cash Collected on Behalf of the Property Owners' Associations

Cash collected on behalf of the property owners' associations represent funds received from leasing out the common areas at our managed communities.

We set forth below the procedures for collection, disbursements and recording of cash collected on behalf of the property owners' associations.

- We set up separate accounts for funds collected on behalf of the property owners' associations and require the tenants to make payments directly by bank transfer or cheques to the segregated banks accounts. Property owners' associations are not legal persons under PRC law and therefore are not permitted to open bank accounts. Our project companies thus open and manage bank accounts on behalf of property owners' associations.
- In case any payments are made in cash, our staff is required to deposit them in the segregated bank accounts set up by our project companies on behalf of the property owners' associations on a timely basis.
- All payments out of these segregated banks accounts are required to be approved by the property owners' associations.
- At the end of each calendar year, we will offer to the property owners' associations to engage an independent accounting firm to perform an audit on these separate accounts. In any case, we will on a regular basis publish the management accounts showing the proceeds received from leasing out the common areas and payments made out of the segregated bank accounts set up by our project companies on behalf of the property owners' associations on the notice board of the relevant community for the residents' inspection.

Receipts on Behalf of Residents

Receipts on behalf of residents mainly represents utility fees we collect from the residents at our managed properties to be paid to the utility companies.

We set forth below the procedures for utility fee collection, reconciliation, disbursements and recording.

- Payments for utility fees are made in cash or by bank card to our subsidiaries' bank accounts. Our residents will receive receipts for all the utility fee payments they made to us.
- Management offices are required to deposit all cash received for utility fees into bank accounts on a timely basis and maintain the bank receipts.
- Staff at the finance departments of our subsidiaries are required to conduct reconciliation between the cash receipts as recorded in the internal cash collection records prepared by the management offices against the customer receipts, bank receipts for the management fees paid in cash, POS receipts for the management fees paid by bank card and bank statements for management fees paid by bank transfer before they prepare their management accounts.
- Before we make payments to the utility companies in accordance with their bills, our management offices will prepare expenses statements for the utility fee payments and publish them on the notice board in the relevant community.
- If no resident objects to the amounts set out in the statements, the management offices will submit the expense statements to the relevant finance department at our subsidiaries and the finance department will then process the payments to the utilize companies and record the transaction in its accounting system.

Payments Made on Behalf of Residents

Payments made on behalf of residents mainly represent utility fees we paid on behalf of the residents at our managed properties to the utility companies.

We set forth below the procedures for utility fee disbursement, collection, reconciliation and recording.

- We pay the utility fees according to the bills issued by the utility companies.
- Our management offices calculate the amount of the utility fee to be paid by each residential unit based on the records provided by the utility companies.
- Our management offices will prepare a utility fee payment notice accompanied by a breakdown of the amount by each residential unit for each residential community and publish them on the notice board in the relevant community. The utility fees are payable after the publication period has expired.
- Residents make payments for utility fees in cash or by bank card to our subsidiaries' bank accounts or at our management offices. Our residents will receive receipts for all utility fee payments made to us.
- The management offices are required to deposit all cash received for utility fees into bank accounts on a timely basis and maintain the bank receipts.
- Staff at the finance departments of our subsidiaries are required to conduct reconciliation between the cash receipts as recorded in the internal cash collection records prepared by the management offices against the customer receipts, bank receipts for the management fees paid in cash, POS receipts for the management fees paid by bank card, and bank statements for management fees paid by bank transfer before they prepare their management accounts.

To enhance our risk management with respect to payments made on behalf of residents, we adopted a new collection policy at the beginning of 2016. According to our new policy,

- When the utility fees become overdue for more than two months, our staff at the management offices will contact the relevant residents by phone or home visits to collect the outstanding fees;
- If the fees have not been paid within a reasonable time period despite the phone calls and home visits, we will deliver payment notices in person or to the mailboxes of the relevant residents and follow up with frequent payment reminders; and
- For payments that are overdue for more than 12 months, our legal counsel will send out demand letters. In the event of significant payment delays after repeated failed collection attempts, we may initiate legal proceedings to collect the fees.

In order to improve the collection of utility fees, we have included terms in our property management agreements for some of our residential communities requiring residents to prepay utility fees. We plan to include the utility fee prepayment requirements in the property management agreements for the remaining communities when renewing their agreements and in all new property management agreements.

LICENSES, PERMITS AND CERTIFICATES

Our Directors, as advised by our PRC legal advisors, confirm that, as of the Latest Practicable Date, we had obtained all material licenses, approvals and permits from relevant PRC authorities for our operations in the PRC and all of them are valid and in force. Our material permits and licenses in the PRC primarily include the following Property Management Qualification License issued by MOHURD and its local counterparties.

Name of the licenses, permits and approvals	Granting authority	Issuance date	Expiration date
Property Management Qualification Certificate (Level One) (物業服務企業資質證書(壹級))	MOHURD (中華人民共和國住房和城鄉建設部)	September 9, 2015	No expiration date
Property Management Qualification Certificate (Level One) (物業服務企業資質證書(壹級))	MOHURD (中華人民共和國住房和城鄉建設部)	October 9, 2014	No expiration date
Property Management Qualification Certificate (Level One) (物業服務企業資質證書(壹級))	MOHURD (中華人民共和國住房和城鄉建設部)	February 12, 2015	February 6, 2018
Property Management Qualification Certificate (Level One) (物業服務企業資質證書(壹級))	MOHURD (中華人民共和國住房和城鄉建設部)	July 1, 2014	No expiration date
Property Management Qualification Certificate (Level Two) (物業服務企業資質證書(貳級))	Housing Security and Housing Administration Bureau of Shanghai City (上海市住房保障和房屋管理局)	March 29, 2013	No expiration date
Property Management Qualification Certificate (Level Two) (物業服務企業資質證書(貳級))	Housing Security and Housing Administration Bureau of Shanghai City (上海市住房保障和房屋管理局)	October 29, 2013	No expiration date
Property Management Qualification Certificate (Level Two) (物業服務企業資質證書(貳級))	Beijing Municipal Commission of Housing and Urban-Rural Construction Committee (北京市住房和城鄉建設委員會)	March 26, 2013	No expiration date
Property Management Qualification Certificate (Level Two) (物業服務企業資質證書(貳級))	Urumqi Shuimogou Bureau of Construction (烏魯木齊市水磨溝區建設局)	September 1, 2015	September 1, 2020
Property Management Qualification Certificate (Level Three) (物業服務企業資質證書(叁級))	Bureau of Housing and Urban-Rural Development of Cixi City (慈溪市住房和城鄉建設局)	November 22, 2012	No expiration date
Property Management Qualification Certificate (Level Two) (物業服務企業資質證書(貳級))	Ningbo Housing and Urban-Rural Development Committee (寧波市住房和城鄉建設委員會)	July 9, 2015	July 9, 2018

Name of the licenses, permits and approvals	Granting authority	Issuance date	Expiration date
Property Management Qualification Certificate (Level Three) (物業服務企業資質證書(叁級))	Urban and Rural Planning and Construction Management Committee of Jiaxing City (嘉興市城鄉規劃建設管理委員會)	September 17, 2014	September 17, 2017
Property Management Qualification Certificate (Level Three) (物業服務企業資質證書(叁級))	Land Resources and Housing Administration Bureau of Qingdao City (青島市國土資源和房屋管理局)	January 8, 2014	January 7, 2017
Property Management Qualification Certificate (Level Three) (物業服務企業資質證書(叁級))	Hangzhou Housing Security and Management Bureau (杭州市住房保障和房產管理局)	January 16, 2014	January 16, 2017
Property Management Qualification Certificate (Level Three) (物業服務企業資質證書(叁級))	Xinyang Real Estate Management Center	April 19, 2012	April 19, 2019
Property Management Qualification Certificate (Level Three) (物業服務企業資質證書(叁級))	Hangzhou Housing Security and Management Bureau (杭州市住房保障和房產管理局)	December 15, 2015	December 15, 2018

Some of our material permits and licenses have a limited period of validity. We monitor the validity status of our permits and licenses and make timely applications for the renewal of relevant permits and licenses prior to their expiration date. We have not experienced any material difficulty in obtaining or renewing the required permits and licenses for our business operations during the Track Record Period and up to the Latest Practicable Date. Our PRC legal advisors have advised us that there will not be any material legal impediment in renewing our material permits and licenses as they expire in the future.

GENERAL

The following table sets forth certain information concerning our Directors and senior management personnel:

Name	Age	Time of joining our Group	Existing position in our Company	Date of appointment as Directors or senior management	Key role
Directors					
Ms. Li Hairong (李海榮)	59	October 1998	Chairlady and executive Director	November 24, 2014	Responsible for presiding over the Board, for the development strategy and strategic planning of our Group as well as for making decisions for material operational matters
Mr. Yang Zhangfa (楊掌法)	44	February 2002	Executive Director and chief executive officer	November 27, 2015	Responsible for the overall business operations and daily management of our Group, making decisions for material operational matters, participating in the Board decisions and implementing the resolutions of the Board
Mr. Wu Zhihua (吳志華)	37	June 2003	Executive Director and chief operating officer	November 27, 2015	Responsible for management works relating to the overall operation of our Group as well as for management of administrations and human resources
Mr. Chen Hao (陳浩)	46	May 2015	Executive Director	November 27, 2015	Responsible for the management of community products and services of our Group
Mr. Shou Bainian (壽柏年)	62	September 2000(1)	Non-executive Director	November 27, 2015	Responsible for providing guidance and supervision regarding the business and operation of our Group

Note:

(1) As an indirect holder of equity interests in Greentown Property Management.

Name	Age	Time of joining our Group	Existing position in our Company	Date of appointment as Directors or senior management	Key role
Ms. Xia Yibo (夏一波)	53	September 2002[(1)]	Non-executive Director	November 27, 2015	Responsible for providing guidance and supervision regarding the business and operation of our Group
Mr. Tian Zaiwei (田在瑋)	67	June 13, 2016, effective upon Listing	Independent non-executive Director	June 13, 2016, effective upon Listing	Responsible for supervising and providing independent judgment to our Board
Mr. Poon Chiu Kwok (潘昭國)	54	June 13, 2016, effective upon Listing	Independent non-executive Director	June 13, 2016, effective upon Listing	Responsible for supervising and providing independent judgment to our Board
Mr. Wong Ka Yi (黃嘉宜)	41	June 13, 2016, effective upon Listing	Independent non-executive Director	June 13, 2016, effective upon Listing	Responsible for supervising and providing independent judgment to our Board

Senior Management

Apart from Mr. Yang Zhangfa and Mr. Wu Zhihua, the following are other members of the senior management:

Ms. Fang Minqing (方敏青)	45	August 2000	Chief quality officer	November 27, 2015	Responsible for management and control of the quality of our services as well as for management of our customer relationship
Mr. Yuan Weidong (原衛東)	46	November 2014	Chief technology officer	November 27, 2015	Responsible for the coordination and operation of the "smart community" project of our Group
Mr. Ho, Kenneth Kai Chung (何啟忠)	50	August 2015	Chief financial officer and joint company secretary	November 27, 2015	Responsible for finance and accounting work and company secretarial matters of our Group
Ms. Fan Li (樊琍)	39	March 2002	Chief marketing officer	November 27, 2015	Responsible for the market development of our Group

Our Directors and members of the senior management do not have any relationship with one another, other than being our Directors and members of the senior management.

BOARD OF DIRECTORS

Our Board is responsible for and has general powers over the management and conduct of our business. It consists of nine Directors including four executive Directors, two non-executive Directors and three independent non-executive Directors.

Executive Directors

Ms. Li Hairong (李海榮), aged 59, was our sole Director from the date of our incorporation until November 26, 2015 and was re-designated as our chairlady and executive Director on November 27, 2015. From June 1997 to September 1998, Ms. Li held various positions at Greentown Property Group Co., Ltd. (綠城房地產集團有限公司) (being the wholly-owned subsidiary of Greentown China which engages in the business of property development), including being its vice general manager, executive vice general manager and executive general manager. She joined our Group in October 1998 and has been responsible for the development strategy and strategic planning of our Group as well as for making decisions for material operational matters. Ms. Li has been the Chairlady of Greentown Property Management since October 1998, and was also its general manager from October 1998 to February 2011, where she was primarily responsible for its overall management and daily operation. She also served as the executive general manager of Greentown Holdings from January 2006 to October 2015. She has also been a Certified Property Manager authorized by the MOHURD since May 2013.

In addition, Ms. Li currently holds or had held directorship in various other subsidiaries of our Company, including those set out below:

Name of entity	Period of time
Greentown Property Management	October 1998 – present
Shanghai Lvyu Property Management Company Limited (上海綠宇物業管理有限公司)	January 2003 – September 2012
Beijing Greentown Property Management Company Limited (北京綠城物業管理有限公司)	October 2003 – October 2012
Zhejiang Greentown Real Estate Consulting Company Limited (浙江綠城房地產諮詢有限公司)	January 2005 – August 2014
Anhui Greentown Property Management Company Limited (安徽綠城物業管理有限公司)	April 2005 – March 2013
Ningbo Greentown Property Management Company Limited (寧波綠城物業管理有限公司)	May 2006 – November 2012
Zhejiang Greentown Real Estate Agency Company Limited (浙江綠城房屋置換有限公司)	May 2007 – December 2012
Jiaxing Greentown Property Service Company Limited (嘉興綠城物業服務有限公司)	April 2008 – June 2012
Zhejiang Greentown Property Community Service Company Limited (浙江綠城物業園區生活服務有限公司)	April 2009 – April 2015
Zhejiang Greentown Hotel Management Company Limited (浙江綠城酒店管理有限公司)	January 2010 – May 2012
Hangzhou Greentown Vocational Training School (杭州市綠城職業培訓學校)	May 2011 – July 2014
Shanghai Lvfeng Property Management Company Limited (上海綠豐物業管理有限公司)	August 2011 – October 2013
Xinjiang Greentown Property Management Company Limited (新疆綠城物業服務有限公司)	August 2011 – June 2014

Name of entity	Period of time
Greentown Service Group Investment Co. Ltd.	November 2014 – present
Greentown Service Group (Hong Kong) Co. Limited	December 2014 – present
Hangzhou Osmanthus Garden Investment Management	July 2015 – present
Greentown Property Service Group (Hong Kong) Co. Limited.	November 2015 – present

Ms. Li has been a vice president of China Property Management Association (中國物業管理協會) since June 2010. She has also been a vice president of the Zhejiang Province Real Estate Industry Association (浙江房地產協會) and the head of its Property Management Special Committee (物業管理專業委員會) since December 2011 and July 2012, respectively. She was awarded as Person of the Year in the 2009 Hangzhou Quality of Life and Comfortable Life Reviews Conference ("2009杭州生活品質 • 舒適生活"點評發佈會) in April 2009. Ms. Li graduated from the Department of Basic Specialized Training for Party and Government Officials (黨政管理幹部基礎專修科) of Zhejiang Radio and Television University (浙江廣播電視大學) in Zhejiang Province, the PRC in July 1988.

Mr. Yang Zhangfa (楊掌法), aged 44, has been our executive Director and chief executive officer since November 27, 2015. He is responsible for the overall business operation and daily management of our Group, making decisions for material operational matters, participating in Board decisions and implementing the resolutions of the Board. Mr. Yang joined our Group in February 2002 and has served in various positions in Greentown Property Management, including the assistant to general manager from April 2002 to March 2003, the vice general manager from March 2003 to February 2008, the executive vice general manager from February 2008 to January 2009, the executive general manager from January 2009 to February 2011 and the general manager from February 2011 to present. He has also been the general manager of Shanghai Xinhu Greentown Property Services Co., Ltd. (上海新湖綠城物業服務有限公司) since March 2012 and is in charge of its overall management and daily operation.

In addition, Mr. Yang currently holds or had held directorship in various subsidiaries of our Company, including those set out below:

Name of entity	Period of time
Zhejiang Greentown Real Estate Consulting Company Limited (浙江綠城房地產諮詢有限公司)	January 2005 – present
Shanghai Lvyu Property Management Company Limited (上海綠宇物業管理有限公司)	April 2005 – August 2012
Beijing Greentown Property Management Company Limited (北京綠城物業管理有限公司)	August 2005 – October 2012
Greentown Property Management	May 2006 – present
Zhejiang Lvsheng Property Management Company Limited (浙江綠升物業服務有限公司)	February 2008 – present
Jiaxing Greentown Property Service Company Limited (嘉興綠城物業服務有限公司)	April 2008 – June 2012
Hangzhou Liuzhuang Hotel Management Company Limited (杭州留莊酒店管理有限公司)	September 2009 – August 2012
Zhejiang Greentown Hotel Management Company Limited (浙江綠城酒店管理有限公司)	January 2010 – May 2012
Hangzhou Xiaoshan Tulip Hotel Management Company Limited (杭州蕭山鬱金香岸酒店管理有限公司)	November 2010 – September 2012
Hangzhou Greentown Vocational Training School (杭州市綠城職業培訓學校)	May 2011 – present

Name of entity	Period of time
Ningbo Greentown Advertisement Company Limited (寧波綠城廣告有限公司)	July 2011 – December 2012
Shenyang Greentown Property Services Company Limited (瀋陽綠城物業服務有限公司)	April 2012 – present
Shenyang Bihe Real Estate Agency Company Limited (瀋陽必和房產置業有限公司)	June 2012 – present
Hangzhou Greentown Chengpin Property Management Company Limited (杭州綠城誠品物業管理有限公司)	June 2012 – present
Zhejiang Greentown Lvfa Property Management Company Limited (浙江綠城綠發物業服務有限公司)	November 2012 – present
Zhejiang Greentown Real Estate Agency Company Limited (浙江綠城房屋置換有限公司)	December 2012 – present
Anhui Greentown Property Management Company Limited (安徽綠城物業管理有限公司)	March 2013 – present
Twin Cities Network	April 2015 – present
Hangzhou Osmanthus Garden Investment Management	July 2015 – present
Zhejiang Greentown Yuhua Education and Technology Company Limited (浙江綠城育華教育科技有限公司)	July 2015 – present

Mr. Yang has also been a bidding expert for property management in Hangzhou (杭州市物業管理招投標專家) and an expert for assessment of excellent property management projects in Hangzhou (杭州市物業管理優秀項目考評專家庫成員) since March 2014 and July 2014, respectively. Mr. Yang has been a Certified Property Manager authorized by MOHURD since May 2013. He graduated from Zhejiang University (浙江大學) in Hangzhou, the PRC in July 1997 majoring in real estate development and management, and he graduated from Hunan University (湖南大學) in Changsha, the PRC in April 2005 through long distance learning majoring in business administration.

Mr. Wu Zhihua (吳志華), aged 37, has been our executive Director and chief operating officer since November 27, 2015. He is responsible for management work relating to the overall operation of our Group as well as for management of administration and human resources. Before joining our Group, Mr. Wu worked in Zhejiang Guesthouse Co., Ltd. (浙江賓館有限公司) from July 2002 to June 2003. Mr. Wu joined our Group in June 2003 and was subsequently promoted as the executive vice general manager and the general manager of Zhejiang Lvsheng Property Management Company Limited (浙江綠升物業管理有限公司) from April 2008 to August 2008 and from August 2008 to December 2008, respectively. He also served as the assistant to general manager, the vice general manager and the vice executive general manager of Greentown Property Management from January 2009 to February 2011, from February 2011 to November 2014 and from December 2014 to present, respectively. Mr. Wu worked as the general manager of Zhejiang Greentown Hotel Management Company Limited (浙江綠城酒店管理有限公司) from January 2010 to March 2014, and the general manager of Zhejiang Greentown Property Community Service Company Limited (浙江綠城物業園區生活服務有限公司), one of our wholly-owned subsidiaries, from February 2013 to September 2013, respectively, and his primary responsibility in such entities was the management of daily operations.

In addition, Mr. Wu currently holds or had held directorship in various subsidiaries of our Company, including those set out below:

Name of entity	Period of time
Zhejiang Lvsheng Property Management Company Limited (浙江綠升物業服務有限公司)	March 2008 – present
Zhejiang Greentown Hotel Management Company Limited (浙江綠城酒店管理有限公司)	January 2010 – present
Hangzhou Xiaoshan Tulip Hotel Management Company Limited (杭州蕭山鬱金香岸酒店管理有限公司)	September 2012 – May 2015
Hangzhou Liuzhuang Hotel Management Company Limited (杭州留莊酒店管理有限公司)	August 2012 – present
Hangzhou Xianggui Hotel Management Company Limited (杭州香瑰酒店管理有限公司)	November 2013 – May 2015
Zhoushan Greentown Dongsha Hotel Management Company Limited (舟山綠城東沙度假酒店管理有限公司)	April 2014 – May 2015
Zhejiang Greentown Culture Arts Consulting Company Limited (浙江綠城文化策劃有限公司)	July 2014 – present
Hangzhou Greentown Vocational Training School (杭州市綠城職業培訓學校)	July 2014 – present
Zhejiang Greentown Property Community Service Company Limited (浙江綠城物業園區生活服務有限公司)	April 2015 – present
Hangzhou Osmanthus Garden Investment Management	July 2015 – present
Greentown Property Management	August 2015 – present
Twin Cities Network	December 2015 – present

Mr. Wu has been the president of the Property Management Association of Xihu District, Hangzhou (杭州市西湖區物業管理協會) since July 2014. He has been a Certified Property Manager authorized by MOHURD since May 2013. Mr. Wu graduated from Zhejiang University (浙江大學) in Hangzhou, the PRC in June 2002 with a bachelor's degree majoring in tourism management, and obtained his master's degree of science in quality management through an external program from The Hong Kong Polytechnic University (香港理工大學) in Hong Kong in December 2007.

Mr. Chen Hao (陳浩), aged 46, has been our executive Director since November 27, 2015. He joined our Group in May 2015 as a vice general manager primarily responsible for the management of community products and services of the Group. He has been a director of Greentown Property Management since November 2015 and a director of Twin Cities Network since April 2015. Mr. Chen has served as a director of Hong Kong Hung Seun International Resources Limited (香港鴻巽國際資源有限公司), a company primarily engaged in trade of copper, market research and fund investment, since October 2009. He has also been the vice chairman of Daye Youse Greentown Property Development Co., Ltd. (大冶有色綠城房地產開發有限公司) (being held as to 30% by Greentown China and the remaining 70% by Independent Third Parties which engages in the business of property development) since January 2012. Mr. Chen studied in Jiangsu Xinhai Senior High School (formerly known as Jiangsu Xinhai Secondary School) from September 1985 to July 1988.

Non-executive Directors

Mr. Shou Bainian (壽柏年), aged 62, has been our non-executive Director since November 27, 2015, and is responsible for providing guidance and supervision regarding the business and operation of our Group. Mr. Shou became an indirect holder of equity interests in Greentown Property Management in September 2000. Mr. Shou has more than 15 years' experience in the property development industry. He worked as the executive vice chairman and the general manager of Greentown Property Group Co., Ltd. (綠城房地產集團有限公司) (being the wholly-owned subsidiary of Greentown China which engages in the business of property development) from April 1998 to March 2015 and was primarily responsible for its overall business operation and financial management. He has been the director of Greentown Holdings since January 2002. He has also served in various positions in Greentown China, including its executive vice chairman and chief executive officer from July 2006 to June 2015 and its executive director since July 2006, and is primarily responsible for its overall business operation and financial management. Mr. Shou was also qualified as a senior economist (高級經濟師) in enterprise operation and management by Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) since December 1996. Mr. Shou graduated from Hangzhou University (杭州大學) in Zhejiang Province, the PRC with a bachelor's degree majoring in history in April 1982.

Ms. Xia Yibo (夏一波), aged 53, has been our non-executive Director since November 27, 2015, and is responsible for providing guidance and supervision regarding the business and operation of our Group. Ms. Xia became an indirect holder of equity interests in Greentown Property Management in September 2002. Ms. Xia was the chairlady of Hangzhou Greentown Decorating and Design Co., Ltd. (杭州綠城裝潢設計有限公司) from September 1996 to August 2002. She has also been the chairlady of Shanghai Wanley Insurance Broker Co., Ltd. (上海萬利保險經紀有限公司) (being held as to 90% by Hangzhou Haotian Investment Co., Ltd.) since September 2002. Ms. Xia has been serving as the director of Greentown Holdings since September 2002 and is now the chairlady of this company. Ms. Xia graduated from the Department of Chinese of Zhejiang Radio and Television University (浙江廣播電視大學) in Zhejiang Province, the PRC in August 1985.

Independent Non-executive Directors

Mr. Tian Zaiwei (田在瑋), aged 67, was appointed as our independent non-executive Director on June 13, 2016 which will become effective upon Listing. He is responsible for supervising and providing independent judgment to our Board. From March 1996 to December 2003, Mr. Tian worked as the vice administrator of Harbin City Construction and Comprehensive Development Office (哈爾濱市城市建設綜合開發辦公室), the commander of the Harbin New Residential Area Construction and Development General Headquarter (哈爾濱市住宅新區開發建設總指揮部) and the general manager of Harbin Comprehensive Construction and Development Co., Ltd. (哈爾濱市綜合開發建設總公司). Mr. Tian has been the general manager of Shuntiantong Real Estate Development Group Co., Ltd. (順天通房地產開發集團有限公司) and the general manager of Beijing Tianqi Real Estate Development Co., Ltd. (北京天啟房地產開發有限公司) since December 2003 and the general manager of Beijing Tianshi Real Estate Development Co., Ltd. (北京天時房地產開發有限公司) since May 2001, and his primary responsibility in such entities was the management of daily operations.

Mr. Tian was elected as a member of the 12th session of the National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十二屆全國委員會) in February 2013. He has also been a vice president of China Property Management Association (中國物業管理協會) since October 2014 and the president of Helongjiang Chamber of Commerce in Beijing (北京黑龍江企業商會) since March 2007. He was awarded the National May 1 Labor Medal (全國五一勞動獎章) in May 2006. Mr. Tian has been a senior engineer in Construction Economics authorized by Heilongjiang Provincial Personnel Department (黑龍江省人事廳) since September 1998, a senior economist in Economics and Management authorized by Heilongjiang Provincial Personnel Department (黑龍江省人事廳) since September 1993 and a certified property manager jointly authorized by Ministry of Personnel of Beijing of the PRC (中華人民共和國北京市人事部) and MOHURD since December 2007, Mr. Tian graduated from Harbin College of Civil Engineering and Architecture (哈爾濱建築工程學院, now known as Harbin Institute of Technology, 哈爾濱工業大學) in Harbin, the PRC, with a bachelor's degree majoring in industrial and civil architecture in December 1992, and with a master's degree of engineering in January 1997.

Mr. Poon Chiu Kwok (潘昭國), aged 54, was appointed as our independent non-executive Director on June 13, 2016 which will become effective upon Listing. He is responsible for supervising and providing independent judgment to our Board. Mr. Poon worked in the Listing Division of the Stock Exchange from March 1990 to April 1992. He also worked in BOCI Asia Limited (中銀國際亞洲有限公司)) from May 1992 until he left the bank as an executive director in August 2001. From August 2001 to April 2006, he served as the senior director and managing director of corporate finance department of several securities companies. His primarily responsibility in such entities includes providing on-going sponsors and financial advisory services.

In addition, Mr. Poon currently holds or had held directorship in several listed companies, including those set out below:

Name of entity	Principal Business	Place of listing and stock code	Position and period of time
Huabao International Holdings Limited (華寶國際控股有限公司)	production and sale of flavours, reconstituted tobacco leaves, new materials and fragrances	Main Board of the Stock Exchange (stock code: 336)	an independent non-executive director from March 2004 to April 2006 and an executive director and company secretary since May 2006
Ningbo Port Company Limited (寧波港股份有限公司)	various businesses relating to port	the Shanghai Stock Exchange (stock code: 601018)	an independent director from September 2008 to May 2014
CSSC Offshore & Marine Engineering (Group) Company Limited (中船海洋與防務裝備股份有限公司, formerly known as Guangzhou Shipyard International Company Limited (廣州廣船國際股份有限公司))	shipbuilding	Main Board of the Stock Exchange (stock code: 317) and the Shanghai Stock Exchange (stock code: 600685)	an independent non-executive director from May 2011 to May 2014

Name of entity	Principal Business	Place of listing and stock code	Position and period of time
Yuanda China Holdings Limited (遠大中國控股有限公司)	production and installation of curtain wall systems	Main Board of the Stock Exchange (stock code: 2789)	an independent non-executive director since April 2011 (he also serves as chairman of its audit committee)
Sunac China Holdings Limited (融創中國控股有限公司)	property development	Main Board of the Stock Exchange (stock code: 1918)	an independent non-executive director since June 2011 (he also serves as chairman of its audit committee)
Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司)	automobile logistics business	Main Board of the Stock Exchange (stock code: 1292)	an independent non-executive director since September 2011
China Tianrui Group Cement Company Limited (中國天瑞集團水泥有限公司)	production, sale and distribution of clinker and cement	Main Board of the Stock Exchange (stock code: 1252)	an independent non-executive director from December 2011 to December 2012
Tonly Electronics Holdings Limited (通力電子控股有限公司)	a manufacturer of video products and home theaters	Main Board of the Stock Exchange (stock code: 1249)	an independent non-executive director since July 2013 (he also serves as chairman of its audit committee)
AUX International Holdings Limited (奧克斯國際控股有限公司), formerly known as Magnum Entertainment Group Holdings Limited	an entertainment service and venue provider	Main Board of the Stock Exchange (stock code: 2080)	an independent non-executive director since May 2015
TUS International Limited (啟迪國際有限公司), formerly known as Jinheng Automotive Safety Technology Holdings Limited (錦恒汽車安全技術控股有限公司)	manufacturing of automotive safety products	Main Board of the Stock Exchange (stock code: 872)	an independent non-executive director since September 2015 (he also serves as chairman of its audit committee)

Name of entity	Principal Business	Place of listing and stock code	Position and period of time
Sany Heavy Equipment International Holdings Company Limited (三一重裝國際控股有限公司). .	a manufacturer of roudheaders, combined coal mine units and coal mine transportation vehicles in the PRC	Main Board of the Stock Exchange (stock code: 631)	an independent non-executive director since December 2015 (he also serves as chairman of its audit committee)

Mr. Poon graduated from City Polytechnic of Hong Kong (now known as the City University of Hong Kong) with his a bachelor's degree majoring in arts in December 1994 and from the same university with his Master's degree of Arts in November 1997. He also obtained his bachelor's degree majoring in law from University of Wolverhampton in the United Kingdom in October 2004 and a postgraduate diploma in laws from University of London in December 2010 through long distance learning, respectively. Mr. Poon has been a fellow member of The Institute of Chartered Secretaries and Administrators since April 2012. He has been a fellow member of The Hong Kong Institute of Chartered Secretaries since April 2012 and is currently a member of its Technical Consultation Panel and Professional Development Committee. In addition, Mr. Poon has been a fellow of Hong Kong Securities and Investment Institute since November 2014.

Mr. Wong Ka Yi (黃嘉宜), aged 41, was appointed as our independent non-executive Director on June 13, 2016 which will become effective upon Listing. He is responsible for supervising and providing independent judgment to our Board. Mr. Wong currently serves as a director and responsible officer in Fundatech Capital Limited and he is a licensed person to conduct type 9 (asset management) regulated activities under the SFO. He worked as a portfolio manager in HT Capital Management Limited from May 2004 to April 2013 and Munsun Asset Management (Asia) Limited from July 2014 to February 2015, respectively. He was also designated as a chartered financial analyst by the CFA Institute in September 2004. Mr. Wong graduated from the University of Hong Kong with a bachelor's degree majoring in economics in July 1997.

Please refer to the section headed "Statutory and General Information — C. Further Information About Our Directors and Substantial Shareholders" in Appendix IV to this prospectus for details of our Directors' respective interests or short positions (if any) in our Shares, particulars of our Directors' service agreements and Directors' remuneration.

Save as disclosed above, none of our Directors has any other directorships in listed companies during the three years immediately prior to the date of this prospectus.

Save as disclosed in this prospectus, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of our business.

For details of **Mr. Yang Zhangfa (楊掌法)** and **Mr. Wu Zhihua (吳志華)**, please refer to the sub-section headed "— Board of Directors — Executive Directors" in this section.

Ms. Fang Minqing (方敏青), aged 45, has been our chief quality officer since November 27, 2015. She is responsible for management and control of the quality of our service as well as for management of our customer relationship. Ms. Fang joined our Group in August 2000, currently serves as the vice general manager of Greentown Property Management since March 2012 and takes in charge of its operation management center. She also worked as the assistant to general manager of Greentown Property Management from July 2009 to March 2012 and has been the general manager of the Jiangsu Branch of Greentown Property Management from January 2013 to February 2015. Ms. Fang currently holds directorship in several subsidiaries of our Company, including Jiaxing Greentown Property Service Company Limited (嘉興綠城物業服務有限公司) since April 2008, Ningbo Greentown Property Management Company Limited (寧波綠城物業管理有限公司) since November 2012, Ningbo Greentown Advertisement Company Limited (寧波綠城廣告有限公司) since December 2012 and Greentown Property Service Group Jiangsu Company Limited (綠城物業服務集團江蘇有限公司) since July 2015. Ms. Fang graduated from the Program of Property Management of Zhejiang University of Technology (浙江工業大學) in Zhejiang Province, the PRC in December 2003 through part-time learning.

Mr. Yuan Weidong (原衛東), aged 46, has been our chief technology officer since November 27, 2015. He is responsible for the coordination and operation of the "smart community" project of our Group. Prior to joining our Group in November 2014, Mr. Yuan worked in NEC Telecommunications Co., Ltd. (日電通訊有限公司) from July 1992 to May 2002 as the head of the engineering technology department and the general manager of eastern China region. He also worked as the executive vice general manager of Zhejiang Ronghui Communications Equipment Co., Ltd. (浙江融匯通信設備有限公司) from May 2002 to May 2014. Mr. Yuan has been a Senior Engineer in Electronic Information authorized by Tianjin Municipal Personnel Bureau (天津市人事局) since October 2001. He graduated from Jilin University (吉林大學) in Changchun, the PRC in July 1992 with a bachelor's degree majoring in electronics and information systems.

Mr. Ho, Kenneth Kai Chung (何啟忠), aged 50, has been our chief financial officer since August 4, 2015 and one of our joint company secretaries since November 27, 2015. He is responsible for finance and accounting works as well as company secretarial matters of our Group. Before joining our Group in August 2015, Mr. Ho had worked in various financial institutes. He worked as a senior analyst of Credit Lyonnais Securities (Asia) Limited from September 1996 to February 1999 and served in various positions including the vice president of the Asia & Pacific area of JP Morgan Chase & Co. from February 1999 to October 2004. He also served in various positions within the HSBC group from November 2004 to January 2013, including the head of the China research department of HSBC Markets (Asia) Limited, the head of the research department of the Beijing representative office of The Hongkong and Shanghai Banking Corporation Limited, and the equity sales director of HSBC Markets (Asia) Limited. From January 2014 to March 2015, he served as the managing director of Munsun Asset Management (Asia) Limited and was responsible for overseeing its asset management business. He has been a director of Guoqin Greentown (Beijing) Asset Management Co., Ltd. (國勤綠城(北京)資產管理有限公司), one of our subsidiaries since September 2015.

In addition, Mr. Ho currently holds or had held directorship in several listed companies, including those set out below:

Name of entity	Principal Business	Place of listing and stock code	Position and period of time
TK Group (Holdings) Limited (東江集團(控股)有限公司)	design and fabrication of plastic injection molds and the mechanical design and manufacturing of plastic components	Main Board of the Stock Exchange (stock code: 2283)	an independent non-executive director since November 2013
BBI Life Science Corporation (BBI生命科學有限公司)	a provider with comprehensive portfolio coverage in the life sciences research product and service industry in China	Main Board of the Stock Exchange (stock code: 1035)	an independent non-executive director since October 2014
Tsaker Chemical Group Limited (彩客化學集團有限公司)	a producer of a number of fine chemicals that function as critical dye an pigment intermediates	Main Board of the Stock Exchange (stock code: 1986)	an independent non-executive director since March 2015
Evershine Group Holdings Limited (永耀集團控股有限公司)	travel agency, advertising and marketing and mobile application business	Growth Enterprise Market of the Stock Exchange (stock code: 8022)	an independent non-executive director from November 2013 to March 2014
Fifth Element Resources Limited	a junior mineral exploration company	formerly listed on the Australian securities exchange (stock code: FTH)	an executive director since February 2015

Mr. Ho is a Chartered Financial Analyst authorized by the CFA Institute. Mr. Ho graduated from University of Sydney in Australia with his bachelor's degree majoring in economics in May 1988 and from University of New South Wales in Australia with his master's degree of commerce in April 1991.

Ms. Fan Li (樊琍), aged 39, has been our chief marketing officer since November 27, 2015. She is responsible for the market development of our Group. Ms. Fan joined our Group in March 2002 and currently serves as the assistant to general manager of Greentown Property Management. She has served in various positions in our Group, including, among others, the vice general manager of Zhejiang Greentown Real Estate Consulting Company Limited (浙江綠城房地產諮詢有限公司, formerly known as Zhejiang Greentown Property Consulting Company Limited (浙江綠城物業諮詢有限公司)), from March 2006 to December 2014, and she was in charge of the management and development of real estate consulting projects. She has also served as a director of Zhejiang Greentown Real Estate Agency Company Limited (浙江綠城房屋置換有限公司) since January 2015. Prior to joining our Group, Ms. Fan was the manager of Spring Garden Property Service Centre (春天花園物業服務中心) from February 2001 to March 2002. Ms. Fan has been an Engineer in Construction Engineering authorized by Zhuji Municipal

Personnel Bureau (諸暨市人事局) since July 2010 and a Certified Property Manager authorized by MOHURD since May 2013. She was elected as an executive director of Hangzhou Municipal Real Estate Industry Association (杭州市房地產業協會) in December 2013. Ms. Fan graduated from Hangzhou University (杭州大學) in Hangzhou, the PRC with a bachelor's degree majoring in science in July 1998.

To the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, save as disclosed above, none of the above members of senior management has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this prospectus.

JOINT COMPANY SECRETARIES

Mr. Ho, Kenneth Kai Chung (何啟忠) and **Ms. Ng Sau Mei (伍秀薇)** are the joint company secretaries of our Company.

For details of Mr. Ho, Kenneth Kai Chung, please see sub-section headed "— Senior Management" in this section.

Ms. Ng Sau Mei (伍秀薇) was appointed as one of our joint company secretaries on November 27, 2015. Ms. Ng currently serves as senior manager of KCS Hong Kong Limited and is primarily responsible for providing company secretarial and compliance related services to listed companies. She is a member of the Hong Kong Institute of Chartered Secretaries and a member of the Institute of Chartered Secretaries and Administrators in UK. She obtained her bachelor's degree in law from the City University of Hong Kong in November 2001.

AUDIT COMMITTEE

We have established an audit committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system of our Group, oversee the audit process, provide advice and comments to our Board and perform other duties and responsibilities as may be assigned by our Board.

The audit committee consists of three members, namely Mr. Poon Chiu Kwok (潘昭國), Mr. Tian Zaiwei (田在瑋) and Mr. Wong Ka Yi (黃嘉宜). The chairman of the audit committee is Mr. Poon Chiu Kwok (潘昭國) who is the independent non-executive Director with the appropriate accounting and related financial management expertise.

REMUNERATION COMMITTEE

We have established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary duties of the remuneration committee are to establish, review and make recommendations to our Directors on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time-to-time.

The remuneration committee consists of three members, namely Mr. Poon Chiu Kwok (潘昭國), Mr. Tian Zaiwei (田在瑋) and Mr. Wong Ka Yi (黃嘉宜). The chairman of the remuneration committee is Mr. Poon Chiu Kwok (潘昭國).

NOMINATION COMMITTEE

We have established a nomination committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary duties of the nomination committee are to: Review the structure, size and composition of our Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of our Board, identify, select or make recommendations to our Board on the selection of individuals nominated for directorship, and ensuring the diversity of our Board members, assess the independence of our independent non-executive Directors and make recommendations to our Board on relevant matters relating to the appointment, reappointment and removal of our Directors and succession planning for our Directors.

The nomination committee consists of three members, namely Mr. Wong Ka Yi (黃嘉宜), Mr. Poon Chiu Kwok (潘昭國) and Mr. Tian Zaiwei (田在瑋). The chairman of the nomination committee is Mr. Wong Ka Yi (黃嘉宜).

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation from our Company in the form of salaries, bonuses and other benefits in kind such as contributions to pension plans.

The remuneration (including fees, salaries, contributions to pension schemes, discretionary bonuses, housing and other allowances and other benefits in kind) paid to our Directors in aggregate for the three years ended December 31, 2013, 2014 and 2015 were approximately RMB1,580,000, RMB2,075,000 and RMB2,409,000, respectively.

The remuneration (including fees, salaries, contributions to pension schemes, discretionary bonuses, housing and other allowances and other benefits in kind) paid to our Group's five highest paid individuals (including our Directors) in aggregate for the three years ended December 31, 2013, 2014 and 2015 were approximately RMB2,461,000, RMB3,100,000 and RMB3,598,000, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group.

None of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

Pursuant to the existing arrangements that are currently in force as of the date of this prospectus, the amount of remuneration (including benefits in kind but excluding discretionary bonuses) payable to our Directors by our Company for the year ending December 31, 2016 is estimated to be approximately RMB6,900,000 in aggregate.

To incentivize our Directors, senior management and employees, our Company has adopted the Pre-IPO Share Award Scheme on January 1, 2016. Please refer to the section headed "Statutory and General Information — D. Other Information — 1. Pre-IPO Share Award Scheme" in this prospectus for further details.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the Listing, receive recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

Save as disclosed in this prospectus, no other payments had been made, or are payable, by any member of our Group to our Directors during the Track Record Period.

For additional information on our Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please refer to Notes 9 and 10 of section B in the Accountants' Report set out in Appendix I to this prospectus.

WAIVERS GRANTED BY THE STOCK EXCHANGE

Management presence

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules in relation to the requirement of management presence in Hong Kong. For details of the waiver, please refer to the section headed "Waivers from Strict Compliance with the Listing Rules — Management Presence in Hong Kong" in this prospectus.

Joint company secretaries

We have also applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements under Rule 3.28 and Rule 8.17 of the Listing Rules in relation to the qualification of joint company secretaries. For details of the waiver, please refer to the section headed "Waivers from Strict Compliance with the Listing Rules — Appointment of Joint Company Secretaries" in this prospectus.

COMPLIANCE ADVISOR

Our Company has appointed Haitong International Capital Limited as its compliance advisor pursuant to Rule 3A.19 of the Listing Rules.

The material terms of the compliance advisor's agreement entered into between our Company and the compliance advisor are as follows:

(1) the compliance advisor shall provide our Company with services including guidance and advice as to compliance with the requirement of the Listing Rules and other applicable laws, rules, codes and guidelines, and accompany our Company to any meetings with the Stock Exchange;

(2) our Company may terminate the appointment of the compliance advisor by giving a 30 days' prior written notice to the compliance advisor. Our Company will exercise such right in compliance with Rule 3A.26 of the Listing Rules. The compliance advisor will have the right to terminate its appointment as compliance advisor under certain specific circumstances and upon notification of the reason of its resignation to the Stock Exchange; and

(3) during the period of appointment, our Company must consult with, and if necessary, seek advice from the compliance advisor on a timely basis in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results materially deviate from any forecast, estimate, or other information in this prospectus; and

(d) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

POTENTIAL COMPETING INTEREST

Mr. Yang Zhangfa and Ms. Li Hairong's interest in Greentown Telecommunications

As disclosed in the sub-section headed "History and Reorganization — Reorganization — The Onshore Reorganization — (iv) Structured Contracts" in this prospectus, we terminated the structured contracts with Greentown Telecommunications, Ms. Li Hairong and Mr. Yang Zhangfa with effect on March 31, 2016 and ceased to have any control over Greentown Telecommunications, effectively disposing of our interest in such entity, and Greentown Telecommunications is no longer regarded as a member of our Group.

Greentown Telecommunications is principally engaged in call center operations and related services, and is a holder of ICP Licenses. As a result of us ceasing to have any interest in Greentown Telecommunications, we estimate that our net assets will experience a slight reduction. However, our Directors consider that the operational and financial impact on us resulting from such disposal is insignificant given that (i) Greentown Telecommunications has not generated any profit since its establishment and (ii) we have not made any material investments into this entity because its business was still in its infancy.

Greentown Telecommunications is legally and beneficially owned as to 51% by Mr. Yang Zhangfa and 49% by Ms. Li Hairong. Mr. Yang Zhangfa and Ms. Li Hairong's interest in Greentown Telecommunications and the business operated by Greentown Telecommunications are subject to a non-competition undertaking executed by Greentown Telecommunications, Mr. Yang Zhangfa and Ms. Li Hairong in favour of our Company on April 29, 2016 (the "**Greentown Telecommunications Non-Competition Undertaking**"), pursuant to which:

(a) it was recognized that Greentown Telecommunications is in possession of two ICP Licenses:

(i) the B2-20140283 value-added telecommunications business license (增值電信業務許可證), pursuant to which the license holder is permitted to engage in call center business and information services under the second category of telecommunications business (excluding fixed network telephone information services and internet information services); and

(ii) the 浙B2-20150158 value-added telecommunications business license (增值電信業務許可證), pursuant to which the license holder is permitted to engage in information services under the second category of telecommunications business (limited to internet information services);

(b) our Company agreed that the Greentown Telecommunications may continue to engage in businesses permitted under the ICP Licenses set out in paragraph (a)(i) above;

(c) each of Greentown Telecommunications, Mr. Yang Zhangfa and Ms. Li Hairong has undertaken that since the date of the Greentown Telecommunications Non-Competition Undertaking, Greentown Telecommunications, its subsidiaries and holding companies shall not directly or indirectly engage in businesses in relation to the businesses permitted under the ICP License set out in paragraph (a)(ii) above, or enter into cooperation agreements or share transfer agreements with third parties so as to engage in such businesses which will result in competition with our Group's business, or make use of other alternative ways to achieve the same effect;

(d) it was agreed that the management of Greentown Telecommunications shall remain in regular contact with our Group every three months to be updated with the latest business development of our Group, so as to ensure that its business will not compete with our Group;

(e) provide its financial statements or other documents which reflect its business development (including information on its total revenue and profits) every six months; and

(f) if Greentown Telecommunications breaches any of the above undertakings, any benefit received by Greentown Telecommunications, its subsidiaries or holding companies as a result of such breach shall be transferred to our Company.

As at the Latest Practicable Date, the director, legal representative and general manager of Greentown Telecommunications is Ms. Sun Caixia (孫彩霞), the other directors are Ms. Xu Yaping (徐亞萍) and Mr. Zhang Xing (張行).

Save as disclosed above and in the section headed "Relationship with Our Controlling Shareholders — Excluded Business" in this prospectus, each of our Directors does not have interest in any business which competes or is likely to compete, either directly or indirectly, with our business. Our Company should prominently disclose the information required under Rule 8.10(2)(a) of the Listing Rules of any Director's interest (including any interests acquired after Listing) in such competing business in our annual reports after Listing.

OVERVIEW

Immediately following completion of the Capitalization Issue and the Global Offering, Orchid Garden Investment will directly hold 1,020,000,000 Shares, representing approximately 36.72% of the issued share capital of our Company, therefore regarded as our Controlling Shareholder.

Our Ultimate Controlling Shareholders, namely Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo, have become acquainted with each other during the early stage of our Group's development. As of the Latest Practicable Date, Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo through their respective holding company (namely Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment) indirectly held 40%, 39% and 21% interest in Orchid Garden Investment. Our Ultimate Controlling Shareholders' control over our Company is exercised by way of holding interest in our Company through Orchid Garden Investment, such that any decisions made by Orchid Garden Investment have to be jointly decided by our Ultimate Controlling Shareholders, which has the practical effect of binding our Ultimate Controlling Shareholders to act in concert with each other. Thus, our Ultimate Controlling Shareholders, Osmanthus Garden Investment, Lily International Investment, ShenaLan International Investment and Orchid Garden Investment are regarded as our Controlling Shareholders and are deemed to be parties acting in concert.

EXCLUDED BUSINESSES

Zhejiang Greentown Century Plaza Property Management Company Limited

Zhejiang Greentown Century Plaza Property Management Company Limited (浙江綠城世紀廣場物業管理有限公司) ("**Zhejiang Greentown Century Plaza**") is a company established under the laws of the PRC in March 2002 and indirectly owned by Greentown Holdings (which is indirectly owned by Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo as to 40%, 39% and 21%, respectively) as to 98.75%.

Zhejiang Greentown Century Plaza is engaged in the business of property management, housing and building facilities maintenance and repair, the provision of gardening services, cleaning services, home services, renovation services and parking services. It is registered with the relevant PRC authorities as a 3rd class quality property management company (三級資質物業公司); therefore, it is restricted to providing property management services to residential property projects of up to 200,000 sq.m. and non-residential property projects of up to 50,000 sq.m. In comparison, our Group is registered with the relevant PRC authorities as a 1st class quality property management company (一級資質物業公司), which is permitted to provide property management services to all kinds of property projects. This is one of the reasons of excluding Zhejiang Greentown Century Plaza as part of our Group, as it would otherwise require the injection of a huge amount of technical, material and human resources into Zhejiang Greentown Century Plaza so as to bring it up to standard with that of our Group's, which is detrimental to the interests of our Group.

The management of Zhejiang Greentown Century Plaza is also independent from that of our Group's and there are no overlaps. The chairman of the board of directors of Zhejiang Greentown Century Plaza is Mr. Fu Xiaolin (傅小林), while the other members of the board of directors of Zhejiang Greentown Century Plaza are Ms. Yao Wojing (姚涴菁) and Mr. Shen Hongyan (沈鴻雁).

Since its establishment in 2002, Zhejiang Greentown Century Plaza has only been engaged and is still engaged in three property management projects with a total contracted GFA under management of more than 220,000 sq.m., namely Huanglong Century Plaza, Zijin Plaza and Jiahua International Business Center (together, the "**Existing Projects**"). Zhejiang Greentown Century Plaza was established by Greentown Holdings for the purpose of provision of property management services to Huanglong Century Plaza, an office building owned by Zhejiang Century Plaza Investment Co., Ltd. (浙江世紀廣場投資有限公司), a company established under the laws of the PRC in March 2000 and indirectly owned by Greentown Holdings as to 95%. Huanglong Century Plaza is also partly leased to Greentown Property Group Co., Ltd. (綠城房地產集團有限公司), a subsidiary of Greentown Holdings, for office use. Thereafter, Zhejiang Greentown Century Plaza also became the property management services provider for Zijin Plaza and Jiahua International Business Center, both being projects which were first offered to our Group but were turned down by our Group due to various other commercial reasons, including, among others, the high management risk as a result of Jiahua International Business Center refusing to enter into a written agreement for the engagement of such property management services and the failure of Zijin Plaza to pay the start-up costs as agreed in its original service agreement with Greentown Property Management. Accordingly, Zhejiang Greentown Century Plaza has been retained by our Controlling Shareholders and was not included in our Group due to the high legal and management risk involved.

Pursuant to the non-competition undertaking (the "**Century Plaza Non-competition Undertaking**") dated January 13, 2016 (as supplemented by a confirmation letter dated March 7, 2016) given by Zhejiang Greentown Century Plaza in favour of our Company, Zhejiang Greentown Century Plaza has undertaken that, save for: (i) Huanglong Century Plaza; (ii) Zijin Plaza; and (iii) Jiahua International Business Center, Zhejiang Greentown Century Plaza and its subsidiaries or joint ventures shall not directly or indirectly engage in the business of the provision of property management services or engage in such business through entering into cooperation agreements or share transfer agreements with any third party such that its business competes with that of our Group. Furthermore, Zhejiang Greentown Century Plaza will not pursue any new business opportunity for provision of property management services to other property projects. As such, there is no room for expansion of Zhejiang Greentown Century Plaza's business coverage and scope, and it would be detrimental to the interests of our Group to include Zhejiang Greentown Century Plaza as part of our Group.

Zhejiang Greentown Century Plaza has also undertaken to: (i) engage in telephone communications with the relevant responsible personnel of our Company with regard to the situation of its property management projects; (ii) furnish copies of its financial accounts or other documents containing information (including its revenue and profits) on the business development of Zhejiang Greentown Century Plaza to our Company; and (iii) in the event that any party approaches Zhejiang Greentown Century Plaza to take up new property management projects, it shall first furnish such information to our Company, such that our Company shall have priority over Zhejiang Greentown Century Plaza to take up such new opportunity. Zhejiang Greentown Century Plaza also agreed to regularly furnish its financial figures to our Company for the next five years for disclosure in our Company's annual reports.

So far as our Directors are aware, Zhejiang Greentown Century Plaza is of a relatively minimal size compared with the size of our Group in terms of revenue and profits for each of the years ended December 31, 2013, 2014 and 2015.

In light of the aforesaid, our Directors are of the view that the business of Zhejiang Greentown Century Plaza has limited competition, either directly or indirectly, with our Group's business.

The following measures have also been adopted to further mitigate any potential competition and conflict of interest that may arise from Greentown Holdings' interest in Zhejiang Greentown Century Plaza:

- our Company will engage in regular communications with Zhejiang Greentown Century Plaza by telephone or other means every three months to ensure that save for (i) Huanglong Century Plaza; (ii) Zijin Plaza; and (iii) Jiahua International Business Center, Zhejiang Greentown Century Plaza and its subsidiaries or joint ventures have not directly or indirectly engaged in the business of the provision of property management services or engaged in such business through entering into cooperation agreements or share transfer agreements with any third party such that its business competes with that of our Group; and
- Zhejiang Greentown Century Plaza has agreed to regularly furnish copies of its financial accounts or other documents containing information (including its revenue and profits) on the business development of Zhejiang Greentown Century Plaza to the Company so as to ensure that Zhejiang Greentown Century Plaza has not breached the Century Plaza Non-competition Undertaking.

Excluded Group

The following members of the Disposed Group (together, the "**Excluded Group**") have limited competition with our Group. As set out in the section headed "History and Reorganization — Reorganization — The Onshore Reorganization — (i) Disposal of or deregistration of subsidiaries, associated companies and other equity interest" in this prospectus, since (i) the Excluded Group engages in services ancillary to basic property management which requires different specialization and expertise; and (ii) such complimentary services are not the key business focus of our Group, the Excluded Group was disposed of as part of the Onshore Reorganization.

(i) Hangzhou Greentown Air-conditioning Equipment Maintenance Services Company Limited (杭州綠城空調設備維護服務有限公司) ("Hangzhou Greentown Air-conditioning Equipment Maintenance")

Hangzhou Greentown Air-conditioning Equipment Maintenance is a company established under the laws of the PRC in July 2012 and wholly-owned by Hangzhou Dangui Investment (which is owned as to 51% by Greentown Holdings and 49% by a limited partnership controlled by family members of Ms. Li Hairong).

Hangzhou Greentown Air-conditioning Equipment Maintenance is engaged in the business of the provision of repair services for air-conditioning systems and equipment as well as regular maintenance services of air-conditioning systems and equipment. Our Group's property management services relating to air-conditioning is limited to carrying out regular inspection of the normal operation of air-conditioning systems in various property estates and liaising with repair services providers in the event of any failure, as well as the supervision of maintenance and repair work relating to air-conditioning systems and equipment. As such, Hangzhou Greentown Air-conditioning Equipment Maintenance engages in services ancillary to basic property management but which require specialization and expertise, while our Group provides general property management services on the whole with a broader scope. Therefore, Hangzhou Greentown Air-conditioning Equipment Maintenance was excluded as part of our Group due to the different nature and scope of business.

The management of Hangzhou Greentown Air-conditioning Equipment Maintenance is also independent from that of our Group's and there are no overlaps. The general manager and director of Hangzhou Greentown Air-conditioning Equipment Maintenance is Ms. Sun Caixia (孫彩霞), while the other directors of Hangzhou Greentown Air-conditioning Equipment Maintenance are Mr. Wang Guangting (汪光廷) and Mr. Gao Yongguang (高永光).

(ii) Zhejiang Greentown Greenery Engineering Company Limited (浙江綠城園林工程有限公司) ("Zhejiang Greentown Greenery Engineering")

Zhejiang Greentown Greenery Engineering is a company established under the laws of the PRC in May 1998 and owned as to 45% by Zhejiang Greentown Landscaping Consulting Co., Ltd. (浙江綠城景觀諮詢有限公司), which is in turn wholly-owned by Greentown Property Group Co., Ltd. (綠城房地產集團有限公司) (which is currently a subsidiary of Greentown China), 20% by Hangzhou Dangui Investment, 15% by Ms. Li Hairong, 10% by Mr. Zhang Qinghong (張慶紅), 5% by Mr. Yang Zhangfa and 5% by Mr. Jin Yongsen (金永森).

Zhejiang Greentown Greenery Engineering is engaged in the business of the provision of greening services including the provision of landscape planning services to property developers and municipal authorities in respect of large communal spaces, as well as carry out relevant landscaping construction works. Our Group's property management services relating to gardening or greening services are limited to regular inspection of the garden and plant conditions, as well as the supervision of regular gardening maintenance work. As such, Zhejiang Greentown Greenery Engineering engages in services ancillary to basic property management but which require specialization and expertise, while our Group provides general property management services on the whole with a broader scope. Therefore, Zhejiang Greentown Greenery Engineering was excluded as part of our Group due to the different nature and scope of business.

The management of Zhejiang Greentown Greenery Engineering is also independent from that of our Group. The general manager and director of Zhejiang Greentown Greenery Engineering is Mr. Zhang Qinghong (張慶紅), while the other directors of Zhejiang Greentown Greenery Engineering are Mr. Jin Yongsen (金永森), Mr. Wang Ke (王科), Ms. Xu Yaping (徐亞萍) and Ms. Sun Caixia (孫彩霞).

(iii) Shenyang Yinji Greenery Engineering Company Limited (瀋陽銀基園林工程有限公司) ("Shenyang Yinji Greenery Engineering")

Shenyang Yinji Greenery Engineering is a company established under the laws of the PRC in March 2011 and wholly-owned by Hangzhou Dangui Investment.

Shenyang Yinji Greenery Engineering is engaged in the business of the provision of greening services including the provision of landscape planning services, as well as carrying out relevant landscaping construction works. Our Group's property management services relating to gardening or greening services are limited to regular inspection of the garden and plant conditions, as well as the supervision of regular gardening maintenance work. As such, Shenyang Yinji Greenery Engineering engages in services ancillary to basic property management but which require specialization and expertise, while our Group provides general property management services on the whole with a broader scope. Therefore, Shenyang Yinji Greenery Engineering was excluded as part of our Group due to the different nature and scope of business.

The management of Shenyang Yinji Greenery Engineering is also independent from that of our Group's and there are no overlaps. The legal representative of Shenyang Yinji Greenery Engineering is Mr. Zhang Min (章珉).

(iv) Zhejiang Gelingtong Elevator Engineering Company Limited (浙江格靈通電梯工程有限公司) ("Zhejiang Gelingtong Elevator Engineering")

Zhejiang Gelingtong Elevator Engineering is a company established under the laws of the PRC in September 2005 and owned as to 50% by Hangzhou Dangui Investment and 50% by Hangzhou Guangri Elevator Engineering Co., Ltd. (杭州廣日電梯工程技術有限公司), an independent third party.

Zhejiang Gelingtong Elevator Engineering is engaged in the business of elevator repair and maintenance services as well as carrying out actual repair work. Our Group's property management services relating to elevators are limited to regular inspection of the normal operation of elevators and supervision of maintenance and repair work relating to elevators. As such, Zhejiang Gelingtong Elevator Engineering engages in services ancillary to basic property management but which require specialization and expertise, while our Group provides general property management services on the whole with a broader scope. Therefore, Zhejiang Gelingtong Elevator Engineering was excluded as part of our Group due to the different nature and scope of business.

The management of Zhejiang Gelingtong Elevator Engineering is also independent from that of our Group's and there are no overlaps. The general manager and director of Zhejiang Gelingtong Elevator Engineering is Mr. Chen Hao (陳昊), while the other directors of Zhejiang Gelingtong Elevator Engineering are Mr. Dong Ke (董克), Ms. Sun Caixia (孫彩霞) and Ms. Zhang Jing (張婧).

(v) Hangzhou Lvzhen Architectural Decoration Design and Engineering Company Limited (杭州綠臻建築裝飾設計工程有限公司) ("Hangzhou Lvzhen Architectural")

Hangzhou Lvzhen Architectural is a company established under the laws of the PRC in July 2013 and wholly-owned by Hangzhou Dangui Investment.

Hangzhou Lvzhen Architectural is engaged in the business of the provision of all-inclusive and customized renovation services, including design and renovation work, and architectural design services. Our Group's property management services relating to renovation services are limited to the formulation of procedures and policies for renovation works applications and inspection, and the management and supervision of renovation works of various units in property estates. As such, Hangzhou Lvzhen Architectural engages in services ancillary to basic property management but which require specialization and expertise, while our Group provides general property management services on the whole with a broader scope. Therefore, Hangzhou Lvzhen Architectural was excluded as part of our Group due to the different nature and scope of business.

The management of Hangzhou Lvzhen Architectural is also independent from that of our Group's and there are no overlaps. The executive director of Hangzhou Lvzhen Architectural is Ms. Ju Xiaowei (鞠曉威), while the general manager of Hangzhou Lvzhen Architectural is Mr. Xiang Kan (項侃).

(vi) Zhejiang Greentown Housing Services System Company Limited (浙江綠城房屋服務系統有限公司) ("Zhejiang Greentown Housing Services System")

Zhejiang Greentown Housing Services System is a company established under the laws of the PRC in October 2012 and owned as to 80% by Hangzhou Dangui Investment and 20% as to Ms. Xie Yanyan (謝燕燕).

Zhejiang Greentown Housing Services System is engaged in the business of carrying out interior renovation works and the provision of interior repair services. Our Group's property management services relating to housing services are limited to repair works of communal building parts in property estates, repair works of communal facilities in property estates and liaising with construction service providers when conducting such repair works require construction permits. As such, Zhejiang Greentown Housing Services System engages in services ancillary to basic property management but which require specialization and expertise, while our Group provides general property management services on the whole with a broader scope. Therefore, Zhejiang Greentown Housing Services System was excluded as part of our Group due to the different nature and scope of business.

The management of Zhejiang Greentown Housing Services System is also independent from that of our Group's and there are no overlaps. The legal representative of Zhejiang Greentown Housing Services System is Ms. Xie Yanyan (謝燕燕), while the executive director of Zhejiang Greentown Housing Services System is Ms. Sun Caixia (孫彩霞).

(vii) Zhejiang Greentown Jiabo Decoration Engineering Management Company Limited (浙江綠城家博裝飾工程管理有限公司) ("Zhejiang Greentown Jiabo Decoration")

Zhejiang Greentown Jiabo Decoration is a company established under the laws of the PRC in March 2009 and owned as to 40% by Mr. Xiang Jun (項軍), 30% by Mr. Shen Qiang (沈強) and 30% by Hangzhou Dangui Investment.

Zhejiang Greentown Jiabo Decoration is engaged in the business of the provision of interior design services and carrying out such construction work and the provision of customized luxurious interior layout services. Our Group's property management services relating to renovation services are limited to the formulation of procedures and policies for decoration works applications and inspection, and the management and supervision of decoration works of various units in property estates. As such, Zhejiang Greentown Jiabo Decoration engages in services ancillary to basic property management but which require specialization and expertise, while our Group provides general property management services on the whole with a broader scope. Therefore, Zhejiang Greentown Jiabo Decoration was excluded as part of our Group due to the different nature and scope of business.

The management of Zhejiang Greentown Jiabo Decoration is also independent from that of our Group's and there are no overlaps. The executive director of Zhejiang Greentown Jiabo Decoration is Mr. Shen Qiang (沈強), the general manager and director of Zhejiang Greentown Jiabo Decoration is Mr. Xiang Jun (項軍), while the other director of Zhejiang Greentown Jiabo Decoration is Ms. Sun Caixia (孫彩霞).

On April 1, 2016, each of the members of the Excluded Group has executed a non-competition undertaking in favor of our Company (as subsequently amended on April 30, 2016), pursuant to which each has undertaken to:

(a) save for the existing businesses carried on by it as set out above, not engage in or develop any business which will or may compete with our Group, not directly or indirectly invest in any company which will or may compete with our Group, nor assist or help any third party which operates or invests in any business which will or may compete with our Group;

(b) in respect of any future business opportunities which may require property management services or any other services which our Group engages in, first provide information regarding such opportunity to our Group;

(c) remain in regular contact with our Group every three months to be updated with the latest business development of our Group, so as to ensure that its business will not compete with our Group; and

(d) provide its financial statements or other documents which reflect its business development (including information on its total revenue and profits).

Without prejudice to the above, each member of the Excluded Group may undertake project(s) or otherwise be involved in business(es) which may otherwise compete, directly or indirectly, with that of our Group, provided that the following conditions are satisfied:

(i) the project or business opportunity has been first offered to our Group, and our Group has not taken it up;

(ii) the relevant member of the Excluded Group shall not undertake projects or businesses awarded by or otherwise entered into with any past or present customer(s) of our Group; and

(iii) the relevant member of the Excluded Group shall not undertake any project(s) or business(es) in which our Group has previously sought to take part.

So far as our Directors are aware, each of the members of the Excluded Group is of a relatively minimal size compared with the size of our Group in terms of revenue and profits for each of the years ended December 31, 2013, 2014 and 2015. The Excluded Group, as a whole, contributed not more than 4% of our Group's revenue for each of the years ended December 31, 2013 and 2014. The information for 2015 is not relevant as the equity transfer agreements in relation to the disposal of all members of the Excluded Group were entered into in November 2014, and such disposals were completed in December 2014.

In light of the aforesaid, our Directors are of the view that the business of the Excluded Group has limited competition, either directly or indirectly, with our Group's business.

The following measures have also been adopted to further mitigate any potential competition and conflict of interest that may arise from the Excluded Group:

- the Controlling Shareholders have executed a non-competition undertaking (details of which are set out in the sub-section headed "— Non-competition Undertakings" in this section), and/or to add in non-competition provisions in shareholder agreements and articles of associations (where appropriate), such that:
  - (i) where any new business falls under our Group's business scope, our Group shall take up such new business;
  - (ii) the controlling shareholders and ultimate beneficial owners of our Group shall not, on its own or with others, directly or indirectly engage or assist in the operation of any business which shall be in competition of that of our Group's;
  - (iii) the controlling shareholders and ultimate beneficial owners of our Group shall not provide trade secrets or confidential information relating to our Group such as technical or client information to any company or organization which engages in businesses that are the same as, similar to or may be in competition with our Group in any way; and
  - (iv) the controlling shareholders and ultimate beneficial owners of our Group shall not by way of its capacity as a controlling shareholder of our Company procure the passing of resolutions which may harm the interests of other Shareholders at Shareholders' meetings or Board meetings;
- our Group to strengthen management of outsourced businesses and to implement outsourcing supervision management systems and policies, including cost control and conducting analysis on the costs and income from outsourced businesses;
- our Group to implement measures to foster competition, such as using open and fair bidding processes;
- our Group to build in supervision measures, such as evaluation of the standard and quality of outsourced services and the financial and technical resources of these service providers; and
- our Group to strengthen control over our Group's organizational and shareholding structure, and oversee the exercise of management powers by the general managers of each subsidiary of our Group through proper internal control measures.

Save as disclosed above and in the sub-section headed "Directors and Senior Management — Potential Competing Interest" to this prospectus, as of the Latest Practicable Date, none of our Controlling Shareholders or our Directors was engaged or had interest in any business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Intention of our Controlling Shareholders

Our Controlling Shareholders have confirmed that they have no present intention to inject Zhejiang Greentown Century Plaza and/or the Excluded Group into our Group after Listing. If our Company is aware of any change in our Controlling Shareholders' intention in this regard, our Company will make an announcement in accordance with Rule 8.10(1)(a)(iv) of the Listing Rules. Any acquisition by our Group of Zhejiang Greentown Century Plaza and/or the Excluded Group in the future will be subject to compliance with the relevant requirements of the Listing Rules, including without limitation Rule 8.10(1)(b) and Chapter 14A of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after Listing.

Management Independence

Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. For more details, please refer to the section headed "Directors and Senior Management" in this prospectus. Mr. Shou Bainian and Ms. Xia Yibo, our non-executive Directors, are also our Controlling Shareholders.

Each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on any Board resolutions approving any contract or arrangement or any other proposal in which he or she or any of his or her close associates has a material interest and shall not be counted in the quorum present at the relevant Board meeting. In addition, we believe that our independent non-executive Directors can bring independent judgment to the decision-making process of our Board.

The daily operation of our Group is carried out by an independent experienced management team. We have the capabilities and personnel to perform all essential administrative functions, including financial and accounting, human resources, business management and research and development on a standalone basis. Although Mr. Shou Bainian and Ms. Xia Yibo, our non-executive Directors, are also directors of Orchid Garden Investment, and each of them is also the director of Lily International Investment and ShenaLan International Investment respectively, given that these companies were incorporated as part of the Reorganization for investment holding purpose only, Mr. Shou Bainian and Ms. Xia Yibo will be able, and have undertaken, to devote most of their time and attention to providing guidance and supervision advice to the Board on the development strategy and strategic planning and business of our Group (but not the day-to-day management of our Company). Save as disclosed above, there is no management overlap between our Group and our Controlling Shareholders.

Based on the above, our Directors are satisfied that the Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently.

Operational Independence

We have full rights, hold all relevant licenses, have sufficient capital and employees necessary to make all decisions on, and to carry out, our own business operation independently of our Controlling Shareholders and their respective associates and will continue to do so after Listing.

Intellectual property rights and licenses required for operation

Save as disclosed in the sub-section headed "Connected Transactions — (C) Wholly-exempt Continuing Connected Transactions — 1. Trademark Licensing Agreement" in this prospectus, we are not reliant on trademarks owned by our Controlling Shareholders or their respective associates. In addition, we hold and enjoy the benefit of all relevant licenses and permits material to the operation of our business.

Access to customers

We conduct our own sales and marketing primarily through independent third-party agents. Our Group has a large and diversified base of customers that are unrelated to our Controlling Shareholders and/or their respective close associates.

Operational facilities

As of the Latest Practicable Date and save as disclosed in the sub-section headed "Connected Transactions — (C) Wholly-exempt Continuing Connected Transactions — 4. Tenancy agreement between Greentown Property Management and Ms. Xia Yibo" in this prospectus, we leased properties from Independent Third Parties with a total GFA of over 12,000 sq.m. for offices and warehouses. All the properties and facilities necessary to our business operations are independent from our Controlling Shareholders and their respective associates.

Employees

As of the Latest Practicable Date, substantially all of our full-time employees were recruited independently and primarily through recruitment websites, sub-contracting with independent contractors, on-campus recruitment programs, advertisements in newspapers, recruiting firms and internal referrals.

Connected transactions with our Controlling Shareholders

Save for the continuing connected transactions set out in the section headed "Connected Transactions" in this prospectus, our Directors do not expect that there will be any other transactions between our Group and our Controlling Shareholders or their respective close associates upon or shortly after completion of the Global Offering.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Company, independent from our Controlling Shareholders. We can make financial decisions independently and our Controlling Shareholders do not intervene with our use of funds. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system. In addition, we have been and are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates.

As of December 31, 2015, we had a total borrowing with a carrying value of RMB180.0 million, and all guarantees on such borrowings have been released as at December 31, 2015. Please see Note 24 of section B to the Accountants' Report, the text of which is set out in Appendix I to this prospectus, for details.

As of December 31, 2015: (i) we had amounts due from our Controlling Shareholders and their respective close associates amounting to approximately RMB42.6 million and we have no amount due from Ms. Li Hairong and her close associates; and (ii) the amounts due to our Controlling Shareholders and their respective close associates amounting to approximately RMB983,000 and we had no amount due to Ms. Li Hairong and her close associates. All the non-trade receivables and payables due from and due to our Controlling Shareholders and Ms. Li Hairong and their respective close associates will be released or fully settled prior to Listing. Please see Note 34(d) of section B to the Accountants' Report, the text of which is set out in Appendix I to this prospectus, for details.

Save as disclosed above, except receivables and payables arising under the continuing connected transactions as disclosed in the section headed "Connected Transactions" in this prospectus, as of the Latest Practicable Date, there were no other loans, advances or balances due to and from our Controlling Shareholders and their respective close associates which have not been fully settled, nor were there any pledges and guarantees provided by any of our Controlling Shareholders and their respective close associates on our Group's borrowing which have not been fully released or discharged.

Based on the above, our Directors are satisfied that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

NON-COMPETITION UNDERTAKINGS

To ensure that competition does not develop between us and other business activities and/or interests of our Controlling Shareholders, each of our Controlling Shareholders (collectively, the "**Covenantors**" and each, a "**Covenantor**") has entered into a deed of non-competition undertakings (the "**Deed of Non-competition**") in favor of our Company on June 13, 2016, pursuant to which each of the Covenantors has, among other things, irrevocably and unconditionally undertaken, jointly and severally, with our Company that at any time during the Relevant Period (as defined below), the Covenantor shall not, and shall procure that its/his/her associates (other than members of our Group) shall not, directly or indirectly, carry on, engage in, invest in, participate in, attempt to participate in, render any services to, provide any financial support to or otherwise be involved in or interested in, whether alone or jointly with another person and whether directly or indirectly or on behalf of or to assist or act in concert with any other person, any business or investment activities in the PRC and Hong Kong which is the same as, similar to or in competition or likely to be in competition with the business carried on or contemplated to be carried on by any member of our Group from time to time (the "**Restricted Business**").

The above restrictions do not prohibit any of the Covenantors and its or his associates (excluding members of our Group) from:

(a) holding any securities of any companies which conducts or is engaged in any Restricted Business through their interests in our Group;

(b) carrying on, engaging in, investing in, participating in, attempting to participate in, rendering any services to, providing any financial support to or otherwise be involved or interested in the existing businesses carried on by Zhejiang Greentown Century Plaza and the Excluded Group as set out above;

(c) undertaking project(s) or otherwise be involved in any of the Restricted Businesses provided that the following conditions are satisfied:

   (i) the project or business opportunity has been first offered to our Group, and our Group has not taken it up;

   (ii) the relevant Convenantor shall not undertake projects or businesses awarded by or otherwise entered into with any past or present customer(s) of our Group; and

   (iii) the relevant Covenantor shall not undertake any project(s) or business(es) in which our Group has previously sought to take part; or

(d) through acquiring or holding any investment or interest in units or shares of any company, investment trust, joint venture, partnership or other entity in whatever form which engages in any Restricted Business where such investment or interest does not exceed 10% of the issued shares of such entity provided that (1) such investment or interest does not grant the Covenantors or their respective associates any right to control the composition of the board of directors or managers of such entity, (2) none of the Covenantors or their respective associates control the board of directors or managers of such entity and (3) such investment or interest does not grant the Covenantors or their respective associates any right to participate directly or indirectly in such entity.

Each of the Covenantors has also undertaken to refer, or to procure the referral of, any investment or commercial opportunities relating to any Restricted Business ("**New Business Opportunities**" and each, a "**New Business Opportunity**") to us (for ourselves and as trustee for the benefit of each of our subsidiaries from time to time) in the following manner:

- As soon as it/he becoming aware of any New Business Opportunity, give written notice (the "**Offer Notice**") to us identifying the target company (if relevant) and the nature of the New Opportunity, detailing all information available to it/him/her for us to consider whether to pursue such New Business Opportunity (including details of any investment or acquisition costs and the contact details of the third parties offering, proposing or presenting the New Business Opportunity to it).

- Our Company shall, as soon as practicable and in any case within 25 business days from the receipt of the Offer Notice (the "**Offer Notice Period**") notify the relevant Covenantor in writing of any decision taken to pursue or decline the New Business Opportunity. During the Offer Notice Period, our Company may negotiate with the third party offering it/him/her, proposing or presenting the New Business Opportunity and the relevant Covenantor shall use its/his/her best endeavors to assist us in obtaining such New Business Opportunity on the same or more favorable terms.

- Our Company is required to seek approval from our independent non-executive Directors who do not have a material interest in the matter for consideration as to whether to pursue or decline the New Business Opportunity, and that the appointment of an independent financial advisor to advise on the terms of the transaction in the subject matter of such New Business Opportunity may be required.

- The relevant Covenantor may, at its/his/her absolute discretion, consider extending the Offer Notice Period as appropriate.

- The relevant Covenantor shall be entitled to but shall not be obliged to carry on, engage, invest, participate or be interested (economically or otherwise) in the New Business Opportunity (whether individually or jointly with another person and whether directly or indirectly or on behalf of or to assist any other person) on the same, or less favorable, terms and conditions in all material respects as set out in the Offer Notice if:

  (i) it/he/she has received a written notice from us declining the New Business Opportunity; or

  (ii) it/he/she has not received any written notice from us of our decision to pursue or decline the New Business Opportunity within 25 business days from our receipt of the Offer Notice, or if it/he/she has extended the Offer Notice Period, within such other period as agreed by it, in which case our Company shall be deemed to have declined the New Business Opportunity.

- If there is a change in the nature or proposal of the New Business Opportunity pursued by the relevant Covenantor, it/he/she shall refer the New Business Opportunity as revised and shall provide to us details of all available information for us to consider whether to pursue the New Business Opportunity as revised.

When considering whether or not to pursue any New Business Opportunities, our independent non-executive Directors will form their views based on a range of factors, including but not limited to, the estimated profitability, investment value and permits and approval requirements. The Covenantors, for themselves and on behalf of their associates (except any members of our Group), have also acknowledged that our Company may be required by the relevant laws, regulations and rules and regulatory bodies to disclose, from time to time, information on the New Business Opportunities, including but not limited to disclosure in public announcements or annual reports of our Company our decisions to pursue or decline the New Business Opportunities, and have agreed to disclose to the extent necessary to comply with any such requirements.

Under the Deed of Non-competition, each of the Covenantors has further irrevocably and unconditionally undertaken jointly and severally, with us the following:

(i) the Covenantors shall provide, and shall procure their associates (other than members of our Group) to provide, during the Relevant Period (as defined below), where necessary and at least on an annual basis, all information necessary for the review by our independent non-executive Directors, subject to any relevant laws, rules and regulations or any contractual obligations, to enable them to review the Covenantors' and their associates' (other than members of our Group) compliance with the Deed of Non-competition, and to enable the independent non-executive Directors to enforce the Deed of Non-competition;

(ii) without prejudicing the generality of paragraph (i) above, the Covenantors shall provide to us with an annual declaration for inclusion in our annual report, in respect of their compliance with the terms of the Deed of Non-competition;

(iii) the Covenantors have agreed and authorized us to disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance and enforcement of the Deed of Non-competition, either through our annual reports or by way of public announcements; and

(iv) each of the Covenantors agrees to indemnify us from and against any and all losses, damages, claims, liabilities, costs and expenses (including legal costs and expenses) where we may suffer or incur as a result of any failure to comply with the terms of the Deed of Non-competition by the Covenantors or any of their respective associates.

Our Company will disclose the decisions with basis on matters reviewed by our independent non-executive Directors relating to the compliance with and enforcement of the Deed of Non-competition either in the annual report of our Company or by way of announcement to the public.

For the purposes of the above, the "Relevant Period" means the period commencing from the Listing Date and shall expire on the earlier of (i) the date when the Covenantors and any of their associates, cease to hold, or otherwise be interested in, beneficially in aggregate whether directly or indirectly, 30% or more (or such other percentage of shareholding as stipulated in the Listing Rules to constitute a controlling shareholder) of the issued share capital of our Company or (ii) the date on which our Shares cease to be listed on the Stock Exchange (except for temporary suspension of trading of our Shares).

CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage the potential conflict of interests between our Controlling Shareholders and our Group and to safeguard the interests of the Shareholders taken as a whole for the following reasons:

- the independent non-executive Directors will review, on an annual basis, the compliance with non-competition undertakings by our Controlling Shareholders under the Deed of Non-competition;
- our Controlling Shareholders shall provide all information requested by our Company which is necessary for the annual review by the independent non-executive Directors and the enforcement of the Deed of Non-competition;
- our Company will disclose decisions and related basis on matters reviewed by the independent non-executive Directors (including all rejections by our Company of New Business Opportunities that have been referred from our Controlling Shareholders) relating to the compliance with and enforcement of the non-competition undertakings by our Controlling Shareholders under the Deed of Non-competition in the annual reports of our Company or by way of public announcements;
- our Controlling Shareholders to make annual statements on compliance with the Deed of Non-competition in our annual reports, which is consistent with the principles of making disclosure in the corporate governance report of the annual report under the Listing Rules;
- as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates has a material interest nor shall such Director be counted in the quorum present at the meeting;

- a Director with materials interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the board meetings on matters in which such Director or any of his/her close associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;
- we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in the sub-section headed "Directors and Senior Management — Board of Directors — Independent Non-executive Directors" in this prospectus;
- in the event that our independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or our Directors on the other, our Controlling Shareholders and/or our Directors shall provide our independent non-executive Directors with all necessary information and our Company shall disclose the decisions of our independent non-executive Directors (including why business opportunities referred to it by our Controlling Shareholders were not taken up) either through its annual report or by way of announcements; and
- we have appointed Haitong International Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors' duties and corporate governance.

We have entered into a number of agreements with our connected persons the details of which are set out below. The transactions disclosed in this section will constitute our continuing connected transactions under Chapter 14A of the Listing Rules upon Listing.

(A) CONNECTED PERSONS

The following parties will become our connected persons upon Listing.

	Connected Person	Connected Relationship
1.	Ms. Li Hairong (李海榮)	Our substantial Shareholder, currently holds 34.0% of our total issued share capital and will hold approximately 24.48% of our total issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). She is also our Chairlady and executive Director. Hence, Ms. Li Hairong is our connected person.
2.	Mr. Shou Bainian (壽柏年)	Our Ultimate Controlling Shareholder, through his wholly-owned company Lily International Investment, is indirectly interested in 39% of Orchid Garden Investment, a Controlling Shareholder which holds 51% of our total issued share capital and will hold approximately 36.72% of our total issued share capital immediately following the completion of the Global Offering. He is also our non-executive Director. Hence, Mr. Shou Bainian is our connected person.
3.	Ms. Xia Yibo (夏一波)	Our Ultimate Controlling Shareholder, through her wholly-owned company ShenaLan International Investment, is indirectly interested in 21% of Orchid Garden Investment, a Controlling Shareholder which holds 51% of our total issued share capital and will hold approximately 36.72% of our total issued share capital immediately following the completion of the Global Offering. She is also our non-executive Director. Hence, Ms. Xia Yibo is our connected person.
4.	Mr. Song Weiping (宋卫平)	Our Ultimate Controlling Shareholder, through his wholly-owned company Osmanthus Garden Investment, is indirectly interested in 40% of Orchid Garden Investment, a Controlling Shareholder which holds 51% of our total issued share capital and will hold approximately 36.72% of our total issued share capital immediately following the completion of the Global Offering. Hence, Mr. Song Weiping is our connected person. He is the spouse of Ms. Xia Yibo, our non-executive Director, and hence is also an associate of Ms. Xia Yibo.
5.	Mr. Yang Zhangfa (楊掌法)	Mr. Yang Zhangfa is our executive Director, and hence a connected person of our Company.

	Connected Person	Connected Relationship
6.	Greentown Holdings	Greentown Holdings, a company established in the PRC with limited liability, is principally engaged in investment holdings, which is indirectly held as to 40% by Mr. Song Weiping, 39% by Mr. Shou Bainian and 21% by Ms. Xia Yibo, therefore, it is an associate of Mr. Song Weiping and Mr. Shou Bainian and hence a connected person of our Company.
7.	Shenyang Yinji Greenery Engineering Company Limited (瀋陽銀基園林工程有限公司) ("**Shenyang Yinji Greenery Engineering**")	Shenyang Yinji Greenery Engineering, a company established in the PRC with limited liability, is principally engaged in the provision of environmental maintenance, gardening services in the PRC. Shenyang Yinji Garden Engineering is wholly-owned by Hangzhou Dangui Investment, a company established in the PRC with 51% of its equity interest being held by Greentown Holdings, and the remaining 49% equity interest being held by Ningbo Ronghua Investment LLP (寧波榮華投資合夥企業(有限合夥)), which is in turn held as to 80% and 20% by Ms. Ju Yao (鞠瑤) and Ms. Li Haizhi (李海芝) (both family members of Ms. Li Hairong). Therefore, Shenyang Yinji Greenery Engineering is an associate of Mr. Song Weiping and Ms. Li Hairong and hence a connected person of our Company.
8.	Zhejiang Gelingtong Elevator Engineering Company Limited (浙江格靈通電梯工程有限公司) ("**Zhejiang Gelingtong Elevator Engineering**")	Zhejiang Gelingtong Elevator Engineering, a company established in the PRC with limited liability, is principally engaged in the provision of elevator maintenance services in the PRC which is held as to 50% by Hangzhou Dangui Investment, therefore, it is an associate of Mr. Song Weiping and Ms. Li Hairong and hence a connected person of our Company.
9.	Hangzhou Greentown Air-conditioning Equipment Maintenance Services Company Limited (杭州綠城空調設備維護服務有限公司) ("**Hangzhou Greentown Air-conditioning Equipment Maintenance**")	Hangzhou Greentown Air-conditioning Equipment Maintenance, a company established in the PRC with limited liability, is principally engaged in the provision of air-conditioning equipment maintenance services in the PRC, which is wholly-owned by Hangzhou Dangui Investment, therefore, it is an associate of Mr. Song Weiping and Ms. Li Hairong and hence a connected person of our Company.
10.	Zhejiang Greentown Housing Services System Company Limited (浙江綠城房屋服務系統有限公司) ("**Zhejiang Greentown Housing Services System**")	Zhejiang Greentown Housing Services System, a company established in the PRC with limited liability, is principally engaged in the provision of renovation, interior design, home repair and maintenance and related services in the PRC, which is held as to 80% by Hangzhou Dangui Investment, therefore, it is an associate of Mr. Song Weiping and Ms. Li Hairong and hence a connected person of our Company.

	Connected Person	Connected Relationship
11.	Hangzhou Greentown Football Club Company Limited (杭州綠城足球俱樂部有限公司) ("**Hangzhou Greentown Football Club**")	Hangzhou Greentown Football Club, a company established in the PRC with limited liability, is principally engaged in football competition and football training which is held as to 90% by Greentown Holdings, therefore, it is an associate of Mr. Song Weiping and hence a connected person of our Company.
12.	Yuhang District Hangzhou Greentown Yuhua Taohuayuan School (餘杭區杭州綠城育華桃花源學校) ("**Hangzhou Greentown Football School**")	Hangzhou Football Greentown School, a company established in the PRC with limited liability, is principally engaged in football competition and football training which is wholly-owned by Zhejiang Greentown Education Investment Company Limited (浙江綠城教育投資有限公司), which is in turn owned by Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo as to 40%, 39% and 21%, respectively. Therefore, it is an associate of Mr. Song Weiping and Mr. Shou Bainian and hence a connected person of our Company.
13.	Zhejiang Greentown Hospital Investment Company Limited (浙江綠城醫院投資有限公司) ("**Zhejiang Greentown Hospital Investment**")	Zhejiang Greentown Hospital Investment, a company established in the PRC with limited liability, is principally engaged in investment holding, which is held as to 46.8% by Mr. Song Weiping, therefore, it is an associate of Mr. Song Weiping and hence a connected person of our Company.
14.	Zhejiang Greentown Cardiovascular Hospital (浙江綠城心血管病醫院)	Zhejiang Greentown Cardiovascular Hospital, a domestic enterprise established in the PRC with limited liability, is principally engaged in the provision of hospital services in the PRC, which is wholly-owned by Zhejiang Greentown Hospital Investment, therefore, it is an associate of Mr. Song Weiping and hence a connected person of our Company.
15.	Greentown Telecommunications	Greentown Telecommunications, a company established in the PRC with limited liability, is principally engaged in call center operations and related services, which is held as to 51% and 49% by Mr. Yang Zhangfa and Ms. Li Hairong, respectively. Therefore, it is an associate of Mr. Yang Zhangfa and Ms. Li Hairong and hence a connected person of our Company.

(B) SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

	Nature of transaction	Applicable Listing Rule relating to the exemption	Waiver sought
	Wholly-exempt continuing connected transactions		
1.	Trademark Licensing Agreement with Greentown Holdings	14A.76(1)(a)	Not applicable
2.	Provision of Zhongtai Football Property Management Services by our Group	14A.76(1)(c)	Not applicable
3.	Provision of Health Inspection Services to our Group	14A.76(1)(c)	Not applicable
4.	Tenancy agreement with Ms. Xia Yibo	14A.76(1)(a)	Not applicable
5.	Provision of Call Center Services to our Group	14A.76(1)(a)	Not applicable
	Partially-exempt continuing connected transactions		
1.	Provision of Ancillary Services to our Group	14A.76(2)(a)	Waiver from the annual review and announcement requirements

(C) WHOLLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We set out below a summary of the continuing connected transactions for our Company, which, under the Listing Rules, will constitute continuing connected transactions for our Company exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. Trademark Licensing Agreement

Description of the Transaction

On December 30, 2014, as part of the Reorganization, a trademark licensing agreement was entered into between Greentown Holdings and Greentown Property Management, a member of our Group (the **"Trademark Licensing Agreement")** pursuant to which Greentown Holdings agreed to irrevocably and unconditionally grant to Greentown Property Management and other members of our Group a non-transferable license to use two trademarks (the **"Trademarks"**) registered in the name of Greentown Holdings in the PRC (the "**Trademark License**") on a royalty-free basis. Details of the Trademarks are set forth as follows:

No.	Trade-mark	Place of Registration	Registration No.	Registered Proprietor	Licensee	Class	Registration Date	Expiry Date
1		PRC	1354914	Greentown Holdings	Greentown Property Management	36	January 14, 2010	January 13, 2020
2	绿城房产 GREENTOWN	PRC	1354911	Greentown Holdings	Greentown Property Management	36	January 14, 2010	January 13, 2020

The term of this licensing agreement commences on the date of the Trademark Licensing Agreement until the expiration date of the Trademarks. Our Directors and the Joint Sponsors are of the view that entering into the Trademark Licensing Agreement for a period of more than three years promotes stability in operations and is beneficial to our Shareholders as a whole.

Historical Transaction Amounts

Our Group did not enter into any trademark licensing agreements in respect of the Trademarks prior to December 30, 2014 and the right to use the Trademarks was granted to our Group on a royalty-free basis under the Trademark Licensing Agreement. As such, for the years ended December 31, 2013, 2014 and 2015, no royalty was paid by our Group in respect of trademark licensing.

Listing Rules Implications

As the right to use the Trademarks is granted to our Group on a royalty-free basis under the Trademark Licensing Agreement and based on the percentage ratios applicable under Chapter 14A of the Listing Rules, this transaction is therefore exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Provision of Zhongtai Football Property Management Services by our Group

We provide property management services to Greentown Zhongtai Football Training Base (綠城中泰足球訓練基地) ("**Zhongtai Football Training Base**"), a property jointly managed by Hangzhou Greentown Football Club and Hangzhou Greentown Football School in the ordinary course of our business.

Description of the Transaction

On June 10, 2016, each of Hangzhou Greentown Football Club and Hangzhou Greentown Football School entered into an property management services framework agreement (the "**Football Club Property Management Services Framework Agreement**" and the "**Football School Property Management Services Framework Agreement**", respectively, and collectively, the "**Zhongtai Football Property Management Services Framework Agreements**") with our Group, pursuant to which our Group agreed to provide property management services including but not limited to the provision of cleaning, security and car park management services (the "**Zhongtai Football Property Management Services**"), to Zhongtai Football Training Base, for a term commencing from the Listing Date until December 31, 2018.

Historical Transaction Amounts

For each of the years ended December 31, 2013, 2014 and 2015, the total amount of fees being paid to our Group for the Zhongtai Football Property Management Services by Hangzhou Greentown Football Club and Hangzhou Greentown Football School amounted to, in aggregate, approximately RMB1,286,000, RMB1,271,000 and RMB1,399,000, respectively. Based on the unaudited management accounts of our Company, the transaction amount for the three months ended March 31, 2016 was approximately RMB325,000[(1)].

Consideration

The fees charged for the Zhongtai Football Property Management Services provided by our Group to Zhongtai Football Training Base were determined based on comparison with the prices quoted by our Group to other third parties for the provision of similar services. Such fee quotes were given based on the required scope of services including the required number of personnel, which are in line with the fee quotes of similar scope given by our Group to other independent third party customers. Such fee quotes given by our Group were accepted or rejected by Hangzhou Greentown Football Club or Hangzhou Greentown Football School (as the case may be) after undergoing respective internal approval processes. The Zhongtai Football Property Management Services Framework Agreements were entered into on normal commercial terms.

Annual Caps

Our Directors estimate that the maximum annual fee payable by Hangzhou Greentown Football Club and Hangzhou Greentown Football School to our Group in relation to the Zhongtai Football Property Management Services under the Zhongtai Football Property Management Services Framework Agreements for each of the three years ending December 31, 2018 will not exceed, in aggregate, RMB1,498,000, RMB1,602,000 and RMB1,715,000, respectively.

In arriving at the above annual caps, our Directors have considered the following factors:

- the estimated annual growth rate of 5% in terms of the contracted amount of service fees for the Zhongtai Football Property Management Services to be provided; and
- the estimated inflation rate of 2% per year.

As mentioned above, the unaudited transaction amount for the three months ended March 31, 2016 of approximately RMB325,000 represents approximately 22% of the 2016 annual cap of RMB1,498,000. Our Directors are of the view that such actual transaction amount for the first quarter of 2016 is in line with the full-year annual cap for 2016 as forecasted.

Listing Rules Implications

Since each of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the aggregated annual caps in relation to the Zhongtai Football Property Management Services by the Group, as aggregated, is expected to be less than 5% and the total consideration is less than HK$3,000,000 per annum, the transactions under the Zhongtai Football Property Management Services Framework Agreements will be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Note:

(1) Such figure is based on the unaudited management accounts of our Company for the three months ended March 31, 2016 and may differ from the actual audited figure

3. Provision of Health Inspection Services by Zhejiang Greentown Cardiovascular Hospital to our Group

We engage the health inspection services of Zhejiang Greentown Cardiovascular Hospital in the ordinary course of our business.

Description of the Transaction

On June 10, 2016, Zhejiang Greentown Cardiovascular Hospital entered into a health inspection services framework agreement (the "**Health Inspection Services Framework Agreement**") with our Company, pursuant to which Zhejiang Greentown Cardiovascular Hospital agreed to provide health inspection services, including but not limited to conducting general body checks, transcranial doppler inspections and bone density examinations for approximately 3,000 employees of our Group ("**Health Inspection Services**"), for a term commencing from the Listing Date until December 31, 2018.

Historical Transaction Amounts

For each of the years ended December 31, 2013, 2014 and 2015, the total amount of fees being paid by our Group for the Health Inspection Services provided by Zhejiang Greentown Cardiovascular Hospital to our Group amounted to approximately RMB249,000, RMB1,277,000 and RMB734,000, respectively. Based on the unaudited management accounts of our Company, there was no transaction amount for the three months ended March 31, 2016[(1)].

Transactions relating to the Health Inspection Services depend on health inspection fees incurred by employees of our Group. Based on historical transactions, our Group would usually be engaged in finalizing the list of employees eligible to take part in such health inspections and other preparation arrangements during the first quarter of each year. The health inspections usually commence in the second quarter each year, and the relevant amount of health inspection fees are only confirmed after all health inspections have been carried out and settled in the third or fourth quarter of each year.

Consideration

The fees charged for the Health Inspection Services provided by Zhejiang Greentown Cardiovascular Hospital to our Group were determined through a bidding process and in compliance with applicable bidding laws, regulations and rules. In respect of such bidding process, our Group issued tender notices to three or more health inspection service providers to invite for tender proposals in accordance with certain specifications set by our Group. Upon receipt of such tender proposals, a tender evaluation panel set up internally by our Group was responsible for evaluating the tender proposals, taking into consideration the tenders' performance at a physical question-and-answer session, the proposed pricing and the service package as a whole contained in the tender proposal. The selected service provider would then receive a notice of award from our Group. The Health Inspection Services Framework Agreement was entered into on normal commercial terms.

Note:

(1) Such figure is based on the unaudited management accounts of our Company for the three months ended March 31, 2016 and may differ from the actual audited figure

Annual Caps

Our Directors estimate that the maximum annual fee payable by our Group in relation to the Health Inspection Services to be provided by Zhejiang Greentown Cardiovascular Hospital to our Group under the Health Inspection Services Framework Agreement for each of the three years ending December 31, 2018 will not exceed RMB1,087,000, RMB1,312,000 and RMB1,584,000, respectively.

In arriving at the above annual caps, our Directors have considered the following factors:

- the estimated increase in the number of employees who are expected to participate in the Health Inspection Services, based on the historical rate of increase and the actual number of employees who participated in the Health Inspection Services in the year ended December 31, 2015;
- the estimated health inspection prices, based on two different price categories of health inspection packages adopted for the year ended December 31, 2015, and an estimated rate of increase; and
- the estimated inflation rate of 2% per year.

Although no transaction amount was incurred for the first quarter of 2016, our Directors are of the view that the annual cap is nonetheless reasonable from a full-year perspective due to the particular nature of the Health Inspection Services as mentioned above such that the transaction amount can only be ascertained and accounted for at the end of each year on a full-year basis.

Listing Rules Implications

Since each of the applicable percentage ratio (other than the profits ratio) under the Listing Rules in respect of the annual caps is expected to be less than 5% and the total consideration is less than HK$3,000,000 per annum, the transactions under Health Inspection Services Framework Agreement will be exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4. Tenancy agreement between Greentown Property Management and Ms. Xia Yibo

We rent a property from Ms. Xia Yibo in the ordinary course of our business.

Description of the Transaction

On April 17, 2013, Greentown Property Management entered into a tenancy agreement with Ms. Xia Yibo (the "**Xia Yibo Tenancy Agreement**"), pursuant to which Ms. Xia Yibo agreed to lease to Greentown Property Management office premises located at Shop No. 67, Dangui Apartment, Xihu District, Hangzhou City, Zhejiang Province, the PRC (the "**Xia Yibo Property**") of a total gross floor area of 250 sq.m. at an annual rental of RMB120,000, for a three-year term commencing from May 1, 2013 to April 30, 2016. On June 23, 2016, the parties renewed the Xia Yibo Tenancy Agreement by entering into a new tenancy agreement at an annual rental of RMB130,000 for a one-year term commencing from May 1, 2016 to April 30, 2017.

Historical Transaction Amounts

For each of the years ended December 31, 2013, 2014 and 2015, the total amount of rental being paid by Greentown Property Management to Ms. Xia Yibo under the Xia Yibo Tenancy Agreement amounted to approximately RMB120,000, RMB120,000 and RMB120,000, respectively. Based on the unaudited management accounts of our Company, the transaction amount for the three months ended March 31, 2016 was approximately RMB30,000[(1)].

Consideration

The annual rental was determined by the parties through arm's length negotiations with reference to the then prevailing market rate for similar premises in the vicinity of the Xia Yibo Property. Jones Lang LaSalle Corporate Appraisal and Advisory Limited, our independent property valuer, has confirmed that the current monthly rental paid by Greentown Property Management under the Xia Yibo Tenancy Agreement is no less favorable to our Company than that payable by an Independent Third Party.

Annual Caps

Our Directors estimate that the maximum annual fee payable by Greentown Property Management in relation to the Xia Yibo Tenancy Agreement for each of the three years ending December 31, 2018 will not exceed RMB135,000, RMB151,000 and RMB169,000, respectively.

In arriving at the above annual caps, our Directors have considered the following factors:

- the annual rental as agreed under the Xia Yibo Tenancy Agreement;
- the estimated increase in the annual rental rate based on the average increase in rental fees within Hangzhou City; and
- the estimated inflation rate of 2% per year.

As mentioned above, the unaudited transaction amount for the three months ended March 31, 2016 of approximately RMB30,000 represents approximately 22% of the 2016 annual cap of RMB135,000. Our Directors are of the view that such actual transaction amount for the first quarter of 2016 is in line with the full-year annual cap for 2016 as forecasted.

Listing Rules Implications

Since each of the applicable percentage ratio (other than the profits ratio) under the Listing Rules in respect of the annual caps is expected to be less than 0.1%, the transactions under the Xia Yibo Tenancy Agreement will be exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Note:

(1) Such figure is based on the unaudited management accounts of our Company for the three months ended March 31, 2016 and may differ from the actual audited figure

5. Provision of Call Center Services by Greentown Telecommunications to our Group

We engage the call center services of Greentown Telecommunications in the ordinary course of our business.

Description of the Transaction

On April 5, 2016, Greentown Telecommunications entered into a cooperation agreement (the "**Cooperation Agreement**") with our Company, pursuant to which Greentown Telecommunications agreed to provide resident call center services and employee telephone hotline services to our Group, for a term commencing from the Listing Date until December 31, 2018 (the "**Call Center Services**"). During the Track Record Period, Greentown Telecommunications provided the Call Center Services to our Group since May 2015.

Historical Transaction Amounts

For each of the years ended December 31, 2013, 2014 and 2015, the total fee paid by our Group for the Call Center Services provided by Greentown Telecommunications amounted to approximately nil, nil and RMB301,000, respectively. Based on the unaudited management accounts of our Company, the transaction amount for the three months ended March 31, 2016 was approximately RMB137,000(1).

Consideration

The fees charged for the Call Center Services was determined based on the comparison of the fee quote provided by Greentown Telecommunications to our Group with the fee quotes provided by Greentown Telecommunications to other Independent Third Parties. The Cooperation Agreement was entered into on normal commercial terms.

Annual Caps

Our Directors estimate that the maximum annual fee payable by our Group in relation to the Call Center Services to be provided by Greentown Telecommunications under the Cooperation Agreement for each of the three years ending December 31, 2018 will not exceed RMB671,000, RMB861,000 and RMB953,000, respectively.

In arriving at the above annual caps, our Directors have considered the following factors:

- the estimated transaction amount for resident call center services based on a pro rata basis of the historical transaction amount for the year ended December 31, 2015, since the Call Center Services only commenced in May 2015;
- the total area under management in respect of the Group's property projects;
- an inflation rate of 2% per year; and
- the contracted fixed annual fee for employee telephone hotline services.

Note:

(1) Such figure is based on the unaudited management accounts of our Company for the three months ended March 31, 2016 and may differ from the actual audited figure

As mentioned above, the unaudited transaction amount for the three months ended March 31, 2016 of approximately RMB137,000 represents approximately 21% of the 2016 annual cap of RMB671,000. Our Directors are of the view that such actual transaction amount for the first quarter of 2016 is in line with the full-year annual cap for 2016 as forecasted.

(D) PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We set out below a summary of the continuing connected transactions for our Company, which are, under the Listing Rules, subject to the reporting, annual review, announcement requirements but will be exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. Provision of Ancillary Services to our Group

Our Group engages certain ancillary property management services from certain connected persons in the ordinary course of our business.

(a) Provision of Elevator Maintenance Services by Zhejiang Gelingtong Elevator Engineering to our Group

We engage the elevator maintenance services of Zhejiang Gelingtong Elevator Engineering in the ordinary course of our business.

Description of the Transaction

On June 10, 2016, Zhejiang Gelingtong Elevator Engineering entered into an elevator maintenance services framework agreement (the "**Elevator Maintenance Services Framework Agreement**") with our Company, pursuant to which Zhejiang Gelingtong Elevator Engineering agreed to provide elevator maintenance services, including but not limited to conducting annual inspections, safety maintenance, and providing repair services to our Group for the properties projects managed by our Group ("**Elevator Maintenance Services**"), for a term commencing from the Listing Date until December 31, 2018. During the Track Record Period, Zhejiang Gelingtong Elevator Engineering provided the Elevator Maintenance Services to a total of 84 property projects in the PRC.

Historical Transaction Amounts

For each of the years ended December 31, 2013, 2014 and 2015, the total fee paid by our Group for the Elevator Maintenance Services provided by Zhejiang Gelingtong Elevator Engineering amounted to approximately RMB11,243,000, RMB12,335,000 and RMB11,269,000, respectively. Based on the unaudited management accounts of our Company, the transaction amount for the three months ended March 31, 2016 was approximately RMB3,076,000[(1)].

Note:

(1) Such figure is based on the unaudited management accounts of our Company for the three months ended March 31, 2016 and may differ from the actual audited figure

Consideration

The fees charged for the Elevator Maintenance Services provided by Zhejiang Gelingtong Elevator Engineering to our Group was determined based on (i) cost of raw materials and wages needed for carrying out the Elevator Maintenance Services; and (ii) the comparison of the fee quote provided by Zhejiang Gelingtong Elevator Engineering to our Group with the fee quotes provided by other independent third party elevator maintenance companies engaged by our Group for its other property management projects. When comparing the fee quotes, our Group considered factors including the price, scope of services and the efficiency and ability of the service provider to perform such services in a timely manner. The Elevator Maintenance Services Framework Agreement was entered into on normal commercial terms.

Annual Caps

Our Directors estimate that the maximum annual fee payable by our Group in relation to the Elevator Maintenance Services to be provided by Zhejiang Gelingtong Elevator Engineering under the Elevator Maintenance Services Framework Agreement for each of the three years ending December 31, 2018 will not exceed RMB12,600,000, RMB14,086,000 and RMB15,748,000, respectively.

In arriving at the above annual caps, our Directors have considered the following factors:

- the historical growth rate of the transaction; and
- the estimated inflation rate of 2% per year.

As mentioned above, the unaudited transaction amount for the three months ended March 31, 2016 of approximately RMB3,076,000 represents approximately 24% of the 2016 annual cap of RMB12,600,000. Our Directors are of the view that such actual transaction amount for the first quarter of 2016 is in line with the full-year annual cap for 2016 as forecasted.

(b) Provision of Gardening Services by Shenyang Yinji Greenery Engineering to our Group

We engage the gardening services of Shenyang Yinji Greenery Engineering in the ordinary course of our business.

Description of the Transaction

On June 10, 2016, Shenyang Yinji Greenery Engineering entered into a gardening services framework agreement (the "**Gardening Services Framework Agreement**") with our Company, pursuant to which Shenyang Yinji Greenery Engineering agreed to provide to our Group gardening services, including but not limited to turfing, watering and trimming lawns, fertilization and pest removal for property projects managed by our Group (the "**Gardening Services**"), for a term commencing from the Listing Date until December 31, 2018. During the Track Record Period, Shenyang Yinji Greenery Engineering provided the Gardening Services to five property projects located in Liaoning Province, the PRC.

Historical Transaction Amounts

For each of the years ended December 31, 2013, 2014 and 2015, the total amount of fees being paid by our Group for the Gardening Services provided by Shenyang Yinji Greenery Engineering to our Group amounted to approximately RMB99,000, RMB857,000 and RMB2,324,000, respectively. The transaction amount in 2013 was lower than that in 2014 as there was only one contract between our Group and Shenyang Yinji Greenery Engineering and due to the different nature of gardening projects which Shenyang Yinji Greenery Engineering was engaged for and therefore resulted in different amount of fees paid by our Group. The gardening project for 2013 comprised regular routine environmental maintenance works, while those for 2014 involved re-planting of trees and other gardening-related work in addition to regular routine environmental maintenance works, hence resulted in a considerably higher amount of fees received. Based on the unaudited management accounts of our Company, the transaction amount for the three months ended March 31, 2016 was approximately RMB463,000(1).

The Gardening Services comprise two main components: (i) regular maintenance service contracts; and (ii) ad-hoc gardening and greening services. In respect of (i), such transactions depend largely on our Group's total management area in the Bohai Economic Rim; in respect of (ii), such transactions depend largely on the local weather and environmental conditions which will affect the demand for gardening and greening services. As can be seen, the factors driving the transaction amount relating to the Gardening Services are not steady in nature, therefore the transaction amount may not be evenly distributed throughout the year. The distribution of historical transaction amount are set out as follows:

(i) data for the year ended December 31, 2013 is not meaningful as there was only one contract between our Group and Shenyang Yinji Greenery Engineering;

(ii) for each quarter of the year ended December 31, 2014: approximately 9%, 34%, 39% and 18%, respectively; and

(iii) for each quarter of the year ended December 31, 2015: approximately 24%, 24%, 24% and 28%, respectively.

Our Directors are of the view that, based on the distribution of historical transaction amount, the transactions in respect of the Gardening Services do not follow any particular seasonality or trend throughout the year.

Consideration

The fees charged for the Gardening Services provided by Shenyang Yinji Greenery Engineering to our Group were determined based on (i) the total area covered by the Gardening Services; and (ii) the comparison of the fee quotes provided by Shenyang Yinji Greenery Engineering to our Group with the fee quotes provided by other independent third party contractors providing similar services engaged by our Group for its other gardening projects. When comparing the fee quotes, our Group

Note:

(1) Such figure is based on the unaudited management accounts of our Company for the three months ended March 31, 2016 and may differ from the actual audited figure

considered factors including the price, scope of services and the efficiency and ability of the service provider to perform such services in a timely manner. The Gardening Services Framework Agreement was entered into on normal commercial terms.

Annual Caps

Our Directors estimate that the maximum annual fee payable by our Group in relation to the Gardening Services to be provided by Shenyang Yinji Greenery Engineering under the Gardening Services Framework Agreement for each of the three years ending December 31, 2018 will not exceed RMB3,295,000, RMB4,563,000 and RMB4,741,000, respectively.

In arriving at the above annual caps, our Directors have considered the following factors:

- the estimated growth of the area of the Bohai Economic Rim;
- the total management area in the Bohai Economic Rim area, where our Group mainly requires Gardening Services from Shenyang Yinji Greenery Engineering, based on the existing ratio of total management area to which Gardening Services are being provided to the total area of the Bohai Economic Rim;
- the estimated area requiring the Gardening Services based on the current ratio of the area requiring Gardening Services to the total management area;
- the unit price for each sq.m. of Gardening Services provided; and
- the estimated inflation rate of 2% per year.

As mentioned above, the unaudited transaction amount for the three months ended March 31, 2016 of approximately RMB463,000 represents approximately 14% of the 2016 annual cap of RMB3,295,000. Based on the reasons set out above, our Directors are of the view that the slight dip of transaction amount for the first quarter of 2016 as compared to the full-year annual cap is not indicative of the total transaction amount to be incurred for the full year of 2016, and such actual transaction amount for the first quarter of 2016 is justified.

(c) Provision of Home Decoration Services by Zhejiang Greentown Housing Services System to our Group

We engage the renovation, home repair and decoration services of Zhejiang Greentown Housing Service Systems in the ordinary course of our business.

Description of the Transaction

On June 10, 2016, Zhejiang Greentown Housing Services System entered into a home decoration services framework agreement (the "**Home Decoration Services Framework Agreement**") with our Company, pursuant to which Zhejiang Greentown Housing Services System agreed to provide renovation, home repair and decoration services, including but not limited to revamp of suspended ceilings, floor laying and wall coating works for the property projects managed by our Group ("**Home Decoration Services**"), for a term commencing on the Listing Date until December 31, 2018. During the Track Record Period, Zhejiang Greentown Housing Services System provided the Home Decoration Services to property projects in Hangzhou, Zhejiang Province, the PRC.

Historical Transaction Amounts

For each of the years ended December 31, 2013, 2014 and 2015, the total amount of fees being paid by our Group for the Home Decoration Services provided by Zhejiang Greentown Housing Services System to our Group amounted to approximately RMB65,000, RMB127,000 and RMB812,000, respectively. Based on the unaudited management accounts of our Company, the transaction amount for the three months ended March 31, 2016 was approximately RMB168,000[(1)].

Transactions relating to the Home Decoration Services depend largely on the area of our Group's new property projects actually delivered in the greater Hangzhou region, therefore the transaction amount may not be evenly distributed throughout the year. The distribution of historical transaction amount are set out as follows:

(i) for each quarter of the year ended December 31, 2013: nil, nil, approximately 17% and 83%, respectively;

(ii) for each quarter of the year ended December 31, 2014: approximately 2%, 2%, 19% and 77%, respectively; and

(iii) for each quarter of the year ended December 31, 2015: approximately 3%, 4%, 25% and 68%, respectively.

Based on the distribution of historical transaction amount, most transaction amount relating to the Home Decoration Services were incurred in the third and fourth quarters of each year due to the market practice of new property projects being delivered in the second, third and fourth quarters of each year, hence demand for renovation and design works, upon projects being delivered, usually pick up in the later part of each year.

Consideration

The fees charged for the Home Decoration Services provided by Zhejiang Greentown Housing Services System to our Group were determined based on (i) the nature and scope of Home Decoration Services needed; and (ii) the comparison of fee quotes given by other Independent Third Party service providers through conducting online searches. Such online searches usually cover three or more Independent Third Party service providers for price comparisons. When comparing the fee quotes, our Group considered factors including the price, scope of services and the efficiency and ability of the service provider to perform such services in a timely manner. The Home Decoration Services Framework Agreement was entered into on normal commercial terms.

Annual Caps

Our Directors estimate that the maximum annual fee payable by our Group in relation to the Home Decoration Services to be provided by Zhejiang Greentown Housing Services System to our Group under the Home Decoration Services Framework Agreement for each of the three years ending December 31, 2018 will not

Note:

(1) Such figure is based on the unaudited management accounts of our Company for the three months ended March 31, 2016 and may differ from the actual audited figure

exceed RMB2,583,000, RMB3,412,000 and RMB3,182,000, respectively. Such fees mainly comprise (i) renovation fees of newly completed property projects; and (ii) inspection fees of property projects.

In arriving at the above annual caps, our Directors have considered the following factors:

- the total area of our Group's new property projects based on the total area of our Group's property projects under management in the greater Hangzhou region;
- the estimated area requiring Home Decoration Services based on the area of the Group's new property projects expected to be delivered;
- the estimated renovation fee per sq.m.;
- the estimated inspection fees; and
- the estimated inflation rate of 2% per year.

As mentioned above, the unaudited transaction amount for the three months ended March 31, 2016 of approximately RMB168,000 represents approximately 6% of the 2016 annual cap of RMB2,583,000. Based on the reasons set out above, our Directors are of the view that the relatively small transaction amount for the first quarter of 2016 as compared to the full-year annual cap is not indicative of the total transaction amount to be incurred for the full year of 2016, and such actual transaction amount for the first quarter of 2016 is justified.

(d) Provision of Air-conditioning Equipment Maintenance Services by Hangzhou Greentown Air-conditioning Equipment Maintenance to our Group

We engage the air-conditioning equipment maintenance services of Hangzhou Greentown Air-conditioning Equipment Maintenance in the ordinary course of our business.

Description of the Transaction

On June 10, 2016, Hangzhou Greentown Air-conditioning Equipment Maintenance entered into an air-conditioning equipment maintenance services framework agreement (the "**Air-conditioning Equipment Maintenance Services Framework Agreement**") with our Company, pursuant to which Hangzhou Greentown Air-conditioning Equipment Maintenance agreed to provide air-conditioning equipment maintenance services, including but not limited to conducting regular inspections, providing cleaning, repair and maintenance services for the property projects managed by our Group ("**Air-conditioning Equipment Maintenance Services**"), for a term commencing from the Listing Date until December 31, 2018. During the Track Record Period, Hangzhou Greentown Air-conditioning Equipment Maintenance provided the Air-conditioning Equipment Maintenance Services to 13 property projects in Hangzhou and Ningbo, Zhejiang Province, the PRC.

Historical Transaction Amounts

For each of the years ended December 31, 2013, 2014 and 2015, the total amount of fees being paid by our Group for the Air-conditioning Equipment Maintenance Services provided by Hangzhou Greentown Air-conditioning Equipment Maintenance to our Group amounted to approximately RMB98,000, RMB703,000 and RMB888,000, respectively. Based on the unaudited management accounts of our Company, the transaction amount for the three months ended March 31, 2016 was approximately RMB108,000[(1)].

Transactions relating to the Air-conditioning Equipment Maintenance Services depend largely on the market demand for air-conditioning repair and maintenance services as and when such need arises in times of air-conditioner breakdowns, which is affected by seasonality to a great extent due to the general decreased use of air-conditioners during the first quarter of each year as a result of the Chinese New Year holidays when most people leave the cities and the relatively mild weather at that time of the year such that usage of air-conditioners is low. Therefore the occurrence of transactions relating to the Air-conditioning Equipment Maintenance Services may not be evenly distributed throughout the year. The distribution of historical transaction amount are set out as follows:

(i) for each quarter of the year ended December 31, 2013: approximately 7%, 9%, 31% and 53%, respectively;

(ii) for each quarter of the year ended December 31, 2014: approximately 14%, 1%, 58% and 27%, respectively; and

(iii) for each quarter of the year ended December 31, 2015: approximately 5%, 51%, 25% and 19%, respectively.

Based on the distribution of historical transaction amount, the amount incurred in the first quarter of each year is relatively lower than that of the other quarters of the year as it is greatly affected by seasonality.

Consideration

The fees charged for the Air-conditioning Equipment Maintenance Services provided by Hangzhou Greentown Air-conditioning Equipment Maintenance to our Group were determined based on (i) the quantity and type of air-conditioning equipment covered; and (ii) the comparison of the fee quote provided by Hangzhou Greentown Air-conditioning Equipment Maintenance to our Group with the fee quotes provided by Hangzhou Greentown Air-conditioning Equipment Maintenance to other independent third party customers for the provision of similar services and also the fee quotes obtained from other third party suppliers of our Group which provide similar services. For the purpose of such fee quote comparison, apart from comparing the price quoted, our Group also considers other factors, including the supplier's efficiency and ability to provide such services in a timely manner. The Air-conditioning Equipment Maintenance Services Framework Agreement was entered into on normal commercial terms.

Note:

(1) Such figure is based on the unaudited management accounts of our Company for the three months ended March 31, 2016 and may differ from the actual audited figure

Annual Caps

Our Directors estimate that the maximum annual fee payable by our Group in relation to the Air-conditioning Equipment Maintenance Services to be provided by Hangzhou Greentown Air-conditioning Equipment Maintenance to our Group under the Air-conditioning Equipment Maintenance Services Framework Agreement for each of the three years ending December 31, 2018 will not exceed RMB1,173,000, RMB1,548,000 and RMB2,043,000, respectively.

In arriving at the above annual caps, our Directors have considered the following factors:

- the estimated growth of the transaction amount based on the average historical rate of increase in the costs of property management services of the Group; and
- the estimated inflation rate of 2% per year.

As mentioned above, the unaudited transaction amount for the three months ended March 31, 2016 of approximately RMB108,000 represents approximately 9% of the 2016 annual cap of RMB1,173,000. Based on the reasons set out above, our Directors are of the view that the relatively small transaction amount for the first quarter of 2016 as compared to the full-year annual cap is not indicative of the total transaction amount to be incurred for the full year of 2016, and such actual transaction amount for the first quarter of 2016 is justified.

Listing Rules Implications

Since (i) Zhejiang Gelingtong Elevator Engineering; (ii) Shenyang Yinji Greenery Engineering; (iii) Zhejiang Greentown Housing Service Systems; and (iv) Hangzhou Greentown Air-conditioning Equipment Maintenance are all associates of Ms. Li Hairong and are connected persons, and the Elevator Maintenance Services, the Gardening Services, the Home Decoration Services and the Air-conditioning Equipment Maintenance Services (collectively, the "**Ancillary Services to our Group**") are all ancillary property management services provided to the Group, the continuing connected transactions under the Elevator Maintenance Services Framework Agreement, the Gardening Services Framework Agreement, the Home Decoration Services Framework Agreement and the Air-conditioning Equipment Maintenance Services Framework Agreement have been aggregated pursuant to Rules 14A.81 and 14A.82 of the Listing Rules for the purpose of determining our Group's compliance obligations under Chapter 14A of the Listing Rules.

The aggregated annual caps in relation to the Ancillary Services to our Group for each of the three years ending December 31, 2018 are RMB19,649,000, RMB23,608,000 and RMB25,713,000, respectively.

Since at least one of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the annual caps in relation to the Ancillary Services to the Group, as aggregated, is expected to be more than 0.1% but less than 5%, the transactions under each of the Elevator Maintenance Services Framework Agreement, the Gardening Services Framework Agreement, the Home Decoration Services Framework Agreement and the Air-conditioning Equipment Maintenance

Services Framework Agreement will be subject to the reporting, annual review, and announcement requirements, but will be exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(E) APPLICATION FOR WAIVER

The transactions described under the sub-section headed "— (D) Partially-Exempt Continuing Connected Transactions" in this section constitute our continuing connected transactions under the Listing Rules, which are subject to the reporting, annual review, announcement requirements but will be exempted from the circular and independent Shareholders' approval requirements of the Listing Rules.

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted, a waiver exempting us from strict compliance with the announcement requirements of the Listing Rules, subject to the condition that the aggregate values of the continuing connected transactions for each financial year not exceeding the relevant amounts set forth in the respective annual caps (as stated above).

(F) DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described under the sub-section headed "— (D) Partially-Exempt Continuing Connected Transactions" have been entered into, and will be carried out: (i) in the ordinary and usual course of our business, (ii) on normal commercial terms and (iii) in accordance with the respective agreements governing them on terms that are fair and reasonable and in the interests of our Shareholders as a whole. Our Directors (including our independent non-executive Directors) are also of the view that the annual caps of the continuing connected transactions under the sub-section headed "— (D) Partially-Exempt Continuing Connected Transactions" in this section are fair and reasonable and are in the interests of our Shareholders as a whole.

(G) JOINT SPONSORS' VIEW

The Joint Sponsors have reviewed the relevant documents and information provided by our Group and have participated in the due diligence and discussion with our management and our PRC legal advisors and have obtained necessary representations and confirmations from our Company and our Directors.

Based on the above, the Joint Sponsors are of the view that the proposed annual caps of the partially-exempt continuing connected transactions described under the sub-section headed "— (D) Partially-Exempt Continuing Connected Transactions" and the transactions contemplated thereunder have been entered into in the ordinary and usual course of the business of our Company, on normal commercial terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Capitalization Issue and the Global Offering, the following persons will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Shares held immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised)		Shares held immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is fully exercised)	
		Number	Percentage	Number	Percentage
Orchid Garden Investment	Beneficial interest (Note 1)	1,020,000,000	36.72%	1,020,000,000	36.72%
Osmanthus Garden Investment	Interest of controlled corporation/Interest of concert parties (Note 1 and Note 2)	1,020,000,000	36.72%	1,020,000,000	36.72%
Mr. Song Weiping	Interest of controlled corporation/Interest of concert parties/Interest of spouse (Note 1 and Note 2)	1,020,000,000	36.72%	1,020,000,000	36.72%
Lily International Investment	Interest of controlled corporation/Interest of concert parties (Note 1 and Note 3)	1,020,000,000	36.72%	1,020,000,000	36.72%
Mr. Shou Bainian	Interest of controlled corporation/Interest of concert parties (Note 1 and Note 3)	1,020,000,000	36.72%	1,020,000,000	36.72%
Ms. Yao Huanjing	Interest of spouse (Note 4)	1,020,000,000	36.72%	1,020,000,000	36.72%
ShenaLan International Investment	Interest of controlled corporation/Interest of concert parties (Note 1 and Note 5)	1,020,000,000	36.72%	1,020,000,000	36.72%
Ms. Xia Yibo	Interest of controlled corporation/Interest of concert parties/Interest of spouse (Note 1 and Note 5)	1,020,000,000	36.72%	1,020,000,000	36.72%

Name of Shareholder	Nature of interest	Shares held immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised)		Shares held immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is fully exercised)	
		Number	Percentage	Number	Percentage
Lilac International Investment	Beneficial interest(Note 6)	680,000,000	24.48%	563,334,000	20.28%
Ms. Li Hairong	Interest of controlled corporation (Note 6)	680,000,000	24.48%	563,334,000	20.28%
Mr. Ju Jianhua	Interest of spouse(Note 7)	680,000,000	24.48%	563,334,000	20.28%
Mass Wisdom	Beneficial interest(Note 8)	300,000,000	10.80%	300,000,000	10.80%
Pre-IPO Trustee	Trustee(Note 8)	300,000,000	10.80%	300,000,000	10.80%

Notes:

(1) Orchid Garden Investment is owned as to 40.0%, 39.0% and 21.0% by Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment, respectively.

Given Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment are indirectly interested in the Shares through Orchid Garden Investment, Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment are deemed to be parties acting in concert.

As such, Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo, together with their respective holding companies (being Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment), are all deemed to be interested in the total Shares directly held by Orchid Garden Investment.

(2) Osmanthus Garden Investment is wholly-owned by Mr. Song Weiping. Mr. Song Weiping is deemed to be interested in the Shares held by Osmanthus Garden Investment for the purpose of Part XV of the SFO. Mr. Song Weiping is the spouse of Ms. Xia Yibo.

(3) Lily International Investment is wholly-owned by Mr. Shou Bianian. Mr. Shou Bainian is deemed to be interested in the Shares held by Lily International Investment for the purpose of Part XV of the SFO.

(4) Ms. Yao Huanjing is the spouse of Mr. Shou Bainian. Therefore, Ms. Yao Huanjing is deemed to be interested in the Shares which Mr. Shou Bainian is interested in.

(5) ShenaLan International Investment is wholly-owned by Ms. Xia Yibo. Ms. Xia Yibo is deemed to be interested in the Shares held by ShenaLan International Investment. Ms. Xia Yibo is the spouse of Mr. Song Weiping.

(6) Lilac International Investment is wholly-owned by Ms. Li Hairong. Ms. Li Hairong is deemed to be interested in the Shares held by Lilac International Investment for the purpose of Part XV of the SFO.

(7) Mr. Ju Jianhua is the spouse of Ms. Li Hairong. Therefore, Mr. Ju Jianhua is deemed to have interest in the Shares which Ms. Li Hairong is interested in.

(8) Mass Wisdom is wholly-owned by the Pre-IPO Trustee, the trustee of the Management Trust. The Pre-IPO Trustee is deemed to be interested in the Shares held by Mass Wisdom for the purpose of Part XV of the SFO.

Save as disclosed above and in the section "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 2. Substantial Shareholders" in Appendix IV to this prospectus, our Directors are not aware of any person who will, immediately following the completion of the Capitalization Issue and the Global Offering and assuming that the Over-allotment Option is not exercised, have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

We are not aware of any arrangement which may result in any change of control in our Company at any subsequent date.

THE CORNERSTONE PLACING

We have entered into cornerstone placing agreements with certain cornerstone investors (the "**Cornerstone Investors**"), who have agreed to subscribe at the Offer Price for such number of Shares (rounded down to the nearest whole board lot of 2,000 Shares) that may be purchased with an aggregate amount of HK$735 million (with the amount to be invested by Loyal Rich Holdings Limited ("**Loyal Rich**") subject to adjustment as set out below). Assuming an Offer Price of HK$2.20 (being the high-end of the Offer Price range set forth in this prospectus), HK$1.97 (being the mid-point of the Offer Price range set forth in this prospectus) and HK$1.74 (being the low-end of the Offer Price range set forth in this prospectus), taking into account the adjustment to the number of Shares to be subscribed for by Loyal Rich as set out below, the total number of Shares to be subscribed for by the Cornerstone Investors would be 385,842,000 Shares, 357,008,000 Shares and 334,204,000 Shares respectively, representing (i) approximately 49.6%, 45.9% and 43.0% of the Offer Shares respectively, and (ii) approximately 13.9%, 12.9% and 12.0% of our issued share capital immediately after completion of the Global Offering, respectively. Save as disclosed, each of the Cornerstone Investors and their respective ultimate beneficial owners is an Independent Third Party, is not our connected person and not an existing Shareholder or their close associate. The Cornerstone Investors will not subscribe for any Shares under the Global Offering other than pursuant to the relevant cornerstone placing agreements. Immediately following completion of the Global Offering, the Cornerstone Investors will not have any board representation in our Company, nor will any of the Cornerstone Investors become a substantial Shareholder of our Company. The shareholdings of the Cornerstone Investors will be counted towards the public float of our Shares under Rule 8.08 of the Listing Rules.

The cornerstone placing forms part of the International Offering. The Shares to be purchased by the Cornerstone Investors will not be affected by any reallocation of the Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering" in this prospectus. Details of the allocations to the Cornerstone Investors will be disclosed in the announcement of results of allocations in the Hong Kong Public Offering to be published by our Company on or around Monday, July 11, 2016.

OUR CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing:

1. Greentown China

Loyal Rich, a wholly-owned subsidiary of Greentown China, has agreed to subscribe for such number of Shares (rounded down to the nearest whole board lot of 2,000 Shares) which may be purchased with an aggregate amount of HK$305,553,600 (assuming an Offer Price of HK$2.20 per Share, being the maximum offer price in this prospectus), provided that in case such number of Shares shall exceed 138,888,000 Shares, the number of Shares to be subscribed for by Loyal Rich shall be adjusted downwards to 138,888,000 Shares and the investment amount shall also be adjusted accordingly. Assuming an Offer Price of HK$2.20 (being the high-end of the Offer Price range set forth in this prospectus), HK$1.97 (being the mid-point of the Offer Price range set forth in this prospectus) and HK$1.74 (being the low-end of the Offer Price range set forth in this prospectus), Greentown China will subscribe for 138,888,000 Shares, representing 17.9% of the Offer Shares and 5.0% of the issued share capital of our Company upon completion of the Global Offering.

Greentown China is a Cayman Islands incorporated real estate developer listed on the Stock Exchange (stock code: 3900). China Communications Construction Group (Limited) and The Wharf (Holdings) Limited (stock code: 0004) are the two largest shareholders which are interested in 29% and 25% of the issued share capital of Greentown China, respectively. Mr. Shou Bainian, our non-executive Director and Ultimate Controlling Shareholder, and Mr. Song Weiping, our Ultimate Controlling Shareholder, collectively control 18.6% of the issued share capital of Greentown China as of the Latest Practicable Date. Furthermore, Mr. Song Weiping is the co-chairman and an executive director of Greentown China, while Mr. Shou Bainian is an executive director of Greentown China. However, Greentown China is neither an existing shareholder of our Company, nor an associate of an existing shareholder or a Director of our Company, therefore it is not a connected person of our Company.

2. China Orient Asset Management (International) Holding Limited

China Orient Asset Management (International) Holding Limited ("**COAMI**") has agreed to subscribe for such number of Shares (rounded down to the nearest whole board lot of 2,000 Shares) which may be purchased with an aggregate amount of US$25 million at the Offer Price. Assuming an Offer Price of HK$2.20 (being the high-end of the Offer Price range set forth in this prospectus), HK$1.97 (being the mid-point of the Offer Price range set forth in this prospectus) and HK$1.74 (being the low-end of the Offer Price range set forth in this prospectus), COAMI will subscribe for approximately 88,154,000 Shares, 98,446,000 Shares and 111,460,000 Shares respectively, representing (i) approximately 11.3%, 12.7% and 14.3% of the Offer Shares respectively, and (ii) approximately 3.2%, 3.5% and 4.0% of the issued share capital of our Company upon completion of the Global Offering, respectively.

COAMI is a company incorporated in Hong Kong with limited liability and is principally engaged in investment management. COAMI is a subsidiary of China Orient Asset Management Corporation ("**COAMC**"). COAMC is a state-owned enterprise and one of the state-owned asset management companies in the PRC. COAMI is the primary overseas platform of COAMC. As an asset management company, COAMI's main investment strategies involve investing in non-performing assets, equities, fixed income and properties.

3. Zhejiang Silicon Paradise Asset Management Group Co., Ltd. (浙江天堂矽谷資產管理集團有限公司)

Zhejiang Silicon Paradise Asset Management Group Co., Ltd. (浙江天堂矽谷資產管理集團有限公司) ("**TTGG**") has agreed to subscribe for such number of Shares (rounded down to the nearest whole board lot of 2,000 Shares) which may be purchased with an aggregate amount of RMB200 million at the Offer Price. Assuming an Offer Price of HK$2.20 (being the high-end of the Offer Price range set forth in this prospectus), HK$1.97 (being the mid-point of the Offer Price range set forth in this prospectus) and HK$1.74 (being the low-end of the Offer Price range set forth in this prospectus), TTGG will subscribe for approximately 107,162,000 Shares, 119,674,000 Shares and 135,494,000 Shares respectively, representing (i) approximately 13.2%, 15.4% and 17.4% of the Offer Shares respectively, and (ii) approximately 3.9%, 4.3% and 4.9% of the issued share capital of our Company upon completion of the Global Offering respectively.

TTGG is a company established in the PRC with limited liability and is principally engaged in asset management. Its ultimate controlling shareholder, HEAVEN-SENT Capital Management Group Co., Ltd. (矽谷天堂資產管理集團股份有限公司) has been listed on the New Over-the-counter Bulletin Board in the PRC since July 2015 (stock code: 833044). TTGG shall subscribe for the Shares under the "TTGG Cornerstone Investment Asset Management Plan No.1" (天堂矽谷基石投資一號資產管理計劃) which is a fund established and managed by TTGG.

CONDITIONS PRECEDENT

The subscription obligation of each of the Cornerstone Investors is subject to, among other things, the following conditions precedent:

(1) the Hong Kong Underwriting Agreement and the International Underwriting Agreement having been entered into by, inter alia, our Company and the Joint Global Coordinators and having become unconditional and not having been terminated (in accordance with their respective original terms or as subsequently waived or varied by agreement of the relevant parties) by no later than the time and date as specified therein or as subsequently waived or varied by agreement of the parties thereto;

(2) no laws shall have been enacted or promulgated by any governmental authority which prohibit the consummation of the said subscription of Shares by the relevant Cornerstone Investor, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of the subscription;

(3) the respective representations, warranties, undertakings and acknowledgements of the Cornerstone Investor and our Company in its relevant cornerstone placing agreement are accurate and true in all respects and not misleading and that there is no material breach of the respective cornerstone placing agreement on the part of the relevant Cornerstone Investor and our Company; and

(4) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Shares and such approval or permission not having been revoked prior to the commencement of the dealings in the Shares on the Stock Exchange.

RESTRICTIONS ON THE CORNERSTONE INVESTORS' INVESTMENT

Each of the Cornerstone Investors has agreed that it will not, without the prior written consent of the Company and the Joint Global Coordinators, at any time during the period of six months following the Listing Date, dispose of (as defined in the relevant cornerstone placing agreement) any of the Shares subscribed for by it pursuant to the relevant cornerstone placing agreement and any shares or other securities of our Company deriving therefrom (collectively, the "**Relevant Shares**"), other than (i) the transfer of the Relevant Shares by the Cornerstone Investor or its subsidiary to any wholly-owned subsidiary of such Cornerstone Investor, and (ii) the transfer of the Relevant Shares by a wholly-owned subsidiary of the Cornerstone Investor to any other wholly-owned subsidiary of such Cornerstone Investor, provided that such wholly-owned subsidiary undertakes in writing to, and such Cornerstone Investor undertakes to procure that such wholly-owned subsidiary will be bound by the restrictions on disposals imposed on such Cornerstone Investor pursuant to the relevant cornerstone placing agreement.

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately prior to and following the completion of the Capitalization Issue and the Global Offering:

Authorized Share Capital		*Aggregate par value*
38,000,000,000	Shares of HK$0.00001 each	HK$380,000

Issued and to be issued, fully paid or credited as fully paid:		HK$	Percentage to total share capital
1,000,000,000	Shares in issue as of the date of this prospectus	10,000	36%
1,000,000,000	Shares to be issued pursuant to the Capitalization Issue	10,000	36%
777,776,000	Shares to be issued pursuant to the Global Offering	7,777.76	28%
2,777,776,000	**Total**	**27,777.76**	**100%**

ASSUMPTION

The above table assumes that the Global Offering has become unconditional. It takes no account of any Shares which may be repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below or otherwise.

RANKING

The Shares are ordinary shares in the share capital of our Company and rank pari passu in all respects with all Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus.

THE PRE-IPO SHARE AWARD SCHEME

We have adopted the Pre-IPO Share Award Scheme. The principal terms of the Pre-IPO Share Award are summarized in the sub-section headed "Statutory and General Information — D. Other Information — 1. Pre-IPO Share Award Scheme" in Appendix IV to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company has only one class of shares, namely ordinary shares, each of which ranks pari passu with the other shares.

Pursuant to the Companies Law of the Cayman Islands and the terms of the Memorandum of Association and the Articles of Association, our Company may from time to time by ordinary shareholders' resolution (i) increase its capital, (ii) consolidate and divide its capital into Shares of larger amount, (iii) divide its Shares into classes, (iv) subdivide its Shares into Shares of smaller amount and (v) cancel any Shares which have not been taken. In addition, our Company may reduce or redeem its share capital by shareholders' special resolution. For more details, see the section headed "Summary of the Constitution of our Company and Cayman Islands Companies Law — 2. Articles of Association — Alteration of capital" in Appendix III to this prospectus.

Pursuant to the Companies Law of the Cayman Islands and the terms of the Memorandum of Association and the Articles of Association, all or any of the special rights attached to our Share or any class of Shares may be varied, modified or abrogated, either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of our Shares of that class. For more details, see the section headed "Summary of the Constitution of our Company and Cayman Islands Companies Law" in Appendix III to this prospectus.

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares, securities convertible into Shares (the "**Convertible Securities**") or options, warrants or similar rights to subscribe for any Shares or such convertible securities (the "**Options and Warrants**") and to make or grant offers, agreements or options which might require such Shares, the Convertible Securities or the Options and Warrants to be allotted and issued or dealt with at any time subject to the requirement that the aggregate nominal value of the Shares or the underlying Shares relating to the Convertible Securities or the Options and Warrants so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed the sum of:

(i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering; and

(ii) the nominal amount of our share capital repurchased by our Company (if any) pursuant to the repurchase mandate (as mentioned below).

This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders.

This general mandate to issue Shares, Convertible Securities or Options and Warrants will remain in effect until:

(i) the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or

(iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest.

For further details of this general mandate, please refer to the sub-section headed "Statutory and General Information — A. Further Information about our Company and our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on June 13, 2016" in Appendix IV to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of our share capital in issue immediately following the Global Offering.

This general mandate relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in the sub-section headed "Statutory and General Information — A. Further Information about our Company and our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on June 13, 2016" in Appendix IV to this prospectus.

This general mandate to repurchase Shares will remain in effect until:

(i) the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or

(iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest.

For further details of this general mandate, please refer to the sub-section headed "Statutory and General Information — A. Further Information about our Company and our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on June 13, 2016" in Appendix IV to this prospectus.

You should read the following discussion and analysis in conjunction with our audited financial information, together with the accompanying notes set forth in the Accountants' Report included as Appendix I to this prospectus. Our audited financial information is prepared in conformity with HKFRS, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions, including the United States. You should read the whole of the Accountants' Report included as Appendix I to this prospectus and not rely merely on the information contained in this section.

The following discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results reported in future periods could differ materially from those discussed below. Factors that could cause or contribute to such differences include those discussed in the sections entitled "Risk Factors" and "Business" and elsewhere in this prospectus.

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading high-end residential property management service provider in the PRC with a diversified service portfolio comprising three segments: property management services, property consulting services and community value-added services. According to China Index Academy, we ranked first among high-end residential property management service providers in the PRC in 2014. We differentiate ourselves from other property management service providers by providing our residents with access to a broad products and services portfolio that addresses the evolving everyday and life-style needs of our customers, property owners and residents. We launched our "smart community" project in September 2014 and were recognized as an industry leader for developing the "smart community" project. In particular, our "Happy Greentown" mobile application, which forms part of our "smart community" project, has made significant progress since its launch. Registered users of our "Happy Greentown" mobile application had exceeded 180,000 as of December 31, 2015, covering 137,206 registered households in 405 residential communities located in 50 cities in China.

Our products and services portfolio consists of the following three segments:

- *Property management services*. We provide a range of property management services, such as security, cleaning, gardening, and repair and maintenance services, which we refer to collectively as "standard" property management services, and charge the residents and owners of our managed properties or real estate developers management fees for such services. For nearly all the properties we managed, we charge management fees on a lump sum basis, which are paid annually, semi-annually or quarterly over the terms of property management agreements. Our billing cycle starts on January 1 of each calendar year for management fees that are payable annually, on every January 1 and July 1 for management fees that are payable semi-annually and on the first day of each calendar quarter for management fees that are payable quarterly. Although our preliminary property management agreements and property management agreements require the customers to pay our management fees upfront at the beginning of each billing cycle, we generally allow customers to pay the fees at any time during the billing cycle. In line with the market practice, we typically increase our efforts to collect overdue management fees at the end of each calendar year for management fees payable annually and at the end of each half year or quarter for management fees payable semi-annually or quarterly.

The "lump sum" model for property management fees is the dominant model in the property management industry in China, because it provides more incentives for property management companies to implement cost-saving initiatives and improve operational efficiency. In the event the property management fees we collect are insufficient to cover all the management expenses incurred, we may be unable to collect the shortfall from property owners. As a result, our business, financial position and results of operations may be materially and adversely affected. For details, please see the section headed "Risk Factors — Risks Relating to Our Business and Industry — Our provision of property management services on a lump sum basis could subject us to losses" in this prospectus.

As of December 31, 2015, we managed properties located in 82 cities across 23 provinces, direct-controlled municipalities and autonomous regions across China with a total contracted GFA under management of 82.8 million sq.m. Since 2010, we have been in six consecutive years ranked by China Index Academy as the second in terms of overall strength among the Top Hundred Property Management Companies in the PRC taking into account various factors.

- *Property consulting services*. We offer consulting services to real estate developers and local property management companies to address various needs that arise during each major stage throughout the course of their property development projects, capitalizing on our brand equity and expertise. For example, we provide real estate developers with project planning, design management, construction management and marketing management consulting services during the design and development stages and display unit management services to facilitate sales of their developed projects. We also provide management consulting services with respect to delivered properties to real estate developers and management companies.

- *Community value-added services*. We provide property owners and residents of our managed communities with access to an extensive array of daily necessities complemented by a wide assortment of life-style products and services through a variety of channels. Our services under this segment include the community products and services platform, home living services and community space services.

Taking advantage of the rapid increase in the use and penetration of smart phones, the Internet and mobile applications in the PRC, we launched our "smart community" project in September 2014 in selected residential communities that we manage as one of our initiatives to transform our Company from a provider of standard property management services to a community services provider offering everyday and life-style products and services. Our "smart community" project primarily comprises (i) our "Happy Greentown" mobile application, which among others allows users to purchase certain products and services from us, (ii) our "smart property management" platform, which assists our staff in providing enhanced property management services; and (iii) our "smart hardware management" platform, which connects the property management facilities, equipment and devices at our managed communities via the Internet. In particular, our "Happy Greentown" mobile application primarily serves as (a) the online gateway to certain of our community products and services, (b) an information and community social networking platform and (c) an online channel for the residents to interact with our property management service personnel, for example, by requesting repairs and maintenance, checking and paying bills, registering for community activities and managing guest entry and exit. We have made significant progress since we launched our "smart community" project in September 2014. For instance, the number of registered users and active registered users ratio increased to 180,422 and 68.0% as of December 31, 2015 from 1,091 and 46.6% as of September 30, 2014, respectively.

We recorded net current liabilities in the amount of RMB2.6 million, RMB95.4 million and RMB81.5 million as of December 31, 2014 and 2015 and April 30, 2016, respectively. Our net current liabilities as of December 31, 2014 and 2015 and April 30, 2016 were partially attributable to the purchase of our new office building for RMB121.4 million using cash and short-term borrowings and a large amount of dividend payables as of the respective dates. Our net current liabilities as of December 31, 2015 were also attributable to the consideration in the amount of RMB50.0 million payable to a related party relating to an acquisition as part of our Reorganization in contemplation of the Listing (for more details, please refer to Note 29(a) of Section B to the Accountants' Report in Appendix I to this prospectus). For more details, please refer to the sub-section headed "— Current Assets and Current Liabilities" in this section.

BASIS OF PREPARATION

Our Company was incorporated in the Cayman Islands with limited liability on November 24, 2014. In preparation for the Global Offering, we underwent the Reorganization, as detailed in the section headed "History and Reorganization" in this prospectus. Following the Reorganization, our Company became the holding company of all the subsidiaries currently comprising our Group. For more information on the basis of preparation of our financial information included herein, please refer to the Accountants' Report in Appendix I to this prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are affected by a number of factors, many of which may be beyond our control, including those factors set out in the section headed "Risk Factors" in this prospectus and those set out below.

Business Mix

Our business and results of operations are affected by our business mix. Our profit margins vary across different business segments as well as different products and services within each business segment. The revenue contribution by each business segment during the Track Record Period is set forth in the table below:

	Year ended December 31,					
	2013		2014		2015	
	Revenue (RMB'000)	% of total	Revenue (RMB'000)	% of total	Revenue (RMB'000)	% of total
Property management services	1,223,889	73.2	1,623,597	73.7	2,090,872	71.6
Property consulting services	330,275	19.8	439,415	19.9	550,777	18.9
Community value-added services	117,483	7.0	141,553	6.4	276,978	9.5
Total	**1,671,647**	**100.0**	**2,204,565**	**100.0**	**2,918,627**	**100.0**

The table below sets forth the gross margin of each segment during the Track Record Period:

	Year ended December 31,		
	2013	2014	2015
	(%)	(%)	(%)
Property management services	5.6	8.6	10.2
Property consulting services	36.4	35.9	33.9
Community value-added services	45.8	46.7	47.5
Total	**14.5**	**16.5**	**18.2**

In general, gross profit margins for our property consulting services and community value-added services are significantly higher than the gross profit margin for our property management services which are more labor-intensive than the other two segments. As we continue to expand our property consulting services and community value-added services, we expect our overall gross profit margin to increase. For more details regarding the fluctuation in our gross margins during the Track Record Period, please refer to the sub-section headed "— Description of Selected Items in Our Consolidated Statements of Profit or Loss and Other Comprehensive Income — Gross Profit and Gross Profit Margin" in this section.

Our Contracted GFA Under Management and Revenue-bearing GFA

During the Track Record Period, we generated a significant majority of our revenue from our property management services. Revenue from our property management services amounted to RMB1,223.9 million, RMB1,623.6 million and RMB2,090.9 million, accounting for approximately 73.2%, 73.7% and 71.6% of our total revenue in 2013, 2014 and 2015, respectively. Accordingly, our continued revenue growth depends on our ability to grow our property management portfolio.

We do not charge management service fees for the common areas of the properties that we manage such as public facilities, facility rooms, visitor parking lots, and swimming pools. Therefore, our financial position and results of operations are affected by the amount of revenue-bearing GFA, which is generally proportional to our contracted GFA under management. Our revenue-bearing GFA of the managed properties for which we charge management fees on a lump sum basis amounted to 42.0 million sq.m., 50.1 million sq.m. and 63.7 million sq.m. as of December 31, 2013, 2014 and 2015, respectively, accounting for approximately 76.7%, 76.0% and 76.9% of our contracted GFA of the managed properties.

The table below sets forth our total contracted GFA under management for our property management services as of the dates indicated:

	As of December 31,					
	2013		2014		2015	
	Contracted GFA	% of total	Contracted GFA	% of total	Contracted GFA	% of total
	('000 sq.m. except for percentages)					
Property management services (lump sum basis)	53,860	98.4	64,465	97.8	81,318	98.2
Property management services (commission basis)	867	1.6	1,423	2.2	1,481	1.8
Total	**54,727**	**100.0**	**65,888**	**100.0**	**82,799**	**100.0**

The table below sets forth a breakdown of our total revenue for our property management services during the Track Record Period:

	Year ended December 31,					
	2013		2014		2015	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	(RMB'000 except for percentages)					
Property management services (lump sum basis)	1,222,034	99.8	1,621,418	99.9	2,088,052	99.9
Property management services (commission basis)	1,855	0.2	2,179	0.1	2,820	0.1
Total	**1,223,889**	**100.0**	**1,623,597**	**100.0**	**2,090,872**	**100.0**

Branding and Pricing

Our financial condition and results of operations are affected by our ability to continuously maintain and enhance our brand recognition and industry leading position. Our "Greentown Service (綠城服務)" brand is an industry-leading brand in China's high-end property management sector. We intend to further strengthen our brand name to expand our property management service engagements and to leverage our brand to continue charging premium property management fee rates. We believe that further strengthening our brand will allow us to promote our property consulting services to real estate developers, strengthen our business relationships with those developers, and gain early access and competitive advantages in securing engagements for their newly built property projects.

We ranked first among high-end residential property management service providers in the PRC in 2014, according to China Index Academy. Leveraging our brand equity, we were able to charge a higher property management fee rate than the industry average during the Track Record Period. According to China Index Academy, the average property management fees for residential properties in the surveyed cities amounted to RMB2.06 per sq.m./month and RMB2.07 per sq.m./month in 2014 and 2015, respectively. According to China Index Academy, the average property management fees for residential properties in the twenty (20) major cities surveyed by China Index Academy remained relatively stable from 2013 through 2015, while the property management fees for high-end properties increased during the same period. Our average property management fees for residential properties amounted to approximately RMB2.33 per sq.m./month, RMB2.63 per sq.m./month and RMB2.73 per sq.m./month in 2013, 2014 and 2015, respectively. Our average property management fees for all properties in 2013, 2014 and 2015 amounted to approximately RMB2.69 per sq.m./month, RMB2.94 per sq.m./month and RMB3.06 per sq.m./month, respectively.

For illustration purpose only, we set out below a sensitivity analysis of our net profit from continuing operations for the year with reference to the fluctuation of average property management fees during the Track Record Period. The following table demonstrates the impact of the hypothetical decrease in average property management fees on our net profit from continuing operations, while all other factors remain unchanged:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Total net profit from continuing operations	82,733	149,876	202,567
Assuming 5% decrease in our average property management fees			
Impact on revenue from our property management business	(61,194)	(81,180)	(104,544)
Impact on net profit from continuing operations	(45,896)	(60,885)	(78,408)
Assuming 10% decrease in our average property management fees			
Impact on revenue from our property management business	(122,388)	(162,360)	(209,088)
Impact on net profit from continuing operations	(91,792)	(121,770)	(156,816)

During the Track Record Period, we were able to raise property management fee rates when renewing the expiring property management agreements to improve our profit margin in response to the enhancements to the standard or scope of our property management services and increases in our costs. Our ability to continue to raise our fee rates or charge premium prices will continue to be impacted by our ability to uphold and enhance our brand recognition.

Ability to Manage Our Staff Costs and Sub-contracting Costs

Our results of operations are affected by our ability to manage our staff costs. Staff costs are the single largest component of our cost of sales and amounted to RMB975.4 million, RMB1,180.5 million, and RMB1,151.5 million, representing approximately 68.2%, 64.1% and 48.2% of our cost of sales in 2013, 2014, and 2015, respectively. Staff costs are also the single largest component of our administrative expenses and accounted for approximately 68.1%, 65.4%, and 58.1% of our administrative expenses in 2013, 2014, and 2015, respectively. Staff costs included under cost of sales consist primarily of salaries and other benefits for our employees who provide property management services, property consulting services, and community value-added services. Staff costs included under administrative expenses consists primarily of salaries and other benefits for our administrative staff. Staff costs increased in 2014 compared to 2013 as a result of the increase in our headcount, which in turn was aligned with the increase in our contracted GFA under management as a result of the expansion of our operations and the increase in staff remuneration, which was aligned with the general trend of wage increases in the PRC. According to the 2014 China Statistical Yearbook, the average monthly salary per urban capita in China increased from RMB2,408 in 2008 to RMB4,695 in 2014, representing a CAGR of approximately 11.8%. The decrease in staff costs in cost of sales in 2015 compared to 2014 was primarily due to a shift from security guard staff costs to sub-contracting fees as we began outsourcing a substantial majority of our security function to sub-contractors starting in July 2015. In addition, we also outsource cleaning and maintenance services to sub-contractors. For the three years ended December 31, 2013, 2014 and 2015, sub-contracting costs amounted to RMB186.8 million, RMB348.9 million and RMB801.2 million, respectively, representing approximately 13.1%, 18.9% and 33.6% of our cost of sales, respectively. The increases in sub-contracting costs during the Track Record Period were also attributable to the increase in our contracted GFA under management.

As part of our efforts to manage our staff costs and improve our profit margins while ensuring consistent service quality, we utilize various measures to reduce our reliance on labor. These measures include outsourcing certain labor-intensive functions to third parties and streamlining and standardizing our property management services. Also, in September 2014, we began to implement our "smart property management" system. This system aims to further standardize our provision of property management services by allowing the property management staff to, among other things, perform various property management functions through "smart property management" mobile application platform and hardware. For more details about our "smart property management" system, please refer to the sub-section headed "Business — Our 'Smart Community' Project — Our 'Smart Property Management' Platform and 'Smart Hardware Management' Platform" in this prospectus.

General Economy, Rate of Urbanization and Timelines of Real Estate Development

Our ability to maintain and grow our property management portfolio is affected by our ability to secure new property management engagements, the timelines of real estate developers' delivery of new properties, the vacancy rate of the existing properties, and our ability to identify and acquire existing property management companies. The number of new property developments is heavily dependent on the performance of the real estate market in the PRC, which is subject to the general economic conditions in the PRC, the rate of urbanization, the resulting demand for properties in the PRC, and the PRC government's macroeconomic policies and measures. We expect our results of operations to continue to be affected by our ability to maintain and grow our property management portfolio.

Developments in the PRC economy and the rate of urbanization have in the past increased the supply of and demand for residential properties. Specifically, since most of the properties we manage are located in second-tier or third-tier cities in the PRC, the rate of urbanization in these cities is particularly important to the development of our business. We believe that these factors will continue to significantly affect the PRC real estate industry and the property management industry. Any economic downturn in the PRC, particularly in the regions where we operate, could adversely affect our business, results of operations and financial position.

The regulatory environment in the PRC, policies and measures taken by the PRC government, have also affected the development of the real estate market, which in turn affects our business and results of operations. From time to time, the PRC government adjusts or introduces macroeconomic control policies to encourage or restrict property development in the private property sector through regulating land grants, pre-sale of properties, bank financing, and taxation, among other means. In particular, the PRC government has in the past introduced various restrictive measures to discourage speculation in the real estate market. However, since 2014, the PRC government reversed its position and policies in order to stimulate the housing market. Measures taken by the PRC government to control money supply, credit availability, and fixed assets have a direct impact on the performance of the real estate market in the PRC. The uncertainty in the PRC government policies can have significant effects on the supply of new properties, which is a major source of our new engagements.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The discussion and analysis of our operating results and financial position are based on our audited consolidated financial statements, which have been prepared in accordance with HKFRS. Our operating results and financial position are sensitive to accounting methods, assumptions, and estimates. The assumptions and estimates are based on our industry experience and various factors, including our management's expectations of future events, which they believe to be reasonable. Actual results may differ from these estimates and assumptions.

The selection of critical accounting policies, the estimates and judgments, and other uncertainties affecting application of other policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing our consolidated financial statements. Our significant accounting policies are summarized in Note 1 of section B in the Accountants' Report in Appendix I to this prospectus. We believe that the following critical accounting policies involve the most significant estimates and judgments used in preparing the consolidated financial statements.

Critical Accounting Policies

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Fees for our property management services, property consulting services and community value-added services are recognized when services are rendered.

Rental income receivables under operating leases are recognized in profit or loss in equal instalments over the periods covered by the lease term.

Government grants which compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Other investments in debt and equity financial instruments

Our policies for investments in debt and equity financial instruments, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity financial instruments are initially stated at fair value, which is the transaction price. Cost includes transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in financial instruments held for trading or designated as at fair value through profit or loss are classified as current assets. Any transaction costs are recognized in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognized in profit or loss. The net gain or loss recognized in profit or loss does not include any dividends or interest earned on these investments as these are recognized in accordance with the revenue recognition policies set above.

Investments in financial instruments which do not fall into any of the above categories are classified as available-for-sale financial instruments. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognized in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity financial instruments that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognized in the statement of financial position at cost less impairment losses.

When the investments are derecognized or impaired, the cumulative gain or loss recognized in equity is reclassified to profit or loss. Investments are recognized/derecognized on the date we commit to purchase/sell the investments or when they expire.

Trade and other receivables

Trade and other receivables are initially recognized at fair value and are thereafter stated at amortized cost using the effective interest method, less allowance for impairment of trade and other receivables, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of trade and other receivables.

Trade and other payables

Trade and other payables are initially recognized at fair value. Except for financial guarantee liabilities in certain circumstances, trade and other payables are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

PRC dividend withholding tax

According to the Implementation Rules of the Enterprise Income Tax Law of PRC, our Company's subsidiaries in the PRC are subject to a 10% withholding tax on dividends declared to their foreign investment holding companies arising from profit earned subsequent to January 1, 2008. In respect of dividends that are subject to the withholding tax, provision for withholding tax is recognized for the dividends that has been declared, and deferred tax liability is recognized for those to be declared in the foreseeable future. As of December 31, 2015, withholding tax in the amount of RMB2,502,000 has been recognized in respect of the tax that would be payable on the distribution of the retained profits of our Group's PRC subsidiaries.

For details about our critical accounting policies, please refer to Note 1 of Section B of the Accountants' Report in Appendix I to this prospectus.

Critical Accounting Judgments and Estimates

In the application of our accounting policies, which are described in Note 1 of section B in the Accountants' Report in Appendix I to this prospectus, our management is required to make certain judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are set forth below. We currently do not expect the estimates (or underlying assumptions) are likely to change in the foreseeable future.

Estimated collection rate of property management fee

Our revenue from our property management services on a lump sum basis is recognized based on the estimated collection rate of property management fees for each of the properties we manage. Significant management estimation is required to determine the collection rate of property management fees that can be collected at each of the properties based on the historical collection rates.

We did not have any material adjustments to our estimated collection rates during the Track Record Period.

Impairment for trade and other receivables

We estimate impairment losses for trade and other receivables resulting from the failure of our customers to make the required payments. We base the estimates on the aging of the trade and other receivables balance, customer credit-worthiness, and historical write-off experience. If the financial condition of our customers were to deteriorate, actual write-offs would be higher than estimated.

As of December 31, 2013, 2014 and 2015, the carrying amounts of our trade and bills receivables were RMB153.4 million, RMB199.9 million and RMB234.7 million, respectively, net of allowance for impairment of trade and bills receivables in the amounts of RMB12.5 million, RMB16.1 million and RMB23.2 million, respectively.

We did not have any material adjustments to our estimates of impairments for trade and other receivables during the Track Record Period.

Income tax and deferred tax assets

We are subject to income taxes in different jurisdictions. Significant judgment is required in determining the provisions for income taxes, the calculations of which depend on the ultimate tax determinations and are subject to uncertainties. When the final tax outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determinations are made.

We have not made any material adjustments to our provisions for income taxes during the Track Record Period.

Income tax comprises current tax and movements in deferred tax assets and liabilities. Current tax represents the estimated tax payable on the taxable income for a reporting period.

Deferred tax assets are recognized and measured based on the expected manner of realization or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involve a number of assumptions relating to our operating environment and require a significant level of judgment exercised by our Directors. Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in future years.

We did not have any material adjustments to our estimates of expected tax profits during the Track Record Period.

For details about our critical accounting judgements and estimates, please refer to Note 2 of Section B of the Accountants' Report in Appendix I to this prospectus.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Continuing operations			
Revenue	1,671,647	2,204,565	2,918,627
Cost of sales	(1,429,218)	(1,841,479)	(2,387,702)
Gross profit	242,429	363,086	530,925
Other revenue	10,457	11,823	20,071
Other net income	352	244	154
Selling and marketing expenses	(1,313)	(1,419)	(5,690)
Administrative expenses	(125,160)	(149,554)	(232,578)
Other operating expenses	(16,253)	(24,348)	(29,116)
Profit from operations	110,512	199,832	283,766
Gain on acquisition of associates	131	—	—
Finance income	877	1,747	2,185
Finance costs	(2,732)	(3,300)	(9,254)
Net finance costs	(1,855)	(1,553)	(7,069)
Share of profits less losses of associates	816	(56)	1,784
Share of profits less losses of joint ventures	(245)	(717)	(266)
Loss on disposal of other financial assets	—	(1,315)	(89)
(Loss)/gain on disposal of subsidiaries	(311)	1,951	—
(Loss)/gain on disposal of associates	(658)	476	—
Profit before taxation from continuing operations	108,390	198,618	278,126
Income tax	(25,657)	(48,742)	(75,559)
Profit from continuing operations	82,733	149,876	202,567
Discontinued operations			
Loss from discontinued operations, net of tax	(6,239)	(494)	—
Profit for the year	76,494	149,382	202,567
Attributable to:			
Equity shareholders of the Company			
Profit from continuing operations	83,712	149,189	197,818
Loss from discontinued operations	(4,300)	(278)	—
	79,412	148,911	197,818
Non-controlling interests			
(Loss)/profit from continuing operations	(979)	687	4,749
Loss from discontinued operations	(1,939)	(216)	—
	(2,918)	471	4,749
Profit for the year	76,494	149,382	202,567
Earnings per share			
Basic and diluted (RMB)	0.040	0.074	0.099

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Profit for the year	76,494	149,382	202,567
Other comprehensive income for the year (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries	—	—	(54)
Other comprehensive income for the year	—	—	(54)
Total comprehensive income for the year	76,494	149,382	202,513
Attributable to:			
Equity shareholders of the Company			
Profit from continuing operations	83,712	149,189	197,764
Loss from discontinued operations	(4,300)	(278)	—
	79,412	148,911	197,764
Non-controlling interests			
Profit from continuing operations	(979)	687	4,749
Loss from discontinued operations	(1,939)	(216)	—
	(2,918)	471	4,749
Total comprehensive income for the year	76,494	149,382	202,513

DESCRIPTION OF SELECTED ITEMS IN OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

During the Track Record Period, we derived our revenue from the following three business segments:

- property management services, which primarily include property management fees for providing security, cleaning and gardening and property repair and maintenance services, amounted to RMB1,223.9 million, RMB1,623.6 million and RMB2,090.9 million, accounting for approximately 73.2%, 73.7% and 71.6% of our total revenue in 2013, 2014 and 2015, respectively;
- property consulting services, which primarily include fees for providing management consulting services and property under construction consultation services, amounted to RMB330.3 million, RMB439.4 million and RMB550.8 million, accounting for approximately 19.8%, 19.9% and 18.9% of our total revenue in 2013, 2014 and 2015, respectively; and
- community value-added services, which primarily include fees generated from our community products and services, home living services and community space services, amounted to RMB117.5 million, RMB141.6 million and RMB277.0 million, accounting for approximately 7.0%, 6.4% and 9.5% of our total revenue in 2013, 2014 and 2015, respectively.

The following tables set forth a breakdown of our total revenue by geographic region for the years indicated:

	Year ended December 31,					
	2013		2014		2015	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Hangzhou (excluding Yuhang)	525,222	30.4	639,601	28.3	832,276	28.4
Yuhang	84,562	4.9	116,590	5.2	166,962	5.7
Ningbo	154,731	8.9	195,277	8.6	232,067	7.9
Yangtze River Delta (excluding Hangzhou and Ningbo)	470,329	27.2	677,325	30.0	921,104	31.4
Bohai Economic Rim	234,820	13.6	291,651	12.9	384,125	13.1
Pearl River Delta Business Region	69,673	4.0	104,011	4.6	132,428	4.5
Other Regions	136,788	7.9	185,851	8.2	263,267	9.0
Discontinued operations	54,037	3.1	49,066	2.2	—	—
Reportable segment revenue	**1,730,162**	**100.0**	**2,259,372**	**100.0**	**2,932,229**	**100.0**
Minus:						
Revenue from inter-segment transactions	4,478	n/a	5,741	n/a	13,602	n/a
Revenue from discontinued operations	54,037	n/a	49,066	n/a	—	n/a
Total consolidated revenue	**1,671,647**	**n/a**	**2,204,565**	**n/a**	**2,918,627**	**n/a**

During the Track Record Period, around 90% of our revenues were generated from properties located in the three major economic zones in China, namely, the Yangtze River Delta, the Bohai Economic Rim and the Pearl River Delta Business Region. The population density and per capita disposable income are higher in these economic zones than in most other regions in the PRC. We expect that our properties in the three major economic zones will continue to account for a significant portion of our operations in the near future.

The revenue contribution by each business segment during the Track Record Period is set forth in the table below:

	Year ended December 31,					
	2013		2014		2015	
	Revenue (RMB'000)	% of total	Revenue (RMB'000)	% of total	Revenue (RMB'000)	% of total
Property management services						
Subtotal of property management services	**1,223,889**	**73.2**	**1,623,597**	**73.7**	**2,090,872**	**71.6**
Property consulting services						
Property under construction services	278,800	16.7	377,847	17.1	475,957	16.3
Management consulting services	51,475	3.1	61,568	2.8	74,820	2.6
Subtotal of property consulting services	**330,275**	**19.8**	**439,415**	**19.9**	**550,777**	**18.9**
Community value-added services						
Community products and services	34,450	2.1	40,862	1.9	105,023	3.6
Home living services	69,045	4.1	84,503	3.8	145,691	5.0
Community space services	13,988	0.8	16,188	0.7	26,264	0.9
Subtotal of community value-added services	**117,483**	**7.0**	**141,553**	**6.4**	**276,978**	**9.5**
Total	**1,671,647**	**100.0**	**2,204,565**	**100.0**	**2,918,627**	**100.0**

Revenue from our property management services continued to increase during the Track Record Period primarily due to the increase in the total contracted GFA under management resulting from our business expansion through organic growth and acquisition of existing property management companies, as well as increases in our average fee rates.

Revenue from property consulting services increased in 2014 compared to 2013, primarily as a result of the increase in the revenue from our property under construction services which was due to an increase in the number of engagements, which was attributable to the growing awareness of our brand name and the continued increase in market demand for property under construction services as the developers became more cost conscious during the development processes. The increase in revenue from property consulting services in 2015 was due to the increase in the average contract value. As the market demand for property consulting services increased, the growing awareness of our brand name provided a competitive advantage in securing high profile new engagements which typically have larger contract value. The increase in the average contract value was also partially due to the increase in labor costs which we passed on to our customers.

Revenue from community value-added services grew during the Track Record Period, primarily as a result of (i) an increase in the number of customers due to the increase in the number of residential properties where we deploy our "Happy Greentown" mobile application, and (ii) the expansion of our product and service offering.

Cost of Sales

Our cost of sales primarily comprises staff costs, sub-contracting costs, common area costs, business taxes and surcharges and office expenses.

The table below sets forth a breakdown of our cost of sales for the years indicated by main components, both in terms of actual costs and as a percentage of the total cost of sales.

	Year ended December 31,					
	2013		2014		2015	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Cost of sales						
Staff costs — our employees	975,386	68.2	1,180,516	64.1	1,151,540	48.2
Sub-contracting costs	186,812	13.1	348,904	18.9	801,196	33.6
Common area costs	92,022	6.4	101,172	5.5	146,148	6.1
Business taxes and surcharges	91,120	6.4	115,789	6.3	140,088	5.9
Office expenses	58,312	4.1	67,214	3.6	64,645	2.7
Others	25,566	1.8	27,884	1.6	84,085	3.5
Total	**1,429,218**	**100.0**	**1,841,479**	**100.0**	**2,387,702**	**100.0**

During the Track Record Period, the main factors affecting our cost of sales were our staff costs and sub-contracting costs.

The amount of staff costs was mainly affected by the increase in the staff headcount due to the expansion of our operations and an increase in the average amount of compensation, in line with the general trend of wage increases in the PRC. Our staff costs included in cost of sales amounted to RMB975.4 million, RMB1,180.5 million and RMB1,151.5 million, accounting for approximately 68.2%, 64.1% and 48.2% of our cost of sales in 2013, 2014 and 2015, respectively. The decrease in the percentage of cost of sales contributed by staff costs during the Track Record Period was primarily due to a shift of staff costs relating to security guards to sub-contracting fees as we began outsourcing a substantial majority of our security function to sub-contractors starting in July 2015.

Sub-contracting costs represent fees we paid for services outsourced to sub-contractors, such as common area cleaning, landscaping, public facility maintenance and security services. The increases in sub-contracting costs during the Track Record Period were primarily due to the increase in our contracted GFA under management and the increase in the outsourcing of functions previously performed by our staff.

For illustration purpose only, we set out below a sensitivity analysis of our net profit from continuing operations for the years with reference to the fluctuation of labor costs and sub-contracting costs during the Track Record Period. The following table demonstrates the impact of the hypothetical increase in labor costs and sub-contracting costs on our net profit from continuing operations, while all other factors remain unchanged:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Total net profit from continuing operations	82,733	149,876	202,567
Assuming 5% increase in the aggregate of labor costs and sub-contracting costs			
Impact on our total cost of sales	(58,110)	(76,471)	(97,637)
Impact on net profit from continuing operations	(43,582)	(57,353)	(73,228)
Assuming 10% increase in the aggregate of labor costs and sub-contracting costs			
Impact on our total cost of sales	(116,220)	(152,942)	(195,274)
Impact on net profit from continuing operations	(87,164)	(114,706)	(146,456)

Common area costs represent common area equipment maintenance costs and utility costs. The increases in office expenses, business taxes and surcharges and common area costs were largely in line with the increase in our contracted GFA under management.

Gross Profit and Gross Profit Margin

Our gross profit in 2013, 2014, and 2015 amounted to RMB242.4 million, RMB363.1 million and RMB530.9 million, respectively, and during the same years we recorded gross profit margins of 14.5%, 16.5% and 18.2%, respectively. The table below sets forth our gross profit and gross profit margins by major product lines under each business segment for the years indicated:

	Year ended December 31,					
	2013		2014		2015	
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)
Property management services						
Subtotal of property management services	**68,413**	**5.6**	**139,251**	**8.6**	**212,560**	**10.2**
Property consulting services						
Property under construction services	88,481	31.7	119,335	31.6	139,798	29.4
Management consulting services	31,778	61.7	38,388	62.4	47,122	63.0
Subtotal of property consulting services	**120,259**	**36.4**	**157,723**	**35.9**	**186,920**	**33.9**
Community value-added services						
Home living services	37,439	54.2	44,021	52.1	81,637	56.0
Community products and services	9,987	29.0	12,238	29.9	35,074	33.4
Community space services	6,331	45.3	9,853	60.9	14,734	56.1
Subtotal of community value-added services	**53,757**	**45.8**	**66,112**	**46.7**	**131,445**	**47.5**
Total	**242,429**	**14.5**	**363,086**	**16.5**	**530,925**	**18.2**

Gross profit margins for our property management services are primarily affected by the average fee rates we charge for our property management services and our cost of sales per sq.m. per month for providing such services. Our average property management fees of properties for which we charge management fees on a lump sum basis amounted to approximately RMB2.69 per sq.m./month, RMB2.94 per sq.m./month and RMB3.06 per sq.m./month in 2013, 2014 and 2015, respectively. We expect the gross margin for our property management services to remain stable with a slight increase as we continued to increase our fee rates and implement various cost saving initiatives to proactively manage our costs.

Under PRC law, property management fees may be charged on a lump sum basis or on a commission basis. We believe the "lump sum" model is the dominant model in China and provides more incentives for property management companies to implement cost-saving initiatives and improve operational efficiency. During the Track Record Period, in line with the market practice, we charged property management fees on a lump sum basis for almost all the properties we managed. As of December 31, 2013, 2014 and 2015, we charged property management fees on a lump sum basis for properties representing approximately 98.4%, 97.8% and 98.2% of our total contracted GFA under management, respectively, which generated approximately 99.8%, 99.9% and 99.9% of our total property management fees during the same years. We expect property management fees charged on a lump sum basis to continue to account for an overwhelming majority of our total revenue in the foreseeable future.

When the property management fees are charged on a lump sum basis, we record all the fees as revenue and all the expenses incurred in connection with providing the property management services as cost of sales. When we charge property management fees on a commission basis, we essentially act as the agent of the property owners and therefore record only a pre-determined percentage of the property management fees set out in the property management service agreements as revenue, treating the remaining portion as reimbursement for the expenses incurred in connection with providing property management services.

For the property management services for which we charge fees on a commission basis, our gross profit margins are 100% since we do not bear any of the cost associated with providing property management services. Therefore, we would have a much higher gross margin if we charged management fees on a commission basis than on a lump sum basis.

The fluctuation in gross margins for our property consulting services during the Track Record Period was primarily affected by changes in our business mix and the consulting fees and commissions we charged. The gross margin for our property under construction services is typically lower than that for our management consulting services because of its more labor-intensive nature. The gross margin for our property under construction services was also affected by the fees we paid to third parties for outsourcing security services.

The gross margin for our community value-added services varies depending on the mix of types of products and services sold. Our community value-added service offering features a comprehensive assortment of more than 130 categories of services and the gross margin varies significantly across our community value-added service portfolio. We expect to continue expanding our offering of products and services, which we believe will result in enhanced sales growth of higher margin products. The gross margin for our community value-added services increased during the Track Record Period. The increase in the gross profit margin of our community products and services sub-segment was primarily due to economies of scale as we continued to expand our community products and services.

Our overall gross profit margins are affected by the factors affecting gross profit margins for each of our segments as well as fluctuations in our business mix. Due to the more labor-intensive nature of our property management services, gross profit margins for our property management services are typically significantly lower than gross profit margins for our property consulting services and community value-added services. We expect that our overall gross margin will continue to grow as we continue to expand our property consulting services and community value-added services.

Other Revenue

Other revenue primarily consists of (i) subsidies awarded by the local governments in recognition of our innovation efforts and leading market position, and (ii) miscellaneous income, such as late fees, insurance proceeds, and compensation settlement. We had during the Track Record Period received and expect to continue to receive government grants in recognition of our leading market position.

All the government grants that we received during the Track Record Period represented unconditional discretionary subsidies awarded by local governmental authorities.

Other Net Income

Other net income primarily consists of (i) net losses on sale of property, plant and equipment, which reflects net losses as a result of the disposal of certain company vehicles, and (ii) net gains on other financial assets, which reflects net gains derived from certain financial investment products. Our other financial assets comprise primarily investments in financial products.

Administrative Expenses

Administrative expenses primarily consist of compensation for administrative staff, office expenses and research expenses incurred associated with our "smart community" project. During the Track Record Period, our administrative expenses increased, in line with the increase in our revenue. The table below sets forth a breakdown of our administrative expenses for the years indicated by major components:

	Year ended December 31,					
	2013		2014		2015	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Administrative Expenses						
Staff costs	85,178	68.1	97,857	65.4	135,075	58.1
Office expenses	34,308	27.4	41,565	27.8	59,996	25.8
Listing expenses	—	—	3,383	2.3	18,176	7.8
Research project	3,123	2.5	3,065	2.0	8,556	3.7
Others	2,551	2.0	3,684	2.5	10,775	4.6
Total	**125,160**	**100.0**	**149,554**	**100.0**	**232,578**	**100.0**

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of promotion and marketing expenses, rental costs, office expenses, depreciation and amortizations. Due to the nature of our business, we did not incur significant amounts of selling and marketing expenses during the Track Record Period.

Other Operating Expenses

Other operating expenses primarily consist of impairment losses for trade and bills receivables (which consisted mainly of impairment losses for certain unpaid management fees that were past due for more than one year except for management fee receivables secured by collateral) and miscellaneous fees paid to local governments. Assets impairment losses amounted to RMB13.6 million, RMB21.3 million and RMB23.0 million in 2013, 2014 and 2015.

Net Finance Costs

Our net finance costs equal interest income on bank deposits minus interest expenses on bank loans. All of our bank loans during the Track Record Period were payable within one year. The table below sets forth the ranges of effective interest rates on our bank loans:

	Year ended December 31,		
	2013	2014	2015
Bank loans	6.00 – 6.60%	5.88 – 6.30%	4.57 – 4.83%

Income Tax

Pursuant to the rules and regulations of the Cayman Islands and the BVI, we were not subject to any income tax in the Cayman Islands and the BVI during the Track Record Period.

The income tax rate applicable to entities incorporated in Hong Kong is 16.5%. No provision for Hong Kong profits tax was made because we did not have income arising in or derived from Hong Kong during the Track Record Period.

Our income tax mainly comprises PRC EIT at the tax rate of 25% on taxable profits of our subsidiaries incorporated in the PRC except that a preferential income tax rate of 20% was applied to Hangzhou Greentown Vocational Training School in 2013, 2014 and 2015 and Ningbo Greentown Advertisement Company Limited in 2013, 2014 and 2015.

Income tax comprises current tax and movements in deferred tax assets and liabilities. Current tax represents the estimated tax payable on the taxable income for the reporting period, using tax rates enacted at the end of such reporting period, plus any adjustment to tax payable in respect of previous reporting periods. Deferred tax assets and liabilities arise from deductible and taxable temporary differences, respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

According to the Implementation Rules of the Enterprise Income Tax Law of PRC, our Company's subsidiaries in the PRC are subject to a 10% withholding tax on dividends declared to their foreign investment holding companies arising from profit earned subsequent to January 1, 2008. In respect of dividends that are subject to the withholding tax, provision for withholding tax is recognized for the dividends that have been declared, and deferred tax liabilities recognized for those to be declared in the foreseeable future. As of December 31, 2015, withholding tax in the amount of RMB2,502,000 has been recognized in respect of the tax that would be payable on the distribution of the retained profits of our Group's PRC subsidiaries.

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Current tax	33,089	60,239	81,605
Origination and reversal of temporary differences	(7,432)	(11,497)	(8,548)
Withholding tax on the profits of our Group's PRC subsidiaries	—	—	2,502
Income tax	**25,657**	**48,742**	**75,559**

Our effective tax rate, calculated as income tax expenses divided by profit before taxation from continuing operations, in 2013, 2014 and 2015 was approximately 23.7%, 24.5% and 27.2%, respectively. Our effective tax rate increased to 27.2% in 2015 from 24.5% in 2014 as a result of the deductible temporary differences attributable to our loss-making subsidiaries not being recognized in 2015 and the RMB2.5 million withholding tax recognized in respect of the tax that would be payable on the distribution of the retained profits of our Group's PRC subsidiaries.

The actual income tax expenses reported in the consolidated statements of comprehensive income differs from the amount calculated by applying the statutory PRC income tax rates. Our income tax for each year can be reconciled to the profit before tax as follows:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Profit before taxation from continuing operation	108,390	198,618	278,126
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	27,098	49,655	69,532
Tax effect of non-deductible expenses, net of non-taxable income	554	1,905	1,593
Tax effect of deductible temporary difference (utilized)/not recognized	(1,130)	(4,695)	885
Tax effect of unused tax losses not recognized	1,264	2,246	1,793
Utilization of tax loss previously not recognized	(1,986)	(562)	(395)
Tax effect of share of results of associates and joint ventures	(143)	193	(351)
Withholding tax at 10% on the profits of our Group's PRC subsidiaries	—	—	2,502
Actual tax expenses	**25,657**	**48,742**	**75,559**

During the Track Record Period and up to the Latest Practicable Date, we had paid all applicable taxes when due and there were no matters in dispute or unresolved with any tax authorities.

Discontinued Operations

During the Track Record Period and as part of our Reorganization in preparation for the Listing, we disposed all of our equity investments in the interior design, decoration, gardening and maintenance services segment and health care and related services segment. We either ceased to engage in these businesses or outsourced the functions to sub-contractors.

Results of our discontinued operations were recorded as a separate line item titled "loss from discontinued operation, net of tax" in the Consolidated Statements of Profit or Loss and Other Comprehensive Income.

Cash flow of continuing and discontinued operations are presented in the consolidated cash flows statements on a consolidated basis.

The results of our discontinued operations, which have been included in our consolidated statements of profit or loss and other comprehensive income, were as follows:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Results of discontinued operation			
Revenue	54,037	49,066	—
Cost of sales	(49,641)	(41,628)	—
Gross profit	4,396	7,438	—
Other revenue	474	560	—
Other net income/(loss)	74	(44)	—
Administrative expenses	(12,453)	(10,579)	—
Selling and marketing expenses	(30)	(8)	—
Other operating expenses	(298)	(286)	—
Results from operating activities	(7,837)	(2,919)	—
Share of profits less losses of associates	1,774	3,035	—
Share of profits less losses of joint ventures	(99)	(135)	—
Finance income	91	154	—
(Loss)/profit before income tax	(6,071)	135	—
Income tax	(168)	(629)	—
Loss for the year	(6,239)	(494)	—
Attributable to:			
Equity shareholders of our Company	(4,300)	(278)	—
Non-controlling interests	(1,939)	(216)	—
Total	**(6,239)**	**(494)**	**—**

The table below sets forth major line items of cash flow statements of discontinued operations for the years indicated.

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	52,544	(65,019)	—
Net cash (used in)/generated from investing activities	(33,769)	28,413	—
Net cash generated from financing activities	5,000	500	—
Net cash generated from/(used in) discontinued operation	23,775	(36,106)	—

RESULT OF CONTINUING OPERATIONS

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Revenue

Revenue increased by 32.4% to RMB2,918.6 million in 2015 from RMB2,204.6 million in 2014. The increase in revenue was primarily due to an increase in the revenue from our property management services segment, which, in turn, was due to an increase in our total revenue-bearing GFA as well as increases in our management fee rates.

- *Property management services*. Revenue from property management services amounted to RMB1,623.6 million and RMB2,090.9 million, contributing approximately 73.7% and 71.6% of our total revenue in 2014 and 2015, respectively, representing an increase of approximately 28.8%. The increase was primarily attributable to increases in our total revenue-bearing GFA and the average property management fee of the properties for which we charge management fees on a lump sum basis. Our total revenue-bearing GFA for which we charged management fees on a lump sum basis increased by approximately 27.1% to 63.7 million sq.m. as of December 31, 2015 from 50.1 million sq.m. as of December 31, 2014. The average property management fees of the properties for which we charged management fees on a lump sum basis increased by approximately 4.1% to RMB3.06 per sq.m./month in 2015 from RMB2.94 per sq.m./month in 2014. In 2015, we increased the management services fee rates for some properties upon renewal of their property management service agreements. The increase in average management fee rate was also attributable to the higher property management fee rates that we charged for new engagements.

- *Property consulting services*. Revenue from property consulting services amounted to RMB439.4 million and RMB550.8 million, contributing approximately 19.9% and 18.9% of our total revenue in 2014 and 2015, respectively. Revenue from property consulting services increased by approximately 25.4% from 2014 to 2015, which was primarily attributable to the 26.0% increase in our revenue from property under construction services sub-segment to RMB476.0 million in 2015 from RMB377.8 million in 2014. The increase in our revenue from property under construction services was primarily due to the increase in the average contract value as a result of the growing awareness of our brand name which provided us a competitive advantage in securing high profile new engagements with larger contract value. The increase in the average contract value was also due to the increase in labor costs which we passed on to our customers.

- *Community value-added services*. Revenue from community value-added services amounted to RMB141.6 million and RMB277.0 million, contributing approximately 6.4% and 9.5% of our total revenue in 2014 and 2015, respectively. Revenue from community value-added services increased by approximately 95.7% from 2014 to 2015, which was primarily attributable to a 72.4% increase from RMB84.5 million in 2014 to RMB145.7 million in 2015 in revenue from home living services and a 156.7% increase from RMB40.9 million in 2014 to RMB105.0 million in 2015 in the revenue from community products and services as a result of the expanding offering portfolio and the increase in the number of our managed properties which provided a larger customer base. Since the launch of our "Happy Greentown" mobile application in September 2014, we have attracted an increasing volume of foot traffic by providing a convenient and diversified service and product offering to our residents. The number of our registered users increased from 23,485 as of December 31, 2014 to 180,422 as of December 31, 2015.

Cost of sales

Our cost of sales increased by approximately 29.7% to RMB2,387.7 million in 2015 from RMB1,841.5 million in 2014. The increase in cost of sales was primarily due to an increase in sub-contracting costs of approximately 129.6% to RMB801.2 million from RMB348.9 million over the same period. We began outsourcing a substantial majority of our security function to sub-contractors starting in July 2015, which led to a shift of staff costs relating to security guards to sub-contracting fees. As of December 31, 2015, approximately 71.9% of the security guards at our managed properties were outsourced to independent third parties. The increase in cost of sales was also attributable to the increases in business taxes and surcharges and common area costs, which in turn were due to the increase in our total contracted GFA under management, which increased by approximately 25.6% to 82.8 million sq.m. as of December 31, 2015 from 65.9 million sq.m. as of December 31, 2014.

Gross profit and gross profit margin

Our gross profit increased by approximately 46.2% to RMB530.9 million in 2015 from RMB363.1 million in 2014. Our gross profit margin increased to 18.2% in 2015 from 16.5% in 2014 due primarily to a favorable shift in our product mix from the lower margin property management service segment to the higher margin community value-added service segment.

- *Property management services*. Gross profit of our property management services increased by approximately 52.6% to RMB212.6 million in 2015 from RMB139.3 million in 2014 primarily due to the increases in total revenue-bearing GFA and average property management fee rates. Gross profit margin of our property management services increased from 8.6% in 2014 to 10.2% in 2015, primarily due to the increase in the average property management fee rates. The average property management fees of the properties for which we charged management fees on a lump sum basis increased by approximately 4.1% to RMB3.06 per sq.m./month in 2015 from RMB2.94 per sq.m./month in 2014.

- *Property consulting services*. Gross profit of our property consulting services increased by approximately 18.5% to RMB186.9 million in 2015 from RMB157.7 million in 2014, primarily due to an increase in the average contract value per engagement, which was partially offset by a slight decrease in the number of new engagements as the PRC real estate market deteriorated in 2015. Gross profit margin of our property consulting services decreased to 33.9% in 2015 from 35.9% in 2014. The gross margin decreased primarily due to the decrease in the gross profit margin of the property under construction service sub-segment as a result of a raise in the employees' average salaries. The decrease was also attributable to the increase in the percentage of revenue contributed by the property under construction service sub-segment to 86.4% in 2015 from 86.0% in 2014. Our property under construction services generally have lower gross profit margins than our management consulting services because our property under construction services largely consists of providing security services at construction sites and display units, which is typically more labor-intensive than consulting services.

- *Community value-added services*. Gross profit of our community value-added services increased by approximately 98.8% to RMB131.4 million in 2015 from RMB66.1 million in 2014 due to our expanding services, product offering and the increase in the number of our managed properties, which provided a larger customer base. Gross profit margin of our community value-added services increased to 47.5% in 2015 from 46.7% in 2014. The increase was primarily due to the increases in gross profit margins of our community products and services and home living service sub-segments as a result of the economies of scale achieved as we continued to expand these two sub-segments.

Other revenue

Other revenue increased by approximately 70.3% to RMB20.1 million in 2015 from RMB11.8 million in 2014. The increase was primarily due to the RMB4.7 million increase in government grants as a result of the RMB4.4 million tax rebate received by one of our subsidiaries incorporated in Beilun Duty-free Zone and the RMB7.4 million government grant received in recognition of our efforts in improving our corporate governance. The increase was also attributable to (i) a RMB1.5 million termination fee that we received in connection with an early termination of a property management service agreement for a hotel by its owner as it decided to manage the hotel on its own for strategic reasons and (ii) a write-off of other payables in the amount of RMB1.0 million payable by Chongqing Lvcheng, a subsidiary of ours that was in the process of deregistration in 2015. The debtor waived all debts payables by Chongqing Lvcheng in the process of the deregistration of Chongqing Lvcheng.

Other net income

Our other net income amounted to RMB0.2 million in both 2015 and 2014. The other net income in 2014 was attributable to net gains on investment in financial assets in the amount of RMB1.4 million, partially offset by net loss on sales of property, plant and equipment in the amount of RMB1.2 million attributable to the disposal of certain company vehicles as part of our vehicle ownership reform. Net gains on investment in financial assets and net loss on sale of property, plant and equipment both decreased in 2015, resulting in other net income remaining flat.

Administrative expenses

Administrative expenses increased by approximately 55.5% to RMB232.6 million in 2015 from RMB149.6 million in 2014. The increase was primarily due to (i) an increase in our staff costs to RMB135.1 million in 2015 from RMB97.9 million in 2014 as a result of increases in our administrative staff headcount and average salary as we continued to expand our operations, (ii) an increase in office expenses to RMB60.0 million in 2015 from RMB41.6 million in 2014 due to the expenses incurred in connection with some celebration events, (iii) the increase in expenses incurred in connection with the Global Offering in the amount of RMB14.8 million and (iv) an increase in research expenses by RMB5.5 million in connection with a senior living research project.

Selling and marketing expenses

Selling and marketing expenses increased by approximately 301.0% to RMB5.7 million in 2015 from RMB1.4 million in 2014. The increase was primarily due to the increases in our marketing activities. For example, we hosted a series of marketing activities and ran an advertisement campaign in 2015.

Other operating expenses

Other operating expenses increased by approximately 19.6% to RMB29.1 million in 2015 from RMB24.3 million in 2014. The increase was primarily due to (i) an increase in the amount that we contributed to the employment assistance fund by RMB2.1 million and (ii) an increase in impairment losses for trade and bill receivables by RMB1.3 million from RMB21.0 million in 2014 to RMB22.3 million in 2015 as a result of the increase in trade receivables as of December 31, 2015 compared to December 31, 2014. We are required under PRC law to contribute to the employment assistance fund, which provides financial assistance to purchase a range of work-related services for people with disabilities. The amount of the employment assistance fund that we contributed in 2015 increased because the number of our employees and the average local salary, which are the basis of such contribution, increased in 2014.

Profit from operations

As a result of the foregoing, profit from operations increased by approximately 42.0% to RMB283.8 million in 2015 from RMB199.8 million in 2014.

Net finance costs

Net finance costs increased by approximately 343.8% to RMB7.1 million in 2015 from RMB1.6 million in 2014. The increase was primarily due to the RMB6.0 million increase from RMB3.3 million in 2014 to RMB9.3 million in 2015 in interest payments to the banks as a result of the increase in our borrowings in 2015 compared to 2014. We took out an increased amount of borrowings in the fourth quarter of 2015 in anticipation of the rapid and continuous expansion of our operations in 2016, which required a larger amount of cash flow compared to previous years.

Share of profits less losses of associates

Share of losses less profits of associates amounted to RMB0.1 million in 2014 while share of profits less losses of associates amounted to RMB1.8 million in 2015.

Share of profits less losses of joint ventures

Share of losses less profits of joint ventures decreased to RMB0.3 million in 2015 from RMB0.7 million in 2014.

Loss on disposal of other financial assets

Loss on disposal of other financial assets amounted to RMB0.1 million in 2015 primarily as a result of the deregistration of Hangzhou Huake Property Management Company Limited, one of our subsidiaries. Loss on disposal of other financial assets amounted to RMB1.3 million in 2014 primarily as a result of our disposal of equity interests in multiple companies to Hangzhou Dangui Investment for a consideration of RMB19.9 million in connection with our Reorganization.

(Loss)/gain on disposal of subsidiaries

We had a gain on disposal of subsidiaries in the amount of RMB2.0 million in 2014 primarily as a result of our disposal of a 40% interest in Hangzhou Lvman Technology Company Limited, an information technology service company, for a consideration of RMB2.0 million. We did not dispose of any subsidiaries in 2015.

(Loss)/gain on disposal of associates

We had a gain on disposal of associates in the amount of RMB0.5 million in 2014 primarily in relation to the disposal of certain associates engaging in non-core businesses as part of our Reorganization in contemplation of the Listing. We did not dispose of any associates in 2015.

Gain on acquisition of associates

We did not have any gain on acquisition of associates in 2014 and 2015.

Profit before taxation from continuing operations

As a result of the foregoing, profit before taxation from continuing operations increased by approximately 40.0% to RMB278.1 million in 2015 from RMB198.6 million in 2014.

Income tax

Our income tax increased by approximately 55.2% to RMB75.6 million in 2015 from RMB48.7 million in 2014, primarily as a result of the increase in the profit before tax from continuing operations. Our effective tax rate, calculated as income tax expenses divided by profit before taxation from continuing operations, increased to 27.2% in 2015 from 24.5% in 2014 as a result of the RMB2.5 million withholding tax recognized in respect of the tax that would be payable on the distribution of the retained profits of our Group's PRC subsidiaries.

Profit from continuing operations

As a result of the foregoing, our profit from continuing operations increased by approximately 35.2% from RMB149.9 million in 2014 to RMB202.6 million in 2015.

Loss from discontinued operation, net of tax

Loss from discontinued operation, net of tax, was nil in 2015 as all the losses incurred as a result of the disposal of discontinued operations were recorded in 2014. Loss from discontinued operations amounted to RMB0.5 million in 2014.

Profit and total comprehensive income for the period

As a result of the foregoing, profit and total comprehensive income for the period increased by approximately 35.6% to RMB202.6 million in 2015 from RMB149.4 million in 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Revenue

Revenue increased by approximately 31.9% to RMB2,204.6 million in 2014 from RMB1,671.6 million in 2013. The increase in revenue was primarily due to an increase in the revenue from our property management services segment, which, in turn, was due to an increase in the total contracted GFA under management as well as increases in our property management fee rates.

- *Property management services*. Revenue from property management services amounted to RMB1,223.9 million and RMB1,623.6 million, contributing approximately 73.2% and 73.7% of our total revenue in 2013 and 2014, respectively. Revenue from property management services increased by approximately 32.7% to RMB1,623.6 million in 2014 from RMB1,223.9 million in 2013, which was primarily attributable to the increases in the total revenue-bearing GFA and in the average fee rates we charged. The total revenue-bearing GFA for which we charged management fees on a lump sum basis increased by approximately 19.3% to 50.1 million sq.m. as of December 31, 2014 from 42.0 million sq.m. as of December 31, 2013. In 2014, we increased the management services fee rates for some properties upon renewal of their property management service agreements and charged higher management service fee rates for newly built properties delivered in 2014, which led to an increase by approximately 9.3% in the average property management fees of the properties for which we charged management fees on a lump sum basis to RMB2.94 per sq.m./month in 2014 from RMB2.69 per sq.m./month in 2013. Property management fee rates for newly built properties are generally higher than those for the existing properties, which is in line with the general trend of increasing property management fees in the PRC.

- *Property consulting services*. Revenue from property consulting services amounted to RMB330.3 million and RMB439.4 million, contributing approximately 19.8% and 19.9% of our total revenue in 2013 and 2014, respectively. Revenue from property consulting services increased by approximately 33.0% to RMB439.4 million in 2014 from RMB330.3 million in 2013, which was primarily attributable to the 35.5% increase in our revenue from property under construction services to RMB377.8 million in 2014 from RMB278.8 million in 2013 as the number of our property under construction services engagements. As developers became more cost conscious during the development processes, market demand for construction consulting services increased and the growing awareness of our brand name provided a competitive advantage in securing new engagements.

- *Community value-added services*. Revenue from community value-added services amounted to RMB117.5 million and RMB141.6 million, contributing approximately 7.0% and 6.4% of our total revenue in 2013 and 2014, respectively. Revenue from community value-added services increased by 20.5% to RMB141.6 million in 2014 from RMB117.5 million in 2013, which was primarily attributable to the increase in the revenue generated from our home living services and community products and services. Revenue for our home living services increased by approximately 22.5% to RMB84.5 million in 2014 from RMB69.0 million in 2013 primarily due to the increase in the number of properties that we manage which led to a larger customer base. Revenue for our community products and services increased by approximately 18.6% to RMB40.9 million in 2014 from RMB34.5 million in 2013 primarily due to the increase in the number of users of our "Happy Greentown" mobile application as the number of residential communities which have deployed our "Happy Greentown" mobile application continued to increase. The increase in revenue for our community products and services was also attributable to the increase in users' average spending as we continued to expand the offering of our community products and services.

Cost of sales

Cost of sales increased by approximately 28.8% to RMB1,841.5 million in 2014 from RMB1,429.2 million in 2013. The increase in cost of sales was largely in line with the increase in revenue and was primarily due to an increase in the total contracted GFA under management.

The total contracted GFA under management increased by approximately 20.5% to 65.9 million sq.m. as of December 31, 2014 from 54.7 million sq.m. as of December 31, 2013. Cost of sales for property management services increased by approximately 28.5% to RMB1,484.3 million in 2014 from RMB1,155.5 million in 2013, primarily attributable to (i) an increase in staff costs by approximately 21.0% to RMB1,180.5 million in 2014 from RMB975.4 million in 2013 as a result of increases in our headcount and average salary and (ii) an increase in sub-contracting costs by approximately 86.8% to RMB348.9 million in 2014 from RMB186.8 million in 2013. The increase in our headcount was primarily due to the increase in the number of our managed properties and the increase with average salary was in line with the general trend of wage increases in the PRC. The increase in sub-contracting costs was partially due to the increase in the total contracted GFA under management. In addition, we started outsourcing to sub-contractors cleaning and elevator maintenance functions previously performed by our staff, which led to a shift of some staff costs to sub-contracting fees. Cost of sales for property consulting services increased by approximately 34.1% to RMB281.7 million in 2014 from RMB210.0 million in 2013, which was primarily attributable to the increase in the number of property under construction service engagements. Cost of sales of our community value-added services increased by approximately 18.4% to RMB75.4 million in 2014 from RMB63.7 million in 2013, which was largely in line with the increase in the revenue from community value-added services.

Gross profit and gross profit margin

Our gross profit increased by approximately 49.8% to RMB363.1 million in 2014 from RMB242.4 million in 2013. Our gross profit margin increased to 16.5% in 2014 from 14.5% in 2013 due primarily to the increase in the gross profit margin of our property management services segment and a favourable shift in our product mix from lower margin property management segment to the other two segments, which enjoyed higher gross margins than the property management segment.

- *Property management services*. Gross profit of our property management services increased by approximately 103.7% to RMB139.3 million in 2014 from RMB68.4 million in 2013 primarily due to the increases in total revenue-bearing GFA and average property management fee rates, and a decrease in property management staff costs per sq.m. Gross profit margin of our property management services increased to 8.6% in 2014 from 5.6% in 2013, primarily due to the increase in the average property management fee rate and the decrease in property management staff costs per sq.m. The average property management fees of the properties for which we charged management fees on a lump sum basis increased by approximately 9.3% to RMB2.94 per sq.m./month in 2014 from RMB2.69 per sq.m./month in 2013.

- *Property consulting services*. Gross profit of our property consulting services increased by approximately 31.1% to RMB157.7 million in 2014 from RMB120.3 million in 2013 as our consulting service engagements increased due to the continued increase in market demand for property under construction services and a growing awareness of our brand name which provided a competitive advantage in securing new engagements. Gross profit margin of our property consulting services decreased slightly to 35.9% in 2014 from 36.4% in 2013 due to the increase in the gross profit contributed by our property under construction services to RMB119.3 million, representing approximately 75.7% in 2014 from RMB88.5 million, representing approximately 73.6% in 2013. Our property under construction services generally have lower gross profit margins than our management consulting services because our property under construction services largely consists of providing security services at construction sites and display units, which is typically more labor-intensive than consulting services.

- *Community value-added services*. Gross profit of our community value-added services increased by approximately 22.9% to RMB66.1 million in 2014 from RMB53.8 million in 2013 due to the increase in the number of residential communities which have deployed our "Happy Greentown" mobile application which provided a larger customer base and the expansion of our community value-added service offering. Gross profit margin of our community value-added services increased slightly to 46.7% in 2014 from 45.8% in 2013 due to a shift in sales mix towards higher gross margin services. We offer a wide range of community value-added services at different price points with different cost structures, so changes in our service mix have a strong impact on our gross margin.

Other revenue

Other revenue increased by approximately 12.4% to RMB11.8 million in 2014 from RMB10.5 million in 2013. The increase was primarily due to an increase in government grants in recognition of our innovation efforts and leading market position by approximately 16.3% to RMB11.4 million in 2014 from RMB9.8 million in 2013.

Other net income

Our other net income decreased to RMB0.2 million in 2014 from RMB0.4 million in 2013. The decrease was primarily due to an increase in the net losses on sale of property, plant and equipment to RMB1.2 million in 2014 from RMB39,000 in 2013 as a result of the disposal of certain company vehicles as part of our vehicle ownership reform. The decrease was offset by an increase in net realized gains on other financial assets to RMB1.4 million in 2014 from RMB0.4 million in 2013 primarily due to the increase in gains on our financial investment products.

Administrative expenses

Administrative expenses increased by approximately 19.5% to RMB149.6 million in 2014 from RMB125.2 million in 2013. The increase was primarily due to (i) an increase in our staff costs to RMB97.9 million in 2014 from RMB85.2 million in 2013 as a result of increases in administrative staff headcount and average salary as we continued to expand our operations and (ii) an increase in office expenses to RMB41.2 million in 2014 from RMB34.3 million in 2013 due to the increase in the number of our managed properties.

Selling and marketing expenses

Selling and marketing expenses increased by approximately 7.7% to RMB1.4 million in 2014 from RMB1.3 million in 2013. The increase was primarily due to the increase in marketing activities.

Other operating expenses

Other operating expenses increased by approximately 49.1% to RMB24.3 million in 2014 from RMB16.3 million in 2013. The increase was primarily due to an increase in the impairment losses for trade and bills receivables to RMB21.0 million in 2014 from RMB13.3 million in 2013 as a result of the increase in trade receivables.

Profit from operations

As a result of the foregoing, profit from operations increased by 80.8% to RMB199.8 million in 2014 from RMB110.5 million in 2013.

Net finance costs

Net finance costs decreased by approximately 15.8% to RMB1.6 million in 2014 from RMB1.9 million in 2013. The decrease was primarily due to the increase in interest income on bank deposits to RMB1.7 million in 2014 from RMB0.9 million in 2013 as our average bank balance in 2014 increased compared to 2013 due to the increase in cash. These increases were partially offset by an increase in interest expenses on bank loans to RMB3.3 million in 2014 from RMB2.7 million in 2013 due to the increase in the bank borrowings which we took out to fund the purchase of our new office building.

Share of profits less losses of associates

Share of profits less losses of associates amounted to RMB0.8 million in 2013 while share of losses less profits of associates amounted to RMB0.1 million in 2014.

Share of profits less losses of joint ventures

Share of losses less profits of joint ventures increased to RMB0.7 million in 2014 from RMB0.2 million in 2013.

Loss on disposal of other financial assets

Loss on disposal of other financial assets amounted to RMB1.3 million in 2014 primarily as a result of our disposal of equity interests in multiple companies to Hangzhou Dangui Investment for a consideration of RMB19.9 million in connection with our Reorganization. We did not incur any loss on disposal of other financial assets in 2013.

(Loss)/gain on disposal of subsidiaries

We had a gain on disposal of subsidiaries in the amount of RMB2.0 million in 2014 primarily as a result of our disposal of a 60% interest in Yinji Oriental Venice Property Management for a consideration of RMB1.8 million and a 40% interest in Hangzhou Lvman Technology Company Limited, an information technology service company, for a consideration of RMB2.0 million. We had a loss on disposal of subsidiaries in the amount of RMB0.3 million in 2013 primarily as a result of our disposal of a 60% interest in Zhejiang Greentown Junyuan Property Management Company Limited for a consideration of RMB3.0 million and a 100% interest in Ningbo Lvjing Cleaning Company Limited, a cleaning service company, for a consideration of RMB1.5 million.

(Loss)/gain on disposal of associates

Loss on disposal of associates amounted to RMB0.7 million in 2013 primarily as a result of our disposal of a 49% interest in Green Homeland Culture Media Company Limited for a consideration of RMB4.2 million. We had a gain on disposal of associates in the amount of RMB0.5 million in 2014 primarily in relation to the disposal of certain associates engaging in non-core businesses as part of our Reorganization in contemplation of the Listing.

Gain on acquisition of associates

Gain on acquisition of associates amounted to nil in 2014. Gain on acquisition of associates amounted to RMB0.1 million in 2013 primarily in relation to our acquisition of a 20% equity interest in a cleaning service company in Hangzhou.

Profit before taxation from continuing operations

As a result of the foregoing, profit before taxation from continuing operations increased by approximately 83.2% to RMB198.6 million in 2014 from RMB108.4 million in 2013.

Income tax

Our income tax increased by approximately 89.5% to RMB48.7 million in 2014 from RMB25.7 million in 2013, primarily due to an increase in our profit before tax from continuing operations. Our effective tax rate, calculated as income tax expenses divided by profit before taxation from continuing operations, increased to 24.5% in 2014 from 23.7% in 2013, primarily because of the increase in non-deductible expenses in 2014 compared to 2013. For more details, please refer to the sub-section headed "— Description of Selected Items in Our Consolidated Statements of Profit or Loss and Other Comprehensive Income — Income Tax" earlier in this section.

Profit from continuing operations

As a result of the foregoing, our profit from continuing operations increased by approximately 81.3% to RMB149.9 million in 2014 from RMB82.7 million in 2013.

Profit from continuing operations attributable to equity shareholders of the Company

Our profit from continuing operations increased by 78.2% to RMB149.2 million in 2014 from RMB83.7 million in 2013.

Loss from discontinued operation, net of tax

Loss from discontinued operation, net of tax, decreased by approximately 91.9% to RMB0.5 million in 2014 from RMB6.2 million in 2013 primarily as a result of a decrease in other operating expenses of our discontinued operations.

Profit and total comprehensive income for the year

As a result of the foregoing, profit and total comprehensive income for the year increased by approximately 95.3% to RMB149.4 million in 2014 from RMB76.5 million in 2013.

DESCRIPTION OF SELECTED ITEMS IN STATEMENT OF FINANCIAL POSITION

Trade and Other Receivables

The table below sets forth a breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Trade and bills receivables	165,893	216,022	257,808
Less: allowance for impairment of trade and bills receivables	(12,472)	(16,078)	(23,156)
	153,421	199,944	234,652
Amounts due from related parties	68,339	181,752	71,485
Other receivables	53,297	54,524	60,473
Deposits and prepayments	24,477	30,036	51,038
Amounts due from other staff	10,875	2,712	2,304
Amounts due from directors	1,500	—	—
Total	**311,909**	**468,968**	**419,952**

Trade and bills receivables

Our trade and bills receivables mainly arise from property management fees. As of December 31, 2013, 2014 and 2015, trade and bills receivables amounted to RMB153.4 million, RMB199.9 million, and RMB234.7 million, accounting for approximately 20.4%, 18.7% and 17.0% of our total current assets. As of April 30, 2016, we settled approximately RMB103.2 million of our trade and bills receivables. As of December 31, 2013, 2014 and 2015, trade and bills receivables with respect to the preliminary property management agreements and the property management agreements that were terminated or expired during the relevant year amounted to RMB4.0 million, RMB4.1 million and RMB5.7 million, respectively. As of April 30, 2016, we settled approximately RMB0.7 million of our trade and bills receivables with respect to the preliminary property management agreements and the property management agreements that were terminated or expired.

Our trade and bills receivables from property management services increased throughout the Track Record Period primarily due to the increase in our total revenue-generating GFA as a result of our business expansion. Our total contracted GFA under management amounted to 54.7 million sq.m., 65.9 million sq.m. and 82.8 million sq.m. as of December 31, 2013, 2014 and 2015, respectively. The first property management fee payment is due and payable once the property is delivered. However, some owners do not pay property management fees until they move in or the units have been rented out and those accrued property management fees are, therefore, recorded as receivables and accounted for a majority of the trade receivable arising from property management fees.

The table below sets forth our trade and bills receivables turnover as of the dates indicated:

	Year ended December 31,		
	2013	2014	2015
Trade and bills receivables turnover[(1)]	33.5	33.1	29.4

Note:

(1) Calculated as the trade and bills receivables as of the end of the relevant year divided by revenue for the year, then multiplied by the number of days in the year.

The following is an aging analysis of trade and bills receivables net of allowance for impairment of trade and bills receivables presented based on the date of revenue recognition:

	As of December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Within one year	133,464	182,262	206,811
Between one and two years	19,957	16,078	26,237
Above two years	—	1,604	1,604
Total	**153,421**	**199,944**	**234,652**

Trade and bills receivables are due when the receivables are recognized.

Allowance for impairment of trade and bills receivables amounted to RMB12.5 million, RMB16.1 million and RMB23.2 million as of December 31, 2013, 2014 and 2015, respectively. Allowance for impairment of trade and bills receivables with respect to the preliminary property management agreements and the property management agreements that were terminated or expired during the relevant year amounted to RMB1.1 million, RMB1.5 million and RMB1.1 million as of December 31, 2013, 2014 and 2015, respectively. In determining the recoverability of trade receivables, we consider changes in the credit quality of the trade receivables from the date when the credit was granted to the reporting date. In determining the recoverability of trade receivables from our property management services segment, we estimate the recoverable amount of property management fees for each property we manage and take into account occupancy rates and collection history and subsequent settlement status of trade receivables. We generally record an impairment allowance of 100% of the receivables that are overdue for more than two years and 50% of the receivables that are overdue for a period between one year to two years. We do not record an impairment allowance for balances which are not past due or overdue for less than one year.

Of our RMB234.7 million in trade and bills receivables as of December 31, 2015, approximately 44.0% was subsequently settled as of April 30, 2016. Of our RMB5.7 million of trade and bill receivables as of December 31, 2015 with respect to the preliminary property management agreements and the property management agreements that were terminated or expired during the Track Record Period, approximately 12.3% was subsequently settled as of April 30, 2016. We did not experience any significant difficulty in collecting management fees during the Track Record Period as evidenced by the high collection rates we maintained throughout the Track Record Period. As of December 31, 2013, 2014 and 2015, our collection rates with respect to property management fees, calculated as the percentages of actually collected property management fees out of total property management fees receivable, were approximately 95.6%, 95.9% and 96.6%, respectively. We do not record an impairment allowance for balances that are overdue for less than one year.

Amounts due from related parties

Amounts due from related parties as of December 31, 2014 and 2015 mainly represent unpaid consideration in connection with the sales of certain subsidiaries and associates engaging in non-core businesses to our related parties as part of our Reorganization in contemplation of the Listing.

Amounts due from related parties increased from RMB68.3 million as of December 31, 2013 to RMB181.8 million as of December 31, 2014 primarily due to the unpaid consideration in the amount of RMB118.8 million payable by Hangzhou Dangui Investment, incurred as a result of Hangzhou Dangui Investment's purchase of our disposed subsidiaries as part of our Reorganization in contemplation of the Listing.

Amounts due from related parties decreased from RMB181.8 million as of December 31, 2014 to RMB71.5 million as of December 31, 2015 primarily due to (i) the payment of RMB80.0 million of consideration in connection with the sales of certain subsidiaries and associates engaging in non-core businesses to our related parties as part of our Reorganization in contemplation of the Listing and (ii) the decrease by RMB19.1 million in the amount payable by Greentown China for property management services that we provided.

We expect that the amounts due from related parties that are non-trade in nature will be paid off before the Listing.

Other receivables

Other receivables comprise primarily (i) payments made on behalf of our residents, such as payments for utility bills; (ii) payments made on behalf of our employees, which will be deducted from their payrolls; (iii) reimbursements to be collected from real estate developers with respect to the discounts on management fees that they offered to the residents in the communities developed by them during the sales promotions; and (iv) miscellaneous deposits made for employee dorms and bottled water and to local government authorities in accordance with local laws.

Collection of payments that we made on behalf of residents generally follows the same procedures that apply to the collection of management fees. For more details, please refer to the sub-section headed "Business — Property Management Services — Property Management Fees — Calculation and Collection of Our Property Management Fees" in this prospectus.

The following is an aging analysis of other receivable as of December 31, 2013, 2014 and 2015:

	As of December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Within one year	43,650	40,109	47,141
Between one and two years	2,714	8,220	7,822
Over two years	6,933	6,195	5,510
Total	**53,297**	**54,524**	**60,473**

We do not provide a credit period to any debtor of other receivables. We assess the recoverability of other receivables on an individual basis taking into account the historical collection experience, the financial condition of the relevant debtor, and the aging of such other receivables and establish provisions when we have objective evidence that a specific debtor will default (for example, (i) the relevant debtor is out of contact, (ii) the relevant debtor has not paid utility fees for more than three years, or (iii) the relevant property has been sealed and seized by courts). We do not provide impairment allowance for balances which are overdue for less than one year. Other receivables that were overdue for more than one year mainly comprise (i) payments for utility fees that we made on behalf of our residents; (ii) reimbursements to be collected from real estate developers; and (iii) miscellaneous deposits, each as described above. Due to the relatively small amount of utility fees payable by each residential unit during the Track Record Period, we do not believe we would experience any difficulties in recovering these amounts, and there was no objective evidence that any individual resident would default in repaying the utility fees. Therefore, no provision was made during the Track Record Period with respect to utility fees payable by our residents. Reimbursements to be collected from real estate developers will be settled after the relevant real estate developers have concluded the sales, which we expect will occur in 2016. In light of the nature of other receivables that were overdue for more than one year, we do not believe we would experience any difficulties in recovering these receivables and therefore no provision was made with respect to other receivables during the Track Record Period.

Our other receivables increased from RMB53.3 million as of December 31, 2013 to RMB54.5 million as of December 31, 2014 and RMB60.5 million as of December 31, 2015 primarily due to the increase in the number of properties that we manage.

Deposits and prepayments

Our deposits and prepayments mainly represent security deposits with local authorities for providing property management services per local law requirements and bid bonds in connection with public biddings.

Our deposits and prepayments increased from RMB24.5 million as of December 31, 2013 to RMB30.0 million as of December 31, 2014 and RMB51.0 million as of December 31, 2015. As we continued to expand our operations, we participated in more bidding for new projects, which led to an increase in the deposits during the Track Record Period. The increase in prepayments during the Track Record Period was primarily due to the increase in the number of properties.

Amount due from a third party

During the Track Record Period, we extended a one-off, non-interest bearing, short-term loan of RMB64.0 million to Shanghai Lvsheng Property Management Consulting Service Company Limited ("**Shanghai Lvsheng**"), an Independent Third Party (the "**Shanghai Lvsheng Loan**"). Shanghai Lvsheng is owned by two of our former management members, who made significant contributions to our Company during their course of employment. Shanghai Lvsheng is primarily engaged in property management software development. The Shanghai Lvsheng Loan was extended to fund an acquisition by Shanghai Lvsheng of a software development company. However, the proposed acquisition was not consummated and the Shanghai Lvsheng Loan was repaid before December 31, 2015. We did not have any business relationship with Shanghai Lvsheng except for the Shanghai Lvsheng Loan. The General Lending Provisions (《貸款通則》) prohibits unauthorized financial institutions from engaging in lending activities. Unauthorized lenders are subject to a fine of one to five times of the illegal proceeds derived from engaging in unauthorized lending activities. We were advised by our PRC legal advisors that although the Shenghai Lvsheng Loan did not comply with the General Lending Provisions, given that it does not bear any interest, we will not be charged any fine as a result of the Shanghai Lvsheng Loan. In order to ensure future compliance with the General Lending Provisions, we have adopted internal control measures prohibiting lending funds to any third party.

"Loans to an associate" disclosed on page I-52 of the Accountants' Report represent advances that we made to Hangzhou Qianjiang Cemetery Company ("**Qianjiang Cemetery**") during the Track Record Period. We owned a 30% equity interest in Qianjiang Cemetery through one of our wholly-owned subsidiaries prior to the Reorganization. We, as a shareholder of Qianjiang Cemetery, together with other shareholders verbally agreed to provide financial support to Qianjiang Cemetery from time to time to fund its daily operations. As part of the Reorganization, we disposed of certain non-core businesses, including our equity interest in Qianjiang Cemetery. Upon the sale of our entire equity interest in Qianjiang Cemetery, Hangzhou Dangui Investment, who became the new shareholder of Qianjiang Cemetery, assumed the responsibility of providing financial support to Qianjiang Cemetery and became obligated to pay back the advances that we made to Qianjiang Cemetery. All advances that we made to Qianjiang Cemetery were paid back by Hangzhou Dangui Investment in December 2014. We were advised by our PRC legal advisors that because the advances that we made to Qianjiang Cemetery did not bear any interest nor did they have any repayment terms, these advances do not fall in to the definition of a "loan" under the General Lending Provisions and therefore did not violate the General Lending Provisions.

Amounts due from other staff

Amounts due from other staff represent loans we provided to our employees and cash advance to employees for travel expenses.

Amounts due from other staff decreased from RMB10.9 million as of December 31, 2013 to RMB2.7 million as of December 31, 2014 primarily due to the repayments of loans from employees.

Amounts due from other staff decreased from RMB2.7 million as of December 31, 2014 to RMB2.3 million as of December 31, 2015 as a result of our reinforced collection and expense settlement efforts.

Amounts due from directors

Amounts due from directors mainly represent loans we provided to our Directors.

Amounts due from directors decreased from RMB1.5 million as of December 31, 2013 to nil as of December 31, 2014 and 2015 because all loans to our Directors were repaid.

All amounts due from directors have been paid back.

Other financial assets

Other financial assets primarily consist of financial assets classified as fair value through profit or loss, which represent our investments in financial products that we purchase as part of our cash management strategy to obtain higher yields than we would receive on bank deposits. Financial assets classified as fair value through profit or loss amounted to RMB100.0 million, RMB134.0 million and RMB28.2 million as of December 31, 2013, 2014 and 2015. During the Track Record Period, we did not incur any losses from investing in financial products.

Restricted bank balance

Restricted bank balance represents cash generated from renting out common areas at our managed properties and escrow fund held on behalf of customers. Under PRC law, common areas are properties of the property owners and therefore revenue generated from renting out the common areas belong to the property owners' associations. We deposit cash generated from renting out common areas with banks on behalf of property owners' associations as property owners' associations are not legal persons under PRC law and therefore are not permitted to open bank accounts. We thus open and manage bank accounts on behalf of property owners' associations. Escrow fund held on behalf of customers represent funds that we hold in escrow on behalf of purchasers that use our property sales agency and brokerage services pending on the closing of the purchases.

The increases in restricted bank balance during the Track Record Period were primarily due to the increase in cash generated from renting out common areas at our managed properties as a result of the increase in the number of properties that we manage and the increase in deposits for our real estate agency services as we continued to expand our agency services.

Cash and cash equivalents

Our cash and cash equivalents amounted to RMB299.4 million, RMB437.4 million and RMB835.9 million as of December 31, 2013, 2014 and 2015. The increases in cash and cash equivalents from December 31, 2013 to December 31, 2015 were mainly attributable to our expansion of operations.

Inventories

Our inventories amounted to RMB10.6 million, RMB1.7 million and RMB2.0 million as of December 31, 2013, 2014 and 2015, respectively. Our inventories primarily consist of consumables, properties held for sale and properties under development. Properties under development represent construction costs incurred by Anji Lvjun Ancheng Enterprise Development Company Limited (安吉綠郡安城實業發展有限公司), an indirect subsidiary wholly owned by Zhejiang Lvjun Hengye Enterprise Development Company Limited (浙江綠郡恒業實業發展有限公司), a direct wholly-owned subsidiary of our Company, which was disposed of in 2014 as part of our Reorganization in contemplation of the Listing. Properties held for sale represent unsold parking spaces held by Zhejiang Greentown Real Estate Agency Company Limited (浙江綠城房屋置換有限公司). We bought some parking spaces at one of our managed residential communities from a real estate developer at discounted rates because the real estate developer was in a rush to liquidate its project company. We resold the parking spaces to our residents with a mark-up. Our purchase of these parking spaces is non-recurring transaction and we do not expect to engage in similar transactions in the future as part of our regular business activities.

Trade and other payables

The table below sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Receipts on behalf of residents	125,177	183,786	247,302
Dividends payables	23,704	57,318	21,897
Trade payables	11,298	16,985	119,602
— Billed trade payables	*3,171*	*4,397*	*12,654*
— Accrued trade payables	*8,127*	*12,588*	*106,948*
Accrued payroll and other benefits	83,395	166,378	160,059
Amounts due to related parties	6,414	5,024	4,274
Deposits	44,569	58,532	80,384
Other taxes and charges payable	21,036	35,026	38,154
Cash collected on behalf of the property owners' associations	22,491	29,322	43,290
Other payables and accruals	50,388	50,423	39,313
Escrow funds held on behalf of customers	6,863	22,974	43,155
Amount due to a third party	—	—	50,000
	395,335	625,768	847,430

Receipts on behalf of residents

Our receipts on behalf of residents mainly represent utility fees we collect from the residents at our managed properties to be paid to utility companies. Our receipts on behalf of residents increased from RMB125.2 million as of December 31, 2013 to RMB183.8 million as of December 31, 2014 and further increased to RMB247.3 million as of December 31, 2015 primarily due to the increases in the number of properties that we manage.

Dividends payable

Our dividends payables mainly represent dividends declared but not yet paid. Our dividends payables increased from RMB23.7 million as of December 31, 2013 to RMB57.3 million as of December 31, 2014 and subsequently decreased to RMB21.9 million as of December 31, 2015, primarily due to dividends declared by Greentown Property Management in the amount of RMB31.4 million, RMB120.0 million and RMB230.0 million in 2013, 2014 and 2015, respectively. We expect to settle all the dividends payables prior to the Listing using our available cash and cash equivalents.

Trade payables

Our trade payables mainly represent payables arising from unpaid sub-contracting fees. Our trade payables increased from RMB11.3 million as of December 31, 2013 to RMB17.0 million as of December 31, 2014 and further increased to RMB119.6 million as of December 31, 2015. The increases were primarily attributable to the increase in sub-contracting fees, which was due to a shift of the staff costs relating to security guards to sub-contracting fees as we began outsourcing a substantial majority of our security function to sub-contractors in July 2015 and an increase in our contracted GFA under management. The significant increase in trade payables as of December 31, 2015 compared to December 31, 2014 led to a significant increase in trade payable turnover during the same year.

The table below sets forth our trade payable turnover as of the dates indicated:

	Year ended December 31,		
	2013	2014	2015
Trade payables turnover[(1)]	2.9	3.4	18.3

Note:

(1) Calculated as trade payables as of the end of the relevant year divided by cost of sales in the year, then multiplied by the number of days in the year.

The table below sets forth an aging analysis of our billed trade payables as of the dates indicated, based on invoice dates:

	As of December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Within one month or on demand	1,524	3,420	7,040
After one month but within three months	690	261	2,454
After three months	957	716	3,160
Total	**3,171**	**4,397**	**12,654**

Of our RMB119.6 million in trade payables as of December 31, 2015, approximately 92.9% was subsequently settled as of April 30, 2016.

Accrued payroll and other benefits

Our accrued payroll and other benefits mainly represent salaries and other benefits payable to employees. Our accrued payroll and other benefits increased from RMB83.4 million as of December 31, 2013 to RMB166.4 million as of December 31, 2014 primarily due to increases in our headcount and average salaries. We had 17,761 and 23,767 employees as of December 31, 2013 and 2014, respectively. Our accrued payroll and other benefits decreased from RMB166.4 million as of December 31, 2014 to RMB160.1 million as of December 31, 2015 primarily due to the decrease in our headcount as we began to outsource a significant majority of our security guards.

Amounts due to related parties

Amounts due to related parties as of December 31, 2013 and 2014 primarily represent cleaning service fees payable to Hangzhou Lvjing Cleaning Service Company Limited (杭州綠晶保潔有限公司) ("**Hangzhou Lvjing**"). Hangzhou Lvjing was previously jointly controlled by Mr. Ju Jianhua, the husband of Ms. Li Hairong and is no longer a related party of ours as Mr. Ju Jianhua has disposed of his controlling equity interest in Hangzhou Lvjing. The amounts due to related parties fluctuated during the years ended December 31, 2013 and 2014 depending on the payment schedule. The cleaning service fees payable to Hangzhou Lvjing, which are trade in nature, will be paid off in accordance with the payment schedules set forth in the agreements between Hangzhou Lvjing and us using our cash flow from operations. The amounts due to related parties as of December 31, 2015 primarily consisted of property management fees that Greentown China paid on behalf of the owners of the properties developed by Greentown China, which will be paid back to Greentown China once we have received the same amount from the residents after they have moved in.

Deposits

Our deposits mainly represent security deposits received from property owners and residents for property decoration. Our deposits increased from RMB44.6 million as of December 31, 2013 to RMB58.5 million as of December 31, 2014 and further increased to RMB80.4 million as of December 31, 2015 primarily due to the increase in the number of properties we managed.

Other tax and charges payable

Our other tax and charges payable mainly represents unpaid business taxes and surcharges. Our other tax and charges payable increased from RMB21.0 million as of December 31, 2013 to RMB35.0 million as of December 31, 2014 and further increased to RMB38.2 million as of December 31, 2015 primarily due to the increase in our revenue.

Cash collected on behalf of the property owners' associations

Cash collected on behalf of the property owners' associations represents funds received from leasing out common areas. Under PRC law, common areas of delivered projects are the property of the property owners and therefore fees from leasing out common areas after deducting our commissions (if any) belong to the property owners. Cash collected on behalf of the property owners' associations increased from RMB22.5 million as of December 31, 2013 to RMB29.3 million as of December 31, 2014 and further increased to RMB43.3 million as of December 31, 2015 primarily due to the increases in the number of properties that we manage and the GFA of common areas.

Other payables and accruals

Our other payables and accruals mainly represent management and utility fees that we have received in bank accounts but which have not been reconciled. Our other payables and accruals amounted to RMB50.4 million as of each of December 31, 2013 and 2014. Our other payables and accruals decreased from RMB50.4 million as of December 31, 2014 to RMB39.3 million as of December 31, 2015 generally due to the reinforcement of our reconciliation efforts.

Escrow funds held on behalf of customers

Escrow funds held on behalf of customers represent funds that we hold in escrow on behalf of purchasers that use our property sales agency and brokerage services pending on the closing of the purchases. Escrow funds held on behalf of customers increased from RMB6.9 million as of December 31, 2013 to RMB23.0 million as of December 31, 2014 and further increased to RMB43.2 million as of December 31, 2015 primarily due to the increase in the transaction volume of our property sales agency and brokerage business.

Amount due to a third party

The amount due to a third party represents a loan we incurred to pay the purchase price in the amount of RMB50.0 million for an acquisition as part of our Reorganization in contemplation of the Listing (for more details, please refer to Note 29(a) of Section B of the Accountants' Report in Appendix I to this prospectus). The loan is extended to our Group by an independent third party in the form of an entrusted loan arrangement through the Agricultural Bank of China. The loan is not secured with any collateral, bears an interest rate to be determined by reference to the then prevailing interest rates for bank loans set by PBOC and has a two-year term. The Agricultural Bank of China will receive a fixed amount of handling fee for acting as the entrusted bank.

Receipts in advance

Our receipts in advance mainly represent property management fees received upfront at the beginning of a billing cycle but not recognized as revenue. Our receipts in advance increased from RMB231.2 million as of December 31, 2013 to RMB250.4 million as of December 31, 2014 and further increased to RMB338.2 million as of December 31, 2015. The increases during the Track Record Period were primarily due to the increase in revenue-bearing GFA and the management fee rates.

Provision for onerous property management agreements

At the end of each reporting period, we review all the preliminary property management agreements and property management agreements to determine which agreements are onerous and require making provisions on expected losses that would incur under such agreements. The amount of provisions on onerous property management agreements is determined with reference to the estimated direct and incremental expenses that we would incur in order to continue providing services for the projects managed under the identified onerous property management agreements, net of estimated management fees we expect to receive. The direct and incremental expenses primarily include staff costs and sub-contracting costs. Given the GFA and management fee rates are fixed during the terms of the agreements, we estimate the amount of the incremental expenses and management fees with reference to the historical performance of the relevant projects managed under the identified onerous property management agreements. On the basis stated above, 17, 17, 18 and 18 of our agreements were identified as onerous agreements as of December 31, 2013, 2014 and 2015 and April 30, 2016, respectively. We made a provision in the amount of RMB40.7 million, RMB37.0 million and RMB36.3 million as of December 31, 2013, 2014 and 2015, respectively, for onerous property management agreements. The onerous property management agreements for which we made a provision during the Track Record Period were mostly related to old residential communities, for which we charge relatively lower fee rates. Those provisions are expected to be paid over the remaining terms of the relevant onerous agreements after the end of the relevant reporting period. The amount of provision that will be paid within one year from the end of the relevant reporting period is categorized as current liabilities.

We endeavour to improve the profitability of our loss-making projects by (i) negotiating for subsidies with the real estate developers or negotiating for higher management fees with property owners' associations and/or (ii) lowering our operating costs by utilizing our "smart property management" platform and "smart hardware management" platform to the extent that our service quality, for which the standards are set forth in the property management agreements, will not be compromised. A property owners' association can agree to a higher management fee rate upon receiving approval from at least 50% of its residents. We believe that our "smart property management" platform and "smart hardware management" platform help us improve our operation efficiency, reduce our reliance on labor and thereby lower our staff costs. We may also choose not to renew the loss-making projects when the agreements have expired if we are not able to increase the management fees for those projects so that we could allocate our resources to more profitable engagements and our property management portfolio.

CURRENT ASSETS AND CURRENT LIABILITIES

Composition of our net current liabilities and net current assets

The following table sets out our current assets and current liabilities of the dates indicated.

	As of December 31,			As of April 30,
	2013	2014	2015	2016
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Current assets				
Cash and cash equivalents	299,441	437,419	835,897	499,721
Trade and other receivables	311,909	437,663	419,952	660,121
Other financial assets	100,000	134,000	28,200	5,000
Restricted bank balance	29,444	57,537	90,780	121,387
Inventories	10,620	1,747	2,045	2,807
	751,414	1,068,366	1,376,874	1,289,036
Current liabilities				
Trade and other payables	395,335	625,768	847,430	724,507
Receipts in advance	231,158	250,358	338,246	435,392
Bank loans	40,000	100,000	180,000	180,000
Current taxation	42,289	71,864	88,495	15,512
Provisions	21,899	23,008	18,094	15,093
	730,681	1,070,998	1,472,265	1,370,504
Net current assets/(liabilities)	**20,733**	**(2,632)**	**(95,391)**	**(81,468)**

Our net current liabilities amounted to RMB81.5 million as of April 30, 2016, representing a slight decrease from December 31, 2015.

We recorded net current liabilities of RMB95.4 million as of December 31, 2015 primarily as a result of increases in trade and other payables, receipts in advance and bank loans and a decrease in other financial assets, which were partially offset by the increases in cash and cash equivalents and restricted bank balance. The increase in trade and other payables was primarily attributable to the increases in trade payables, receipts on behalf of residents and amount due to a third party. The increase in receipts on behalf of residents, which represent utility fees we collect from the residents at our managed properties to be paid to utility companies, was primarily attributable to the increase in the number of our managed properties. The increase in trade payables, which represents unpaid sub-contracting fees, and the increase in receipts in advance, which represents prepaid management fees, were both primarily due to the increase in our contracted GFA under management in 2015 compared to 2014. The increase in bank loans was due primarily to our increasing need for liquidity as our operations grew. The decrease in other financial assets was because we invested less in financial products in anticipation of the rapid and continuous expansion of our operations, which required a larger amount of cash flow compared to previous years. The increase in restricted bank balance was primarily due to the increase in cash collected on behalf of property owners associations as the number of properties that we managed increased and the escrow funds held on behalf of customers using our real estate agency services as our agency services continued to grow.

We recorded net current liabilities of RMB2.6 million as of December 31, 2014 primarily as a result of the increase in our trade and other payables, partially offset by the increases in our cash and cash equivalents and trade and other receivables. The increase in trade and other payables was due primarily to the increases in receipts on behalf of residents and accrued payroll and other benefits. The increases in cash and cash equivalents from 2013 through 2014 were due primarily to the expansion of our operations and service and product offering, which led to the increases in our contracted GFA under management, the number of property consulting service engagements and the number of customers of our community value-added services. The increases in trade and other receivables as of December 31, 2014 compared to December 31, 2013 was also attributable to the increases in trade and bill receivables and amounts due from related parties in relation to the unpaid purchase prices in connection with the Reorganization in contemplation of the Listing.

For more details regarding the changes in trade and bill receivables, receipts in advance, accrued payroll and other benefits and amounts due from related parties, please refer to the sub-section headed "— Description of Selected Items in Statement of Financial Position" in this section.

Reasons for net current liabilities position during the Track Record Period and measures to improve our net current liabilities position

We recorded net current liabilities in the amount of RMB2.6 million, RMB95.4 million and RMB81.5 million as of December 31, 2014 and 2015 and April 30, 2016, respectively. Our net current liabilities liquidity position as of December 31, 2014 and 2015 and April 30, 2016 was partially attributable to the purchase of our new office building for RMB121.4 million using cash and short-term borrowings and a large amount of dividend payables. As of December 31, 2014 and 2015 and April 30, 2016, our dividend payables were RMB57.3 million, RMB21.9 million and RMB21.9 million, respectively. Our net current liabilities as of December 31, 2015 were also attributable to the purchase price in the amount of RMB50.0 million payable to a related party relating to an acquisition as part of our Reorganization in contemplation of the Listing (for more details, please refer to Note 29(a) of Section B of the Accountants' Report in Appendix I to this prospectus).

The purchase of our new office building and the purchase price incurred in connection with our Reorganization are non-recurring. The purchase price for our new office building and the purchase price payable to a related party have been fully paid before December 31, 2015. We currently intend to pay dividends in the amount of 25% of our profit after tax for each year after the Listing, which will account for a smaller percentage of our profit after tax compared to the dividends declared during the Track Record Period. As such, we expect our net current liabilities position to improve after the Listing.

Although our preliminary property management agreements and property management agreements require customers to pay the management fees upfront at the beginning of a billing cycle, we generally allow customers to pay the fees at any time during the billing cycle. In line with the market practice, we typically increase our efforts to collect overdue management fees at the end of each calendar year for management fees payable annually and at the end of each half year or quarter for management fees payable semi-annually or quarterly. For more details regarding our management fee collection, please refer to the sub-section headed "Business — Property Management Services — Property Management Fees — Calculation and Collection of Our Property Management Fees" in this prospectus. Our cash receipts are not evenly distributed throughout the year as a result of our collection practice. The fluctuation in the timing of cash payments by our customers could result in additional capital being required to fund our operating needs. We maintain a RMB200.0 million revolving loan facility which can be drawn down subject to customary conditions in case we have an immediate need for additional cash. As of April 30, 2016, RMB180.0 million had been drawn down under the RMB200.0 million revolving loan facility. In March 2016, we obtained a long-term entrusted loan of RMB50.0 million to supplement our working capital. In addition, we did not experience any significant difficulty in collecting management fees as evidenced by the high collection rates we maintained throughout the Track Record Period. As of December 31, 2013, 2014 and 2015, our collection rates of property management fees, calculated as the percentages of actually collected property management fees out of total property management fees receivable, were approximately 95.6%, 95.9% and 96.6%, respectively. We believe we will be able to collect the outstanding management fees within a reasonable period of time if and when we reinforce our collection efforts. For the reasons stated above, we do not believe our cash collection practice would have a material adverse impact on our working capital.

Business segment assets and liabilities

The table below sets forth the amounts of the business segment assets and liabilities that can be allocated to a particular business segment and the unallocated items. Business segment assets and liabilities that are related to the operation of a particular business segment are allocated to that specific business segment, and are collectively referred to as "business segment assets" or "business segment liabilities" below.

	As of December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Business segment assets(1)	297,182	485,173	599,946
Unallocated assets	662,393	817,142	1,041,939
Consolidated total assets	959,575	1,302,315	1,641,885
Business segment liabilities(1)	569,113	768,881	1,071,905
Unallocated liabilities	180,417	316,150	421,103
Consolidated total liabilities	749,530	1,085,031	1,493,008

Note:

(1) Business segment assets and liabilities include only the items that are directly attributable to the service lines. For details, please refer to Note 3(b) of section B in the Accountants' Report in Appendix I to this prospectus.

The major components of our business segment assets include trade and bills receivables and properties and equipment. As of December 31, 2013, 2014 and 2015, our trade and bills receivables amounted to RMB153.4 million, RMB199.9 million and RMB234.7 million, accounting for 51.6%, 41.2% and 39.1% of our business segment assets, respectively. Our trade and bills receivables turnover decreased during the Track Record Period because we continued to strengthen our collection efforts over the same period. As we usually strengthen our efforts in collecting management fees at the year end, our trade and bills receivables as of the year end were generally lower than that as of mid year. As of December 31, 2013, 2014 and 2015, our properties and equipment amounted to RMB60.2 million, RMB149.3 million and RMB194.1 million, accounting for 20.3%, 30.8% and 32.4% of our business segment assets, respectively. The increases in our properties and equipment during the Track Record Period were primarily due to increases in prepayment in relation to our purchase of an office building in Xixi International Commerce Center.

The major unallocated assets item is cash and cash equivalents. As of December 31, 2013, 2014 and 2015, our cash and cash equivalents were RMB299.4 million, RMB437.4 million and RMB835.9 million, accounting for 45.2%, 53.5% and 80.2% of our total unallocated assets, respectively. The increases in cash and cash equivalents during the Track Record Period were primarily due to the expansion of our operations.

The major components of our business segment liabilities include receipts in advance, receipts on behalf of residents, and accrued payroll and other benefits. As we required our residents to prepay their management fees upfront at the beginning of a billing cycle, we had receipts in advance of RMB231.2 million, RMB250.4 million and RMB338.2 million as of December 31, 2013, 2014 and 2015, accounting for 40.6%, 32.6% and 31.6% of our business segment liabilities, respectively. The increases in receipts in advance during the Track Record Period were primarily due to increases in revenue-bearing GFA and our property management fee rates as well as an increase in the number of residential units which prepay management fees upfront at the beginning of a billing cycle over the same period. As we collected utility fees from our residents for payment to utility companies, we had receipts on behalf of residents of RMB125.2 million, RMB183.8 million and RMB247.3 million as of December 31, 2013, 2014 and 2015, accounting for 22.0%, 23.9% and 23.1% of our business segment liabilities, respectively. The increases in receipts in advance during the Track Period were primarily due to increases in the number of properties under our management over the same period. Our accrued payroll and other benefits amounted to RMB83.4 million, RMB166.4 million and RMB160.1 million as of December 31, 2013, 2014 and 2015, accounting for 14.7%, 21.6% and 14.9% of our business segment liabilities, respectively. Our accrued payroll and other benefits increased from RMB83.4 million as of December 31, 2013 to RMB166.4 million as of December 31, 2014 primarily due to increases in our headcount and average salaries. Our accrued payroll and other benefits decreased from RMB166.4 million as of December 31, 2014 to RMB160.1 million as of December 31, 2015 primarily due to a decrease in our headcount as we began to outsource a significant majority of our security guards.

For a detailed analysis of the aforementioned items, please refer to the sub-section headed "— Description of Selected Items in Statement of Financial Position" in this section. As a result of the foregoing, our business segment assets were lower than our business segment liabilities while our consolidated total assets were higher than our consolidated total liabilities during the Track Record Period.

LIQUIDITY AND CAPITAL RESOURCES

Overview

During the Track Record Period, our liquidity requirements arose principally from meeting our working capital requirements. During the Track Record Period and as of the date of this prospectus, our principal sources of funds to finance our working capital, capital expenditure and other capital requirements were internally generated cash flows and bank loans.

Cash Flow

The table below summarizes our consolidated cash flow statement for the years indicated:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Net cash generated from operating activities	173,593	332,802	510,822
Net cash (used in)/generated from investing activities	(72,400)	(164,138)	131,660
Net cash used in financing activities	(10,635)	(30,686)	(243,950)
Net increase in cash and cash equivalents	90,558	137,978	398,532
Cash and cash equivalents at the beginning of the year	208,883	299,441	437,419
Effect of foreign exchange rate changes	—	—	(54)
Cash and cash equivalents at the end of the year	**299,441**	**437,419**	**835,897**

Net cash generated from operating activities

In 2015, net cash generated from operating activities was RMB510.8 million. Operating cash inflow before changes in working capital was RMB319.2 million, attributable to profit before taxation from continuing operations for 2015 in the amount of RMB278.1 million. Changes in working capital contributed a cash inflow in the amount of RMB256.6 million consisting primarily of an increase in receipts in advance and trade and other payables in the amount of RMB339.3 million, partially offset by an increase in trade and other receivables in the amount of RMB49.2 million and an increase in restricted bank balances in the amount of RMB33.2 million.

The increase in trade and other payables was primarily due to the increase in trade payables and receipts on behalf of residents, both of which were primarily due to the increase in the number of our managed properties. The increase in trade and other receivables was primarily due to (i) an increase in trade and bills receivables net of allowance for impairment of RMB34.7 million and (ii) an increase in deposits and prepayments of RMB21.0 million, both of which were due to the expansion of our business, which was partially offset by a decrease of RMB19.1 million in the amount payable by Greentown China for property management services that we provided. The increase in restricted bank balance was due to the increase in cash generated from renting out common areas at our managed properties as a result of the increase in the number of properties that we manage and the increase in deposits for our real estate agency services as we continued to expand our agency services.

In 2014, net cash from operating activities was RMB332.8 million. Operating cash inflow before changes in working capital was RMB228.8 million, primarily attributable to profit before taxation from continuing operations for the year in the amount of RMB198.6 million, as adjusted by impairment of trade and other receivables in the amount of RMB21.0 million and depreciation of property, plant, and equipment in the amount of RMB9.3 million. Changes in working capital contributed a cash inflow in the amount of RMB134.7 million consisting primarily of an increase in receipts in advance and trade and other payables in the amount of RMB299.9 million due primarily to the increases in accrued payroll and other benefits and receipts on behalf of residents, partially offset by (i) an increase in trade and other receivables in the amount of RMB116.7 million due to an increase in trade and bill receivables due to the expansion of our business operations and (ii) an increase in restricted bank balance in the amount of RMB28.1 million primarily in relation to fees generated from renting out common areas and the deposits paid by purchasers of real estate using our real estate agency services, and (iii) an increase in inventories of a disposed subsidiary engaging in non-core business. Income tax paid was RMB30.7 million for 2014.

In 2013, net cash from operating activities was RMB173.6 million. Operating cash inflow before changes in working capital was RMB125.4 million, primarily attributable to profit before taxation from continuing operations for the year in the amount of RMB108.4 million, as adjusted by impairment of trade and other receivables in the amount of RMB13.3 million and depreciation of property, plant, and equipment in the amount of RMB8.1 million. Changes in working capital contributed a cash inflow in the amount of RMB68.1 million consisting primarily of an increase in receipts in advance and trade and other payables in the amount of RMB156.4 million due to the expansion of our business operations, partially offset by an increase in trade and other receivables in the amount of RMB79.2 million primarily as a result of the increase in trade and bills receivable. Income tax paid was RMB19.9 million for the year.

Net cash (used in)/generated from investing activities

In 2015, net cash generated from investing activities was RMB131.7 million, primarily reflecting proceeds from redemption of other financial assets in the amount of RMB144.3 million and disposal of subsidiaries in the amount of RMB80.0 million, partially offset by payments for the purchase of property, plant, and equipment in the amount of RMB57.8 million. We decreased the amount of investments in financial assets in 2015 as we required more cash to fund our expansion in 2015.

Our net cash used in investing activities was RMB164.1 million in 2014, primarily reflecting (i) payments for purchase of other financial assets in the amount of RMB158.0 million and (ii) payments for the purchase of property, plant and equipment in the amount of RMB104.0 million, partially offset by proceeds from redemption of other financial assets in the amount of RMB119.0 million.

Our net cash used in investing activities was RMB72.4 million in 2013, primarily reflecting payments for purchase of other financial assets in the amount of RMB100.0 million and payments for the acquisition of equity interest in associates in the amount of RMB34.8 million, partially offset by proceeds from redemption of other financial assets in the amount of RMB63.0 million.

Net cash used in financing activities

In 2015, net cash used in financing activities was RMB244.0 million reflecting (i) dividend payments to our shareholders in the amount of RMB265.4 million, (ii) payment of the purchase price in the amount of RMB50.0 million to a related party relating to an acquisition as part of our Reorganization in contemplation of the Listing (for more details, please refer to Note 29(a) of Section B of the Accountants' Report in Appendix I to this prospectus) and (iii) interest payments in the amount of RMB9.3 million, partially offset by a net increase in proceeds from bank loans in the amount of RMB80.0 million.

Our net cash used in financing activities was RMB30.7 million in 2014, reflecting dividend payments to our shareholders in the amount of RMB86.4 million and interest payments in the amount of RMB3.3 million, partially offset by a net increase in proceeds from bank loans in the amount of RMB60.0 million.

Our net cash used in financing activities was RMB10.6 million in 2013, reflecting dividend payments to our shareholders in the amount of RMB28.5 million and interest payments in the amount of RMB2.7 million, partially offset by proceeds from our disposal of a 40% interest in Greentown Yile Education Investment Management Company Limited (綠城頤樂教育投資管理有限公司), a health care consulting service company, to Greentown Real Estate Group Co., Ltd. for a consideration of RMB20.0 million.

KEY FINANCIAL METRICS

The table below sets forth a summary of our key financial metrics during the Track Record Period:

		As of and for the year ended December 31,		
Financial metric	**Formula**	**2013**	**2014**	**2015**
Rates of return:				
Return on equity	Net profit from continuing operations attributable to owners of our Company for the year divided by the total equity attributable to owners of our Company as of the end of the year	46.9%	72.2%	149.8%
Return on total assets	Net profit from continuing operations attributable to owners of our Company for the year divided by the total assets as of the end of the year	8.7%	11.5%	12.0%
Liquidity:				
Current ratio	Current assets divided by current liabilities	1.03x	1.00x	0.94x
Quick ratio	Current assets (less inventory) divided by current liabilities	1.01x	1.00x	0.93x
Capital adequacy:				
Gearing ratio	Total interest-bearing borrowings divided by total equity at the end of the respective year	19.0%	46.0%	120.9%
Net gearing ratio(1)	Total interest-bearing borrowings minus cash and cash equivalents, and then divided by total equity at the end of the respective year	(123.5%)	(155.3%)	(440.6%)

Note:

(1) During the Track Record Period, our cash and cash equivalents were higher than total interest-bearing borrowings, resulting in a net cash position.

Return on Equity

Our return on equity increased from 46.9% in 2013 to 72.2% in 2014 and 149.8% in 2015. Our return on equity increased during the Track Record Period primarily due to a higher rate of increase in net profit compared to the increase in reserves. The increases in return on equity were also attributable to the decreases in total equity as a result of the dividend payments in 2014 and 2015 and the disposal of our equity interests in non-core businesses as part of our Reorganization in contemplation of the Listing.

Return on Total Assets

Our return on total assets increased in 2014 and 2015 compared to 2013. The increases were primarily due to our increased profitability resulting from the general increase in revenue.

Current Ratio

Our current ratio decreased from 1.03 times as of December 31, 2013 to 1.00 times as of December 31, 2014 and further decreased to 0.94 times as of December 31, 2015 primarily due to the significant increase in our trade and other payables. For more details, please refer to the sub-section headed "— Description of Selected Items in Statement of Financial Position" earlier in this section.

Quick Ratio

Our quick ratio decreased from 1.01 times as of December 31, 2013 to 1.00 times as of December 31, 2014 and further decreased to 0.93 times as of December 31, 2015. The changes in the quick ratio during the Track Record Period are in the same direction as the changes in our current ratio due to the reasons described in the above paragraph.

Gearing Ratio

Our gearing ratio was 19.0%, 46.0% and 120.9% as of December 31, 2013, 2014 and 2015. The increases in our gearing ratio as of December 31, 2014 and 2015 compared to December 31, 2013 were primarily due to (i) the increase in our bank borrowings as we borrowed additional funds to pay for the RMB121.4 million purchase price of our new office building, (ii) the disposal of our equity interests in non-core businesses as part of our Reorganization in contemplation of the Listing, and (iii) the decreases in our total equity as a result of the large amount of dividends that we declared during the Track Record Period. Dividends in the amount of RMB120.0 million and RMB230.0 million were declared by Greentown Property Management in 2014 and 2015, respectively. The purchase of our new offering building is a one-off, non-recurring event. We currently intend to pay dividends in the amount of 25% of our profit after tax for each year after the Listing, which will account for a smaller percentage of our profit after tax compared to the amounts decreased during the Track Record Period. As such, we expect the gearing ratio to decrease after the Listing.

INDEBTEDNESS

The table below sets forth our outstanding indebtedness as of December 31, 2013, 2014 and 2015 and April 30, 2016:

	As of December 31,			As of April 30,
	2013	2014	2015	2016
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans – secured				
Within one year or on demand	20,000	—	—	—
Bank loans – unsecured				
Within one year or on demand	20,000	100,000	180,000	180,000
Interest bearing borrowings – unsecured[(1)]				
Over 1 year but within 2 years	—	—	—	50,000
	40,000	100,000	180,000	230,000
Amounts due to related parties	3,000	1,519	742	969
	43,000	**101,519**	**180,742**	**230,969**

Note:

(1) Interest bearing borrowings represent borrowings from an independent third party in the form of an entrusted loan arrangement.

The table below sets forth the ranges of effective interest rates on our bank loans:

	As of December 31,			As of April 30,
	2013	2014	2015	2016
Bank loans	6.00%–6.60%	5.88%–6.30%	4.57%–4.83%	4.57%–4.75%

All of our bank loans were denominated in RMB.

Secured bank loans with a carrying value in the amount of RMB20.0 million as of December 31, 2013 were secured by bank deposits in an aggregate balance in the amount of RMB22.0 million of one of our non-controlling shareholders, Ms. Li Hairong. The security was released when we repaid the loan in January 2014.

Unsecured bank loans with a carrying value of RMB10.0 million and RMB100.0 million were guaranteed by Greentown Holdings as of December 31, 2013 and 2014, respectively.

We had no material covenants, including financial covenants, relating to any of our outstanding debts. Our Directors confirm that we did not have any material defaults in the payment of trade and non-trade payables, or bank borrowings, or any breaches of finance covenants during the Track Record Period.

We expect to seek and to be able to obtain borrowings on terms similar to the borrowings we secured and utilized during the Track Record Period.

Latest Indebtedness

As of the close of business on April 30, 2016, being the latest practicable date for the purpose of determining our indebtedness, we had outstanding bank borrowings in the amount of RMB180.0 million and entrusted loan in the amount of RMB50.0 million. As of April 30, 2016, we had one facility agreement in the amount of RMB200.0 million, of which RMB180.0 million had been drawn down.

As otherwise disclosed herein, and apart from intra-group liabilities, as of the close of business on April 30, 2016, we did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has been no material change in our indebtedness since April 30, 2016.

WORKING CAPITAL

We finance our working capital needs primarily through cash flow from operations and bank borrowings. From 2013 through 2015, we had generated sufficient cash and cash equivalents to meet our working capital requirements. Although our preliminary property management agreements and property management agreements require customers to pay the management fees upfront at the beginning of a billing cycle, we generally allow customers to pay the fees at any time during the billing cycle. In line with the market practice, we typically increase our efforts to collect overdue management fees at the end of each calendar year for management fees payable annually and at the end of each half year or quarter for management fees payable semi-annually or quarterly. For more details regarding our management fee collection, please refer to the sub-section headed "Business — Property Management Services — Property Management Fees — Calculation and Collection of Our Property Management Fees" in this prospectus. Our cash receipts are not evenly distributed throughout the year as a result of our collection practice. The fluctuation in the timing of cash payments by our customers could result in additional capital being required to fund our operating needs. We maintain a RMB200.0 million revolving loan facility which can be drawn down subject to customary conditions in case we have an immediate need for additional cash. As of April 30, 2016, RMB180.0 million had been drawn down under the RMB200.0 million revolving loan facility. In March 2016, we obtained a long-term entrusted loan of RMB50.0 million to supplement our working capital. Taking into account our cash generated from our operations, presently available bank loans, our Directors are satisfied, after due and careful inquiry, that we have sufficient available working capital for our present requirements for at least the next twelve months from the date of this prospectus based on the following facts and circumstances:

We expect to incur capital expenditures in the amount of RMB85.0 million in 2016 in relation to purchases of office equipment and furniture and software and leasehold improvment. As of April 30, 2016, we have cash and cash equivalents in the amount of RMB499.7 million and unused bank facilities in the amount of RMB20.0 million. In addition, we expect to continue generating cash flow from our operations.

Confirmation from the Joint Sponsors

Based on the foregoing, the Joint Sponsors concur with the view of the Directors that we have sufficient available working capital for our present requirements for at least the next twelve months from the date of this prospectus.

INVESTMENT POLICY

From time to time, we invest our cash surplus in short-term low risk financial products issued by commercial banks that offer a higher return than bank deposits but which liquidity profile akins to placing of deposits. We assess, among other things, our liquidity position, the return and risks, the purchase amounts, the types of financial products, and the credit of the issuing banks before purchasing any financial products. We will only invest in these financial products when we have sufficient cash and cash equivalents to meet our working capital requirements and our cash and cash equivalents after the investments would be sufficient to cover working capital requirements for at least two months. Our investment policy prohibits taking speculative positions, or the borrowing of funds for investment purposes. Each investment will be evaluated in accordance with the following criteria by the order of importance:

- Risk — the relative risks involved in the investment. Our investment policy requires us to invest in low risk financial products issued by the "big five" state-owned commercial banks in China, namely, the Bank of China, the China Construction Bank, the Industrial and Commercial Bank of China, the Agricultural Bank of China and the Bank of Communications;
- Maturity — our investment policy requires us to invest in short-term financial products (typically less than six-months) or those which can be redeemed on demand only;
- Liquidity — the ease and flexibility with which the investment can be bought, sold or converted to cash in large quantities without adversely affecting the assets' price; and
- Return — the after tax equivalent yield of the investment.

To enhance our risk management with respect to investments in financial products, we adopted a new internal policy at the beginning of 2016. According to the new policy, the finance department at our headquarters led by Ms. Luo Guozhen ("**Ms. Luo**"), who is our vice general manager in charge of our PRC operating subsidiaries' financial matters, is assigned to identify, review, evaluate and analyze investment opportunities for our Company and prepare investment proposals for our investment committee to review and approve. Having worked as a finance manager at Zhejiang Materials Development General Co. (浙江省物資開發總公司) prior to joining our Group in 2000, Ms. Luo has approximately 25 years' experience in finance, investment and risk management and is in charge of our risk management and investment policy formulation. She also obtained the Qualification Certificate of Speciality and Technology (專業技術資格證書) with speciality in accounting conferred by the Ministry of Finance of the PRC since 1994. To ensure that our investment policies are strictly followed, all investment proposals made by our finance department with respect to financial products are required to be reviewed against our investment policy by Ms. Luo before they are submitted to our investment committee for approval. Our finance department will monitor the balance of our bank accounts to ensure that we have sufficient cash to meet our working capital requirements. Our new policy also requires that all decisions with respect to investments in financial products, regardless of the amount, should be approved by the entire investment committee which is led by our Chairlady and Ms. Luo. The other members of our investment committee include our chief executive officer, our chief financial officer, a senior manager of our finance department and a senior manager of our investment department. Our Board will review and discuss our investment policy on a regular basis and adjust the investment policy as and when they believe appropriate. Please refer to the section headed "Directors and Senior Management" in this prospectus for their backgrounds and relative expertise. Based on the above, our Directors believe and the Joint Sponsors concur that our enhanced internal control procedures for approving investments in financial products are effective and adequate.

COMMITMENTS

Capital Commitments

During the Track Record Period, our capital commitments mainly related to expenditures incurred in connection with purchase of our office building in Xixi International Business Centre. The table below sets forth our capital commitments as of the dates indicated:

	As of December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Contracted for	—	40,000	—
Authorized but not contracted for	—	—	—
	—	40,000	—

Lease Commitments

During the Track Record Period, our lease commitments mainly related to lease payments for our offices. The table below sets forth our lease commitments as of the dates indicated:

	As of December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Within one year	10,456	16,023	16,965
After one but within five years	6,992	11,936	17,715
	17,448	27,959	34,680

LISTING EXPENSES

The total listing expenses (including underwriting commissions) in relation to this Global Offering are estimated to be approximately RMB104.4 million (assuming an Offer Price of HK$1.97 per Share, being the mid-point of the indicative Offer Price range of HK$1.74 to HK$2.20 per Share in this prospectus and the over-allotment option is not exercised). During the Track Record Period, we incurred RMB30.4 million listing expenses, of which RMB21.5 million was recognized in our consolidated statements of profit or loss and other comprehensive income and RMB8.9 million is expected to be charged against equity upon the Listing. We estimate that we will incur additional RMB74.0 million during the year ended December 31, 2016, of which (i) RMB57.0 million is expected to be charged against equity upon the Listing and (ii) RMB17.0 million is expected to be charged to our consolidated statements of profit or loss and other comprehensive income for the year ending December 31, 2016. These listing expenses mainly comprise professional fees paid to our legal advisors and the reporting accountants for their services rendered in relation to the Listing and the Global Offering and also the sponsor fees for the Joint Sponsors for their services rendered in relation to the Listing and the Global Offering and underwriting commissions.

RELATED PARTY TRANSACTIONS

Our Directors confirm that the transactions with respect to the amounts due from and due to related parties were conducted on an arm's length basis, and would not distort our track record results or make the historical results not reflective of our future performance. Our Directors also confirm that all related party balances which are non-trade in nature will be fully settled prior to the Listing. Our Directors are of the view that our Company is financially independent of our Controlling Shareholders and their associates even if the non-trade related party balance is not settled before Listing. For further details on related party balances and transactions, please refer to Note 34 of section B in the Accountants' Report in Appendix I to this prospectus.

CONTINGENT LIABILITIES

As of December 31, 2015, we did not have significant contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

Subsequent to the Track Record Period and up to the date of this prospectus, we have not entered into any off-balance sheet transactions or arrangements that we believe have, or are reasonably likely to have, a current or future material effect on our financial position, revenue or expenses, results of operations, liquidity, capital expenditure, or capital resources.

MARKET RISKS

Market risk is the risk of loss related to adverse changes in the market prices of financial instruments, including interest rates and foreign exchange rates. We are exposed to various types of market risk in the ordinary course of business, including changes in interest rates and foreign exchange rates. We maintain our accounting records and prepare our financial statements in Renminbi.

Credit Risk

Our credit risk is primarily attributable to trade and other receivables. Our management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Our management reviews the recoverable amount of each debtor at the end of each reporting period to ensure that adequate impairment losses are recorded for irrecoverable amounts.

We do not have concentrations of credit risk in view of our large number of customers. The maximum exposure to credit risk is represented by the carrying amount of financial assets in our consolidated statement of financial position.

Liquidity Risk

Our management reviews our liquidity position on an ongoing basis, including review of the expected cash inflows and outflows and maturity of loans and borrowings in order to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions and/or from other Group companies to meet our liquidity requirements in the short and long terms.

The following tables show the remaining contractual maturities of our financial liabilities at the end of each reporting period, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date we can be required to pay.

	As of December 31, 2013					
	Within one year or on demand	More than one year but within two years	More than two years but within five years	More than five years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	41,574	—	—	—	41,574	40,000
Trade and other payables	371,631	—	—	—	371,631	371,631
Total	**413,205**	**—**	**—**	**—**	**413,205**	**411,631**

	As of December 31, 2014					
	Within one year or on demand	More than one year but within two years	More than two years but within five years	More than five years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	105,304	—	—	—	105,304	100,000
Trade and other payables	568,450	—	—	—	568,450	568,450
Total	**673,754**	**—**	**—**	**—**	**673,754**	**668,450**

	As of December 31, 2015					
	Within one year or on demand	More than one year but within two years	More than two years but within five years	More than five years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	186,256	—	—	—	186,256	180,000
Trade and other payables	825,533	—	—	—	825,533	825,533
Total	**1,011,789**	**—**	**—**	**—**	**1,011,789**	**1,005,533**

Interest Rate Risk

Our interest rate risk arises primarily from cash and cash equivalents, restricted cash, and interest-bearing loans. We are not exposed to significant interest rate risk for cash and cash equivalents or restricted cash because the interest rates for cash at bank are not expected to change significantly.

The following table details the interest rate profile of our total borrowings:

	As of December 31,					
	2013		2014		2015	
	Effective interest rate	RMB'000	Effective interest rate	RMB'000	Effective interest rate	RMB'000
Fixed rate borrowings						
Bank loans	6.00–6.60%	40,000	5.88–6.30%	100,000	4.57–4.83%	180,000
Total borrowings		**40,000**		**100,000**		**180,000**
Fixed rate borrowings as a percentage of total borrowings		**100%**		**100%**		**100%**

DIVIDENDS AND DISTRIBUTABLE RESERVES

Dividends

We currently intend to pay dividends in the amount of 25% of our profit after tax for each year after the Listing. The payment and the amount of dividends (if any) will depend on our results of operation, cash flows, financial position, statutory and regulatory restrictions on the payment of dividends by us, future prospects, and other factors that we may consider relevant.

Holders of the Shares will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the Shares. The declaration, payment, and amount of dividends will be subject to our discretion. The recommendation of the payment is also subject to the absolute discretion of our Board, and, after Listing, any declaration of final dividend for the year will be subject to the approval of our Shareholders. The Board will review the dividend policy on an annual basis.

Further, the payment of any dividends will also be subject to the Companies Law of the Cayman Islands and our constitutional documents, which indicate that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of the share premium account or any other fund or account which can be authorized for this purpose in accordance with the relevant law.

Future dividend payments will also depend upon the availability of dividends received from our subsidiaries in the PRC. PRC laws require that dividends be paid only out of their after-tax profit, calculated in accordance with PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including HKFRS. Our PRC operating subsidiaries may only distribute their after-tax profits to us subsequent to setting aside relevant statutory reserve funds at a rate of at least 10% of their annual net profit until such fund reaches 50% of its registered capital. Such transfer to the statutory reserve and distributions to shareholders of funds are conducted through resolution of the board of directors or board of shareholders of the relevant PRC subsidiaries in accordance with their Articles of Association prepared in accordance with PRC laws. The statutory reserve is not available for distribution as cash dividends. Furthermore, distributions from our subsidiaries may be restricted if they incur debts or losses or as a result of any restrictive covenants in bank credit facilities, convertible bond instruments, or other agreements that we or our subsidiaries may enter into in the future. There can be no assurance that dividends of any amount will be declared or distributed in any year.

In 2013, 2014 and 2015, dividends in the amount of RMB31.4 million, RMB120.0 million and RMB230.0 million were declared by Greentown Property Management, and dividends in the amount of RMB28.5 million, RMB86.4 million and RMB265.4 million were paid by Greentown Property Management in 2013, 2014 and 2015, respectively.

Distributable Reserves

As of December 31, 2015, the distributable reserves of our Group amounted to RMB97.6 million.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted consolidated net tangible assets of our Group is prepared in accordance with paragraph 4.29 of the Listing Rules and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets of our Group attributable to the equity shareholders of our Company as of December 31, 2015, as if the Global Offering had taken place on December 31, 2015.

The statement of unaudited pro forma adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of our Group had the Global Offering been completed as of December 31, 2015 or at any future date.

	Consolidated net tangible assets attributable to the equity shareholders of our Company as of December 31, 2015(1)	Estimated net proceeds from the Global Offering(2)	Unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of our Company	Unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of our Company per share	
	RMB'000	RMB'000	RMB'000	RMB(3)	HK$(4)
	Note 1	Note 2		Note 3	Note 4
Based on an offer price of HK$1.74 (RMB1.47) per share	132,070	1,080,043	1,212,113	0.44	0.51
Based on an offer price of HK$2.20 (RMB1.86) per share	132,070	1,369,649	1,501,719	0.54	0.64

Notes:

(1) The consolidated net tangible assets of our Group attributable to the equity shareholders of our Company as of December 31, 2015 is based on our Group's consolidated net assets as at that date, as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price range of HK$1.74 (equivalent to RMB1.47) and HK$2.20 (equivalent to RMB1.86) per share, respectively, after deduction of the underwriting fees payable and other related expenses payable by our Group of approximately RMB67,134,000 and RMB80,805,000, respectively (excluding approximately RMB30,443,000 of listing expenses which have been accounted for prior to December 31, 2015). For illustrative purposes, the estimated net proceeds from the Global Offering are converted from the Hong Kong dollar into Renminbi at the exchange rate of HK$1.00 to RMB0.85, the exchange rate set by PBOC prevailing on June 13, 2016. No representation is made that the Hong Kong dollar amounts have been, could have been, or may be converted to Renminbi, or vice versa, at the rate or at any other rates or at all.

(3) The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of our Company per share is based on 2,777,776,000 shares in issue assuming that the Global Offering and the Capitalization Issue have been completed on December 31, 2015.

(4) Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the equity shareholders of our Company per share is converted from Renminbi to the Hong Kong dollar at the exchange rate of RMB0.85 to HK$1.00, the exchange rate set by PBOC prevailing on June 13, 2016. No representation is made that the Hong Kong dollar amounts have been, could have been, or may be converted to Renminbi, or vice versa, at the rate or at any other rates or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of our Company to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2015, including but not limited to the termination of the structured contract signed on April 5, 2016 and the acquisition of 45% equity interest in Twin Cities Culture on February 26, 2016. Had the termination of the structured contract been signed and the acquisition of 45% equity interest in Twin Cities Culture been completed on December 31, 2015, our unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of our Company would have been decreased by approximately RMB7,195,000 and our unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of our Company per share would have been decreased by RMB0.003 or HK$0.004.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since December 31, 2015, the date of the latest audited financial information of our Group, and up to the date of this prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

Please see the section headed "Business — Our Core Value and Strategies" for further details of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,409.0 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming an Offer Price of HK$1.97 per Share, being the mid-point of the indicative Offer Price range of HK$1.74 to HK$2.20 per Share in this prospectus. We will not receive any proceeds from the Shares sold by Lilac International Investment pursuant to the exercise of the Over-allotment Option.

If the Offer Price is fixed at HK$2.20 per Offer Share (being the high end of the Offer Price range stated in this prospectus), we will receive an additional net proceeds of approximately HK$170.8 million.

If the Offer Price is fixed at HK$1.74 per Offer Share (being the low end of the Offer Price range stated in this prospectus), we will receive less net proceeds of approximately HK$170.8 million.

We intend to use the net proceeds we will receive from this offering for the following purposes:

- We plan to use approximately 49% of the net proceeds (approximately HK$690.4 million) for acquisitions of property management companies and companies providing value-added services.
  - — We plan to use approximately 38% of the net proceeds (approximately HK$535.4 million) for acquisitions of property management companies with attractive property management portfolios. Please refer to the sub-sections headed "Business — Continue to pursue strategic acquisition, investment and alliance opportunities to grow our property management portfolio and service offering" and "Business — Property Management Services — Acquisition of Third-party Property Management Companies — Identification and Evaluation of Potential Candidates" in this prospectus.
  - — We plan to use approximately 11% of the net proceeds (approximately HK$155.0 million) for acquisitions of companies providing travel, home living, cultural, educational and other value-added services. Please refer to the sub-section headed "Business — Continue to pursue strategic acquisition, investment and alliance opportunities to grow our property management portfolio and service offering" in this prospectus.
- We plan to use approximately 22% of the net proceeds (approximately HK$310.0 million) to develop and promote our "smart community" project and our community products and services.

The following table sets forth our estimates of how this portion of the net proceeds will be applied in developing and promoting our "smart community" project and our community products and services:

Use	Percentage/ Approximate Amount	Detailed Plans	Timeline
Purchasing hardware and upgrading and optimizing our "smart hardware management" platform	9% (approximately HK$126.8 million)	– Approximately HK$101.4 million for upgrading our existing hardware and purchasing intelligent terminals to improve our competitiveness in terms of operating efficiency and support our service expansion	2017 Q1 to 2019 Q4
		– Approximately HK$12.7 million for purchasing Internet equipment and servers for building a centralized database at our headquarters	2017 Q1 to 2019 Q4
		– Approximately HK$12.7 million for renting cloud servers	2017 Q1 to 2019 Q4
Funding the operation of our community products and services and promotional activities	6% (approximately HK$84.5 million)	– Funding the operation of our life-style services – Promoting our community products and services, such as offering discounts on products and services and organizing nationwide themed promotional activities – Developing new life-style services	2016 Q3 to 2020 Q4
Developing software for and optimizing the three components of our "smart community" project	4% (approximately HK$56.4 million)	Developing and maintaining our "Happy Greentown" mobile application, "smart property management" platform, "smart hardware management" platform, and other software systems for our "smart community project" to improve customer experience and reduce technology risk	2017 Q1 to 2019 Q4

Use	Percentage/ Approximate Amount	Detailed Plans	Timeline
Promoting our "Happy Greentown" mobile application .	3% (approximately HK$42.3 million)	Promotional activities targeting residents that have not registered to use our "Happy Greentown" mobile application to increase the number of registered users and expand the customer base	2017 Q1 to 2019 Q4

From the launch of our "smart community" project in September 2014 to March 31, 2016, we had invested an aggregate of approximately RMB23.7 million in our "smart community" project, including (i) approximately RMB19.8 million for software development and management and promotion of our "Happy Greentown" mobile application and (ii) approximately RMB3.9 million for hardware procurement and maintenance in connection with all the three components of our "smart community" project. Of the three components of our "smart community" project, our "Happy Greentown" mobile application (the online gateway to certain of our community products and services) generated revenue, while our "smart property management" platform and "smart hardware management" platform did not directly generate any revenue during the Track Record Period. We believe that the potential benefits of our "smart community" project and community products and services warrant the commitment of a substantial portion of the net proceeds from the Global Offering to them.

We believe that our investments in the "smart community" project will be beneficial to our other business lines. For instance, the product and service offerings available through our "Happy Greentown" mobile application are intended to improve the satisfaction of the residents at our managed properties, which we believe will increase acceptance of the premium property management fees we charge for high-end residential properties. Although our "smart property management" platform and "smart hardware management" platform have not directly generated any revenue for us, we believe that our investment in these platforms will enable us to reduce our labor costs by automating and optimizing our service processes. For more details, please refer to the section headed "Business — Our 'Smart Community' Project — Our 'Smart Property Management' Platform and 'Smart Hardware Management' Platform" in this prospectus.

Our focus on the "smart community" project is consistent with our core strategies. Along with the technological improvement brought by the "smart community" project, we expect to increase our service quality, enhance our brand image and strengthen our customer loyalty, which we believe will indirectly drive our revenue growth. Please refer to the section headed "Business — Our Core Value and Strategies — Continue to develop our "smart community" project to enhance the user experience and generate higher-margin revenue" in this prospectus.

We anticipate that our investments in promoting our community products and services will contribute to higher gross profit margins. The gross profit margin for sales of our community products and services, has been higher than our overall gross profit margin. In 2013, 2014 and 2015, the gross profit for sales of our community products and services was RMB10.0 million, RMB12.2 million and RMB35.1 million, representing gross profit margins of 29.0%, 29.9% and 33.4%. In the same years, our overall gross profit was RMB242.4 million, RMB363.1 million and RMB530.9 million, representing overall gross profit margins of 14.5%, 16.5% and 18.2%. As we expand the community products and services we offer, we expect that the proportion of our revenue and gross profit from sales of our community products and services will increase and, as a result, our overall gross profit margin will improve.

We believe there is growth potential for our community products and services accessible through our "Happy Greentown" mobile application. As of December 31, 2015, we had extended our "Happy Greentown" mobile application to 405 of our 642 managed communities, representing a 63.1% penetration rate. Considering our significant undelivered properties, we estimate that the number of our managed communities will increase to approximately 970 by the end of 2017 and to approximately 1,530 by the end of 2018. Against this backdrop, we plan to increase our investment in the "Happy Greentown" mobile application to increase its penetration in our current and future managed properties.

In addition, within each of our managed residential communities served by our "Happy Greentown" mobile application, there is still room for growth in the number of registered users. Based on historical trends and the expected delivery schedule of properties in our pipeline, we estimate that the number of registered users of our "Happy Greentown" mobile application will increase by approximately 150,000, 600,000 and 800,000 in 2016, 2017 and 2018. Along with the increases in the number of our managed properties, the number of our registered users, the penetration of our "Happy Greentown" mobile application, we believe that the revenue from sales of our community products and services will continue to increase.

Furthermore, as part of our "Greentown Alliance" program, we plan to extend our "Happy Greentown" mobile application to real estate developers and local property management companies that are existing customers of our property management consulting services. Currently, only the residents of our managed communities are eligible to use our "Happy Greentown" mobile application to access the application's benefits, such as browsing and purchasing certain of our community products and services online. If our customers participate in our "Greentown Alliance" program, we plan to allow the residents at the communities under their management to become registered users of our "Happy Greentown" mobile application. We expect to generate revenue from our "Greentown Alliance" program though increases in the management and consulting fees that we charge our existing customers and through an increase in the customer base for our community products and services. For details, please see the section headed "Business — Property Consulting Services — Property Management Consulting Services — Greentown Alliance Program" in this prospectus.

- We plan to use approximately 19% of the net proceeds (approximately HK$267.7 millions) for loan repayment. We plan to repay eight loans with an aggregate amount of RMB230.0 million after we receive the net proceeds from the Global Offering. Four of these loans with an aggregate amount of RMB100.0 million have an interest rate of 5% above the base rate set by the PBOC and will mature between October and December 2016. Three of these loans with an aggregate amount of RMB80.0 million to be repaid have an interest rate of 4.57% and will mature in April 2017. The remaining loan with an amount of RMB50.0 million to be repaid has an interest rate of 4.75% and will mature in March 2018.

- We plan to use approximately 10% of the net proceeds (approximately HK$140.9 million) for working capital and general corporate purpose.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the proposed Offer Price range. To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above, they will be placed on deposit with banks or other financial institutions or held in other treasury instruments.

HONG KONG UNDERWRITERS

Merrill Lynch Far East Limited
BOCI Asia Limited
Haitong International Securities Company Limited
Credit Suisse (Hong Kong) Limited
Morgan Stanley Asia Limited
CCB International Capital Limited
Convoy Investment Services Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between our Company and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters), the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 77,780,000 Hong Kong Offer Shares and the International Offering of initially 699,996,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this prospectus as well as to the Over-allotment Option in the case of the International Offering.

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription by the public in Hong Kong in accordance with the terms and conditions of this prospectus and the Application Forms relating thereto.

Subject to the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, and to certain other conditions set out in the Hong Kong Underwriting Agreement (including the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and our Company agreeing upon the Offer Price), the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus and the Application Forms relating thereto and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Joint Sponsors (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled, in their sole and absolute discretion, by notice (orally or in writing) to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if, at any time prior to 8:00 a.m. on the Listing Date:

(a) there shall develop, occur, exist or come into effect:

(i) any local, national, regional or international event or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of infectious disease, economic sanctions, strikes, lock-outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism); or

(ii) any change, or any development involving a prospective change (whether or not permanent), or any event or circumstance likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, investment markets, the interbank markets and credit markets); or

(iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange or the Singapore Stock Exchange; or

(iv) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or

(v) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), the PRC, New York (imposed at Federal or New York State level or other competent authority), London, the Cayman Islands, the BVI, the United Kingdom, the European Union (or any member thereof), Japan or Singapore, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of those places or jurisdictions; or

(vi) any new law, or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing laws, in each case, in or affecting Hong Kong, the PRC, the United States, the Cayman Islands, the BVI, the United Kingdom, the European Union (or any member thereof), Japan or Singapore (the "Relevant Jurisdictions"); or

(vii) the imposition of economic sanctions, or the withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, the United States, the European Union (or any member thereof) or the United Nations on the PRC; or

(viii) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in the Relevant Jurisdictions; or

(ix) any actions, suits, proceedings and claims of any third party being threatened or instigated against any member of our Group or any executive Director; or

(x) any change or development or event involving a prospective change, or a materialization of, any of the risks set out in the section ”Risk Factors” in this prospectus; or

(xi) an order or petition for the winding up of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or

(xii) a material portion of the investment commitments made by the cornerstone investors under agreements signed with such cornerstone investors, having been withdrawn, terminated or cancelled, or

(xiii) our Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

(xiv) the chairman or chief executive officer of our Company vacating his or her office; or

(xv) an authority or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any executive Director or any member of our Group; or

(xvi) a contravention by any member of our Group of the Listing Rules or applicable Laws in any material respect; or

(xvii) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable Laws in any material respect; or

(xviii) the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC or any other applicable laws; or which, individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors (for themselves and on behalf of the Hong Kong Underwriters) (1) has or will have or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole, or (2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering, or (3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering, or (4) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Joint Sponsors and/or the Joint Global Coordinators:

(i) that any statement contained in any of this prospectus and the Application Forms (the "**Hong Kong Public Offering Documents**") and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Hong Kong Public Offering Documents and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from any of the Hong Kong Public Offering Documents and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or

(iii) any material breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties pursuant to the Hong Kong Underwriting Agreement; or

(v) any material adverse change, or any development involving a prospective material adverse change in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or

(vi) any material breach of, or any event or circumstance rendering untrue or incorrect or misleading in any material respect of any of the representations, warranties, agreements and undertakings given by any of our Company or our Controlling Shareholders under the Hong Kong Underwriting Agreement; or

(vii) that approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares in issue and to be issued or sold (including any additional Shares that may be issued or sold pursuant to the exercise of the Over-allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, that the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(viii) a withdrawal by our Company of this prospectus (and/or any other documents issued or used in connection with the Global Offering) or from the Global Offering; or

(ix) a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Shares (including any of the Shares that may be sold under the Over-allotment Option) pursuant to the terms of the Global Offering; or

(x) that any person (other than the Joint Sponsors) has withdrawn or is subject to withdraw its consent to being named in any of this prospectus and the Application Forms or to the issue of any of this prospectus and the Application Forms.

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that we will not issue any further Shares or securities convertible into equity securities (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the date on which our securities first commence dealing on the Stock Exchange (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except pursuant to the Global Offering or any of the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertakings by our Controlling Shareholders, Ms. Li Hairong and Lilac International Investment

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders, Ms. Li Hairong and Lilac International Investment has undertaken to the Stock Exchange and to our Company that except pursuant to any lending of Shares pursuant to the Stock Borrowing Agreement, he/she/it will procure that the relevant registered holder(s) will not:

(i) in the period commencing on the date by reference to which disclosure of his/her/its shareholding is made in this prospectus and ending on the date which is six months from the date on which dealings in the Shares commence on the Stock Exchange, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which he/she/it is shown by this prospectus to be the beneficial owner; or

(ii) in relation to our Controlling Shareholders only, in the period of six months commencing on the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights' interests or encumbrances in respect of, any of the Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a controlling shareholder of our Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and to our Company that within the period commencing on the date by reference to which disclosure of his/her/its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the date on which dealings in the Shares commence on the Stock Exchange, he/she/it will:

(i) when he/she/it pledges or charges any Shares beneficially owned by him/her/it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and

(ii) when he/she/it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform our Company of such indications.

Our Company must inform the Stock Exchange as soon as we have been informed of matters referred to in paragraph (i) and (ii) above by any of our Controlling Shareholders and disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by our Company

We have, pursuant to the Hong Kong Underwriting Agreement, undertaken to each of the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Joint Sponsors not to, without the prior written consent of the Joint Sponsors and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, or any interest in any of the foregoing), or deposit any Shares or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company or any interest in any of the foregoing); or

(iii) enter into any transactions with the same economic effect as any transaction specified in paragraph (i) or (ii) above; or

(iv) offer to or agree to or announce, or publicly disclose, any intention to effect any transaction specified in paragraph (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in paragraph (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company, as applicable, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-Month Period). In the event that our Company enters into any of the transactions specified in paragraph (i), (ii) or (iii) above or offers to or agrees to or announces, or publicly disclose, any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company. Each of our Controlling Shareholders undertakes to each of the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Joint Sponsors to procure our Company to comply with the above undertakings.

(B) Undertakings by our Controlling Shareholders

Each of our Controlling Shareholders hereby undertakes to each of our Company, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Joint Sponsors that, without the prior written consent of the Joint Sponsors and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i) at any time during the First Six-Month Period, he/she/it will not, and will procure that none of his/her/its associates or companies controlled by him/her/it will, (a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company, any shares or other securities of Osmanthus Garden Investment, Lily International Investment or ShenaLan International Investment, as applicable, or any interest respectively therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities of our Company or any shares or any such other securities of Osmanthus Garden Investment, Lily International Investment or ShenaLan International Investment, as applicable, or any interest in any of the foregoing), or deposit any Shares or other securities of our Company or any shares or other securities of Osmanthus Garden Investment, Lily International Investment or ShenaLan International Investment, as applicable, with a depositary in connection with the issue of depositary receipts, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of our Company or any shares or other securities of Osmanthus Garden Investment, Lily International Investment or ShenaLan International Investment, as applicable, or any interest respectively therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities of our Company or any shares or any such other securities of Osmanthus Garden Investment, Lily International Investment or ShenaLan International Investment, as applicable, or any interest in any of the foregoing), or (c) enter into any transaction with the same economic effect as any transaction specified in sub-paragraph (i)(a) or (b) above, or (d) offer to or agree to or announce, or publicly disclose, any intention to effect any transaction specified in sub-paragraph (i)(a), (b) or (c) above, in each case, whether any of the transactions specified in sub-paragraph (i)(a), (b) or (c) above is to be settled by delivery of Shares or other securities of our Company or shares or other securities of Osmanthus Garden Investment, Lily International Investment or ShenaLan International Investment, as applicable, or in cash or otherwise (whether or not the issue of such Shares or other securities of our Company or shares or other securities of Osmanthus Garden Investment, Lily International Investment or ShenaLan International Investment, as applicable, will be completed within the First Six-Month Period);

(ii) he/she/it will not, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), enter into any of the transactions specified in sub-paragraph (i)(a), (b) or (c) above or offer to or agree to or announce, or publicly disclose, any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, he/she/it will cease to be a "controlling shareholder" (as the term is defined in the Listing Rules) of our Company; and

(iii) until the expiry of the Second Six-Month Period, in the event that he/she/it enters into any of the transactions specified in paragraph (i)(a), (b) or (c) above or offers to or agrees to or announces, or publicly discloses, any intention to effect any such transaction, he/she/it will take all reasonable steps to ensure that he/she/it will not create a disorderly or false market in the securities of our Company.

Subject to sub-paragraphs (i)(a), (b), and (c), each of our Controlling Shareholders agrees and undertakes to each of the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Joint Sponsors that he/she/it will, at any time within the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date falling twelve months from the Listing Date:

(iv) upon any pledge or charge in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any Shares or securities or interests in the Shares or securities of our Company beneficially owned by him/her/it for a bona fide commercial loan, immediately inform our Company, the Joint Global Coordinators and the Joint Sponsors in writing of such pledge or charge together with the number of Shares or securities so pledged or charged; and

(v) upon any indication received by him/her/it, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in the Shares or securities of our Company will be disposed of, immediately inform our Company, the Joint Global Coordinators and the Joint Sponsors in writing of such indications.

Our Company agrees and undertakes to each of the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Joint Sponsors that, upon receiving such information in writing from any of our Controlling Shareholders, it shall, as soon as practicable, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

Indemnity

We have agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

Hong Kong Underwriters' Interests in our Company

Except for its obligations under the Hong Kong Underwriting Agreement and save as disclosed in this prospectus, none of the Hong Kong Underwriters has any shareholding interest in our Company or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

The International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set out therein, the International Underwriters would severally agree to procure purchasers for, or to purchase, Offer Shares being offered pursuant to the International Offering (excluding, for the avoidance of doubt, the Offer Shares which are subject to the Over-allotment Option). It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors are reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Over-allotment Option

Lilac International Investment expects to grant to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require Lilac International Investment to sell up to an aggregate of 116,666,000 Shares, representing approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering, to, among other things, cover over-allocations in the International Offering, if any.

Commissions and Expenses

The Underwriters will receive a commission of 3.5% of the aggregate Offer Price of all the Offer Shares, out of which they will pay any sub-underwriting commissions. The Joint Bookrunners may receive an additional incentive fee of up to 1.0% of the Offer Price of all the Offer Shares.

For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the Joint Global Coordinators and the relevant International Underwriters.

The aggregate commissions and fees, together with Stock Exchange listing fees, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering, which are estimated to amount in aggregate to approximately HK$123.2 million (assuming an Offer Price of HK$1.97 per Offer Share (being the mid-point of the indicative Offer Price range stated in this prospectus) and the full payment of the discretionary incentive fee), are payable and borne by our Company.

Joint Sponsors' Fee

An amount of US$1,000,000 is payable by our Company as sponsor fees to each of the Joint Sponsors.

INDEPENDENCE OF THE JOINT SPONSORS

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(a) the Hong Kong Public Offering of 77,780,000 Shares (subject to adjustment as mentioned below) for subscription by the public in Hong Kong as described in the sub-section headed "— The Hong Kong Public Offering" in this section; and

(b) the International Offering of 699,996,000 Shares (subject to adjustment and the Over-allotment Option as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S.

Merrill Lynch International, BOCI Asia Limited, Haitong International Securities Company Limited and Credit Suisse (Hong Kong) Limited are the Joint Global Coordinators of the Global Offering. Merrill Lynch International, BOCI Asia Limited, Haitong International Securities Company Limited, Credit Suisse (Hong Kong) Limited, Morgan Stanley Asia Limited, CCB International Capital Limited and Convoy Investment Services Limited are the Joint Bookrunners of the Global Offering. Merrill Lynch Far East Limited (in relation to the Hong Kong Public Offering only), Merrill Lynch International (in relation to the International Offering only), BOCI Asia Limited, Haitong International Securities Company Limited, Credit Suisse (Hong Kong) Limited, Morgan Stanley Asia Limited, CCB International Capital Limited and Convoy Investment Services Limited are the Joint Lead Managers of the Global Offering. Merrill Lynch Far East Limited and BOCI Asia Limited are the Joint Sponsors to the Listing.

Investors may apply for Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for Offer Shares under the International Offering, but may not do both.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Shares Initially Offered

We are initially offering 77,780,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 2.8% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the sub-section headed "— Conditions of the Global Offering" below in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Offer Shares initially available under the Hong Kong Public Offering (after taking into account any reallocation) is to be equally divided into two pools for allocation purposes: Pool A and Pool B. The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, SFC transaction levy and the Stock Exchange trading fee payable). Investors should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 38,890,000 Hong Kong Offer Shares (being 50% of the 77,780,000 Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached as further described below:

- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents less than 15 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then no Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 77,780,000 Offer Shares, representing approximately 10% of the Offer Shares initially available under the Global Offering;

- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of Offer Shares available under the Hong Kong Public Offering will be 233,336,000 Offer Shares, representing approximately 30% of the Offer Shares initially available under the Global Offering;

- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of Offer Shares available under the Hong Kong Public Offering will be 311,112,000 Offer Shares, representing approximately 40% of the Offer Shares initially available under the Global Offering; and
- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of Offer Shares available under the Hong Kong Public Offering will be 388,888,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Global Coordinators deem appropriate. In addition, the Joint Global Coordinators may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed, the Joint Global Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering in such proportions as the Joint Global Coordinators deem appropriate.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK$2.20 per Offer Share in addition to the brokerage, SFC transaction levy and Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the sub-section headed "— Pricing and Allocation" below in this section, is less than the maximum price of HK$2.20 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares Offered

The International Offering will consist of an initial offering of 699,996,000 Offer Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the sub-section headed "— Pricing and Allocation" below in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and the Shareholders as a whole.

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the Hong Kong Public Offering.

Over-allotment Option

Lilac International Investment expects to grant to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require Lilac International Investment to sell up to an aggregate of 116,666,000 Shares, representing no more than 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering to, among other things, cover over-allocations in the International Offering, if any. In the event that the Over-allotment Option is exercised, we will make an announcement.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the offer price. In Hong Kong and a number of other jurisdictions, activity aimed at reducing the market price is prohibited, and the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, as stabilizing manager, on behalf of the Underwriters, may effect transactions with a view to stabilizing or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Any market purchases of Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager, its affiliates or any persons acting for it, to conduct any such stabilizing action. Such stabilization action, if commenced, may be discontinued at any time, and is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. Should stabilizing transactions be effected in connection with the Global Offering, this will be effected at the absolute discretion of the Stabilizing Manager, its affiliates or any person acting for it.

Stabilization action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong. Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules, as amended, includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the Shares, (ii) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the Shares, (v) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in paragraph (ii), (iii), (iv) or (v).

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, its affiliates or any person acting for it may, in connection with the stabilizing action, maintain a long position in the Shares;
- there is no certainty regarding the extent to which and the time or period for which the Stabilizing Manager, its affiliates or any person acting for it will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager, its affiliates or any person acting for it may have an adverse impact on the market price of the Shares;
- no stabilizing action can be taken to support the price of the Shares for longer than the stabilizing period which will begin on the Listing Date, and is expected to expire on Wednesday, August 3, 2016, being the 30th day after the date of closing of the application lists under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;
- the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the Shares.

Over-allocation

Following any over-allocation of Shares in connection with the Global Offering, the Joint Global Coordinators, their affiliates or any person acting for them may cover such over-allocation by, among other methods, using Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market, exercising the Over-allotment Option in full or in part, or through the stock borrowing arrangements mentioned below or by a combination of these means. Any such purchases will be made in accordance with the laws, rules and regulations in place in Hong Kong, including in relation to stabilization, the Securities and Futures (Price Stabilizing) Rules, as amended, made under the SFO. The number of Shares which can be over-allocated will not exceed the number of Shares which may be sold by Lilac International Investment pursuant to the exercise in full of the Over-allotment Option, being 116,666,000 Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering.

STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilizing Manager may choose to borrow up to 116,666,000 Shares from Lilac International Investment pursuant to the Stock Borrowing Agreement. The stock borrowing arrangements under the Stock Borrowing Agreement will comply with the requirements set out in Rule 10.07(3) of the Listing Rules.

PRICING AND ALLOCATION

The International Underwriters will be soliciting from prospective investor's indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price is expected to be fixed by agreement between our Company and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) on the Price Determination Date, which is expected to be on or about Monday, July 4, 2016 and in any event no later than Thursday, July 7, 2016.

The Offer Price will not be more than HK$2.20 per Offer Share and is expected to be not less than HK$1.74 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

The Joint Global Coordinators (on behalf of the Hong Kong Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with our consent, reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause there to be published in the

South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the website of our Company (**www.lvchengfuwu.com**) and the website of the Stock Exchange (**www.hkexnews.hk**) notices of the reduction. Upon issue of such a notice, the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon by our Company and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters), will be fixed within such revised Offer Price range. Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon between our Company and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters), will under no circumstances be set outside the Offer Price range stated in this prospectus. However, if the number of Offer Shares and/or the Offer Price range is reduced, applicants under the Hong Kong Public Offering will be entitled to withdraw their applications unless positive confirmations from the applicants to proceed are received.

In the event of a reduction in the number of Offer Shares, the Joint Global Coordinators may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Joint Global Coordinators.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of and results of allocations of Offer Shares under the Hong Kong Public Offering are expected to be announced on Monday, July 11, 2016 on the website of our Company (**www.lvchengfuwu.com**) and the website of the Stock Exchange (**www.hkexnews.hk**).

HONG KONG UNDERWRITING AGREEMENT

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to our Company and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) agreeing on the Offer Price.

We expect to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

The underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option) and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(b) the Offer Price having been duly agreed between our Company and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) on the Price Determination Date;

(c) the execution and delivery of the International Underwriting Agreement on the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times).

If, for any reason, the Offer Price is not agreed between our Company and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) on or before Monday, July 4, 2016, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the website of our Company (**www.lvchengfuwu.com**) and the website of the Stock Exchange (**www.hkexnews.hk**) on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — 14. Dispatch/Collection of Share Certificates and Refund Monies" in this prospectus. In the meantime, all application monies will be held in (a) separate bank account(s) with the Receiving Bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates issued in respect of the Hong Kong Offer Shares will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects (including the Underwriting Agreements not having been terminated in accordance with their terms at any time prior to 8:00 a.m. on the Listing Date).

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option).

No part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

SHARES WILL BE ELIGIBLE FOR CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, July 12, 2016, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, July 12, 2016. The Shares will be traded in board lots of 2,000 Shares. The stock code of the Shares is 2869.

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a U.S. person (as defined in Regulation S); and
- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorized officer, who must state his or her representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at their discretion, and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of the **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you:

- are an existing beneficial owner of Shares in our Company and/or any of its subsidiaries;
- are a Director or chief executive officer of our Company and/or any of its subsidiaries;
- are a core connected person and/or a connected person (as respectively defined in the Listing Rules) of our Company or will become a connected person of our Company immediately upon completion of the Global Offering;
- are a close associate and/or an associate (as respectively defined in the Listing Rules) of any of the above; and
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through **www.eipo.com.hk**.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours between 9:00 a.m. and 5:00 p.m. from Tuesday, June 28, 2016 to Thursday, June 30, 2016, between 9:00 a.m. and 1:00 p.m. on Saturday, July 2, 2016 and between 9:00 a.m. and 12:00 noon on Monday, July 4, 2016:

(i) any of the following offices of the Hong Kong Underwriters:

Merrill Lynch Far East Limited	55th Floor, Cheung Kong Center 2 Queen's Road Central Central Hong Kong
BOCI Asia Limited	26/F, Bank of China Tower 1 Garden Road Hong Kong
Haitong International Securities Company Limited	22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Credit Suisse (Hong Kong) Limited	Level 88, International Commerce Centre 1 Austin Road West Kowloon, Hong Kong

Morgan Stanley Asia Limited	Level 46 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
CCB International Capital Limited	12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
Convoy Investment Services Limited	Unit C, 24/F, @CONVOY 169 Electric Road North Point Hong Kong

(ii) or any of the following branches of Bank of China (Hong Kong) Limited:

	Branch name	Address
Hong Kong Island	Bank of China Tower Branch	3/F, 1 Garden Road
	Shek Tong Tsui Branch	534 Queen's Road West, Shek Tong Tsui
	Johnston Road Branch	152–158 Johnston Road, Wan Chai
	Chai Wan Branch	Block B, Walton Estate, 341–343 Chai Wan Road, Chai Wan
Kowloon	Shanghai Street (Mong Kok) Branch	611–617 Shanghai Street, Mong Kok
	Whampoa Garden Branch	Shop G8B, Site 1, Whampoa Garden, Hung Hom
	194 Cheung Sha Wan Road Branch	194–196 Cheung Sha Wan Road, Sham Shui Po, Kowloon
	East Point City Branch	Shop 101, East Point City, Tseung Kwan O
New Territories	Shatin Branch	Shop 20, Level 1, Lucky Plaza, 1–15 Wang Pok Street, Sha Tin
	Yuen Long Branch	102–108 Castle Peak Road, Yuen Long

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, June 28, 2016 until 12:00 noon on Monday, July 4, 2016 from the Depository Counter of HKSCC at 1/F One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Bank of China (Hong Kong) Nominees Limited —

Greentown Service Group Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the Receiving Bank listed above, at the following times:

Tuesday, June 28, 2016	—	9:00 a.m. to 5:00 p.m.
Wednesday, June 29, 2016	—	9:00 a.m. to 5:00 p.m.
Thursday, June 30, 2016	—	9:00 a.m. to 5:00 p.m.
Saturday, July 2, 2016	—	9:00 a.m. to 1:00 p.m.
Monday, July 4, 2016	—	9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Monday, July 4, 2016, the last application day or such later time as described in "— 10. Effect of Bad Weather on the Opening of the Application Lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **White Form eIPO** service, among other things, you:

(i) undertake to execute all relevant documents and instruct and authorize our Company and/or the Joint Global Coordinators (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) agree to comply with the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;

(iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;

(vi) agree that none of our Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;

(viii) agree to disclose to our Company, our Hong Kong Share Registrar, the Receiving Bank, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisors and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Underwriters nor any of their respective officers or advisors will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (a) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act and (b) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorize our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you fulfill the criteria mentioned in the section "personal collection" to collect share certificate(s) and/or refund cheque(s);

(xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) understand that our Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (a) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC and (b) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Forms

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH THE WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in "— 2. Who Can Apply" section, may apply through the **White Form eIPO** service for the Offer Shares to be allotted and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorize the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

Time for Submitting Applications under the White Form eIPO

You may submit your application to the **White Form eIPO** Service Provider at **www.eipo.com.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Tuesday, June 28, 2016 until 11:30 a.m. on Monday, July 4, 2016 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Monday, July 4, 2016 or such later time under "— 10. Effect of Bad Weather on the Opening of the Application Lists" in this section.

No Multiple Applications

If you apply by means of **White Form eIPO**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **White Form eIPO** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Environmental Protection

The obvious advantage of **White Form eIPO** is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK$2.00 for each "Greentown Service Group Co. Ltd." **White Form eIPO** application submitted via **www.eipo.com.hk** to support the funding of "Source of Dong Jiang — Hong Kong Forest" project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling +852 2979 7888 or through the CCASS Internet System (**https://ip.ccass.com**) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center
1/F One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Global Coordinators and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;
- declare that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorized to give those instructions as their agent;
- confirm that you understand that our Company, the Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorize our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, the Receiving Bank, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or its respective advisors and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong),

such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offering results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;
- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum number of 2,000 Hong Kong Offer Shares. Instructions for more than 2,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Tuesday, June 28, 2016	—	9:00 a.m. to 8:30 p.m.(1)
Wednesday, June 29, 2016	—	8:00 a.m. to 8:30 p.m.(1)
Thursday, June 30, 2016	—	8:00 a.m. to 8:30 p.m.(1)
Saturday, July 2, 2016	—	8:00 a.m.(1) to 1:00 p.m.
Monday, July 4, 2016	—	8:00 a.m.(1) to 12:00 noon

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/ Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, June 28, 2016 until 12:00 noon on Monday, July 4, 2016 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Monday, July 4, 2016, the last application day or such later time as described in "— 10. Effect of Bad Weather on the Opening of the Application Lists" in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by our Company, the Hong Kong Share Registrar, the Receiving Bank, the Joint Global Coordinators, the Underwriters and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, the Directors, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form or (ii) go to HKSCC's Customer Service Centre to complete an input request form for electronic application instructions before 12:00 noon on Monday, July 4, 2016.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **White Form eIPO** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of our company;
- control more than half of the voting power of our company; or
- hold more than half of the issued share capital of our company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for the Hong Kong Offer Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO** service in respect of a minimum of 2,000 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 2,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.eipo.com.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the sub-section headed "Structure of the Global Offering — Pricing and Allocation" in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, July 4, 2016. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Monday, July 4, 2016 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Monday, July 11, 2016 on our Company's website at (**www.lvchengfuwu.com**) and the website of the Stock Exchange (**www.hkexnews.hk**).

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at **www.lvchengfuwu.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Monday, July 11, 2016;
- from the designated results of allocations website at **www.iporesults.com.hk** with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Monday, July 11, 2016 to 12:00 midnight on Sunday, July 17, 2016;
- by telephone enquiry line by calling +852 2862 8669 between 9:00 a.m. and 10:00 p.m. from Monday, July 11, 2016 to Thursday, July 14, 2016;
- in the special allocation results booklets which will be available for inspection during opening hours from Monday, July 11, 2016 to Wednesday, July 13, 2016 at all the Receiving Bank designated branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or are suspected of making multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonored upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Global Coordinators believes or believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or

- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK$2.20 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with "Structure of the Global Offering — Conditions of the Global Offering" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on or before Monday, July 11, 2016.

14. DISPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed "Account Payee Only" in favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Monday, July 11, 2016. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Tuesday, July 12, 2016 provided that the Global Offering has become unconditional and the right of termination described in the "Underwriting" section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of share certificates or the share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Monday, July 11, 2016 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorize any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be dispatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on or before Monday, July 11, 2016, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 or more Hong Kong Offer Shares, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Monday, July 11, 2016, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Monday, July 11, 2016, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- ***If you apply through a designated CCASS Participant (other than a CCASS Investor Participant)***

  For Hong Kong Offer Shares credited to your designated CCASS Participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you with that CCASS Participant.

- ***If you are applying as a CCASS Investor Participant***

  Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "— 11. Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Monday, July 11, 2016 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the White Form eIPO service

If you apply for 1,000,000 or more Hong Kong Offer Shares and your application is wholly or partially successful, you may collect your Share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Monday, July 11, 2016, or such other date as notified by our Company in the newspapers as the date of dispatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Monday, July 11, 2016 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be dispatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be dispatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Monday, July 11, 2016, or, on any other date determined by HKSCC or HKSCC Nominees.

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "— 11. Publication of Results" above on Monday, July 11, 2016. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Monday, July 11, 2016 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Monday, July 11, 2016. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Monday, July 11, 2016.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong.

8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

June 28, 2016

The Directors
Greentown Service Group Co. Ltd.
Merrill Lynch Far East Limited
BOCI Asia Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the consolidated financial information relating to Greentown Service Group Co. Ltd. (the "**Company**") and its subsidiaries (together the "**Group**") comprising the consolidated statements of financial position of the Group as at December 31, 2013, 2014 and 2015 and the statements of financial position of the Company as at December 31, 2014 and December 31, 2015, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements, for each of the years ended December 31, 2013, 2014 and 2015 (the "**Relevant Periods**"), and a summary of significant accounting policies and other explanatory information (the "**Financial Information**"), for inclusion in the prospectus of the Company dated June 28, 2016 (the "**Prospectus**").

The Company was incorporated in the Cayman Islands on November 24, 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganisation (the "**Reorganisation**") as detailed in the section headed "History and Reorganisation" in the Prospectus, the Company became the holding company of the companies now comprising the Group on August 7, 2015, details of which are set out in note 1(b) of Section B below. The Company has not carried on any business since the date of its incorporation save for the aforementioned Reorganisation.

As at the date of this report, no audited financial statements have been prepared for the Company, Greentown Service Group Investment Co. Ltd. ("**Greentown Service BVI**"), Greentown Service Group (Hong Kong) Co. Limited ("**Greentown Service HK**") and Greentown Property Service Group (Hong Kong) Co., Limited as they either have not carried on any business since their respective dates of incorporation or are investment holding companies and not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

All companies now comprising the Group have adopted December 31, as their financial year end date. Details of the companies comprising the Group that are subject to audit during the Relevant Periods and the names of the respective auditors are set out in note 38 of Section B. The statutory financial statements of these companies were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the People's Republic of China (the "**PRC**") in which they were incorporated and/or established.

The directors of the Company have prepared the consolidated financial statements for the Relevant Periods (the "**Underlying Financial Statements**") on the same basis as used in the preparation of the Financial Information set out in Section B below. The Underlying Financial Statements for each of the years ended December 31, 2013, 2014 and 2015 were audited by KPMG Huazhen LLP in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The Financial Information has been prepared by the directors of the Company for inclusion in the Prospectus in connection with the listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited based on the Underlying Financial Statements, with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA and the applicable disclosure provisions of the Listing Rules, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to form an opinion on the Financial Information based on our procedures performed in accordance with Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the HKICPA. We have not audited any financial statements of the Company, its subsidiaries or the Group in respect of any period subsequent to December 31, 2015.

OPINION

In our opinion, the Financial Information gives, for the purpose of this report and on the basis of preparation set out in note 1(b) of Section B below, a true and fair view of the financial position of the Group as at December 31, 2013, 2014 and 2015, the financial position of the Company as at December 31, 2014 and December 31, 2015 and of the Group's financial performance and cash flows for the Relevant Periods then ended.

A CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

1 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,		
	Section B	2013	2014	2015
	Note	RMB'000	RMB'000	RMB'000
Continuing operations				
Revenue	4	1,671,647	2,204,565	2,918,627
Cost of sales	4	(1,429,218)	(1,841,479)	(2,387,702)
Gross profit		242,429	363,086	530,925
Other revenue	5	10,457	11,823	20,071
Other net income	5	352	244	154
Selling and marketing expenses		(1,313)	(1,419)	(5,690)
Administrative expenses		(125,160)	(149,554)	(232,578)
Other operating expenses		(16,253)	(24,348)	(29,116)
Profit from operations		110,512	199,832	283,766
Gain on acquisition of associates		131	—	—
Finance income		877	1,747	2,185
Finance costs		(2,732)	(3,300)	(9,254)
Net finance costs	6(a)	(1,855)	(1,553)	(7,069)
Share of profits less losses of associates		816	(56)	1,784
Share of profits less losses of joint ventures		(245)	(717)	(266)
Loss on disposal of other financial assets	31(d)	—	(1,315)	(89)
(Loss)/gain on disposal of subsidiaries	31(b)&(d)	(311)	1,951	—
(Loss)/gain on disposal of associates		(658)	476	—
Profit before taxation from continuing operations	6	108,390	198,618	278,126
Income tax	7	(25,657)	(48,742)	(75,559)
Profit from continuing operations		82,733	149,876	202,567
Discontinued operations	8			
Loss from discontinued operations, net of tax		(6,239)	(494)	—
Profit for the year		76,494	149,382	202,567

The accompanying notes form part of the Financial Information.

	Section B Note	Year ended December 31, 2013 RMB'000	2014 RMB'000	2015 RMB'000
Attributable to:				
Equity shareholders of the Company				
Profit from continuing operations		83,712	149,189	197,818
Loss from discontinued operations	8	(4,300)	(278)	—
		79,412	148,911	197,818
Non-controlling interests				
(Loss)/profit from continuing operations		(979)	687	4,749
Loss from discontinued operations	8	(1,939)	(216)	—
		(2,918)	471	4,749
Profit for the year		76,494	149,382	202,567
Earnings per share				
Basic and diluted (RMB)	12	0.040	0.074	0.099
Profit for the year		76,494	149,382	202,567
Other comprehensive income for the year (after tax and reclassification adjustments)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of overseas subsidiaries		—	—	(54)
Other comprehensive income for the year		—	—	(54)
Total comprehensive income for the year		76,494	149,382	202,513
Attributable to:				
Equity shareholders of the Company				
Profit from continuing operations		83,712	149,189	197,764
Loss from discontinued operations	8	(4,300)	(278)	—
		79,412	148,911	197,764
Non-controlling interests				
Profit from continuing operations		(979)	687	4,749
Loss from discontinued operations	8	(1,939)	(216)	—
		(2,918)	471	4,749
Total comprehensive income for the year		76,494	149,382	202,513

The accompanying notes form part of the Financial Information.

2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Section B Note	At December 31, 2013 RMB'000	2014 RMB'000	2015 RMB'000
Non-current assets				
Property, plant and equipment	13	34,598	33,625	63,610
Investment properties	14	25,613	24,140	—
Interest in associates	15	103,131	4,162	11,946
Interest in joint ventures	16	3,340	1,715	3,104
Other financial assets	17	5,200	200	—
Deferred tax assets	27(b)	36,279	47,278	55,826
Prepayments for purchase of property, plant and equipment	18	—	91,524	130,525
Trade and other receivables	20	—	31,305	—
		208,161	233,949	265,011
Current assets				
Other financial assets	17	100,000	134,000	28,200
Inventories	19	10,620	1,747	2,045
Trade and other receivables	20	311,909	437,663	419,952
Restricted bank balances	22	29,444	57,537	90,780
Cash and cash equivalents	23	299,441	437,419	835,897
		751,414	1,068,366	1,376,874
Current liabilities				
Bank loans	24	40,000	100,000	180,000
Receipts in advance	25	231,158	250,358	338,246
Trade and other payables	26	395,335	625,768	847,430
Current taxation	27(a)	42,289	71,864	88,495
Provisions	28	21,899	23,008	18,094
		730,681	1,070,998	1,472,265
Net current assets/(liabilities)		20,733	(2,632)	(95,391)
Total assets less current liabilities		228,894	231,317	169,620
Non-current liabilities				
Deferred tax liabilities	27(b)	—	—	2,502
Provisions	28	18,849	14,033	18,241
		18,849	14,033	20,743
Net assets		210,045	217,284	148,877
Capital and reserves				
Share capital	29	50,000	50,000	8
Reserves	30	128,417	156,696	132,062
Total equity attributable to equity shareholders of the Company		178,417	206,696	132,070
Non-controlling interests		31,628	10,588	16,807
Total equity		210,045	217,284	148,877

The accompanying notes form part of the Financial Information.

3 STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Section B Note	At December 31, 2013 RMB'000	2014 RMB'000	2015 RMB'000
Non-current assets				
Investment in a subsidiary (note i)		—	1	1
		—	1	1
Current assets				
Trade and other receivables		—	—	8
Cash and cash equivalents	23	—	—	172
		—	—	180
Current liabilities				
Trade and other payables	26	—	1	173
		—	1	173
Net current (liabilities)/assets		—	(1)	7
Total assets less current liabilities		—	—	8
Net assets		—	—	8
Capital and reserves				
Share capital	29(a)	—	—	8
Reserves		—	—	—
Total equity		—	—	8

(i) The investment cost represented 1 ordinary share of US$100 in Greentown Service Group Investment Co. Ltd. subscribed by the Company.

The accompanying notes form part of the Financial Information.

4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to equity shareholders of the Company						
		Share capital	PRC statutory reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total
	Section B Note	RMB'000 Note 29(a)	RMB'000 Note 30(a)	RMB'000 Note 30(b)	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2013		50,000	14,696	1,052	63,392	129,140	13,266	142,406
Changes in equity for 2013								
Profit/(loss) for the year . .		—	—	—	79,412	79,412	(2,918)	76,494
Other comprehensive income		—	—	—	—	—	—	—
Total comprehensive income . .		—	—	—	79,412	79,412	(2,918)	76,494
Capital contribution		—	—	—	—	—	600	600
Dividends declared during the year	11	—	—	—	(31,373)	(31,373)	—	(31,373)
Partial disposal of equity interests in subsidiaries . .	31(c)	—	—	1,238	—	1,238	18,762	20,000
Disposal of subsidiaries	31(b)	—	(490)	—	490	—	(1,879)	(1,879)
Acquisition of additional interests in subsidiaries . .		—	—	—	—	—	(1,982)	(1,982)
Acquisition of subsidiaries . .	31(a)	—	—	—	—	—	5,779	5,779
Transfer to reserves		—	6,333	—	(6,333)	—	—	—
Balance at December 31, 2013		50,000	20,539	2,290	105,588	178,417	31,628	210,045
Balance at January 1, 2014		50,000	20,539	2,290	105,588	178,417	31,628	210,045
Changes in equity for 2014								
Profit for the year		—	—	—	148,911	148,911	471	149,382
Other comprehensive income		—	—	—	—	—	—	—
Total comprehensive income		—	—	—	148,911	148,911	471	149,382
Dividends declared during the year	11	—	—	—	(120,000)	(120,000)	(26)	(120,026)
Acquisition of additional equity interests in subsidiaries	31(a)	—	—	(632)	—	(632)	(368)	(1,000)
Disposal of subsidiaries	31(b)&(d)	—	(322)	—	322	—	(21,117)	(21,117)
Transfer to reserves		—	4,783	—	(4,783)	—	—	—
Balance at December 31, 2014		50,000	25,000	1,658	130,038	206,696	10,588	217,284

The accompanying notes form part of the Financial Information.

		Attributable to equity shareholders of the Company								
		Share capital	PRC statutory reserve	Other reserve	Special reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total
	Section B Note	RMB'000 Note 29(a)	RMB'000 Note 30(a)	RMB'000 Note 30(b)	RMB'000	RMB'000 Note 30(c)	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2015		50,000	25,000	1,658	—	—	130,038	206,696	10,588	217,284
Changes in equity for 2015										
Profit for the year		—	—	—	—	—	197,818	197,818	4,749	202,567
Other comprehensive income		—	—	—	—	(54)	—	(54)	—	(54)
Total comprehensive income		—	—	—	—	(54)	197,818	197,764	4,749	202,513
Capital contribution		—	—	—	—	—	—	—	50	50
Issue of shares		8	—	—	—	—	—	8	—	8
Partial disposal of equity interests in subsidiaries	31(c)	—	—	—	—	—	—	—	675	675
Dividends declared during the year	11	—	—	—	—	—	(230,000)	(230,000)	—	(230,000)
Acquisition of subsidiaries	31(a)	—	—	—	—	—	—	—	745	745
Contribution from shareholders of a subsidiary (note (i))		—	—	—	7,602	—	—	7,602	—	7,602
Transfer to reserves		—	280	—	—	—	(280)	—	—	—
Arising on reorganisation	29(a)	(50,000)	—	—	—	—	—	(50,000)	—	(50,000)
Balance at December 31, 2015		8	25,280	1,658	7,602	(54)	97,576	132,070	16,807	148,877

(i) Special reserve represents the fair value of net assets of Greentown Telecommunication over which the Group obtained control in October 2015 through structured contracts. Details are set out in note 31(a).

The accompanying notes form part of the Financial Information.

5 CONSOLIDATED CASH FLOW STATEMENTS

	Section B Note	Year ended December 31, 2013 RMB'000	2014 RMB'000	2015 RMB'000
Operating activities				
Cash generated from operations	23(b)	193,456	363,489	575,796
Income tax paid	27(a)	(19,863)	(30,687)	(64,974)
Net cash generated from operating activities		173,593	332,802	510,822
Investing activities				
Payments for the purchase of property, plant and equipment		(10,016)	(104,004)	(57,752)
Proceeds from disposal of property, plant and equipment		104	1,497	436
Payments for purchase of other financial assets		(100,000)	(158,000)	(33,500)
Proceeds from redemption of other financial assets		63,000	119,000	144,300
Payments for purchase of other equity investments		(2,500)	(16,250)	—
Proceeds from disposal of other equity investments		—	5,100	—
Acquisition of subsidiaries, net of cash acquired	31(a)	7,220	461	817
Disposal of subsidiaries, net of cash disposed	31(b)&(d)	(1,970)	(9,310)	80,000
Proceeds from disposal of interest in associates		5,680	1,500	—
Increase in interest in associates		(34,805)	(8,100)	(3,600)
Increase in interest in joint ventures		(500)	—	(1,655)
Interest received		968	1,901	2,185
Dividends received from associates		—	642	—
Investment income received from other financial assets		419	1,425	429
Net cash (used in)/generated from investing activities		(72,400)	(164,138)	131,660

The accompanying notes form part of the Financial Information.

	Section B Note	2013 RMB'000	2014 RMB'000	2015 RMB'000
		Year ended December 31,		
Financing activities				
Capital contribution from non-controlling interests		600	—	50
Payment arising on reorganisation		—	—	(50,000)
Proceeds from new bank loans		40,000	179,500	260,000
Payment for purchase of equity interest from non-controlling interest	31(a)	—	(1,000)	—
Repayment of bank loans		(40,000)	(119,500)	(180,000)
Interest paid		(2,732)	(3,300)	(9,254)
Dividends payments		(28,503)	(86,386)	(265,421)
Disposal of subsidiaries to non-controlling interests	31(c)	20,000	—	675
Net cash used in financing activities		(10,635)	(30,686)	(243,950)
Net increase in cash and cash equivalents		90,558	137,978	398,532
Cash and cash equivalents at the beginning of the year	23(a)	208,883	299,441	437,419
Effect of foreign exchange rate changes		—	—	(54)
Cash and cash equivalents at the end of the year	23(a)	299,441	437,419	835,897

The accompanying notes form part of the Financial Information.

B NOTES TO CONSOLIDATED FINANCIAL INFORMATION

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The Financial Information set out in this report has been prepared in accordance with Hong Kong Financial Reporting Standards, which collective term includes Hong Kong Accounting Standards and related interpretations, promulgated by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Further details of the significant accounting policies adopted are set out in the remainder of this Section B.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Financial Information, the Group has adopted all applicable new and revised HKFRSs to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the accounting period beginning January 1, 2015. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning January 1, 2015 are set out in note 37.

The Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The accounting policies set out below have been applied consistently to all periods presented in the Financial Information.

(b) Basis of preparation and presentation

The Group is principally engaged in the provision of property management in the PRC. During the Relevant Periods, the Group's businesses were conducted through Greentown Property Management Group Company Limited ("**Greentown PM**") and its subsidiaries. Greentown PM was owned as to 51% by Greentown Holdings Group Company Limited ("**Greentown Holdings**", a company controlled by Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo"), and 49% by Ms. Li Hairong before the Reorganisation. As detailed in the section headed "History and Reorganisation" in the Prospectus, the Group underwent a reorganisation to rationalise its corporate structure in preparation for listing of the Company's shares on the Stock Exchange.

The Company was incorporated in the Cayman Islands on November 24, 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. Pursuant to the Reorganisation as detailed in the section headed "History and Reorganisation" in the Prospectus, the Company became the holding company of the companies now comprising the Group on August 7, 2015, details of which are set out below. The Company, Greentown Service BVI, Greentown Service HK and Hangzhou Osmanthus Garden Investment Management Company Limited (together, the "**Non-operating Companies**") are newly incorporated companies as part of the Reorganisation of Greentown PM.

Greentown PM was owned by the shareholders in the same proportionate share of ownerships before and after the Reorganisation and there were no changes in the economic substance of the ownership and the business of Greentown PM. The Reorganisation only involved inserting the Non-operating Companies as holding companies of Greentown PM and there was no change in business and operation of Greentown PM. Accordingly, no business combination has occurred and the Reorganisation has been accounted for using a principle similar to that for a reverse acquisition as set out in *HKFRS 3, Business Combinations*, with Greentown PM treated as the acquirer for accounting purposes. The Financial Information comprising the Company and its subsidiaries has been prepared as a continuation of the financial statements of Greentown PM with the assets and liabilities of Greentown PM recognised and measured at their historical carrying amounts prior to the Reorganisation. All material intra-group transactions and balances have been eliminated on consolidation.

During the Relevant Periods, the Group also acquired certain subsidiaries and non-controlling interests in certain subsidiaries (see note 31(a)). Such transactions have been accounted for under accounting policies as set out in note 1(e).

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies. The particulars of these subsidiaries are set out below:

Name of company	Date and place of incorporation/ establishment	Registered/issued and paid-in capital	Effective interest held by the Company		Principal activity
			Direct	Indirect	
Greentown Service Group Investment Co. Ltd.	November 25, 2014 British Virgin Islands ("**BVI**")	US$100/US$100	100%	—	Investment holding
Greentown Service Group (Hong Kong) Co. Limited	December 16, 2014 Hong Kong	HK$100/HK$100	—	100%	Investment holding
Hangzhou Osmanthus Garden Investment Management Company Limited ("**Hangzhou Osmanthus Garden Investment Management**") 杭州桂花園投資管理有限公司 . . .	July 29, 2015 the PRC	USD20,000,000/—	—	100%	Investment holding
Greentown Property Management Group Company Limited 綠城物業服務集團有限公司	October 16, 1998 the PRC	RMB50,000,000/ RMB50,000,000	—	100%	Property management
Zhejiang Lvsheng Property Management Company Limited 浙江綠升物業服務有限公司	September 16, 1999 the PRC	RMB60,000,000/ RMB5,000,000	—	100%	Property management
Hangzhou Xianggui Hotel Management Company Limited 杭州香瑰酒店管理有限公司	November 26, 2013 the PRC	RMB30,000/ RMB30,000	—	100%	Hotel management
Shanghai Lvfeng Property Management Company Limited ("**Shanghai Lvfeng**") 上海綠豐物業管理有限公司 (note (i))	August 31, 2011 the PRC	RMB500,000/ RMB500,000	—	100%	Property management
Zhejiang Greentown Lvfa Property Management Company Limited ("**Greentown Lvfa PM**") 浙江綠城綠發物業服務有限公司 (note (i))	November 30, 2012 the PRC	RMB10,000,000/ RMB10,000,000	—	51%	Property management

Name of company	Date and place of incorporation/ establishment	Registered/issued and paid-in capital	Effective interest held by the Company		Principal activity
			Direct	Indirect	
Hangzhou Yijia Property Management Company Limited 杭州怡嘉物業管理有限公司	September 1, 2006 the PRC	RMB500,000/ RMB500,000	—	100%	Property management
Ningbo Lvheng Property Management Company Limited 寧波綠恒物業服務有限公司	June 5, 2012 the PRC	RMB3,000,000/ RMB3,000,000	—	80%	Property management
Zhejiang Baoye Greentown Property Management Company Limited (“**Zhejing Baoye PM**”) 浙江報業綠城物業服務有限公司	August 28, 2006 the PRC	RMB5,000,000/ RMB5,000,000	—	51%	Property management
Ningbo Greentown Advertisement Company Limited 寧波綠城廣告有限公司	July 12, 2011 the PRC	RMB1,000,000/ RMB1,000,000	—	100%	Advertisement design, producing and releasing services
Ningbo Greentown Property Management Company Limited 寧波綠城物業管理有限公司	May 15, 2006 the PRC	RMB5,000,000/ RMB5,000,000	—	100%	Property management
Jiaxing Greentown Property Service Company Limited 嘉興綠城物業服務有限公司	April 11, 2008 the PRC	RMB3,000,000/ RMB3,000,000	—	100%	Property management
Shanghai Lvyu Property Management Company Limited 上海綠宇物業管理有限公司	January 6, 2003 the PRC	RMB3,000,000/ RMB3,000,000	—	100%	Property management
Anhui Greentown Property Management Company Limited 安徽綠城物業管理有限公司	October 30, 2002 the PRC	RMB5,000,000/ RMB5,000,000	—	100%	Property management
Beijing Greentown Property Management Company Limited 北京綠城物業管理有限公司	October 13, 2003 the PRC	RMB5,000,000/ RMB3,000,000	—	100%	Property management
Zhejiang Greentown Real Estate Consulting Company Limited 浙江綠城房地產諮詢有限公司	January 13, 2005 the PRC	RMB500,000/ RMB500,000	—	100%	Community leasing, sales and other services
Zhejiang Greentown Culture Arts Consulting Company Limited 浙江綠城文化策劃有限公司	July 17, 2007 the PRC	RMB2,000,000/ RMB2,000,000	—	100%	Recreational activities, exhibitions and market promotion services
Zhejiang Greentown Real Estate Agency Company Limited (“**Zhejiang Real Estate Agency**”) 浙江綠城房屋置換有限公司	November 20, 2003 the PRC	RMB1,000,000/ RMB1,000,000	—	55%	Community leasing, sales and other services
Zhejiang Greentown Property Community Service Company Limited 浙江綠城物業園區生活服務有限公司	April 22, 2009 the PRC	RMB2,000,000/ RMB2,000,000	—	100%	Business consultant and housekeeping services

Name of company	Date and place of incorporation/ establishment	Registered/issued and paid-in capital	Effective interest held by the Company: Direct	Effective interest held by the Company: Indirect	Principal activity
Zhejiang Greentown Hotel Management Company Limited 浙江綠城酒店管理有限公司	January 26, 2010 the PRC	RMB5,000,000/ RMB5,000,000	—	100%	Hotel management
Hangzhou Xiaoshan Tulip Hotel Management Company Limited 杭州蕭山鬱金香岸酒店管理有限公司	November 16, 2010 the PRC	RMB500,000/ RMB500,000	—	100%	Hotel management
Hangzhou Liuzhuang Hotel Management Company Limited 杭州留莊酒店管理有限公司	September 30, 2009 the PRC	RMB1,500,000/ RMB1,500,000	—	100%	Hotel management
Hangzhou Greentown Vocational Training School 杭州市綠城職業培訓學校	May 16, 2011 the PRC	RMB600,000/ RMB600,000	—	100%	Property management related training services
Xinjiang Greentown Property Management Company Limited. (formerly known as "Xinjiang Sunshine Greentown Property Management Company Limited") 新疆綠城物業服務有限公司(原名"新疆陽光綠城物業服務有限公司")	July 16, 2008 the PRC	RMB3,000,000/ RMB3,000,000	—	100%	Property management, leasing and housekeeping services
Shenyang Greentown Property Services Company Limited (formerly known as "Shenyang Greentown Yinji Property Management Company Limited") ("**Yinji PM**") 瀋陽綠城物業服務有限公司(原名"瀋陽綠城銀基物業服務有限公司")	October 22, 1996 the PRC	RMB6,000,000/ RMB6,000,000	—	60%	Property management
Shenyang Bihe Real Estate Agency Company Limited 瀋陽必和房產置業有限公司	April 2, 2011 the PRC	RMB100,000/ RMB100,000	—	60%	Community leasing, sales and other services
Shandong Greentown Property Management Company Limited 山東綠城物業服務有限公司	June 18, 2012 the PRC	RMB10,000,000/ RMB10,000,000	—	100%	Property management
Zhoushan Greentown Dongsha Hotel Management Company Limited 舟山綠城東沙度假酒店管理有限公司	April 21, 2014 the PRC	RMB30,000/ RMB30,000	—	100%	Undertake convention and exhibition, hotel management

Name of company	Date and place of incorporation/ establishment	Registered/issued and paid-in capital	Effective interest held by the Company		Principal activity
			Direct	Indirect	
Hangzhou Greentown Chengpin Property Management Company Limited (formerly known as "Hangzhou Qianxin Greentown Property Management Company Limited") ("**Hangzhou Chengpin**") 杭州綠城誠品物業管理有限公司 (原名"杭州錢新綠城物業管理有限公司") (note (i))	April 24, 2003 the PRC	RMB2,000,000/ RMB2,000,000	—	100%	Property management
Xinyang Greentown Property Management Company Limited 信陽綠城物業服務有限公司	August 13, 2014 the PRC	RMB500,000/ RMB500,000	—	100%	Property management
Qian'an Greentown Services Company Limited 遷安綠城物業服務有限公司	December 26, 2014 the PRC	RMB500,000/ RMB500,000	—	100%	Property management
Hefei Greentown Real Estate Agency Company Limited 合肥綠城房屋置換有限公司	June 2, 2015 the PRC	RMB300,000/ RMB300,000	—	100%	Community leasing, sales and other services
Greentown Property Service Group Jiangsu Company Limited 綠城物業服務集團江蘇有限公司	July 3, 2015 the PRC	RMB10,000,000/ RMB10,000,000	—	100%	Property management
Zhejiang Greentown Yuhua Education and Technology Company Limited 浙江綠城育華教育科技有限公司	July 8, 2015 the PRC	RMB10,000,000/ RMB10,000,000	—	100%	Education consultant service
Guoqin Greentown (Beijing) Asset Management Company Limited 國勤綠城(北京)資產管理有限公司	September 25, 2015 the PRC	RMB3,000,000/—	—	60%	Investment consultant service, asset management service
Zhejiang Twin Cities Network Company Limited ("**Twin Cities Network**") 浙江雙城網絡科技有限公司 (note (i))	April 2, 2015 the PRC	RMB11,000,000/ RMB4,884,000	—	75%	Computer networking technology, consultant service
Hangzhou Greentown Information and Technology Company Limited ("**Greentown Telecommunication**") 杭州綠城信息技術有限公司 (note (iv))	April 10, 2014 the PRC	RMB10,000,000/ RMB10,000,000	—	100%	Telecommunication service
Greentown Property Service Group (Hong Kong) Co., Limited	November 10, 2015 Hong Kong	HK$40,000,000/ HK$40,000,000	—	100%	Investment holding
Lingshui Greentown Tiantangniao Holiday House Management Company Limited 陵水綠城天堂鳥度假屋管理有限公司	March 15, 2016 the PRC	RMB1,000,000/—	—	100%	Resorts management

Name of company	Date and place of incorporation/ establishment	Registered/issued and paid-in capital	Effective interest held by the Company Direct	Effective interest held by the Company Indirect	Principal activity
Sanya Greentown Tiantangniao Holiday House Management Company Limited 三亞綠城天堂鳥度假屋管理有限公司	March 19, 2016 the PRC	RMB1,000,000/—	—	100%	Resorts management

All the PRC entities are limited liability companies. The English translation of the company names is for reference only. The official names of these companies are in Chinese.

(i) During the Relevant Periods, certain subsidiaries were acquired by the Group. Detailed information of the acquisitions was set out in note 31(a).

(ii) During the Relevant Periods, certain subsidiaries were disposed of by the Group. Detailed information of the disposals was set out in note 31(b).

(iii) As part of the Reorganisation of the Group in preparation for the listing of the Company's shares on the Stock Exchange, the Group disposed of certain non-core business. Detailed information of the disposed entities under the Reorganisation is set out in note 8 and 31(d).

(iv) Greentown Telecommunication was consolidated by Hangzhou Osmanthus Garden Investment Management, a subsidiary of the Company on October 10, 2015 through the structured contracts entered into among Hangzhou Osmanthus Garden Investment Management, Greentown Telecommunication and its shareholders (Mr.Yang Zhangfa and Ms. Li Hairong). Mr. Yang Zhangfa, the executive director and chief executive officer of the Company, and Ms. Li Hairong, the Chairlady and executive director of the Company, hold 51% and 49% equity interests of Greentown Telecommunication, respectively. Detailed information of the acquisitions was set out in note 31(a).

Greentown Telecommunication was subsequently disposed of on 5 April 2016. Detailed information of the disposal was set out in note 2 to Section C.

(c) Basis of measurement

The Financial Information is presented in Renminbi ("**RMB**"), rounded to the nearest thousand, which is the presentation currency. It is prepared on the historical cost basis except for financial assets classified as fair value through profit or loss and available-for-sale (see note 1(h)) which are stated at their fair value.

RMB is the functional currency for the Company's subsidiaries established in the mainland China. The functional currency of the Company and the Company's subsidiaries outside the mainland China are Hong Kong dollars.

(d) Use of estimates and judgments

The preparation of Financial Information in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the Financial Information and major sources of estimation uncertainty are discussed in note 2.

(e) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled (including structured entities) by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is included in the Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company.

Non-controlling interests in the results of the Group are presented on the face of the consolidated statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(o) or (p) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(h)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 1(f)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(x)).

(f) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the Financial Information under the equity method, unless it is classified as held for sale (or included in a disposal Group that is classified as held for sale) (see note 1(x)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(g) and (l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statements of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statements of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(h)).

In the Company's statement of financial position, investments in associates and joint venture are stated at cost less impairment losses (see note 1(l)), unless classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(x)).

(g) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or Groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(l)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(h) Other investments in debt and equity financial instruments

The Group's policies for investments in debt and equity financial instruments, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity financial instruments are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in financial instruments held for trading or designated as at fair value through profit or loss are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in note 1(u)(iii) and (iv).

Dated debt financial instruments that the Group have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity financial instruments are stated at amortised cost less impairment losses (see note 1(l)).

Investments in financial instruments which do not fall into any of the above categories are classified as available-for-sale financial instruments. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity financial instruments that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 1(l)). Dividend income from equity financial instruments and interest income from debt financial instruments calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in notes 1(u)(iii) and 1(u)(iv), respectively. Foreign exchange gains and losses resulting from changes in the amortised cost of debt financial instruments are also recognised in profit or loss.

When the investments are derecognised or impaired (see note 1(l)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(i) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(k)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are accounted for using the cost model and stated in the consolidated financial position at cost less accumulated depreciation, amortisation and impairment losses (see note 1(l)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale (see note 1(x)), as follows:

— Buildings 20 years

When the use of a property changes from investment property to owner-occupied property, the property is reclassified as property, plant and equipment. The transfer under cost model does not change the carrying amount of the property transferred as well as the cost of the property.

(j) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(l)):

— buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(k)); and

— other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(w)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

—	Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years after the date of completion	
—	Motor vehicles	3–10 years
—	Leasehold improvement	3–5 years
—	Office equipment and furniture	3–5 years
—	Software	2–10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(l) Impairment of assets

(i) Impairment of investments in debt and equity financial instruments and other receivables

Investments in debt and equity financial instruments and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial instruments are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in associates and joint ventures accounted for under the equity method (see note 1(f)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1(l)(ii).

— For unquoted equity financial instruments carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity financial instruments carried at cost are not reversed.

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

— For available-for-sale financial instruments, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity financial instruments are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt financial instruments are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for trade and other receivables are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— pre-paid interests in leasehold land classified as being held under an operating lease;

— goodwill; and

— investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, the recoverable amount of goodwill is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, if measurable or value in use, if determinable.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(m) Inventories

Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

— *Property under development for sale*

The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 1(w)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

— *Completed property held for sale*

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of trade and other receivables (see note 1(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of trade and other receivables.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(t)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to PRC local retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred.

(ii) Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the date of the grant. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions.

The proceeds received from the exercise of the equity instruments, net of any directly attributable transaction costs, are credited to share capital when the equity instruments are exercised.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "**holder**") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with 1(t)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. A provision for onerous contracts is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Property management service fee, property consulting service fee and community value-added service fee

These fees are recognised when services are rendered.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(v) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Non-current assets held for sale and discontinued operations

(i) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 1.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the consolidated statements of profit or loss, which comprises:

— the post-tax profit or loss of the discontinued operation; and

— the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies, which are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following critical accounting policies involve the most significant judgements and estimates used in the preparation of the Financial Information.

Note 32 contain information about the assumptions and their risk factors relating to financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Estimated collection rate of property management fee

The Group's revenue from its property management services under lump-sum basis are recognized based on estimated collection rate of property management fee in each of the residential communities and commercial properties managed by the Group. Significant management estimation is required to determine the collection rate of property management fee that can be collected in each of the residential communities and commercial properties, based upon the payment rate of property management fee in each of the residential communities and commercial properties managed by the Group.

(ii) Impairment for trade and other receivables

The Group estimates impairment losses for trade and other receivables resulting from the inability of the customers to make the required payments. The Group bases the estimates on the aging of the trade and other receivable balance, customer credit-worthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual write-offs would be higher than estimated.

(iii) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognized and measured based on the expected manner of realisation or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in future years.

(iv) Income tax

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the provisions for income taxes, as the calculations of which depend on the ultimate tax determinations and are subject to uncertainties. When the final tax outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determinations are made.

(v) Impairment of non-current assets

If circumstances indicate that the carrying amounts of property, plant and equipment, investment properties, interest in associates and interest in joint ventures may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognized when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs to sell and value in use. In determining the recoverable amount which requires significant judgements, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

3 SEGMENT REPORTING AND FINANCIAL INFORMATION BY SERVICE LINES

(a) Segment information

The Group manages its businesses by geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following 5 reportable segments.

- Region 1: Hangzhou (include Yuhang)
- Region 2: Yangtze River Delta Region (include Ningbo)
- Region 3: Pearl River Delta Region
- Region 4: Bohai Economic Rim Region
- Region 5: Other Regions (include discontinued operations)

Currently, all the Group's activities are carried out in the PRC.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all non-current assets and current assets with the exception of deferred tax assets. Segment liabilities include trade payables, accruals of the individual segments and bank borrowings managed directly by the segments with exceptions of current taxation and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments.

The measure used for reporting segment profit is profit before taxation. In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter segment sales), interest income and expense from cash balances and borrowings managed directly by segments, depreciation and amortisation, impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the Relevant Periods is set out below:

	Year ended December 31, 2013							
	Hangzhou		Yangtze River Delta Region		Pearl River Delta Region	Bohai Economic Rim Region	Other Regions (include discontinued operations)	Total
	Hangzhou (exclude Yuhang)	Yuhang Region	Yangtze River Region (exclude Ningbo)	Ningbo Region				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	521,345	84,562	469,728	154,731	69,673	234,820	190,825	1,725,684
Inter-segment revenue	3,877	—	601	—	—	—	—	4,478
Reportable segment revenue	525,222	84,562	470,329	154,731	69,673	234,820	190,825	1,730,162
Reportable segment profit/(loss)	31,349	7,957	34,008	(92)	3,587	21,537	3,973	102,319
Interest income	607	32	86	30	15	70	128	968
Interest expense	(2,732)	—	—	—	—	—	—	(2,732)
Share of profits less losses of associates	816	—	—	—	—	—	1,774	2,590
Share of profits less losses of joint ventures	(245)	—	—	—	—	—	(99)	(344)
Depreciation and amortization for the year	(6,050)	(186)	(1,437)	(502)	(153)	(395)	(808)	(9,531)
Impairment of goodwill	(94)	—	(183)	—	—	—	—	(277)
Reportable segment assets as at December 31, 2013	357,033	73,406	466,830	87,248	64,061	100,507	195,163	1,344,248
Including:								
Investment in joint ventures	3,094	—	—	—	—	—	246	3,340
Investment in associates	103,131	—	—	—	—	—	—	103,131
Additions to property, plant and equipment segment assets during the year	5,073	342	2,459	266	162	859	1,251	10,412
Reportable segment liabilities as at December 31, 2013	332,773	65,489	446,941	80,303	60,983	69,361	72,343	1,128,193

	Year ended December 31, 2014							
	Hangzhou		Yangtze River Delta Region		Pearl River Delta Region	Bohai Economic Rim Region	Other Regions (include discontinued operations)	Total
	Hangzhou (exclude Yuhang)	Yuhang Region	Yangtze River Region (exclude Ningbo)	Ningbo Region				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	634,466	116,590	676,719	195,277	104,011	291,651	234,917	2,253,631
Inter-segment revenue	5,135	—	606	—	—	—	—	5,741
Reportable segment revenue	639,601	116,590	677,325	195,277	104,011	291,651	234,917	2,259,372
Reportable segment profit	62,338	8,347	48,091	18,529	8,022	41,380	15,429	202,136
Interest income	1,427	41	121	44	11	61	196	1,901
Interest expense	(3,300)	—	—	—	—	—	—	(3,300)
Share of profits less losses of associates	(56)	—	—	—	—	—	3,035	2,979
Share of profits less losses of joint ventures	(433)	(284)	—	—	—	—	(135)	(852)
Depreciation and amortization for the year	(6,936)	(227)	(1,776)	(424)	(205)	(423)	(786)	(10,777)
Impairment of goodwill	(353)	—	—	—	—	—	—	(353)
Reportable segment assets as at December 31, 2014	477,839	59,866	574,151	134,088	52,474	154,854	109,752	1,563,024
Include:								
Investment in joint ventures	1,715	—	—	—	—	—	—	1,715
Investment in associates	4,162	—	—	—	—	—	—	4,162
Additions to property, plant and equipment segment assets during the year	7,071	301	2,658	332	782	533	1,115	12,792
Reportable segment liabilities as at December 31, 2014	451,199	44,613	508,970	109,107	41,453	82,851	82,961	1,321,154

	Year ended December 31, 2015							
	Hangzhou		Yangtze River Delta Region		Pearl River Delta Region	Bohai Economic Rim Region	Other Regions (include discontinued operations)	Total
	Hangzhou (exclude Yuhang)	Yuhang Region	Yangtze River Region (exclude Ningbo)	Ningbo Region				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	823,502	166,876	917,464	231,165	132,419	383,946	263,255	2,918,627
Inter-segment revenue	8,774	86	3,640	902	9	179	12	13,602
Reportable segment revenue	832,276	166,962	921,104	232,067	132,428	384,125	263,267	2,932,229
Reportable segment profit	39,771	21,517	117,049	10,269	21,034	53,000	33,662	296,302
Interest income	1,595	45	269	73	13	110	80	2,185
Interest expense	(9,254)	—	—	—	—	—	—	(9,254)
Share of profits less losses of associates	1,784	—	—	—	—	—	—	1,784
Share of profits less losses of joint ventures	(266)	—	—	—	—	—	—	(266)
Depreciation and amortization for the year	(8,711)	(354)	(1,980)	(467)	(163)	(398)	(568)	(12,641)
Impairment of goodwill	(649)	—	—	—	—	—	—	(649)
Reportable segment assets as at December 31, 2015	694,790	94,137	741,951	160,621	80,504	179,314	148,382	2,099,699
Including:								
Investment in joint ventures	3,104	—	—	—	—	—	—	3,104
Investment in associates	11,946	—	—	—	—	—	—	11,946
Additions to property, plant and equipment segment assets during the year	13,998	602	2,005	622	193	437	1,340	19,197
Reportable segment liabilities as at December 31, 2015	954,345	60,738	575,522	129,882	50,412	70,432	74,320	1,915,651

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Revenue			
Reportable segment revenue	1,730,162	2,259,372	2,932,229
Elimination of inter-segment revenue	(4,478)	(5,741)	(13,602)
Revenue of discontinued operations (note 8)	(54,037)	(49,066)	—
Consolidated revenue (note 4)	1,671,647	2,204,565	2,918,627
Profit			
Reportable segment profits	102,319	202,136	296,302
Elimination of inter-segment profits	—	—	—
Reportable segment profit derived from Group's external customers	102,319	202,136	296,302
Listing expenses	—	(3,383)	(18,176)
Loss/(profit) before taxation from discontinued operation (note 8)	6,071	(135)	—
Consolidated profit before taxation from continuing operations	108,390	198,618	278,126

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Assets			
Reportable segment assets	1,344,248	1,563,024	2,099,699
Elimination of inter-segment receivables	(420,952)	(307,987)	(513,640)
Deferred tax assets	36,279	47,278	55,826
Consolidated total assets	959,575	1,302,315	1,641,885
Liabilities			
Reportable segment liabilities	1,128,193	1,321,154	1,915,651
Elimination of inter-segment payables	(420,952)	(307,987)	(513,640)
Current tax liabilities	42,289	71,864	88,495
Deferred tax liabilities	—	—	2,502
Consolidated total liabilities	749,530	1,085,031	1,493,008

(b) Service lines information

The Group provides the following three service lines:

- Property management services: provision of security, cleaning, gardening and repair and maintenance services.

- Property consulting services: provision of services to real estate developers regarding project planning, design management, construction management and marketing management consulting services during the design and development stages, and display unit management services to facilitate sales of their developed projects.

- Community value-added services: provision of services to owners and residents of the Group's managed communities through a variety of channels. These services include community products and services, home living services and community space services.

(i) Certain financial information by these services lines are set out in the tables below:

Service line profit/(loss) is profit/(loss) derived from revenue and expenses that are allocated to the service line with reference to revenue generated by and expenses incurred by those service lines. These expenses primarily included cost of sales, selling and marketing expenses and administrative expenses. Service line profit/(loss) is reconciled to the consolidated profit before taxation from continuing operations in note 3(b)(ii) below.

Service line assets includes all non-current and current assets except for certain items that are not directly attributable to the service lines as disclosed in note 3(b)(ii).

Service line liabilities include all non-current liabilities and current liabilities except for certain items that are not directly attributable to the service lines as disclosed in note 3(b)(ii) below.

	Year ended December 31, 2013				
	Property management services	Property consulting services	Community value-added services	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Service line revenue from external customers	1,223,889	330,275	117,483	54,037	1,725,684
Inter-service line revenue	—	—	4,478	—	4,478
Service line revenue	1,223,889	330,275	121,961	54,037	1,730,162
Service line profit/(loss)	3,504	67,277	39,656	(7,911)	102,526
Service line assets as at December 31, 2013	250,718	19,453	12,384	14,627	297,182
Service line liabilities as at December 31, 2013	502,911	26,795	32,920	6,487	569,113

	Year ended December 31, 2014				
	Property management services	Property consulting services	Community value-added services	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Service line revenue from external customers	1,623,597	439,415	141,553	49,066	2,253,631
Inter-service line revenue	—	—	5,741	—	5,741
Service line revenue	1,623,597	439,415	147,294	49,066	2,259,372
Service line profit/(loss)	57,949	93,250	52,125	(2,875)	200,449
Service line assets as at December 31, 2014	394,549	60,216	30,408	—	485,173
Service line liabilities as at December 31, 2014	672,007	39,699	57,175	—	768,881

	Year ended December 31, 2015			
	Property management services	Property consulting services	Community value-added services	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Service line revenue from external customers	2,090,872	550,777	276,978	2,918,627
Inter-service line revenue	—	—	13,602	13,602
Service line revenue	2,090,872	550,777	290,580	2,932,229
Service line profit	92,007	106,697	103,733	302,437
Service line assets as at December 31, 2015	484,375	57,117	58,454	599,946
Service line liabilities as at December 31, 2015	951,948	35,402	84,555	1,071,905

(ii) Reconciliation of service line revenue, profit or loss, assets and liabilities:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Revenue			
Service line revenue	1,730,162	2,259,372	2,932,229
Elimination of inter-service line revenue	(4,478)	(5,741)	(13,602)
Revenue of discontinued operations (note 8)	(54,037)	(49,066)	—
Consolidated revenue (note 4)	1,671,647	2,204,565	2,918,627
Profit			
Service line profits	102,526	200,449	302,437
Elimination of inter-service line profits	—	—	—
Service line profit derived from Group's external customers	102,526	200,449	302,437
Unallocated items:			
Listing expenses	—	(3,383)	(18,176)
Other net income	426	200	154
Finance income	968	1,901	2,185
Finance costs	(2,732)	(3,300)	(9,254)
Impairment of goodwill	(277)	(353)	(649)
Share of profits less losses of associates	2,590	2,979	1,784
Share of profits less losses of joint ventures	(344)	(852)	(266)
Loss on disposal of other financial assets	—	(1,315)	(89)
(Loss)/gain on disposal of subsidiaries	(311)	1,951	—
Gain on acquisition of associates	131	—	—
(Loss)/gain on disposal of associates	(658)	476	—
Loss/(profit) before taxation from discontinued operation (note 8)	6,071	(135)	—
Consolidated profit before taxation from continuing operations	108,390	198,618	278,126

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Assets			
Service line assets[(1)]	297,182	485,173	599,946
Unallocated items:			
Cash and cash equivalents	299,441	437,419	835,897
Other financial assets	100,000	134,000	28,200
Investment in associates	103,131	4,162	11,946
Investment in joint ventures	3,340	1,715	3,104
Other receivables	53,297	54,524	60,473
Amounts due from related parties (non-trade)	61,705	137,844	46,493
Other financial assets (non-current)	5,200	200	—
Deferred tax assets	36,279	47,278	55,826
Consolidated total assets	959,575	1,302,315	1,641,885
Liabilities			
Service line liabilities[(1)]	569,113	768,881	1,071,905
Unallocated items:			
Bank loans	40,000	100,000	180,000
Dividends payable	23,704	57,318	21,897
Other taxes and charges payable	21,036	35,026	38,154
Other payables and accruals	50,388	50,423	39,313
Amounts due to related parties (non-trade)	3,000	1,519	742
Amount due to a third party	—	—	50,000
Current tax liabilities	42,289	71,864	88,495
Deferred tax liabilities	—	—	2,502
Consolidated total liabilities	749,530	1,085,031	1,493,008

Note:

(1) include only the items that are directly attributable to the service lines

4 REVENUE AND COST OF SALES

The principal activities of the Group are property management services, property consulting services and community value-added services.

Revenue represents income from property management services, property consulting services and community value-added services.

The amount of each significant category of revenue and cost of sales recognized in the consolidated statements of profit or loss are as follows:

	Year ended December 31,					
	2013		2014		2015	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales
Property management services						
Property management services	1,223,889	1,155,476	1,623,597	1,484,346	2,090,872	1,878,312
	1,223,889	1,155,476	1,623,597	1,484,346	2,090,872	1,878,312
Property consulting services						
Property under construction services	278,800	190,319	377,847	258,512	475,957	336,159
Management consulting services	51,475	19,697	61,568	23,180	74,820	27,698
	330,275	210,016	439,415	281,692	550,777	363,857
Community value-added services						
Community products and services	34,450	24,463	40,862	28,624	105,023	69,949
Home living services	69,045	31,606	84,503	40,482	145,691	64,054
Community space services	13,988	7,657	16,188	6,335	26,264	11,530
	117,483	63,726	141,553	75,441	276,978	145,533
	1,671,647	1,429,218	2,204,565	1,841,479	2,918,627	2,387,702

No revenue from transaction with single external customer is amounted around 10% or more of the Group's revenue of the reporting period over the Relevant Periods.

5 OTHER REVENUE AND OTHER NET INCOME/(LOSS)

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Other revenue			
Government grants (note (i))	9,779	11,431	16,147
Others	678	392	3,924
	10,457	11,823	20,071

(i) Government grants mainly represent unconditional discretionary financial support from local municipal government authorities.

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Other net income/(loss)			
Net loss on sale of property, plant and equipment	(39)	(1,175)	(275)
Net realised gains on other financial assets	391	1,419	429
	352	244	154

6 PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS

Profit before taxation from continuing operations is arrived at after charging/(crediting):

(a) Finance costs

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Interest income on bank deposits	(877)	(1,747)	(2,185)
Interest expense on bank loans	2,732	3,300	9,254
Finance costs	1,855	1,553	7,069

(b) Staff costs

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	983,822	1,172,684	1,136,164
Contributions to defined contribution scheme (note (i))	76,742	105,689	150,451
	1,060,564	1,278,373	1,286,615
Included in:			
— Cost of sales	975,386	1,180,516	1,151,540
— Administrative expenses	85,178	97,857	135,075
	1,060,564	1,278,373	1,286,615

(i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

(c) Other items

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Impairment losses			
— trade and other receivables	13,301	20,969	22,321
— goodwill	277	353	649
	13,578	21,322	22,970
Auditors' remuneration			
— audit services	—	1,229	4,327
Depreciation and amortisation	9,230	10,520	12,641
Operating lease charges	17,444	22,659	28,804

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Current tax			
PRC Corporate Income Tax	33,089	60,239	81,605
Deferred tax			
Origination and reversal of temporary differences	(7,432)	(11,497)	(8,548)
Withholding tax on the profits of the Group's PRC subsidiaries (note (b) (iii))	—	—	2,502
	25,657	48,742	75,559

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Profit before taxation from continuing operation	108,390	198,618	278,126
Notional tax on profit before taxation from continuing operations, calculated at the rates applicable to profits in the tax jurisdictions concerned (note (i) (ii))	27,098	49,655	69,532
Tax effect of non-deductible expenses, net of non-taxable income	554	1,905	1,593
Tax effect of deductible temporary difference (utilised)/not recognised	(1,130)	(4,695)	885
Tax effect of unused tax losses not recognised	1,264	2,246	1,793
Utilisation of tax loss previously not recognized	(1,986)	(562)	(395)
Tax effect of share of results of associates and joint ventures	(143)	193	(351)
Withholding tax on the profits of the Group's PRC subsidiaries (note (iii))	—	—	2,502
Actual tax expenses	25,657	48,742	75,559

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

The income tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the Relevant Periods is 16.5%. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the Relevant Periods.

(ii) PRC Corporate Income Tax

Effective from January 1, 2008, under the PRC Corporate Income Tax Law, the PRC's statutory income tax rate is 25%. The Group's PRC subsidiaries are subject to PRC income tax at 25% unless otherwise specified.

Among the subsidiaries of the Group, the respective tax authority in Hangzhou and Ningbo have approved an income tax rate of 20% for Hangzhou Greentown Vocational Training School and Ningbo Greentown Advertisement Company Limited for the year ended December 31, 2013, 2014 and 2015.

(iii) PRC dividend withholding tax

According to the Implementation Rules of the Corporate Income tax Law of PRC, the Company's subsidiaries in the PRC are levied a 10% withholding tax on dividends declared to their foreign investment holding companies arising from profit earned subsequent to January 1, 2008. In respect of dividends that are subject to the withholding tax, provision for withholding tax is recognised for the dividends that have been declared, and deferred tax liability is recognised for those to be declared in the foreseeable future. As at December 31, 2015, withholding tax of

RMB2,502,000 has been recognised in respect of the tax that would be payable on the distribution of the retained profits of the Group's PRC subsidiaries.

8 DISCONTINUED OPERATIONS

In November 2014, the Group entered into agreements to dispose of its entire equity interest in: (i) the decoration and maintenance services segment and (ii) the health care and related services segment which was consistent with the Group's long-term strategy for its market integration.

The segments were not discontinued operations as at December 31, 2013. To be in line with the disclosure for the year ended December 31, 2014, the consolidated statements of profit or loss for the financial years ended December 31, 2013 have been re-presented to show the discontinued operations separately from continuing operations.

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Results of discontinued operations			
Revenue	54,037	49,066	—
Cost of sales	(49,641)	(41,628)	—
Gross profit	4,396	7,438	—
Other revenue	474	560	—
Other net income/(loss)	74	(44)	—
Selling and marketing expenses	(30)	(8)	—
Administrative expenses	(12,453)	(10,579)	—
Other operating expenses	(298)	(286)	—
Results from operating activities	(7,837)	(2,919)	—
Share of profits less losses of associates	1,774	3,035	—
Share of profits less losses of joint ventures	(99)	(135)	—
Finance income	91	154	—
(Loss)/profit before income tax	(6,071)	135	—
Income tax	(168)	(629)	—
Loss for the year	(6,239)	(494)	—
Attributable to:			
Equity shareholders of the Company	(4,300)	(278)	—
Non-controlling interests	(1,939)	(216)	—
	(6,239)	(494)	—

Loss for the year from discontinued operations has been arrived at after charging:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Depreciation and amortisation	301	257	—
Operating lease charges	1,914	1,812	—
Salaries and other benefits	35,730	37,870	—
Contributions to defined contribution retirement plans	2,068	2,041	—
Net gains/(losses) on sale of property, plant and equipment	46	(50)	—
Net realised gains on other financial assets	28	6	—

Cash flows generated from/(used in) discontinued operations:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	52,544	(65,019)	—
Net cash (used in)/generated from investing activities	(33,769)	28,413	—
Net cash generated from financing activities	5,000	500	—
Net cash generated from/(used in) discontinued operations	23,775	(36,106)	—

9 DIRECTORS' REMUNERATION

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Directors' fees	—	—	—
Salaries, allowances and benefits in kind	646	769	878
Discretionary bonuses	833	1,189	1,409
Retirement scheme contributions	101	117	122
	1,580	2,075	2,409

Details of directors' remuneration are set out as follows:

	Directors' fees	Salaries, Allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2013					
Chairlady					
Ms. Li Hairong	—	266	320	—	586
Executive directors					
Mr. Yang Zhangfa	—	220	282	49	551
Mr. Wu Zhihua	—	160	231	52	443
	—	646	833	101	1,580
Year ended December 31, 2014					
Chairlady					
Ms. Li Hairong	—	327	560	—	887
Executive directors					
Mr. Yang Zhangfa	—	251	364	60	675
Mr. Wu Zhihua	—	191	265	57	513
	—	769	1,189	117	2,075
Year ended December 31, 2015					
Chairlady					
Ms. Li Hairong	—	323	600	—	923
Executive directors					
Mr. Yang Zhangfa	—	251	422	62	735
Mr. Wu Zhihua	—	241	283	60	584
Mr. Chen Hao	—	63	104	—	167
	—	878	1,409	122	2,409

(i) On November 24, 2014, the Company appointed Ms. Li Hairong as the executive director. On November 27, 2015, Mr. Yang Zhangfa, Mr. Wu Zhihua and Mr. Chen Hao were appointed as executive directors, Mr. Shou Bainian and Ms. Xia Yibo were appointed as non-executive directors and Mr. Tian Zaiwei, Mr. Wong Ka Yi and Mr. Poon Chiu Kwok were appointed as independent non-executive directors.

(ii) During the Relevant Periods, no emoluments were paid by the Group to the directors or any of the five highest paid individuals set out in note 10 below as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived or agreed to waive any emoluments during the Relevant Periods. No remuneration was paid to independent non-executive directors during the Relevant Periods as the independent non-executive directors were appointed subsequent to the Relevant Periods.

(iii) Discretional bonus is determined by reference to the performance of individuals and the Group.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the years ended December 31, 2013, 2014 and 2015, of the five individuals with highest emoluments, 3 are directors respectively, whose emoluments are disclosed in note 9 above. The aggregate of the emoluments in respect of the remaining individuals for the years ended December 31, 2013, 2014 and 2015 are set out below:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Salaries, allowance, and benefits in kind	298	374	324
Discretionary bonuses	483	530	741
Retirement scheme contributions	100	121	124
	881	1,025	1,189

The emoluments of the above individuals with the highest emoluments are within the following bands:

	Year ended December 31,		
	2013	2014	2015
	Number of individuals	Number of individuals	Number of individuals
Nil to RMB1,000,000	2	2	2

11 DIVIDENDS

Dividends payable to equity shareholders during the Relevant Periods:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Dividends declared during the year	31,373	120,000	230,000

During the years ended December 31, 2013, 2014 and 2015, dividends of RMB31,373,000, RMB120,000,000 and RMB230,000,000 were declared by Greentown PM respectively.

12 EARNINGS PER SHARE

The calculation of basic earnings per share for the Relevant Periods is based on the profit attributable to equity shareholders of the Company for the years ended December 31, 2013, 2014 and 2015 and 2,000,000,000 shares in issue, as if the Reorganisation and the Capitalisation Issue as set out in the section headed "History and Reorganisation" in the Prospectus and Section C below have been effective on January 1, 2013.

There were no dilutive potential ordinary shares during the Relevant Periods and, therefore, diluted earnings per share are the same as the basic earnings per share.

13 PROPERTY, PLANT AND EQUIPMENT

	Note	Office equipment and furniture	Motor vehicles	Buildings	Leasehold improvements	Software	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost							
At January 1, 2013		23,519	19,258	5,107	5,166	1,333	54,383
Additions		5,440	316	—	3,960	300	10,016
Acquisition of subsidiaries	31(a)	82	160	—	—	—	242
Disposal of subsidiaries	31(b)	(214)	—	—	—	—	(214)
Disposals		(566)	—	—	(327)	—	(893)
At December 31, 2013		28,261	19,734	5,107	8,799	1,633	63,534
Additions		5,231	2,488	—	3,990	771	12,480
Acquisition of subsidiaries	31(a)	31	5	—	—	—	36
Disposal of subsidiaries	31(b)	(1,579)	(1,209)	—	(703)	—	(3,491)
Disposals		(4,932)	(6,452)	(168)	(209)	—	(11,761)
At December 31, 2014		27,012	14,566	4,939	11,877	2,404	60,798
Additions		5,541	1,948	—	6,320	4,942	18,751
Acquisition of subsidiaries	31(a)	50	—	—	—	396	446
Transferred from investment properties (note 14)		—	—	31,015	—	—	31,015
Disposals		(1,089)	(306)	—	(697)	—	(2,092)
At December 31, 2015		31,514	16,208	35,954	17,500	7,742	108,918
Accumulated depreciation							
At January 1, 2013		(12,284)	(6,333)	(650)	(1,712)	(853)	(21,832)
Charge for the year		(4,101)	(1,756)	(253)	(1,683)	(264)	(8,057)
Disposal of subsidiaries	31(b)	157	—	—	—	—	157
Written back on disposal		469	—	—	327	—	796
At December 31, 2013		(15,759)	(8,089)	(903)	(3,068)	(1,117)	(28,936)
Charge for the year		(4,320)	(1,629)	(243)	(2,837)	(275)	(9,304)
Disposal of subsidiaries	31(b)	1,070	477	—	481	—	2,028
Written back on disposal		4,447	4,231	152	209	—	9,039
At December 31, 2014		(14,562)	(5,010)	(994)	(5,215)	(1,392)	(27,173)
Charge for the year		(4,390)	(1,562)	(1,577)	(4,691)	(298)	(12,518)
Transferred from investment properties (note 14)		—	—	(6,998)	—	—	(6,998)
Written back on disposal		887	225	—	269	—	1,381
At December 31, 2015		(18,065)	(6,347)	(9,569)	(9,637)	(1,690)	(45,308)
Net book value							
At December 31, 2013		12,502	11,645	4,204	5,731	516	34,598
At December 31, 2014		12,450	9,556	3,945	6,662	1,012	33,625
At December 31, 2015		13,449	9,861	26,385	7,863	6,052	63,610

Buildings of the Group are all located in the PRC. As at December 31, 2015, buildings with carrying value of RMB22,667,000 were without building ownership certificate due to the collectively-owner rights.

No property, plant and equipment of the Group were pledged as collateral for the Group's borrowings.

14 INVESTMENT PROPERTIES

	Investment properties
	RMB'000
Cost	
At January 1, 2013, December 31, 2013 and 2014	31,015
Transferred to property, plant and equipment	(31,015)
At December 31, 2015	—
Accumulated depreciation	
At January 1, 2013	(3,928)
Charge for the year	(1,474)
At December 31, 2013	(5,402)
At January 1, 2014	(5,402)
Charge for the year	(1,473)
At December 31, 2014	(6,875)
At January 1, 2015	(6,875)
Charge for the year	(123)
Transferred to property, plant and equipment	6,998
At December 31, 2015	—
Net book value	
At December 31, 2013	25,613
At December 31, 2014	24,140
At December 31, 2015	—

Investment properties of the Group are located in the PRC and were fully leased out to third parties until February 2015. Since February 2015, the management of the Group decided to cease to lease out the property after the lapse of the original lease contracts, and a substantial portion of the property has been for own use by the Group. The Group reclassified the property from investment properties to property, plant and equipment in February 2015.

Investment properties of the Group as at December 31, 2013 and 2014 with carrying value of RMB25,613,000 and RMB24,140,000 respectively were without building ownership certificate due to the collectively-owner rights. The Group adopted the cost model to account for the investment properties.

The fair value as at December 31, 2013 and 2014 was RMB53,130,000 and RMB52,440,000. The valuations were carried out by an independent firm of surveyors, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), who have among their staff qualified surveyors of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

No investment properties of the Group were pledged as collateral for the Group's borrowings.

The Group's total future minimum lease income under non-cancellable operating leases is receivable as follows:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Within 1 year	3,730	2,079	—
After 1 year to 5 years	2,079	—	—
	5,809	2,079	—

15 INTEREST IN ASSOCIATES

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Costs of investment, unlisted	18,918	5,242	11,448
Share of post-acquisition results, net of dividends received	693	(1,080)	498
Loans to an associate	83,520	—	—
	103,131	4,162	11,946

The following list contains associates of the Group, all of which are unlisted corporate entities, whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Registered capital	Effective interest held by the Group At December 31, 2013	2014	2015	Principal activity
Yiwu State-owned Greentown Property Services Company Limited ("**Yiwu Greentown PM**") 義烏市國資綠城物業服務有限公司	Incorporated	the PRC	RMB3,000,000	40%	40%	40%	Property management
Shanghai Xinhu Greentown Property Services Company Limited ("**Shanghai Xinhu**") 上海新湖綠城物業服務有限公司	Incorporated	the PRC	RMB5,000,000	40%	40%	40%	Property management
Shenyang Xinhu Greentown Property Services Company Limited 瀋陽新湖綠城物業服務有限公司	Incorporated	the PRC	RMB5,000,000	40%	40%	40%	Property management

Name of associate	Form of business structure	Place of incorporation and business	Registered capital	Effective interest held by the Group At December 31, 2013	2014	2015	Principal activity
Jiaxing Xinhu Greentown Property Services Company Limited 嘉興新湖綠城物業服務有限公司	Incorporated	the PRC	RMB500,000	40%	40%	40%	Property management
Quzhou Xinhu Greentown Services Company Limited 衢州新湖綠城物業服務有限公司	Incorporated	the PRC	RMB500,000	40%	40%	40%	Property management
Jurong Xinhu Baohua Conference Center Company Limited 句容新湖寶華會議中心有限公司	Incorporated	the PRC	RMB100,000	40%	40%	40%	Meeting and banquet services
Zhejiang Xinhu Greentown Property Services Company Limited ("**Zhejiang Xinhu**") 浙江新湖綠城物業服務有限公司	Incorporated	the PRC	RMB3,000,000	40%	40%	40%	Property management
Hangzhou Xinhu Hotel Management Company Limited 杭州新湖酒店管理有限公司	Incorporated	the PRC	RMB1,000,000	40%	40%	40%	Hotel management
Hangzhou Lvjing Cleaning Service Company Limited ("**Hangzhou Lvjing**") 杭州綠晶保潔有限公司 (note (i))	Incorporated	the PRC	RMB5,000,000	20%	—	—	Cleaning and housekeeping service
Hangzhou Chengju Interior Decoration Consulting Company Limited ("**Hangzhou Chengju**") 杭州誠居軟裝設計諮詢有限公司 (note (ii)&(iv))	Incorporated	the PRC	RMB300,000	16%	—	—	Interior design and decoration service
Hangzhou Qianjiang Cemetery Company Limited ("**Qianjiang Cemetery**") 杭州錢江陵園有限公司 (note (iv))	Incorporated	the PRC	RMB30,000,000	30%	—	—	Tomb related service
Hangzhou Greentown Automobile Service Company Limited 杭州綠城汽車服務有限公司 (note (iv))	Incorporated	the PRC	RMB2,000,000	40%	—	—	Automobile maintenance service
Hangzhou Greentown Jiayou Holdings Investment Management Company Limited 杭州綠城家友投資管理有限公司 (note (iv)) . .	Incorporated	the PRC	RMB1,000,000	40%	—	—	Supermarket operations
Zhejiang Greentown Greenery Engineering Company Limited ("**Greentown Greenery**") 浙江綠城園林工程有限公司 (note (iii)&(iv)) . .	Incorporated	the PRC	RMB10,000,000	20%	—	—	Gardening service
Hangzhou Greentown Air-conditioning Equipment Maintenance Services Company Limited ("**Greentown Air-conditioner M&S**") 杭州綠城空調設備維護服務有限公司 (note (iv))	Incorporated	the PRC	RMB30,000,000	30%	—	—	Air-conditioning maintenance service
Hangzhou Lvman Technology Company Limited ("**Lvman Technology**") 杭州綠漫科技有限公司 (note (v))	Incorporated	the PRC	RMB5,000,000	60%	20%	20%	I.T. services Technical consultation
Shanghai Yitang Landscape Design Company Limited ("**Shanghai Yitang**") 上海易唐景觀設計有限公司 (note (vi))	Incorporated	the PRC	RMB2,000,000	25%	—	—	Architecture design service

Name of associate	Form of business structure	Place of incorporation and business	Registered capital	Effective interest held by the Group At December 31, 2013	2014	2015	Principal activity
Zhejiang Greentown Uoko Asset Management Company Limited ("**Greentown Uoko**") 浙江綠城優客資產管理有限公司 (note (vii)) . .	Incorporated	the PRC	RMB30,000,000	—	—	40%	Investment consultant service, asset management service

All the PRC entities are limited liability companies. The English translation of the company name is for reference only. The official names of these companies are in Chinese.

(i) On March 25, 2013, the Group acquired 20% equity interests of Hangzhou Lvjing from Mr. Ju Jianhua, a related party of the Group, at a cash consideration of RMB400,000. The excess of Group's share of acquisition date fair value of the investee's identifiable net assets over the cost of investment of RMB131,000 was recognised in the consolidated statements of profit or loss of the Group for the year ended December 31, 2013. In April 2014, the Group proportionally increased its investment in Hangzhou Lvjing by RMB600,000. In July 2014, the Group disposed of the 20% equity interests in Hangzhou Lvjing at a cash consideration of RMB1,000,000. A gain of RMB408,000 was recognised in the consolidated statement of profit or loss of the Group for the year ended December 31, 2014.

(ii) As set out in note 31(a)(iii), the Group acquired 40% of the equity interests in Greentown Jiabo Decoration and its subsidiaries in 2013. After the acquisition, Greentown Jiabo Decoration, Zhoushan Greentown Jiabo Decoration and Wenzhou Greentown Jiabo Decoration became subsidiaries of the Group, Hangzhou Chengju became an associate of the Group.

(iii) The Group disposed of 15% equity interests in Greentown Greenery at a cash consideration of RMB1,500,000 in 2013.

(iv) As set out in note 31(d), these associates have been disposed of by the Group under the Reorganisation.

(v) As set out in note 31(b)(iv), the Group disposed of 40% equity interests in Lvman Technology at a cash consideration of RMB2,000,000 in 2014. After the disposal, Lvman Technology became an associate of the Group.

(vi) In June 2014, the Group disposed of 25% equity interests in Shanghai Yitang at a cash consideration of RMB500,000.

(vii) In September 2015, the Group entered into a binding cooperation framework agreement with Sichuan Uoko Investment Management Co., Ltd, a Chinese online apartment rental site headquartered in Chengdu, to set up Greentown Uoko, in which the Group holds 40% equity interest.

All of the above associates are accounted for using the equity method in the Financial Information.

Summarised financial information of the individually material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the Financial Information, are disclosed below:

(a) Qianjiang Cemetery

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Gross amounts of the associate's			
Current assets	92,851	—	—
Non-current assets	2,172	—	—
Current liabilities	(58,945)	—	—
Non-current liabilities	—	—	—
Equity	36,078	—	—
Revenue	37,730	48,447	—
Profit for the year	3,953	7,618	—
Other comprehensive income	—	—	—
Total comprehensive income	3,953	7,618	—
Reconciled to the Group's interest in the associate			
Gross amount of net assets of the associate	36,078	—	—
Group's effective interest	30%	—	—
Group's share of net assets of the associates	10,823	—	—
Loans to an associate	83,520	—	—
Carrying amount in the consolidated financial information	94,343	—	—

Loans to an associate are unsecured, interest free and have no fixed repayment terms.

Summarised financial information of the individually immaterial associates, of which the carrying amount of net assets and share of profit/(loss) are disclosed below:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Carrying amount of the net assets of the associates	8,788	4,162	11,946
Share of:			
— Profit/(loss) from continuing operations	816	(56)	1,784
— Profit from discontinued operations	588	749	—

16 INTEREST IN JOINT VENTURES

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Costs of investment, unlisted	3,819	2,705	4,133
Share of post-acquisition results, net of dividends received	(812)	(1,323)	(1,588)
Goodwill	333	333	559
	3,340	1,715	3,104

Details of the Group's interest in joint ventures, which are accounted for using the equity method in the consolidated financial information, are as follows:

Name of associate	Form of business structure	Place of incorporation and business	Registered capital	Effective interest held by the Group At December 31, 2013	2014	2015	Principal activity
Zhejiang Lvxi Property Management Company Limited ("**Zhejiang Lvxi**") 浙江綠西物業管理有限公司	Incorporated	the PRC	RMB5,000,000	50%	50%	50%	Property management
Nantong Golden Butler Property Management Company Limited 南通金管家物業管理有限公司	Incorporated	the PRC	RMB500,000	50%	50%	50%	Property management
Hangzhou Chengpin (note (i))	Incorporated	the PRC	RMB2,000,000	50%	100%	100%	Property management
Shanghai Lvfeng (note (ii))	Incorporated	the PRC	RMB500,000	100%	100%	100%	Property management
Shanghai Huamu Greentown Property Management Company Limited ("**Shanghai Huamu**") 上海花木綠城物業服務有限公司 (note (iii))	Incorporated	the PRC	RMB1,000,000	50%	50%	50%	Property management
Zhuji Greentown Jiabo Decoration Engineering Company Limited ("**Zhuji Greentown Jiabo Decoration**") 諸暨綠城家博裝飾工程有限公司 (note (iv)&(v))	Incorporated	the PRC	RMB200,000	40%	—	—	Interior design and decoration service
Shaoxing County Lvzhong Decoration Engineering Company Limited ("**Lvzhong Decoration**") 紹興縣綠中裝飾工程有限公司 (note (iv)&(v))	Incorporated	the PRC	RMB500,000	40%	—	—	Interior design and decoration service
Anhui Yanye Greentown Property Management Company Limited ("**Anhui Yanye**") 安徽鹽業綠城物業服務有限公司 (note (vi))	Incorporated	the PRC	RMB3,000,000	—	—	60%	Property management

The entities are all PRC limited liability companies. The English translation of the company name is for reference only. The official names of these companies are in Chinese.

(i) As set out in note 31(a)(iv), the Group further acquired 50% equity interests in Hangzhou Chengpin in 2014. Hangzhou Chengpin became a subsidiary of the Group since June 13, 2014.

(ii) As set out in note 31(a)(ii), during the year ended December 31, 2013, the Group further acquired 50% equity interests in Shanghai Lvfeng from the other shareholder, and Shanghai Lvfeng became a wholly-owned subsidiary of the Group thereafter.

(iii) In 2013, the Group established Shanghai Huamu as a joint venture with Shanghai Xinrong Property Management Co. Ltd.

(iv) As set out in note 31(a)(iii), the Group acquired 40% equity interests in Greentown Jiabo Decoration. After the acquisition, these entities became joint ventures of the Group since January 1, 2013.

(v) As set out in note 31(d), these joint ventures have been disposed of by the Group during the Reorganisation.

(vi) During the year ended December 31, 2015, the Group acquired 60% equity interests in Anhui Yanye. According to the articles of association of Anhui Yanye, a shareholder resolution shall be valid and effective only if it has been passed by all equity shareholders. The Group accounted for the investment in Anhui Yanye as interest in joint ventures.

All of the above joint ventures in which the Group participates are unlisted corporate entities with no quoted market prices available.

17 OTHER FINANCIAL ASSETS

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Non-current			
— Unlisted equity financial instruments available-for-sale	5,200	200	—
Current			
— Financial assets classified as fair value through profit or loss ("**FVTPL**") (note (i) & 32(d))	100,000	134,000	28,200

(i) These financial assets represent certain treasury products issued by certain financial institutions and were purchased at the end of each reporting period. Their fair values approximates approximate to their carrying amounts as at respective year end dates.

As at December 31, 2013, 2014 and 2015, the Group's other financial assets were not considered to be impaired.

The Group's exposure to credit and market risks and fair value information related to FVTPL are disclosed in note 32.

18 PREPAYMENTS FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

A prepayment of RMB91,524,000 was made during 2014 in relation to the purchase of a new office building from an independent third party. The second prepayment of RMB39,000,000 was made during 2015 according to the contract payment terms.

19 INVENTORIES

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Properties under development	7,941	—	—
Properties held for sale	768	492	342
Consumables	1,911	1,255	1,703
	10,620	1,747	2,045

20 TRADE AND OTHER RECEIVABLES

The Group

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Trade and bills receivable	165,893	216,022	257,808
Less: Allowance for impairment of trade and bills receivables (note 20(b))	(12,472)	(16,078)	(23,156)
	153,421	199,944	234,652
Other receivables	53,297	54,524	60,473
Deposits and prepayments	24,477	30,036	51,038
Amounts due from related parties (note 34)	68,339	181,752	71,485
Amounts due from other staff	10,875	2,712	2,304
Amounts due from directors (note 21)	1,500	—	—
	311,909	468,968	419,952
Non-current	—	31,305	—
Current	311,909	437,663	419,952
	311,909	468,968	419,952

Trade and bills receivables are primarily related to revenue recognised from the provision of property management services, property consulting service and community value-added services.

Amounts due from related parties as at December 31, 2014 and 2015 mainly consist of considerations to be received from the disposal of entities during the Reorganisation amounting to RMB118,805,000 and RMB38,805,000, respectively. RMB80,000,000 of the consideration was settled during 2015 and the remaining RMB38,805,000 will be settled by September 2016 or prior to the listing of the Company's shares on the Stock Exchange, whichever is earlier.

Amounts due from related parties as well as from directors are unsecured and interest free. Details of the amounts due from directors and related parties are set out in note 21 and note 34, respectively.

(a) Ageing analysis

As at the end of each reporting period, the ageing analysis of trade and bills receivable based on the date of revenue recognition and net of allowance for impairment of trade and bills receivables, is as follows:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Within 1 year	133,464	182,262	206,811
1 to 2 years	19,957	16,078	26,237
Over 2 years	—	1,604	1,604
	153,421	199,944	234,652

Trade and bills receivable are due when the receivables are recognized.

(b) Impairment for trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly (see note 1(l)(i)).

The movement in the allowance for impairment of trade and bills receivables during the year, including both specific and collective loss components, is as follows:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
At January 1,	9,898	12,472	16,078
Impairment loss recognised	13,301	20,969	22,321
Uncollectible amounts written off	(10,727)	(17,363)	(15,243)
At December 31,	12,472	16,078	23,156

At December 31, 2013, 2014 and 2015, the Group's trade receivables of RMB1,047,000, RMB1,157,000 and RMB1,257,000 respectively were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowance for impairment of trade and other receivables of RMB1,047,000, RMB1,157,000 and RMB1,257,000 respectively were recognised.

(c) Trade and bills receivable that are not impaired

The ageing analysis of trade and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Neither past due nor impaired	—	—	—
Less than 1 year past due	133,464	182,262	206,811
1 to 2 years past due	7,485	—	3,081
Over 2 years past due	—	1,604	1,604
	140,949	183,866	211,496

An amount of RMB1,604,000 is past due over 2 years against which the Group held collaterals. On that basis, management consider that no impairment allowance is necessary.

21 LOANS TO OFFICERS

Loans made by the Group:

Name of borrower	Mr. Yang Zhangfa	Mr. Wu Zhihua
Position	Executive director	Executive director
Terms of the credit transactions		
— Duration and repayment terms	Repayable on demand	Repayable on demand
— Loan amount (RMB'000)	4,500	1,860
— Interest rate	Interest free	Interest free
— Security	None	None

Name of borrower	Mr. Yang Zhangfa	Mr. Wu Zhihua	Total
Balance of the loan			
At December 31, 2013	1,500	—	1,500
At December 31, 2014	—	—	—
At December 31, 2015	—	—	—
Maximum balance outstanding			
— during 2013	4,500	500	5,000
— during 2014	4,500	—	4,500
— during 2015	—	—	—

There was no amount due but unpaid, nor any provision made against the balances at December 31, 2013, 2014 and 2015 respectively.

22 RESTRICTED BANK BALANCES

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Escrow funds held on behalf of customers	6,863	22,974	43,155
Cash collected on behalf of the owners' associations	22,491	29,322	43,290
Restricted deposits	—	5,151	4,171
Deposits for utilities	90	90	164
	29,444	57,537	90,780

Escrow funds represents the advance cash deposits received from buyers as requested by sellers to secure the transactions during the provision of real estate agency services.

The Group has cash collection on behalf of the owners' associations in its property management services business. Since the owners' associations are not allowed to open bank accounts, the Group opens and manages these bank accounts on behalf of the owners' associations.

As at December 31, 2014 and 2015, restricted deposits represent certain deposits in the designated banks as guarantees for the execution of cleaning services.

23 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	The Group			The Company		
	At December 31,			At December 31,		
	2013	2014	2015	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash in hand	1,158	781	793	—	—	—
Cash at bank	327,727	494,175	925,884	—	—	172
	328,885	494,956	926,677	—	—	172
Less: Restricted bank balances (note 22)	(29,444)	(57,537)	(90,780)	—	—	—
	299,441	437,419	835,897	—	—	172

As at December 31, 2013, 2014 and 2015, the cash and bank balances of the PRC subsidiaries comprising the Group is not freely convertible into other currencies and subject to Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

(b) Reconciliation of profit before taxation to cash generated from operations:

		Year ended December 31,		
		2013	2014	2015
	Note	RMB'000	RMB'000	RMB'000
Operating activities				
Profit/(loss) before taxation				
— from continuing operations		108,390	198,618	278,126
— from discontinued operations	8	(6,071)	135	—
Adjustments for:				
Depreciation of property, plant and equipment	13	8,057	9,304	12,518
Amortisation of investment properties	14	1,474	1,473	123
Impairment of trade and other receivables	6(c)	13,301	20,969	22,321
Impairment of goodwill	6(c)	277	353	649
Finance costs		2,732	3,300	9,254
Investment income from other financial assets		(419)	(1,425)	(429)
Interest income		(968)	(1,901)	(2,185)
Share of profits less losses of associates		(2,590)	(2,979)	(1,784)
Share of profits less losses of joint ventures		344	852	266
Net (gain)/loss on sale of property, plant and equipment		(7)	1,225	275
Loss/(gain) on disposal of subsidiaries		311	(1,951)	—
Gain on acquisition of associates		(131)	—	—
Loss/(gain) on disposal of associates		658	(476)	—
Loss on disposal of other financial assets		—	1,315	89
Changes in working capital:				
Increase in inventories		(1,728)	(20,502)	(285)
Increase in trade and other receivables		(79,188)	(116,672)	(49,228)
Increase in restricted bank deposits		(7,391)	(28,093)	(33,243)
Increase in receipts in advance and trade and other payables		156,405	299,944	339,329
Cash generated from operations		193,456	363,489	575,796

24 BANK LOANS

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Bank loans — secured			
Within one year or on demand	20,000	—	—
Bank loans — unsecured			
Within one year or on demand	20,000	100,000	180,000
	40,000	100,000	180,000

The effective interest rates of bank loans of the Group at December 31, 2013, 2014 and 2015 ranged from 6.00% to 6.60%, 5.88% to 6.30% and 4.57% to 4.83% per annum.

Secured bank loans with a carrying value of RMB20,000,000 as at December 31, 2013 were secured by the bank deposits with an aggregate balance of RMB22,000,000 of Ms. Li Hairong, the chairlady of the Company.

Unsecured bank loans with a carrying value of RMB10,000,000 and RMB100,000,000 were guaranteed by Greentown Holdings as at December 31, 2013 and 2014 respectively. The above guarantee was released as at December 31, 2015.

Unsecured bank loans with a carrying value of RMB100,000,000 and RMB180,000,000 as at December 31, 2014 and 2015 respectively were granted by a bank under a short-term loan contract with a total facility of RMB200 million.

25 RECEIPTS IN ADVANCE

The amounts are prepaid property management fees received from property owners.

26 TRADE AND OTHER PAYABLES

The Group

	At December 31,		
	2013	**2014**	**2015**
	RMB'000	**RMB'000**	**RMB'000**
Trade payables	11,298	16,985	119,602
– *Billed trade payables*	*3,171*	*4,397*	*12,654*
– *Accrued trade payables*	*8,127*	*12,588*	*106,948*
Deposits	44,569	58,532	80,384
Other taxes and charges payable	21,036	35,026	38,154
Accrued payroll and other benefits	83,395	166,378	160,059
Escrow funds held on behalf of customers (note 22)	6,863	22,974	43,155
Cash collected on behalf of the owners' associations (note 22)	22,491	29,322	43,290
Other payables and accruals	50,388	50,423	39,313
Dividends payable	23,704	57,318	21,897
Receipts on behalf of residents	125,177	183,786	247,302
Amounts due to related parties (note 34)	6,414	5,024	4,274
Amount due to a third party	—	—	50,000
	395,335	625,768	847,430

Trade payables mainly represent payables arising from sub-contracting services including cleaning, landscaping, maintenance and security services provided by suppliers.

Deposits represent miscellaneous decoration deposits received from property owners during the decoration period.

Receipts on behalf of residents represent utility charges received from residents on behalf of utility companies.

The amounts due to related parties are unsecured and interest-free. Details of the amounts due to related parties are set out in note 34.

As part of the Reorganisation, in December 2015, Hangzhou Osmanthus Garden Investment Management Company Limited, a subsidiary of the Company, borrowed RMB50,000,000 from Shanghai Yitang, an associate of the Group in 2012 and 2013, for the settlement of consideration due to the shareholders of Greentown PM (note 29(a)). The amount is unsecured, interest-free and has no fixed terms of repayment.

As of the end of each reporting period, the ageing analysis of billed trade payables, based on invoice date is as follows:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Within 1 month or on demand	1,524	3,420	7,040
After 1 month but within 3 months	690	261	2,454
After 3 months	957	716	3,160
	3,171	4,397	12,654

The Company

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Trade and other payables	—	1	173
	—	1	173

Trade and other payables represents amounts due to subsidiaries and are unsecured, interest-free and has no fixed terms of repayment.

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
At January 1,	28,789	42,289	71,864
Provision for current taxation for the year	33,326	60,375	81,605
Acquisition of subsidiaries	44	39	—
Disposal of subsidiaries	(7)	(152)	—
Payments during the year	(19,863)	(30,687)	(64,974)
At December 31,	42,289	71,864	88,495

(b) Deferred tax assets/(liabilities) recognized

Components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the related movements during the Relevant Periods are as follows:

	Accrued expenses	Provision for trade and other receivables	Provision for onerous contract	Withholding tax on undistributed earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2013	17,576	2,475	8,729	—	28,780
Credited/(charged) to profit or loss	6,643	644	212	—	7,499
At December 31, 2013	24,219	3,119	8,941	—	36,279
At January 1, 2014	24,219	3,119	8,941	—	36,279
Credited/(charged) to profit or loss	11,753	907	(1,655)	—	11,005
Disposal of subsidiaries	—	(6)	—	—	(6)
At December 31, 2014	35,972	4,020	7,286	—	47,278
At January 1, 2015	35,972	4,020	7,286	—	47,278
Credited/(charged) to profit or loss	5,352	4,257	(1,061)	(2,502)	6,046
At December 31, 2015	41,324	8,277	6,225	(2,502)	53,324

Reconciliation to the consolidated statements of financial position

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Net deferred tax asset recognized in the consolidated statements of financial position	36,279	47,278	55,826
Net deferred tax liabilities recognized in the consolidated statements of financial position	—	—	(2,502)
	36,279	47,278	53,324

(c) Deferred tax assets not recognised

Deferred tax assets have not been recognized in respect of the following items:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Unused tax losses			
— PRC	33,966	20,611	26,087

In accordance with the accounting policy set out in note 1(s), the Group has not recognised deferred tax assets of RMB8,492,000, RMB5,153,000 and RMB6,522,000 in the year of 2013, 2014 and 2015 respectively in respect of unused tax losses of certain subsidiaries. The directors consider it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

Pursuant to the relevant laws and regulations in the PRC, the unrecognised tax losses at the end of the reporting period will expire in the following years:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
2014	1,069	—	—
2015	3,059	551	—
2016	7,356	1,476	1,464
2017	10,214	5,456	5,320
2018	12,268	3,912	3,909
2019	—	9,216	8,222
2020	—	—	7,172
	33,966	20,611	26,087

(d) Deferred tax liabilities not recognised

Deferred tax liabilities of RMB7,506,000 were not recognized in respect of the 10% PRC dividend withholding tax that would be payable on the distribution of retained profits of RMB75,059,000 as at December 31, 2015 in respect of the Group's subsidiaries in the PRC as the Company controls the dividend policy of these subsidiaries and it was determined that it was probable that these profits would not be distributed in the foreseeable future.

28 PROVISIONS

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
At January 1,	44,442	40,748	37,041
Provisions made	17,266	18,191	15,736
Provisions utilized	(20,960)	(21,898)	(16,442)
At December 31,	40,748	37,041	36,335
Less: Amount included under "current liabilities"	(21,899)	(23,008)	(18,094)
	18,849	14,033	18,241

The Group were in contracts with certain communities that were operating at a loss. The obligation for the future payments of these communities, net of expected management income, has been provided for.

29 SHARE CAPITAL

(a) Share capital

The Company was incorporated as an exempted company under the laws of the Cayman Islands with limited liability on November 24, 2014 with authorised share capital of HK$380,000 divided into 38,000,000,000 shares of HK$0.00001 each and issued 100,000 share of HK$0.00001 each. The Company issued 96,078 share and 999,803,922 share of HK$0.00001 each on August 7, 2015 and August 20, 2015 respectively. Consequently, HK$10,000 (equivalent to RMB8,000) was credited to share capital.

On August 7, 2015, Hangzhou Osmanthus Garden Investment Management, a subsidiary of the Company, acquired 100% equity interests in Greentown PM from Greentown Holdings and Ms. Li Hairong, for a consideration of RMB50,000,000 which was recorded as a reduction from the Group's equity as a result of this Reorganisation. As a result of the acquisition, Greentown PM became a subsidiary of the Group.

The Reorganisation was not completed as at December 31, 2014. For the purpose of this report, the share capital in the Group's consolidated statement of financial position as at January 1, 2013, December 31, 2013 and 2014 represented the share capital of Greentown PM.

(b) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Group consists of bank loans less cash and cash equivalents, and equity of the Group, comprising issued share capital, retained profits and other reserves.

The directors of the Company review the capital structure periodically. Based on the operating budgets, the directors consider the cost of capital and the risks associated with each class of capital and balances its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

A subsidiary of the Group is subject to externally imposed capital requirements in 2014 and 2015. There was no non-compliance of such capital requirements as at December 31, 2014 and 2015.

30 RESERVES

(a) PRC statutory reserve

According to the PRC Company Law, the PRC subsidiaries of the Group (excluding foreign investment enterprises) are required to transfer 10% of their profit after taxation, as determined under the PRC Accounting Regulations, to the statutory surplus reserve until the reserve balance reaches 50% of their registered capital.

The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory reserve fund can be used to cover previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

(b) Other reserve

Other reserve represents the surplus/deficit between the consideration paid/received and the net assets of a subsidiary acquired/disposed regarding the transactions between the Group and the non-controlling interests that do not result in a loss of control.

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the mainland China. The reserve is dealt with in accordance with the accounting policies set out in note 1(v).

31 ACQUISITIONS AND DISPOSALS

(a) Acquisitions of subsidiaries

Detailed information of acquisitions of subsidiaries was listed as follows:

Acquired entities	Place of establishment	Acquisition date	Acquired ownership interest	Main activity	Consideration
Greentown Lvfa PM (note (i))	PRC	January 28, 2013	2%	Property management	RMB200,000
Shanghai Lvfeng (note (ii))	PRC	April 8, 2013	50%	Property management	RMB250,000
Greentown Jiabo Decoration and its subsidiaries (note (iii))	PRC	January 1, 2013	40%	Interior design and decoration service	RMB800,000
	PRC	January 2, 2014	20%	Interior design and decoration service	RMB1,000,000
Hangzhou Chengpin (note(iv))	PRC	June 13, 2014	50%	Property management	RMB1,015,000
Greentown Telecommunication (note (v))	PRC	October 10, 2015	—	Telecommunication service	—
Twin Cities Network (note (vi))	PRC	November 25, 2015	44%	Computer networking technology, consultant service	RMB152,000

Considerations transferred in acquisitions of subsidiaries are as follows:

Acquisition related costs were insignificant and were expensed as incurred under the line item of "administrative expenses" in the consolidated statements of profit or loss and other comprehensive income.

(i) Acquisition of Greentown Lvfa PM

On January 28, 2013, the Group further acquired an additional 2% of the equity interests in Greentown Lvfa PM from Greentown Property Development Co., Ltd. As a result, the Group's effective interest in Greentown Lvfa PM increased to 51%. Greentown Lvfa PM became a subsidiary of the Group since January 28, 2013.

Before the acquisition of the additional 2% equity interests, Greentown Lvfa PM was accounted for as an associate of the Group using the equity method in the Financial Information. At the acquisition date, the fair value of the 49% equity interests in Greentown Lvfa PM was RMB4,900,000.

Assets and liabilities recognised at the date of acquisition at fair value:

	RMB'000
Trade and other receivables	4,855
Cash and cash equivalents	5,157
Trade and other payables	(12)
Total identifiable net assets acquired	10,000
Fair value of previously held 49% interest in Greentown Lvfa PM	(4,900)
Non-controlling interests arising from acquisition of subsidiaries	(4,900)
Fair value of net identified assets acquired in relation to the ownership interest	200

Goodwill arising on the acquisition

	RMB'000
Fair value of consideration transferred for acquired ownership interest	200
Less: fair value of net identified assets acquired in relation to the ownership interest	(200)
Goodwill arising on the acquisition	—

Net cash inflows arising on the acquisition

	RMB'000
Cash consideration	(200)
Cash and cash equivalents acquired	5,157
	4,957

Impact of the acquisition on the results of the Group

Revenue and profits attributable by the additional businesses generated by the acquirees from the acquisition date to December 31, 2013 are as follows:

	RMB'000
Revenue	—
Loss for the period	(16)

(ii) Acquisition of Shanghai Lvfeng

On April 8, 2013, the Group acquired an additional 50% equity interests in Shanghai Lvfeng from an independent third party at a cash consideration of RMB250,000. As a result, Shanghai Lvfeng became a wholly-owned subsidiary of the Group.

Assets and liabilities recognised at the date of acquisition at fair value:

	RMB'000
Trade and other receivables	15
Cash and cash equivalents	437
Trade and other payables	(318)
Total identifiable net assets acquired	134
Fair value of previously held 50% interest in Shanghai Lvfeng	(67)
Fair value of net identified assets acquired in relation to the ownership interest	67

Goodwill arising on the acquisition

	RMB'000
Fair value of consideration transferred for acquired ownership interest	250
Less: Fair value of net identified assets acquired in relation to the ownership interest	(67)
Goodwill arising on the acquisition[#]	183

\# The goodwill was fully written off as at December 31, 2013 as the management considered that no significant economic synergy effect was arising from this acquisition.

Net cash inflows arising on the acquisition

	RMB'000
Cash consideration	(250)
Cash and cash equivalents acquired	437
	187

Impact of the acquisition on the results of the Group

Revenue and losses attributable by the additional businesses generated by the acquirees from the acquisition date to December 31, 2013 are as follows:

	RMB'000
Revenue	3,857
Loss for the period	(222)

Had the above acquisitions been completed on January 1, 2013, the total Group's revenue and profit from the continuing operations for the year ended December 31, 2013 would be as follows:

	RMB'000
Revenue	1,671,647
Profit for the year	72,908

(iii) Acquisition of Greentown Jiabo Decoration and its subsidiaries

As at January 1, 2013, the Group acquired 40% of the equity interests in Greentown Jiabo Decoration from Zhejiang Shengshi Jiabo at a cash consideration of RMB800,000. After the acquisition, Greentown Jiabo Decoration, Zhoushan Greentown Jiabo Decoration and Wenzhou Greentown Jiabo Decoration became subsidiaries of the Group, Hangzhou Chengju became an associate of the Group, and Zhuji Greentown Jiabo Decoration and Lvzhong Decoration became joint ventures of the Group since January 1, 2013.

Assets and liabilities recognised at the date of acquisition at fair value:

	RMB'000
Property, plant and equipment	242
Investment in joint ventures and associates	2,387
Trade and other receivables	2,769
Cash and cash equivalents	2,876
Trade and other payables	(5,939)
Current taxation	(44)
Non-controlling interests	(526)
Total identifiable net assets acquired	1,765
Non-controlling interests arising from acquisition of subsidiaries	(353)
Fair value of previously held 40% equity interests in Greentown Jiabo Decoration and its subsidiaries	(706)
Fair value of net identified assets acquired in relation to the ownership interest	706

Goodwill arising on the acquisition

	RMB'000
Fair value of consideration transferred for acquired ownership interest	800
Less: Fair value of net identified assets acquired in relation to the ownership interest	(706)
Goodwill arising on the acquisition(#)	94

The goodwill was fully written off as at December 31, 2013 as the management considered that no significant economic synergy effect was arising from this acquisition.

Net cash inflows arising on the acquisition

	RMB'000
Cash consideration	(800)
Cash and cash equivalents acquired	2,876
	2,076

Impact of acquisitions on the results of the Group

Revenue and profits attributable by the additional businesses generated by the acquirees from the acquisition date to December 31, 2013 are as follows:

	RMB'000
Revenue	14,665
Loss for the year	(3,038)

On January 2, 2014, the Group acquired an additional 20% equity interests in Greentown Jiabo Decoration from Hangzhou Greentown Football Club Company Limited at a cash consideration of RMB1,000,000. After the acquisition, the Group held 100% equity interests of Greentown Jiabo Decoration. The excess of the consideration paid over the carrying value of net identifiable assets of RMB632,000 is transferred into other reserve.

Assets and liabilities recognised at the date of acquisition:

	RMB'000
Property, plant and equipment	191
Investment in joint ventures and associates	2,147
Trade and other receivables	5,355
Cash and cash equivalents	1,409
Trade and other payables	(6,842)
Current taxation	(7)
Non-controlling interests	(411)
Total identifiable net assets	1,842
Net identified assets acquired in relation to the ownership interest	368

Other reserve arising on the acquisition

	RMB'000
Fair value of consideration transferred for acquired ownership interest	1,000
Less: Net identified assets acquired in relation to the ownership interest	(368)
Other reserve arising on the acquisition	632

Net cash inflows arising on the acquisition

	RMB'000
Cash consideration	(1,000)
Cash and cash equivalents acquired	—
	(1,000)

(iv) Acquisition of Hangzhou Chengpin

On June 13, 2014, the Group acquired an additional 50% equity interests in Hangzhou Chengpin from Hangzhou CBD Property Management Co., Ltd. at a cash consideration of RMB1,015,000. As a result, Hangzhou Chengpin became a subsidiary of the Group.

Assets and liabilities recognised at the date of acquisition at fair value:

	RMB'000
Property, plant and equipment	36
Trade and other receivables	2,045
Cash and cash equivalents	1,476
Trade and other payables	(2,194)
Current taxation	(39)
Total identifiable net assets acquired	1,324
Fair value of previously held 50% interest in Hangzhou Chengpin	(662)
Fair value of net identified assets acquired in relation to the ownership interest	662

Goodwill arising on the acquisition

	RMB'000
Fair value of consideration transferred for acquired ownership interest	1,015
Less: Fair value of net identified assets acquired in relation to the ownership interest	(662)
Goodwill arising on the acquisition(#)	353

\# The goodwill was fully written off as at December 31, 2014 as the management considered that no significant economic synergy effect was arising from this acquisition and the goodwill of this transaction should be written off.

Net cash inflows arising on the acquisition

	RMB'000
Cash consideration	(1,015)
Cash and cash equivalents acquired	1,476
	461

Impact of the acquisition on the results of the Group

Revenue and losses attributable by the additional businesses generated by the acquirees from the acquisition date to December 31, 2014 are as follows:

	RMB'000
Revenue	583
Loss for the period	(49)

Had the above acquisitions been completed on January 1, 2014, the total Group's revenue and profit from the continuing operations for the year ended December 31, 2014 would be as follows:

	RMB'000
Revenue	2,204,828
Profit for the year	142,743

(v) Acquisition of Greentown Telecommunication

On October 10, 2015, a subsidiary of the Company and Greentown Telecommunication entered into a series of agreements, including exclusive call option agreement, power of attorney agreement, equity pledge agreement and exclusive business cooperation agreement as detailed in the section headed "Structured Contracts" in the Prospectus. After considering the fact and circumstances, the management of the Group concludes that the Group has the power of control over Greentown Telecommunication, therefore the Group consolidated the results and state of affairs of Greentown Telecommunication effective from October 10, 2015.

Assets and liabilities recognised at the date of acquisition at fair value:

	RMB'000
Property, plant and equipment	433
Trade and other receivables	8,861
Cash and cash equivalents	519
Trade and other payables	(2,211)
Total identifiable net assets acquired	7,602
Fair value of net identified assets acquired in relation to the ownership interest	7,602

Net cash inflows arising on the acquisition

	RMB'000
Cash consideration	—
Cash and cash equivalents acquired	519
	519

Impact of the acquisition on the results of the Group

Revenue and losses attributable by the additional businesses generated by the acquirees from the acquisition date to December 31, 2015 are as follows:

	RMB'000
Revenue	688
Loss for the period	(407)

Had the above acquisitions been completed on January 1, 2015, the total Group's revenue and profit from the continuing operations for the year ended December 31, 2015 would be as follows:

	RMB'000
Revenue	2,919,268
Profit for the year	200,640

(vi) Acquisition of Twin Cities Network

On November 25, 2015, the Group further acquired a total of 44% of the equity interests in Twin Cities Network from the other equity shareholders for a total consideration of RMB152,000. As a result, the Group's effective interest in Twin Cities Network increased from 31% to 75%. Twin Cities Network became a subsidiary of the Group after this acquisition.

Assets and liabilities recognised at the date of acquisition at fair value:

	RMB'000
Property, plant and equipment	13
Inventories	13
Trade and other receivables	97
Cash and cash equivalents	298
Trade and other payables	(173)
Non-controlling interests	(745)
Total identifiable net assets acquired	(497)
Fair value of previously held 31% interest in Twin Cities Network	—
Fair value of net identified assets acquired in relation to the ownership interest	(497)

Goodwill arising on the acquisition

	RMB'000
Fair value of consideration transferred for acquired ownership interest	152
Less: Fair value of net identified assets acquired in relation to the ownership interest	497
Goodwill arising on the acquisition[#]	649

The goodwill was fully written off as at December 31, 2015 as the management considered that no significant economic synergy effect was arising from this acquisition and the goodwill of this transaction should be written off.

Net cash inflows arising on the acquisition

	RMB'000
Cash consideration	(152)
Add: consideration not yet paid	152
Cash and cash equivalents acquired	298
	298

Impact of the acquisition on the results of the Group

Revenue and losses attributable by the additional businesses generated by the acquirees from the acquisition date to December 31, 2015 are as follows:

	RMB'000
Revenue	123
Loss for the period	(118)

Had the above acquisitions been completed on January 1, 2015, the total Group's revenue and profit from the continuing operations for the year ended December 31, 2015 would be as follows:

	RMB'000
Revenue	2,918,651
Profit for the year	201,904

(b) Disposal of interests in subsidiaries over which the Group loses control after disposals

During the Relevant Periods, certain subsidiaries were disposed of or deregistered by the Group. Detailed information of the disposals was listed as follows:

Disposed entities	Date and place of incorporation/ establishment	Registered capital	Disposal date	Disposed ownership interest	Main activity	Consideration
Zhejiang Greentown Junyuan Property Management Company Limited ("**Greentown Junyuan PM**") 浙江綠城郡原物業服務有限公司	July 13, 2004 the PRC	RMB1,000,000	May 3, 2013	60%	Property management	RMB3,000,000
Ningbo Lvjing Cleaning Company Limited ("**Ningbo Lvjing**") 寧波綠晶保潔有限公司	September 27, 2009 the PRC	RMB1,500,000	October 1, 2013	100%	Cleaning and maintenance service	RMB1,500,000
Shenyang Yinji Oriental Venice Property Management Company Limited ("**Yinji Oriental PM**") 瀋陽銀基東方威尼斯物業管理有限公司	December 23, 2008 the PRC	RMB3,000,000	April 25, 2014	60%	Property management	RMB1,800,000
Lvman Technology	July 5, 2012 the PRC	RMB5,000,000	June 13, 2014	40%	Telecommunication and technology consultant services	RMB2,000,000

Disposed entities	Date and place of incorporation/ establishment	Registered capital	Disposal date	Disposed ownership interest	Main activity	Consideration
Tonglu Lvsheng Property Services Company Limited ("**Tonglu Lvsheng PM**") 桐廬綠升物業服務有限公司	June 29, 2009 the PRC	RMB500,000	December 24, 2014	100%	Property management	–

(i) Disposal of Greentown Junyuan PM

The Group disposed of 60% of its equity interests in Greentown Junyuan PM to Zhejiang Junyuan Real Estate Company Limited on May 3, 2013 at a cash consideration of RMB3,000,000. The net profit of the disposed entity for the year ended December 31, 2012 was RMB1,253,000 and the net loss up to the date of disposal in 2013 was RMB625,000, which are included in the Financial Information of the Group.

The net assets of the disposed subsidiary at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	57
Trade and other receivables	640
Cash and cash equivalents	6,305
Trade and other payables	(2,298)
Current taxation	(7)
	4,697
Gain on disposal of subsidiaries:	
Consideration received	3,000
Non-controlling interests	1,879
Net assets disposed of	(4,697)
	182
Net cash outflow arising on disposal:	
Consideration received, satisfied in cash	3,000
Less: Cash and cash equivalents disposed of	(6,305)
	(3,305)

(ii) Disposal of Ningbo Lvjing

The Group disposed of 100% of its equity interests in Ningbo Lvjing to Hangzhou Lvjing in October 2013 at a cash consideration of RMB1,500,000. The net loss of the disposed entity up to the date of disposal in 2013 was RMB1,000, which are included in the Financial Information of the Group.

The net assets of the disposed subsidiary at the date of disposal were as follows:

	RMB'000
Trade and other receivables	2,000
Cash and cash equivalents	165
Trade and other payables	(172)
	1,993
Loss on disposal of subsidiaries:	
Consideration received	1,500
Net assets disposed of	(1,993)
	(493)
Net cash inflow arising on disposal:	
Consideration received, satisfied in cash	1,500
Less: Cash and cash equivalents disposed of	(165)
	1,335

(iii) Disposal of Yinji Oriental PM

The Group disposed of 60% of its equity interests in Yinji Oriental PM to Mr. Yang Zhangfa in April 2014 at a cash consideration of RMB3,000,000. The net profit of the disposed entity for the year ended December 31, 2013 was RMB33,000. The net loss up to the date of disposal in 2014 was RMB90,000, which were included in the Financial Information of the Group.

The net assets of the disposed subsidiary at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	41
Trade and other receivables	2,465
Cash and cash equivalents	2,046
Trade and other payables	(2,982)
	1,570
Gain on disposal of a subsidiary:	
Consideration received	3,000
Net assets disposed of	(1,570)
	1,430
Net cash inflow arising on disposal:	
Consideration received, satisfied in cash	3,000
Less: Cash and cash equivalents disposed of	(2,046)
	954

(iv) Disposal of Lvman Technology

On June 13, 2014, the Group disposed of 40% of its equity interests in Lvman Technology to Hangzhou Yunman Information Technology Company Limited at a cash consideration of RMB2,000,000 and Lvman Technology became an associate of the Group thereafter. The net loss of the disposed entity for the year ended December 31, 2013 was RMB604,000. The net loss up to the date of disposal in 2014 was RMB4,000, which were included in the Financial Information of the Group.

The net assets of the disposed subsidiary at date of disposal were as follows:

	RMB'000
Property, plant and equipment	36
Trade and other receivables	3,670
Cash and cash equivalents	533
Inventory	22
Trade and other payables	(55)
	4,206
Non-controlling interest	(1,683)
Net assets of the subsidiaries in relation to the disposed equity interest	2,523
Gain on disposal of a subsidiary:	
Consideration received	2,000
Fair value of remained equity interests held in Lvman Technology.	841
Net assets disposed of	(2,523)
	318
Net cash inflow arising on disposal:	
Consideration received, satisfied in cash	2,000
Less: Cash and cash equivalents disposed of	(533)
	1,467

The equity interests retained subsequent to disposal are accounted for in the Financial Information as interests in associates.

(v) Liquidation of Tonglu Lvsheng PM

In June 2013, Tonglu Lvsheng PM, which the Group held 100% equity interests of, entered into liquidation. The liquidation was completed in December 2014. The net liquidation loss of RMB53,000 was recognised in the consolidated statement of profit or loss of the Group for the year ended December 31, 2014.

(c) Disposal of interests in subsidiaries over which the Company still retain control after disposal

(i) Disposal of Greentown Yile

On January 12, 2013, the Group disposed of 40% of its equity interests in Greentown Yile to Greentown Real Estate Group Co., Ltd. at a cash consideration of RMB20,000,000 and after this transaction, the equity interests of Greentown Yile held by the Group decreased to 60%. Disposal gain of RMB1,238,000 from this transaction is transferred to other reserve.

The net assets of the subsidiary at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	350
Other investment	40,000
Trade and other receivables	46,051
Cash and cash equivalents	794
Trade and other payables	(40,291)
	46,904
Gain on disposal of a subsidiary recognized in equity:	
Consideration received	20,000
Carrying value of remained equity interests	28,142
Net assets disposed of	(46,904)
	1,238
Net cash inflow arising on disposal:	
Consideration received, satisfied in cash	20,000

(ii) Disposal of Zhejiang Real Estate Agency

On January 15, 2015, the Group disposed of 45% of its equity interests in Zhejiang Real Estate Agency to a third party at a cash consideration of RMB675,000 and after this transaction, the equity interests of Zhejiang Real Estate Agency held by the Group decreased to 55%.

The net assets of the subsidiary at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	953
Inventories	493
Trade and other receivables	1,613
Cash and cash equivalents	27,911
Deferred tax assets	36
Tax payable	(48)
Trade and other payables	(29,458)
	1,500
Gain on disposal of a subsidiary recognized in equity:	
Consideration received	675
Carrying value of remained equity interests	825
Net assets disposed of	(1,500)
	—
Net cash inflow arising on disposal:	
Consideration received, satisfied in cash	675

(d) Disposal of entities under the Reorganisation

The following subsidiaries, associates, joint ventures and other financial assets were disposed of by the Group in 2014 during the Reorganisation. In the share transfer agreement entered into between the Group and the buyer, it is stipulated that all the benefits and risks regarding the equity interests of the companies are transferred to the buyer as at November 30, 2014.

Name of company	Date and place of incorporation/ establishment	Registered capital	Effective equity interest at the disposal date	Principal activity
Subsidiaries (note (i)):				
Greentown Jiabo Decoration and its subsidiaries				
Zhejiang Greentown Jiabo Decoration Engineering Management Company Limited 浙江綠城家博裝飾工程管理有限公司 (note 31(a)(iii))	March 16, 2009 the PRC	RMB5,000,000	100%	Interior design and decoration service
Zhoushan Greentown Jiabo Decoration Engineering Management Company Limited 舟山綠城家博裝飾工程管理有限公司 (note 31(a)(iii))	February 29, 2012 the PRC	RMB500,000	90%	Interior design and decoration service
Wenzhou Greentown Jiabo Decoration Engineering Company Limited 溫州綠城家博裝飾工程管理有限公司 (note 31(a)(iii))	December 9, 2011 the PRC	RMB1,000,000	51%	Interior design and decoration service
Zhejiang Greentown Housing Services System Company Limited 浙江綠城房屋服務系統有限公司	October 24, 2012 the PRC	RMB10,000,000	100%	Interior design, repair and maintenance service
Hangzhou Chengju(#) (note 31(a)(iii))	the PRC	RMB300,000	20%	Interior design and decoration service
Zhuji Greentown Jiabo Decoration(#) (note 31(a)(iii))	the PRC	RMB200,000	50%	Interior design and decoration service
Lvzhong Decoration(#) (note 31(a)(iii))	the PRC	RMB500,000	50%	Interior design and decoration service
Zhejiang Lvjun Hengye Enterprise Development Company Limited and its subsidiaries				

Name of company	Date and place of incorporation/ establishment	Registered capital	Effective equity interest at the disposal date	Principal activity
Zhejiang Lvjun Hengye Enterprise Development Company Limited ("**Lvjun Hengye**") 浙江綠郡恒業實業發展有限公司	August 26, 2010 the PRC	RMB50,000,000	100%	Industrial investment
Hangzhou Qianjiang Cemetery Company Limited(β) 杭州錢江陵園有限公司	the PRC	RMB30,000,000	30%	Tomb related service
Anji Lvjun Ancheng Enterprise Development Company Limited 安吉綠郡安城實業發展有限公司	September 14, 2010 the PRC	RMB30,000,000	100%	Property development and property management service
Zhejiang Greentown Health Development Management Company Limited and its subsidiaries				
Zhejiang Greentown Health Development Management Company Limited 浙江綠城健康促進管理有限公司	March 21, 2006 the PRC	RMB5,000,000	51%	Health consultation and nursing service
Hangzhou Shenlan Internal Medicine Clinic Company Limited 杭州深藍西醫內科診所有限公司	September 28, 2007 the PRC	RMB100,000	26.01%	Medical service
Hangzhou Shangcheng Ziyang Street Community Clinic 杭州市上城區紫陽街道春江花月社區衛生服務站	October 19, 2012 the PRC	RMB30,000	51%	Medical service
Greentown Yile Education Investment Management Company Limited and its subsidiaries				
Greentown Yile Education Investment Management Company Limited ("**Greentown Yile**") 綠城頤樂教育投資管理有限公司 (note 31(c))	January 5, 2011 the PRC	RMB50,000,000	60%	Health care consultation service for the aged

Name of company	Date and place of incorporation/ establishment	Registered capital	Effective equity interest at the disposal date	Principal activity
Hangzhou Greentown Yide Investment Management Company Limited 杭州綠城頤德投資管理有限公司	June 28, 2013 the PRC	RMB3,000,000	60%	Health care consultant service for the aged
Hangzhou Yuhang Greentown Yide Elderly Services Center 杭州市餘杭區綠城頤德居家養老服務中心	September 25, 2014 the PRC	RMB30,000	60%	Health care service
Hangzhou Xihu Greentown Yide Elderly Services Center 杭州市西湖區綠城頤德居家養老服務中心	September 25, 2014 the PRC	RMB30,000	60%	Health care service
Tongxiang Greentown Yile Elderly Services Company Limited 桐鄉綠城頤樂養老服務有限公司	March 8, 2014 the PRC	RMB1,000,000	60%	Health care consultant service for the aged
Zhejiang Gelingtong Elevator Engineering Company Limited 浙江格靈通電梯工程有限公司	September 7, 2005 the PRC	RMB3,000,000	100%	Elevator installation and maintenance service
Zhejiang Greentown Security Services Company Limited 浙江綠城保安服務有限公司	January 6, 2012 the PRC	RMB11,000,000	75%	Community security service
Shenyang Yinji Greenery Engineering Company Limited 瀋陽銀基園林工程有限公司	March 23, 2011 the PRC	RMB300,000	60%	Gardening service
Hangzhou Lvzhen Architectural Decoration Design and Engineering Company Limited 杭州綠臻建築裝飾設計工程有限公司	July 24, 2013 the PRC	RMB2,000,000	100%	Interior design service
Hangzhou Lvjun Funeral Service Company Limited 杭州綠郡生命禮儀服務有限公司	December 20, 2014 the PRC	RMB1,500,000	100%	Etiquette service, economic consultation

Name of company	Date and place of incorporation/ establishment	Registered capital	Effective equity interest at the disposal date	Principal activity
Associates (note (ii))				
Greentown Greenery	the PRC	RMB10,000,000	20%	Gardening service
Hangzhou Greentown Automobile Service Company Limited	the PRC	RMB2,000,000	40%	Automobile maintenance service
Hangzhou Greentown Jiayou Holdings Investment Management Company Limited	the PRC	RMB1,000,000	40%	Supermarket operations
Greentown Air-conditioner M&S	the PRC	RMB30,000,000	30%	Air-conditioning maintenance service
Other financial assets (note (iii))				
Hangzhou Greentown Capital Holding Company Limited 杭州綠城資本控股有限公司 . . .	the PRC	RMB100,000,000	15%	Capital investment
Shanghai Lanxi Health Service Company Limited 上海藍熙健康服務有限公司 . . .	the PRC	RMB200,000,000	15%	Health care service
Hangzhou Greentown Football Club Company Limited 杭州綠城足球俱樂部有限公司 .	the PRC	RMB50,000,000	10%	Organizing football competition and football training
Greentown Modern Agriculture Development Company Limited 綠城現代農業開發有限公司 . . .	the PRC	RMB117,647,000	4.25%	Retail service

All the PRC entities are limited liability companies. The English translation of the company names is for reference only. The official names of these companies are in Chinese.

\# The Group indirectly holds interests in these joint ventures and associates through Greentown Jiabo Decoration.

β The Group indirectly holds interest in Qianjiang Cemetery through Lvjun Hengye.

(i) Reorganisation of subsidiaries

The Group disposed of its equity interests of the above subsidiaries and their investments at a consideration of RMB91,283,000 to Hangzhou Dangui Investment Company Limited as part of the Reorganisation in 2014.

The net assets of the subsidiaries disposed of at the date of disposal in 2014 were as follows:

	RMB'000
Property, plant and equipment	1,386
Investment in associates	96,666
Investment in joint ventures	111
Inventory	29,353
Deferred tax assets	6
Trade and other receivables	99,526
Cash and cash equivalents	11,680
Trade and other payables	(128,116)
Current taxation	(152)
	110,460
Gain or loss on the Reorganisation:	
Consideration receivable	91,283
Carrying value of non-controlling interests	19,434
Net assets disposed of	(110,460)
	257
Net cash inflow arising on disposal:	
Consideration receivable	91,283
Less: Consideration not received yet	(91,283)
Consideration received, satisfied in cash	—
Less: Cash and cash equivalents disposed of	(11,680)
	(11,680)

RMB80,000,000 of the total consideration receivable was settled in 2015.

(ii) Reorganisation of associates

The Group disposed of its equity interests of the above associates at a total consideration of RMB12,587,000 to Hangzhou Dangui Investment Company Limited and the disposal gain was RMB99,000, which was included in the Financial Information of the Group. The consideration receivable as at December 31, 2014 and 2015 was RMB12,587,000 and RMB7,500,000, respectively.

(iii) Reorganisation of other financial assets

The Group disposed of its equity interests of the above other financial assets at a total consideration of RMB19,935,000 to Hangzhou Dangui Investment Company Limited and the disposal loss was RMB1,315,000, which was included in the Financial Information of the Group. The consideration receivable as at December 31, 2014 was RMB14,935,000. The balance was fully settled in 2015.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and fair value risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The management reviews the recoverable amount of each debtor at the end of each reporting period to ensure that adequate impairment losses are recorded for irrecoverable amounts.

The Group has no concentrations of credit risk in view of its large number of customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statements of financial position.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 20.

(b) Liquidity risk

The Group's management reviews the liquidity position of the Group on an ongoing basis, including review of the expected cash inflows and outflows and maturity of loans and borrowings in order to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions and/or from other Group companies to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computing using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay.

	At December 31, 2013					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	41,574	—	—	—	41,574	40,000
Trade and other payables	371,631	—	—	—	371,631	371,631
	413,205	—	—	—	413,205	411,631

	At December 31, 2014					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	105,304	—	—	—	105,304	100,000
Trade and other payables	568,450	—	—	—	568,450	568,450
	673,754	—	—	—	673,754	668,450

	At December 31, 2015					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	186,256	—	—	—	186,256	180,000
Trade and other payables	825,533	—	—	—	825,533	825,533
	1,011,789	—	—	—	1,011,789	1,005,533

(c) Interest rate risk

The Group's interest rate risk arises primarily from cash and cash equivalents, restricted cash and interest-bearing loans. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and variable rate borrowings.

The Group is not exposed to significant interest rate risk for cash and cash equivalents or restricted cash because the interest rates of cash at bank are not expected to change significantly.

The following table details the interest rate profile of the Group's total borrowings:

	At December 31,					
	2013		2014		2015	
	Effective interest rate	RMB'000	Effective interest rate	RMB'000	Effective interest rate	RMB'000
Fixed rate borrowings						
Bank loans	6.00%~ 6.60%	40,000	5.88%~ 6.30%	100,000	4.57%~ 4.83%	180,000
Total borrowings		40,000		100,000		180,000
Fixed rate borrowings as a percentage of total borrowings		100%		100%		100%

All bank loans of the Group as at December 31, 2013, 2014 and 2015 were fixed rate and short-term borrowings, the Group is not exposed to significant interest rate risk for bank loans.

(d) Fair values

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

The valuation is by reference to the discounted cash flows. Key unobservable inputs included expected yields of debt instruments and treasury notes invested by banks and a discount rate that reflects the credit risk of the banks.

		Fair value measurements as at December 31, 2013 categorised into		
	Fair value at December 31, 2013	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Assets:				
FVTPL	100,000	—	—	100,000

		Fair value measurements as at December 31, 2014 categorised into		
	Fair value at December 31, 2014	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Assets:				
FVTPL	134,000	—	—	134,000

		Fair value measurements as at December 31, 2015 categorised into		
	Fair value at December 31, 2015	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Assets:				
FVTPL	28,200	—	—	28,200

The fair values of FVTPL are determined to be approximation to their carrying amount, as they were purchased at the end of each reporting period.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
FVTPL:			
At January 1,	63,000	100,000	134,000
Payment for purchases	100,000	153,000	38,500
Proceeds from sales	(63,000)	(119,000)	(144,300)
At December 31,	100,000	134,000	28,200

33 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at each end of the reporting period not provided for in the Financial Information are set out as follows:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Contracted for	—	40,000	—
Authorised but not contracted for	—	—	—
	—	40,000	—

As at December 31, 2014, capital commitments mainly related to the purchase of the Group's office in Xixi International Business Centre.

(b) Lease commitments

At each end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Within 1 year	10,456	16,023	16,965
After 1 year but within 5 years	6,992	11,936	17,715
	17,448	27,959	34,680

34 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in this Financial Information, the Group entered into the following significant related party transactions during the Relevant Periods.

(a) Name of and relationship with related parties

During the Relevant Periods, transactions with the following parties are considered as related party transactions:

Name of party	Relationship with the Group
Mr. Song Weiping	Shareholder of the Company
Ms. Li Hairong	Shareholder of the Company
Ms. Xia Yibo	Shareholder of the Company
Mr. Shou Bonian	Shareholder of the Company
Greentown Holdings	Mr. Song Weiping is a major shareholder; immediate holding company of Greentown PM before Reorganisation
Mr. Yang Zhangfa	Executive Director of the Company
Mr. Wu Zhihua	Executive Director of the Company
Mr. Chen Hao	Executive Director of the Company
Mr. Ju Jianhua	The spouse of Ms. Li Hairong
Mr. Dong Ke	Key management personnel of the Company
Ms. Sun Caixia	Key management personnel of the Company
Hangzhou Dangui Investment Company Limited ("**Hangzhou Dangui Investment**") and its subsidiaries or joint ventures 杭州丹桂投資管理有限公司及其子公司或合營公司	Entities jointly controlled by Greentown Holdings
Greentown China Holding Limited and its subsidiaries ("**Greentown China**") 綠城中國控股有限公司及其子公司	Mr. Song Weiping is a major shareholder
Hangzhou Lvjing and its subsidiaries	Entities jointly controlled by Mr. Ju Jianhua
Yiwu Greentown PM	Associate of the Group
Nantong Golden Butler Property Management Company Limited	Joint venture of the Group
Hangzhou Chengpin	Joint venture of the Group in 2012 and 2013
Zhejiang Lvxi	Joint venture of the Group
Zhejiang Xinhu and its subsidiaries	Associates of the Group
Shanghai Yitang	Associates of the Group in 2012 and 2013
Shanghai Xinhu and its subsidiaries	Associates of the Group
Hangzhou Greentown Football Club Company Limited 杭州綠城足球俱樂部有限公司	Subsidiary of Greentown Holdings
Hangzhou Greentown Hotel Management Company Limited 杭州綠城酒店管理有限公司	Subsidiary of Greentown Holdings
Zhejiang Black Forestry Engineering Company Limited 浙江黑森林林業科技開發有限公司	Associate of Greentown Holdings

Name of party	Relationship with the Group
Zhejiang Greentown Century Plaza Property Management Company Limited 浙江綠城世紀廣場物業管理有限公司	Subsidiary of Greentown Holdings
Zhejiang Greentown Hospital Investment Company Limited and its subsidiary 浙江綠城醫院投資有限公司及其子公司	Mr. Song Weiping is a major shareholder
Zhejiang Lancheng Trading Company Limited 浙江藍城貿易有限公司	Subsidiary of Greentown Holdings
Hangzhou Greentown Metropolis Architecture Design Company Limited ("**Greentown Metropolis**") 杭州綠城都會建築設計有限公司	Associate of Greentown Holdings
Zhejiang Greentown Jiabo Decoration Engineering Management Company Limited 浙江綠城家博裝飾工程管理有限公司	Associate of Greentown Holdings

* *The English translation of the company name is for reference only. The official names of these companies are in Chinese.*

(b) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	1,298	1,564	1,775
Discretionary bonuses	1,778	2,359	3,059
Retirement scheme contributions	204	248	309
	3,280	4,171	5,143

The above remuneration to key management personnel is included in "staff costs" (see note 6(b)).

(c) Significant related party transactions

Particulars of significant transactions between the Group and the above related parties during the Relevant Periods are as follows:

	Year ended December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Receiving property management support services from:			
— Hangzhou Lvjing and its subsidiaries	59,878	192,743	185,106
Receiving property management support services from:			
— Subsidiary and associate of Greentown Holdings	98	1,735	15,293
Health inspection service fee to:			
— Subsidiary of Zhejiang Greentown Hospital Investment Company Limited	249	1,277	734
Property management service and consulting service income from:			
— Greentown China	110,282	144,907	223,534
Property management service and consulting service income from:			
— Subsidiary and associate of Greentown Holdings	1,286	1,271	1,961
Disposal of subsidiaries and associates to:			
— Hangzhou Dangui Investment	—	123,805	—

The directors consider that all related party transactions during the Relevant Periods were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

(d) Balances with related parties

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Amounts due from Greentown China			
— Trade nature	6,634	43,908	24,848
— Non-trade nature	9,756	10,344	4,002
	16,390	54,252	28,850

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Amounts due from Hangzhou Lvjing and its subsidiaries			
— Non-trade nature	342	5,620	—
Amounts due from Greentown Holdings			
— Non-trade nature	20,627	—	—
Amounts due from Hangzhou Dangui Investment			
— Non-trade nature	—	118,805	38,805
Amounts due from subsidiary and associate of Greentown Holdings			
— Trade nature	—	—	144
— Non-trade nature	22,950	2,449	3,661
	22,950	2,449	3,805
Amounts due from key management personnel			
— Non-trade nature	6,472	—	—
Amounts due from associates or joint ventures			
— Non-trade nature	1,558	626	25

	At December 31,		
	2013	2014	2015
	RMB'000	RMB'000	RMB'000
Amounts due to Greentown China			
— Trade nature	—	201	3,191
Amounts due to Hangzhou Lvjing and its subsidiaries			
— Trade nature	3,414	2,111	—
— Non-trade nature	—	625	—
	3,414	2,736	—
Amounts due to Greentown Holdings			
— Non-trade nature	—	483	483
Amounts due to subsidiary and associate of Greentown Holdings			
— Trade nature	—	1,193	341
— Non-trade nature	3,000	411	159
	3,000	1,604	500
Amounts due to associates/joint ventures			
— Non-trade nature	—	—	100

Amount due from/to related parties are unsecured and interest-free. The directors of the Company confirm that the non-trade nature balance will be settled before the listing of the Company's shares on the Stock Exchange.

35 PRE-IPO SHARE-BASED PAYMENT TRANSACTIONS

On June 30, 2015, Ms. Li Hairong, Mr Yang Zhangfa and Mr. Wu Zhihua agreed in principle that Ms. Li is to transfer 3% shares and 1.5% shares of the Company to Mr. Yang and Mr. Wu respectively upon completion of the Reorganisation. The consideration for the transfer is by reference to the valuation of Greentown PM as at June 30, 2015.

On August 18, 2015, Lilac International Investment Company Limited ("**Lilac**"), a company wholly-owned by Ms. Li Hairong transferred 5,882 and 2,941 shares of the Company to Begonia International Investment Company Limited ("**Begonia**") and Blue-Bay International Investment Company Limited ("**Blue-Bay**"), companies wholly-owned by Mr. Yang Zhangfa and Mr. Wu Zhihua respectively. The consideration will be payable upon the successful listing of the shares of the Company. If the listing does not take place on or before December 31, 2016, Begonia and Blue-Bay shall transfer their respective shares in the Company back to Lilac at nil consideration. The details of the transaction are summarised in the section headed "History and Reorganisation" in the Prospectus.

Discounted Cash Flow Model had been used to estimate the fair value of the shares of Greentown PM. As at June 30, 2015, the estimated fair value of the shares transferred is RMB189,855,000, which was carried out by an independent valuer. The variables and assumptions used in computing the fair value of the shares are based on the management of the Company's best estimate. The value of a share varies with different variables of certain subjective assumptions. The inputs into the model are as follows:

Risk-Free Rate	4%
Weighted Average Cost of Capital	15%
Beta (Relevered)	1.18
Terminal capitalisation rate	14%

No expense was recognised for the year ended December 31, 2015 in relation to share-based payment transaction by the Company as the fair value of the shares granted was approximate to the consideration.

36 PARENT AND ULTIMATE HOLDING COMPANY

As at December 31, 2015, the directors consider the parent and ultimate holding company of the Company to be Orchid Garden Investment, which is incorporated in British Virgin Islands. This entity does not produce financial statements available for public use.

37 POSSIBLE IMPACT OF NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to date of issue of the Financial Information, the HKICPA has issued a number of amendments and new standards which are not yet effective in respect of the financial periods included in the Relevant Periods, and which have not been adopted in the Financial Information.

Of these developments, the following relate to matters that may be relevant to the Group's operations and the Financial Information:

	Effective for accounting periods beginning on or after
Annual Improvements to HKFRSs *HKFRSs 2012–2014 cycle*	January 1, 2016
Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined
Amendments to HKFRS 11, *Accounting for acquisitions of interests in joint operations*	January 1, 2016
Amendments to HKAS 1, *Disclosure initiative*	January 1, 2016
Amendments to HKAS 16 and HKAS 38, *Clarification of acceptable methods of depreciation and amortization*	January 1, 2016
Amendments to HKAS 27, *Equity method in separate financial statement*	January 1, 2016
HKFRS 9, *Financial instruments*	January 1, 2018
HKFRS 15, *Revenue from contracts with customers*	January 1, 2018
HKFRS 16, *Leases*	January 1, 2019

The Group is in the process of making an assessment of what the impact of these new standards and amendments to standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operation and financial position, except for the following.

HKFRS 9 *Financial Instruments*

HKFRS 9 replaces the existing guidance in HKAS 39 *Financial instruments: Recognition and measurement*. HKFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from HKAS 39.

HKFRS 15 *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including HKAS 18 *Revenue*, HKAS 11 *Construction contracts* and HK(IFRIC)-Int 13 *Customer Loyalty Programmes*. It also includes guidance on when to capitalise costs of obtaining or fulfilling a contract not otherwise addressed in other standards, and includes expanded disclosure requirements.

HKFRS 16 *Leases*

HKFRS 16 provides comprehensive guidance for the identification of lease arrangements and their treatment by lessees and lessors. In particular, HKFRS 16 introduces a single lessee accounting model, whereby assets and liabilities are recognised for all leases, subject to limited exceptions. It replaces HKAS 17, *Leases* and the related interpretations including HK(IFRIC)-Int 4, *Determining whether an arrangement contains a lease*.

The Group does not plan to early adopt the above new standards or amendments. With respect to HKFRSs 9, 15 and 16, given the Group has not completed its assessment of their full impact on the Group, their possible impact on the Group's results of operations and financial position has not been quantified.

38 INFORMATION OF STATUTORY FINANCIAL STATEMENTS OF THE SUBSIDIARIES

The statutory financial statements of the following companies comprising the Group for each of the three years ended December 31, 2013, 2014 and 2015, or since their respective dates of acquisition/establishment, where this is a shorter period, were prepared in accordance with the relevant accounting rules and regulations applicable to enterprises in the PRC and were audited during the Relevant Periods by the respective statutory auditors as indicated below:

Name of company	Financial period	Statutory auditors
Zhejiang Lvsheng Property Management Company Limited 浙江綠升物業服務有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Hangzhou Lvzhen Architectural Decoration Design and Engineering Company Limited 杭州綠臻建築裝飾設計工程有限公司	Period from July 24, 2013 (date of incorporation) to December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Hangzhou Xianggui Hotel Management Company Limited 杭州香瑰酒店管理有限公司	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Hohhot Lvmeng Property Services Company Limited 呼和浩特市綠蒙物業服務有限責任公司	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)

Name of company	Financial period	Statutory auditors
Shanghai Lvfeng Property Management Company Limited 上海綠豐物業管理有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
Hangzhou Yijia Property Management Company Limited 杭州怡嘉物業管理有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Ningbo Lvheng Property Management Company Limited 寧波綠恒物業服務有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
Zhejiang Baoye Greentown Property Management Company Limited 浙江報業綠城物業服務有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)

Name of company	Financial period	Statutory auditors
Hangzhou Huake Property Management Company Limited 杭州華科物業管理有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Ningbo Greentown Advertisement Company Limited 寧波綠城廣告有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Ningbo Greentown Property Management Company Limited 寧波綠城物業管理有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Jiaxing Greentown Property Service Company Limited 嘉興綠城物業服務有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)

Name of company	Financial period	Statutory auditors
Shanghai Lvyu Property Management Company Limited 上海綠宇物業管理有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Anhui Greentown Property Management Company Limited 安徽綠城物業管理有限公司	December 31, 2013	Anhui Dacheng Certified Public Accountants (安徽大成會計師事務所)
	December 31, 2014	Anhui Dacheng Certified Public Accountants (安徽大成會計師事務所)
	December 31, 2015	Anhui Dacheng Certified Public Accountants (安徽大成會計師事務所)
Bejing Greentown Property Management Company Limited 北京綠城物業管理有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
Chongqing Greentown Property Management Company Limited 重慶綠城物業服務有限公司	December 31, 2013	Ruihua Certified Public Accountants Chongqing Branch (瑞華會計師事務所(特殊普通合夥) 重慶分所)
	December 31, 2014	Ruihua Certified Public Accountants Chongqing Branch (瑞華會計師事務所(特殊普通合夥) 重慶分所)
	December 31, 2015	Ruihua Certified Public Accountants Chongqing Branch (瑞華會計師事務所(特殊普通合夥) 重慶分所)

Name of company	Financial period	Statutory auditors
Zhejiang Greentown Real Estate Consulting Company Limited 浙江綠城房地產諮詢有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Zhejiang Greentown Cultural Arts Consulting Company Limited 浙江綠城文化策劃有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Zhejiang Greentown Real Estate Agency Company Limited 浙江綠城房屋置換有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Zhejiang Greentown Property Community Service Company Limited 浙江綠城物業園區生活服務有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)

Name of company	Financial period	Statutory auditors
Zhejiang Greentown Hotel Management Company Limited 浙江綠城酒店管理有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Hangzhou Xiaoshan Tulip Hotel Management Company Limited 杭州蕭山鬱金香岸酒店管理有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Hangzhou Liuzhuang Hotel Management Company Limited 杭州留莊酒店管理有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Hangzhou Greentown Vocational Training School 杭州市綠城職業培訓學校	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Xinjiang Greentown Property Management Company Limited (formerly known as "Xinjiang Sunshine Greentown Property Management Company Limited") 新疆綠城物業服務有限公司(原名"新疆陽光綠城物業服務有限公司")	December 31, 2013	Xinjiang Huaguang CPA Co. Ltd. (新疆華光有限責任會計師事務所)
	December 31, 2014	Xinjiang Huaguang CPA Co. Ltd. (新疆華光有限責任會計師事務所)
	December 31, 2015	Xinjiang Huaguang CPA Co. Ltd. (新疆華光有限責任會計師事務所)
Hangzhou Lvman Technology Company Limited 杭州綠漫科技有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)

Name of company	Financial period	Statutory auditors
Shenyang Greentown Property Services Company Limited (formerly known as "Shenyang Greentown Yinji Property Management Company Limited") 瀋陽綠城物業服務有限公司(原名"瀋陽綠城銀基物業服務有限公司")	December 31, 2013	Shenyang Huayuxing United Certified Public Accountants (General Partnership) (瀋陽華宇星聯合會計師事務所(普通合夥))
	December 31, 2014	Shenyang Huayuxing United Certified Public Accountants (General Partnership) (瀋陽華宇星聯合會計師事務所(普通合夥))
	December 31, 2015	Shenyang Huayuxing United Certified Public Accountants (General Partnership) (瀋陽華宇星聯合會計師事務所(普通合夥))
Shenyang Yinji Greenery Engineering Company Limited 瀋陽銀基園林工程有限公司	December 31, 2013	Shenyang Huayuxing United Certified Public Accountants (General Partnership) (瀋陽華宇星聯合會計師事務所(普通合夥))
Shenyang Yinji Oriental Venice Property Management Company Limited 瀋陽銀基東方威尼斯物業管理有限公司	December 31, 2013	Shenyang Huayuxing United Certified Public Accountants (General Partnership) (瀋陽華宇星聯合會計師事務所(普通合夥))
Shenyang Bihe Real Estate Agency Company Limited 瀋陽必和房產置業有限公司	December 31, 2013	Shenyang Huayuxing United Certified Public Accountants (General Partnership) (瀋陽華宇星聯合會計師事務所(普通合夥))
	December 31, 2014	Shenyang Huayuxing United Certified Public Accountants (General Partnership) (瀋陽華宇星聯合會計師事務所(普通合夥))
	December 31, 2015	Shenyang Huayuxing United Certified Public Accountants (General Partnership) (瀋陽華宇星聯合會計師事務所(普通合夥))

Name of company	Financial period	Statutory auditors
Shandong Greentown Property Management Company Limited 山東綠城物業服務有限公司	December 31, 2013	Qingdao Haihui Certified Public Accountants Co., Ltd. (青島海暉有限責任會計師事務所)
	December 31, 2014	Qingdao Haihui Certified Public Accountants Co., Ltd. (青島海暉有限責任會計師事務所)
	December 31, 2015	Qingdao Haihui Certified Public Accountants Co., Ltd. (青島海暉有限責任會計師事務所)
Greentown Property Management Group Company Limited 綠城物業服務集團有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2014	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Zhejiang Lvjun Hengye Enterprise Development Company Limited 浙江綠郡恒業實業發展有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Anji Lvjun Ancheng Enterprise Development Company Limited 安吉綠郡安城實業發展有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Zhejiang Greentown Jiabo Decoration Engineering Management Company Limited 浙江綠城家博裝飾工程管理有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Zhoushan Greentown Jiabo Decoration Engineering Management Company Limited 舟山綠城家博裝飾工程管理有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Wenzhou Greentown Jiabo Decoration Engineering Company Limited 溫州綠城家博裝飾工程管理有限公司..	December 31, 2013	Ruian RongXin C.P.A. Partnership (瑞安融信聯合會計師事務所)

Name of company	Financial period	Statutory auditors
Zhejiang Greentown Housing Services System Company Limited 浙江綠城房屋服務系統有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Zhejiang Gelingtong Elevator Engineering Company Limited 浙江格靈通電梯工程有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Zhejiang Greentown Security Services Company Limited 浙江綠城保安服務有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Zhejiang Greentown Health Development Management Company Limited 浙江綠城健康促進管理有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Hangzhou Shenlan Internal Medicine Clinic Company Limited 杭州深藍西醫內科診所有限公司	December 31, 2013	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Greentown Yile Education Investment Management Company Limited 綠城頤樂教育投資管理有限公司	December 31, 2013	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)
Zhoushan Greentown Dongsha Hotel Management Company Limited 舟山綠城東沙度假酒店管理有限公司	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Hangzhou Greentown Chengpin Property Management Company Limited (formerly known as "Hangzhou Qianxin Greentown Property Management Company Limited") 杭州綠城誠品物業管理有限公司(原名"杭州錢新綠城物業管理有限公司")	December 31, 2014	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Zhejiang Greentown Lvfa Property Management Company Limited 浙江綠城綠發物業服務有限公司	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所)

Name of company	Financial period	Statutory auditors
Xinyang Greentown Property Management Company Limited 信陽綠城物業服務有限公司	December 31, 2015	Ruihua Certified Public Accountants Henan Branch (瑞華會計師事務所(特殊普通合夥) 河南分所)
Qian'an Greentown Services Management Company Limited 遷安綠城物業服務有限公司	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)
Hefei Greentown Real Estate Agency Company Limited 合肥綠城房屋置換有限公司	December 31, 2015	Anhui Dacheng Certified Public Accountants (安徽大成會計師事務所)
Zhejiang Twin Cities Network Company Limited 浙江雙城網絡科技有限公司	December 31, 2015	Zhejiang Yuehua Certified Accountants (浙江嶽華會計師事務所有限公司)
Hangzhou Greentown Information and Technology Company Limited 杭州綠城信息技術有限公司	December 31, 2015	Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥) 浙江分所)

The English translation of the company names is for reference only. The official names of these companies are in Chinese.

C NON-ADJUSTMENT EVENTS AFTER THE REPORTING PERIOD

1. PRE-IPO SHARE AWARD SCHEME

The Company adopted a Pre-IPO Share Award Scheme on January 1, 2016 to its senior management personnel ("the Incentive Targets") in that Lilac transferred an aggregate of 105,000,000 shares ("the Incentive Shares") of the Company to the Mass Wisdom Group Limited ("Mass Wisdom"), a third party trust company, which was appointed as the trustee under the Pre-IPO Share Award Scheme. The shares will be held by Mass Wisdom on behalf of the Incentive Targets.

On April 18, 2016, written resolutions of the shareholders of the Company were passed to approve the amendments to the structure to the Pre-IPO Share Award Scheme. Pursuant to the shareholders resolution, Begonia and Blue-Bay transferred their 30,000,000 and 15,000,000 shares (being 3% and 1.5% of the issued share capital of the Company respectively) of the Company back to Lilac. On April 18, 2016, Lilac transferred 45,000,000 Shares to Mass Wisdom. The 45,000,000 Shares became part of the Incentive Shares and were awarded to Mr. Yang Zhangfa and Mr. Wu Zhihua on April 18, 2016, through the Pre-IPO Share Award Scheme as a continuation of the original grant by Lilac to Begonia and Blue-Bay (note 35).

The shares awarded under the Pre-IPO Share Award Scheme will be vested on the date of Listing. The consideration will be payable upon the successful listing of the shares of the Company by the Incentive Targets to Lilac. If the listing does not take place on or before December 31, 2016, Mass Wisdom shall transfer these shares of the Company back to Lilac at nil consideration. The details of the transaction are summarised in the section "Statutory and General Information — D. Other information — 1. Pre-IPO Share Award Scheme" in Appendix IV to the Prospectus.

As the Pre-IPO Share Award Scheme was adopted after December 31, 2015, there would be no financial impact on the Group's consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2015.

2. TERMINATION OF STRUCTURED CONTRACTS

As set out in note 31(a)(v) to Section B above, Greentown Telecommunication was consolidated by Hangzhou Osmanthus Garden Investment Management, a subsidiary of the Company on October 10, 2015 through the structured contracts entered into among Hangzhou Osmanthus Garden Investment Management, Greentown Telecommunication and its shareholders, Mr. Yang Zhangfa and Ms. Li Hairong. On April 5, 2016, termination agreement on the structured contracts was entered into among Hangzhou Osmanthus Garden Investment Management, Greentown Telecommunication and its shareholders with nil consideration. The structured contracts were no longer effective since then. The management of the Group concludes that the Group no longer has power of control over Greentown Telecommunication and the financial information of the Group has ceased to consolidate the financial information of Greentown Telecommunication after April 5, 2016 accordingly. As at December 31, 2015, the net assets of Greentown Telecommunication is approximately RMB7,200,000.

3. ACQUISITION OF AN ASSOCIATE – ZHEJIANG TWIN CITIES CULTURE AND CREATION COMPANY LIMITED (浙江雙城文化創意有限公司) ("TWIN CITIES CULTURE")

Twin Cities Culture was incorporated on March 17, 2015 with a registered capital of RMB11 million. On February 26, 2016, Zhejiang Greentown Property Community Service Company Limited, a subsidiary of the Group, entered into an equity transfer agreement with Lancheng Property Construction Management Group Co., Ltd. (藍城房產建設管理集團有限公司, of which Mr. Song Weiping is a major shareholder) to acquire its 45% equity interest in Twin Cities Culture for a cash consideration of RMB1. As of February 26, 2016, the paid up capital of Twin Cities Culture was RMB350,000. Zhejiang Greentown Property Community Service Company Limited will make further capital contribution to Twin Cities Culture in proportion to its equity interest in Twin Cities Culture. After the acquisition, Twin Cities Culture became an associate of the Group.

The financial information of Twin Cities Culture is summarised below:

(a) Statement of profit or loss and other comprehensive income

	From March 17, 2015 (date of incorporation) to December 31, 2015
	RMB'000
Revenue	2,881
Cost of sales	(1,297)
Gross profit	1,584
Administrative expenses	(926)
Selling expenses	(2)
Profit from operations	656
Finance income	*
Profit before taxation	656
Income tax	(164)
Profit and total comprehensive income for the period	492

* amount less than RMB1,000

(b) Statement of financial position

	At December 31, 2015
	RMB'000
Non-current assets	
Property, plant and equipment	24
Current assets	
Trade and other receivables	776
Cash and cash equivalents	659
	1,435
Current liabilities	
Trade and other payables	438
Current Taxation	179
	617
Net current assets	818
Total assets less current liabilities	842
Net assets	842
Capital and reserves	
Share capital	350
Reserves	492
Total equity	842

4. CAPITALISATION ISSUE

On June 13, 2016, written resolutions of the shareholders of the Company were passed to approve the matters as set out in the section "Statutory and General Information" in Appendix IV to the Prospectus. It was resolved, among other things, that subject to the share premium account of the Company having sufficient balance, or otherwise being credited as a result of the issue of offer shares pursuant to the global offering, the Directors were authorised to allot and issue a total of 1,000,000,000 shares credited as fully paid at par value to the holders of shares whose names appear on the register of members of the Company at the close of business on the business day immediately preceding the listing date (or as they may direct) in proportion to their respective shareholdings (save that no shareholder shall be entitled to be allotted or issued any fraction of a share) by way of capitalisation of the sum of HK$10,000 standing to the credit of the share premium account of the Company, and the shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the existing issued shares.

D SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to December 31, 2015.

Yours faithfully
KPMG
Certified Public Accountants
Hong Kong

The information set forth in this appendix does not form part of the Accountants' Report prepared by KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this listing document, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this listing document and the Accountants' Report set forth in Appendix I to this listing document.

A CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The following statement of unaudited pro forma adjusted consolidated net tangible assets of Greentown Service Group Co. Ltd. (the "**Company**") and its subsidiaries (collectively the "**Group**") is prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and is set out below to illustrate the effect of the proposed offering by the Company of its shares (the "**Global Offering**") on the consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at December 31, 2015, as if the Global Offering had taken place on December 31, 2015.

The statement of unaudited pro forma adjusted consolidated net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at December 31, 2015 or at any future date.

	Consolidated net tangible assets attributable to the equity shareholders of the Company as of December 31, 2015[(1)]	Estimated net proceeds from the Global Offering[(2)]	Unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of the Company per share	
	RMB'000	RMB'000	RMB'000	RMB[(3)]	HK$[(4)]
	Note 1	Note 2		Note 3	Note 4
Based on an offer price of HK$1.74 (RMB1.47) per share	132,070	1,080,043	1,212,113	0.44	0.51
Based on an offer price of HK$2.20 (RMB1.86) per share	132,070	1,369,649	1,501,719	0.54	0.64

Notes:

(1) The consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as of December 31, 2015 is based on the Group's consolidated net assets as at that date, as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price range of HK$1.74 (equivalent to RMB1.47) and HK$2.20 (equivalent to RMB1.86) per share, respectively, after deduction of the underwriting fees payable and other related expenses payable by the Group of approximately RMB67,134,000 and RMB80,805,000, respectively (excluding approximately RMB30,443,000 of listing expenses which have been accounted for prior to December 31, 2015) and take no account of any shares which may be issued upon the exercise of the Over-allotment Option. For illustrative purpose, the estimated net proceeds from the Global Offering are converted from the Hong Kong dollar into Renminbi at the exchange rate of HK$1.00 to RMB0.85, the exchange rate set by PBOC prevailing on June 13, 2016. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at the rate or at any other rates or at all.

(3) The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company per share is based on 2,777,776,000 shares in issue assuming that the Global Offering and the Capitalisation Issue have been completed on December 31, 2015, but does not take into account of any shares which may be issued upon the exercise of the over-allotment.

(4) Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company per share is converted from Renminbi to the Hong Kong dollar at the exchange rate of RMB0.85 to HK$1.00, the exchange rate set by PBOC prevailing on June 13, 2016. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at the rate or at any other rates or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of the Company to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2015, including but not limited to the termination of the structured contract signed on April 5, 2016 and the acquisition of 45% equity interest in Twin Cities Culture on February 26, 2016. Had the termination of the structured contract been signed and the acquisition of 45% equity interest in Twin Cities Culture been completed on December 31, 2015, our unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of the Company would have been decreased by approximately RMB7,195,000 and our unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of the Company per share would have been decreased by RMB0.003 or HK$0.004.

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of our Group's pro forma financial information for the purpose in this prospectus.

8th Floor
Prince's Building
10 Charter Road
Central
Hong Kong

June 28, 2016

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF GREENTOWN SERVICE GROUP CO. LTD.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Greentown Service Group Co. Ltd. (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at December 31, 2015 and related notes as set out in Part A of Appendix II to the prospectus dated June 28, 2016 (the "**Prospectus**") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "**Global Offering**") on the Group's financial position as at December 31, 2015 as if the Global Offering had taken place at December 31, 2015. As part of this process, information about the Group's financial position as at December 31, 2015 has been extracted by the Directors from the Group's historical financial statements included in the Accountants' Report as set out in Appendix I to the Prospectus.

DIRECTORS' RESPONSIBILITIES FOR THE PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("**HKSAE**") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at December 31, 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed Future Plans and Use of Proceeds in the Prospectus.

OPINION

In our opinion:

a) the pro forma financial information has been properly compiled on the basis stated;

b) such basis is consistent with the accounting policies of the Group, and

c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG
Certified Public Accountants
Hong Kong

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of our Company and of certain aspects of Cayman company law.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on November 24, 2014 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (referred to in this Appendix as the "**Companies Law**"). The Memorandum of Association (the "**Memorandum**") and the Articles of Association (the "**Articles**") comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of members of our Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the objects for which our Company is established are unrestricted (including acting as an investment company), and that our Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.

(b) Our Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on June 13, 2016 to take effect on the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as our Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on terms that, at the option of our Company or the holder thereof, they are liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of our Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither our Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of our Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Companies Law to be exercised or done by our Company in general meeting.

(iii) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by our Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) Disclosure of interests in contracts with our Company or any of its subsidiaries

A Director may hold any other office or place of profit with our Company (except that of the auditor of our Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as the board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with our Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company or the members for any remuneration, profit or other benefits realized by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates (as defined in the Articles) is materially interested, but this prohibition shall not apply to any of the following matters, namely:

(A) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of our Company or any of its subsidiaries;

(B) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(C) any contract or arrangement concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(D) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company; or

(E) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vi) Remuneration

The ordinary remuneration of the Directors shall from time to time be determined by our Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of our Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of our Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of our Company or companies with which it is associated in business) in establishing and making contributions out of our Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with our Company or any of its subsidiaries) and ex-employees of our Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vii) Retirement, appointment and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of our Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in our Company by way of qualification.

A Director may be removed by an ordinary resolution of our Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and our Company) and the members may by ordinary resolution appoint another in his place at the meeting at which such Director is removed. Unless otherwise determined by our Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated:

(A) if he resigns his office by notice in writing delivered to our Company at the registered office of our Company for the time being or tendered at a meeting of the Board;

(B) becomes of unsound mind or dies;

(C) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;

(D) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(E) if he is prohibited from being a director by law;

(F) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with our Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(viii) Borrowing powers

The board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our Company and, subject to the Companies Law, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

Note:

These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of our Company.

(ix) Proceedings of the Board

The board may meet for dispatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(x) Register of Directors and Officers

The Companies Law and the Articles provide that our Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within sixty (60) days of any change in such directors or officers.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by our Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of our Company.

(c) Alteration of capital

Our Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Law:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as our Company in general meeting or as the directors may determine;

(iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as our Company has power to attach to unissued or new shares; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

Our Company may subject to the provisions of the Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(e) Special resolution-majority required

Pursuant to the Articles, a special resolution of our Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles (see paragraph 2(i) below for further details).

A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(f) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognized clearing house (or its nominee(s)) is a member of our Company it may authorize such person or persons as it thinks fit to act as its representative(s) at any meeting of our Company or at any meeting of any class of members of our Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognized clearing house (or its nominee(s)) as if such person was the registered holder of the shares of our Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where our Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

An annual general meeting of our Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the board.

(h) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of our Company and of all other matters required by the Companies Law or necessary to give a true and fair view of our Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of our Company except as conferred by law or authorized by the board or our Company in general meeting. However, an exempted company shall make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before our Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not be less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of our Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), our Company may send to such persons summarized financial statements derived from our Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarized financial statements, a complete printed copy of our Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by our Company in general meeting or in such manner as the members may determine.

The financial statements of our Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings (including an extraordinary general meeting) must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of our Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from our Company, and also to the auditors for the time being of our Company.

Notwithstanding that a meeting of our Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

(A) in the case of a meeting called as an annual general meeting, by all members of our Company entitled to attend and vote thereat; and

(B) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent (95%) of the total voting rights at the meeting of all the members.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(A) the declaration and sanctioning of dividends;

(B) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(C) the election of directors in place of those retiring;

(D) the appointment of auditors and other officers;

(E) the fixing of the remuneration of the directors and of the auditors;

(F) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of our Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and

(G) the granting of any mandate or authority to the directors to repurchase securities of our Company.

(j) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Law.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which our Company has a lien.

The board may decline to recognize any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to our Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for our Company to purchase its own shares

Our Company is empowered by the Companies Law and the Articles to purchase its own Shares subject to certain restrictions and the Board may only exercise this power on behalf of our Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(l) Power for any subsidiary of our Company to own shares in our Company and financial assistance to purchase shares of our Company

There are no provisions in the Articles relating to ownership of shares in our Company by a subsidiary.

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, our Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in our Company.

(m) Dividends and other methods of distribution

Subject to the Companies Law, our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of our Company, 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.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to our Company on account of calls or otherwise.

Whenever the board or our Company in general meeting has resolved that a dividend be paid or declared on the share capital of our Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. Our Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of our Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of our Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to our Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or our Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

(n) Proxies

Any member of our Company entitled to attend and vote at a meeting of our Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting. A proxy need not be a member of our Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced our Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding 20 per cent. (20%) per annum as the board determines.

(p) Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by the board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of our Company or at any relevant general meeting of any class of members of our Company.

(r) Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of our Company under Cayman law, as summarized in paragraph 3(f) of this Appendix.

(s) Procedures on liquidation

A resolution that our Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if our Company shall be wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if our Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If our Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(t) Untraceable members

Pursuant to the Articles, our Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years, (ii) upon the expiry of the 12 year period, our Company has not during that time received any indication of the existence of the member and (iii) our Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to our Company and upon receipt by our Company of such net proceeds, it shall become indebted to the former member of our Company for an amount equal to such net proceeds.

(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

Our Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Operations

As an exempted company, our Company's operations must be conducted mainly outside the Cayman Islands. Our Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account." At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members, (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares, (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law), (d) writing-off the preliminary expenses of the company, and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way.

The Articles includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

Subject to all applicable laws, our Company may give financial assistance to Directors and employees of our Company, its subsidiaries, its holding company or any subsidiary of such holding company in order that they may buy Shares in our Company or shares in any subsidiary or holding company. Further, subject to all applicable laws, our Company may give financial assistance to a trustee for the acquisition of Shares in our Company or shares in any such subsidiary or holding company to be held for the benefit of employees of our Company, its subsidiaries, any holding company of our Company or any subsidiary of any such holding company (including salaried Directors).

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Subject to the provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorize the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorized by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company shall be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share shall not be voted, directly or indirectly, at any meeting of the company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law. Further, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

With the exception of section 34 of the Companies Law, there is no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 2(m) above for further details).

(f) Protection of minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorizing civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Management

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company shall cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place, (ii) all sales and purchases of goods by the company and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, our Company has obtained an undertaking from the Governor-in-Cabinet:

(A) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to our Company or its operations; and

(B) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of our Company.

The undertaking for our Company is for a period of 20 years from December 2, 2014.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of our Company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of our Company. They will, however, have such rights as may be set out in our Company's Articles.

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register shall be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(n) Winding up

A company may be wound up compulsorily by order of the Court voluntarily; or, under supervision of the Court. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles expires, or the event occurs on the occurrence of which the memorandum or articles provides that the company is to be dissolved, or, the company does not commence business for a year from its incorporation (or suspends its business for a year), or, the company is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court, there may be appointed one or more than one person to be called an official liquidator or official liquidators; and the Court may appoint to such office such qualified person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court. A person shall be qualified to accept an appointment as an official liquidator if he is duly qualified in terms of the Insolvency Practitioners Regulations. A foreign practitioner may be appointed to act jointly with a qualified insolvency practitioner.

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets. A declaration of solvency must be signed by all the directors of a company being voluntarily wound up within twenty-eight (28) days of the commencement of the liquidation, failing which, its liquidator must apply to Court for an order that the liquidation continue under the supervision of the Court.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval. A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (pari passu if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. At least twenty-one (21) days before the final meeting, the liquidator shall send a notice specifying the time, place and object of the meeting to each contributory in any manner authorized by the company's articles of association and published in the Gazette in the Cayman Islands.

(o) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(p) Compulsory acquisition

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(q) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, our Company's special legal counsel on Cayman Islands law, have sent to our Company a letter of advice summarizing certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands, as an exempted company with limited liability on November 24, 2014. Our Company has established a place of business in Hong Kong at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on January 22, 2015. Ms. Ng Sau Mei of 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the Companies Law of the Cayman Islands and its constitution comprises the Memorandum and Articles. A summary of certain provisions of the Articles and relevant aspects of the Companies Law of the Cayman Islands is set forth in Appendix III to this prospectus.

2. Changes in the share capital of our Company

The authorized share capital of our Company as of the date of its incorporation was HK$380,000 divided into 38,000,000,000 Shares of HK$0.00001 each.

On November 24, 2014, one fully-paid Share was allotted and issued to Sharon Pierson as the initial subscriber. On the same day, the Share was transferred to Osmanthus Garden Investment and 53,999 Shares, 39,000 Shares and 7,000 Shares, which were all fully paid up at par value, were further allotted and issued to Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment, respectively. On August 7, 2015, our Company allotted and issued 96,078 Shares to Lilac International Investment. On August 18, 2015, Lilac International Investment transferred 5,882 and 2,941 Shares to Begonia International Investment and Blue-Bay International Investment, respectively. On August 19, 2015, Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment transferred 54,000, 39,000 and 7,000 Shares to Orchid Garden Investment, respectively. On August 20, 2015, our Company allotted and issued 509,900,000 Shares, 444,912,745 Shares, 29,994,118 Shares and 14,997,059 Shares to Orchid Garden Investment, Lilac International Investment, Begonia International Investment and Blue-Bay International Investment, respectively. On April 18, 2016, Begonia International Investment and Blue-Bay International Investment transferred 30,000,000 and 15,000,000 Shares to Lilac International Investment, respectively.

Immediately following the completion of the Capitalization issue and the Global Offering, the issued share capital of our Company will be HK$27,777.76 divided into 2,777,776,000 Shares, all fully paid or credited as fully paid and 35,222,224,000 Shares will remain unissued.

Save for aforesaid and as mentioned in the sub-section headed "A. Further Information About Our Company And Our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on June 13, 2016" in this appendix, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of all our Shareholders passed on June 13, 2016

(i) Pursuant to the resolutions in writing of all our Shareholders passed on June 13, 2016:

(a) our Company approved and adopted the Articles, which will come into effect upon the listing of our Shares on the Stock Exchange;

(b) the appointment of each of Mr. Tian Zaiwei, Mr. Wong Ka Yi and Mr. Poon Chiu Kwok as independent non-executive Directors with effect from the Listing Date was approved;

(c) conditional on (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares in issue and Shares to be issued (pursuant to the Global Offering and the Capitalization Issue) and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Joint Global Coordinators) and the Joint Sponsors (on behalf of the Underwriters)) and the Underwriting Agreements not being terminated in accordance with their terms or otherwise:

(i) the Global Offering was approved and our Directors were authorized to effect the same and to allot and issue the Offer Shares pursuant to the Global Offering;

(ii) the grant of the Over-allotment Option by Lilac International Investment to the International Underwriters, pursuant to which Lilac International Investment may be required to sell up to an aggregate of 116,666,000 additional Shares to cover, among other things, the over-allocations in the International Offering was approved; and

(iii) the proposed Listing was approved and our Directors were authorized to implement the Listing;

(d) subject to the share premium account of the Company having sufficient balance, or otherwise being credited as a result of the issue of Offer Shares pursuant to the Global Offering, the Directors were authorised to allot and issue a total of 1,000,000,000 Shares credited as fully paid at par value to the holders of Shares whose names appear on the register of members of the Company at the close of business on the business day immediately preceding the Listing Date (or as they may direct) in proportion to their respective shareholdings (save that no Shareholder shall be entitled to be allotted or issued any fraction of a Share) by way of capitalization of the sum of HK$10,000 standing to the credit of the share premium account of the Company, and the Shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the existing issued Shares;

(e) a general unconditional mandate was granted to our Directors to, inter alia, allot, issue and deal with Shares, securities convertible into Shares (the "**Convertible Securities**") or options, warrants or similar rights to subscribe for any Shares or such convertible securities (the "**Options and Warrants**") and to make or grant offers, agreements or options which might require such Shares, the Convertible Securities or the Options and Warrants to be allotted and issued or dealt with at any time subject to the requirement that the aggregate nominal value of the Shares or the underlying Shares relating to the Convertible Securities or the Options and Warrants so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed the sum of:

(i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Capitalization Issue and of the Global Offering; and

(ii) the nominal amount of our share capital repurchased by our Company (if any) pursuant to the repurchase mandate (as mentioned below).

This mandate does not cover Shares to be allotted, issued or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders. Such mandate will remain in effect until:

(i) at the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or

(iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest;

(f) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Capitalization Issue and the Global Offering.

This mandate only relates to repurchase made on the Stock Exchange or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose) and which are in accordance with all applicable laws and regulations. Such mandate will remain in effect until:

(i) the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or

(iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest; and

(g) the general unconditional mandate as mentioned in paragraph (e) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (f) above (up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering).

4. Corporate reorganization

The companies comprising our Group underwent the Reorganization in preparation for the listing of the Shares on the Stock Exchange. Please refer to the section headed "History and Reorganization" in this prospectus for further details.

5. Changes in the share capital of our subsidiaries

Save as disclosed below, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus:

Beijing Greentown Property Management Company Limited (北京綠城物業管理有限公司)

On September 19, 2014, the registered capital of Beijing Greentown Property Management Company Limited was increased from RMB3,000,000 to RMB5,000,000.

Greentown Property Service Group Jiangsu Company Limited (綠城物業服務集團江蘇有限公司)

On July 3, 2015, Greentown Property Service Group Jiangsu Company Limited was established with a registered capital of RMB10,000,000.

Greentown Property Service Group (Hong Kong) Co., Limited (綠城物業服務集團(香港)有限公司)

Greentown Property Service Group (Hong Kong) Co., Limited was incorporated in Hong Kong on November 10, 2015. On the same day, 10,000,000 ordinary nil-paid shares of Greentown Property Service Group (Hong Kong) Co., Limited were allotted and issued to Greentown Property Management for a consideration of HK$10,000,000. On April 8, 2016, the total issued share capital of Greentown Property Service Group (Hong Kong) Co., Limited was increased to HK$40,000,000 by allotting and issuing 30,000,000 ordinary fully-paid shares to Greentown Property Management for a consideration of HK$30,000,000.

Greentown Service BVI

Greentown Service BVI was incorporated in the BVI on November 25, 2014 and is authorized to issue a maximum of 50,000 ordinary shares. On the same day, 100 ordinary shares of Greentown Service BVI were allotted and issued to our Company for a consideration of US$100.

Greentown Service Hong Kong

Greentown Service Hong Kong was incorporated in Hong Kong on December 16, 2014. On the same day, 100 ordinary shares of Greentown Service Hong Kong were allotted and issued to Greentown Service BVI for a consideration of HK$100.

Guoqin Greentown (Beijing) Asset Management Company Limited (國勤綠城(北京)資產管理有限公司)

On September 25, 2015, Guoqin Greentown (Beijing) Asset Management Company Limited was established with a registered capital of RMB3,000,000.

Hangzhou Osmanthus Garden Investment Management

On July 29, 2015, Hangzhou Osmanthus Garden Investment Management was established with a registered capital of US$20,000,000.

Hefei Greentown Real Estate Agency Company Limited (合肥綠城房屋置換有限公司)

On June 2, 2015, Hefei Greentown Real Estate Agency Company Limited was established with a registered capital of RMB300,000.

Qian'an Greentown Property Services Company Limited (遷安綠城物業服務有限公司)

On December 26, 2014, Qian'an Greentown Property Services Company Limited was established with a registered capital of RMB500,000.

Xinjiang Greentown Property Management Company Limited (新疆綠城物業服務有限公司)

On July 3, 2014, the registered capital of Xinjiang Greentown Property Management Company Limited was increased from RMB600,000 to RMB3,000,000.

Xinyang Greentown Property Management Company Limited (信陽綠城物業服務有限公司)

On August 13, 2014, Xinyang Greentown Property Management Company Limited was established with a registered capital of RMB500,000.

Zhejiang Greentown Yuhua Education and Technology Company Limited (浙江綠城育華教育科技有限公司)

On July 8, 2015, Zhejiang Greentown Yuhua Education and Technology Company Limited was established in the PRC with a registered capital of RMB10,000,000.

Zhejiang Lvsheng Property Management Company Limited (浙江綠升物業服務有限公司)

On October 23, 2015, the registered capital of Zhejiang Lvsheng Property Management Company Limited was increased from RMB5,000,000 to RMB60,000,000.

Twin Cities Network

On April 2, 2015, Twin Cities Network was established with a registered capital of RMB11,000,000.

Lingshui Greentown Tiantangniao Holiday House Management Company Limited (陵水綠城天堂鳥度假屋管理有限公司)

On March 15, 2016, Lingshui Greentown Tiantangniao Holiday Inn Management Company Limited was established with a registered capital of RMB1,000,000.

Sanya Greentown Holiday House Management Company Limited (三亞綠城天堂鳥度假屋管理有限公司)

On March 19, 2016, Sanya Greentown Holiday Inn Management Company Limited was established with a registered capital of RMB1,000,000.

6. Particulars of our subsidiaries

Particulars of our subsidiaries are set forth in Note 1 of Section B of the Accountants' Report, the text of which is set forth in Appendix I to this prospectus.

7. Repurchase of Shares by our Company

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listings are on the Main Board of the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

(*Note*: Pursuant to the resolutions in writing of all our Shareholders passed on June 13, 2016, a general unconditional mandate (the "**Repurchase Mandate**") was granted to our Directors authorizing the repurchase by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue and to be issued immediately following the completion of the Capitalization Issue and the Global Offering, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.)

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles and the laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange as amended from time to time.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate nominal value of the company's shares in issue on the date the repurchase mandate is granted. A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase made on behalf of the listed company as the Stock Exchange may require.

(iv) Status of Repurchased Securities

A listed company may not make any repurchase of securities after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for a listed company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, the listed company may not repurchase its securities on the Stock Exchange other than in exceptional circumstances.

(v) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year reviewed, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(vi) Core Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling his securities to the company, on the Stock Exchange.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to receive the general authority from our Shareholders to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will be in the interest of our Company and our Shareholders. Such repurchases may, depending on market conditions, funding arrangements and other circumstances at the time, lead to an enhancement of the net value of our Company and its assets and/or its earnings per Share.

(c) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles and the applicable laws of the Cayman Islands.

Any payment for the repurchase of Shares will be drawn from the profits or share premium of our Company or from the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if authorized by the Articles and subject to the Companies Law of the Cayman Islands, out of capital and, in the case of any premium payable on the purchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles and subject to the Companies Law of the Cayman Islands, out of capital.

Our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, under the circumstances, have a material adverse effect in the opinion of our Directors on the working capital requirements of our Company or its gearing levels. However, there might be a material adverse impact on the working capital or gearing position of our Company as compared with the position disclosed in this prospectus in the event that the Repurchase Mandate is exercised in full.

(d) Share capital

Exercise in full of the Repurchase Mandate, on the basis of 2,777,776,000 Shares in issue immediately after the listing of the Shares, could accordingly result in up to 277,777,600 Shares being repurchased by our Company during the period until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or

(iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting,

whichever occurs first.

(e) General

None of our Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. Our Company has not repurchased any Shares since its incorporation.

No core connected person (as defined in the Listing Rules) of our Company has notified our Company that he/she or it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a securities repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "**Code**"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of the increase of our Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code as a result. Save as aforesaid, our Directors are not aware of any consequences which may arise under the Code if the Repurchase Mandate is exercised.

If the Repurchase Mandate is fully exercised immediately following the completion of the Global Offering, then, the total number of Shares which will be repurchased pursuant to the Repurchase Mandate shall be 277,777,600 Shares (being 10% of the issued share capital of our Company based on the aforesaid assumptions). The percentage shareholding of our Controlling Shareholders, in aggregate, will increase to approximately 40.8% of the issued share capital of our Company immediately following the full exercise of the Repurchase Mandate. The above-mentioned increase of shareholdings will give rise to an obligation for our Controlling Shareholders to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue may only be implemented with the approval of the Stock Exchange to waive the requirement regarding the public float under Rule 8.08 of the Listing Rules. However, our Directors have no present intention to exercise the Repurchase Mandate to such an extent that, under the circumstances, there would be insufficient public float as prescribed under the Listing Rules.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this prospectus and are or may be material:

(1) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated November 30, 2014, whereby Greentown Property Management agreed to transfer 40% equity interest in Zhejiang Greentown Housing Services System Company Limited (浙江綠城房屋服務系統有限公司) ("**Greentown Housing Services**") to Hangzhou Dangui Investment at a consideration of RMB3,698,298.47;

(2) an equity transfer agreement between Zhejiang Greentown Real Estate Consulting Company Limited (浙江綠城房地產諮詢有限公司) ("**Greentown Real Estate Consulting**") and Hangzhou Dangui Investment dated November 30, 2014, whereby Greentown Real Estate Consulting agreed to transfer 40% equity interest in Greentown Housing Services to Hangzhou Dangui Investment at a consideration of RMB3,698,298.47;

(3) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated November 30, 2014, whereby Greentown Property Management agreed to transfer 40% equity interest in Hangzhou Greentown Jiayou Investment Management Company Limited (杭州綠城家友投資管理有限公司) to Hangzhou Dangui Investment at a consideration of RMB1.00;

(4) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 1, 2014, whereby Greentown Property Management agreed to transfer 30% equity interest in Hangzhou Greentown Air-conditioning Equipment Maintenance Services Company Limited (杭州綠城空調設備維護服務有限公司) to Hangzhou Dangui Investment at a consideration of RMB1,205,776.01;

(5) an equity transfer agreement between Greentown Property Management and Zhejiang Greentown Education Investment Company Limited (浙江綠城教育投資有限公司) ("**Greentown Education Investment**") dated December 18, 2014, whereby Greentown Property Management agreed to transfer 10% equity interest in Hangzhou Greentown Football Club Company Limited (杭州綠城足球俱樂部有限公司) to Greentown Education Investment at a consideration of RMB5,000,000;

(6) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 18, 2014, whereby Greentown Property Management agreed to transfer 60% equity interest in Greentown Yile Education Investment Management Company Limited (綠城頤樂教育投資管理有限公司) to Hangzhou Dangui Investment at a consideration of RMB25,840,374.68;

(7) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 18, 2014, whereby Greentown Property Management agreed to transfer 75% equity interest in Zhejiang Greentown Security Services Company Limited (浙江綠城保安服務有限公司) to Hangzhou Dangui Investment at a consideration of RMB8,255,572.14;

(8) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 18, 2014, whereby Greentown Property Management agreed to transfer 51% equity interest in Zhejiang Greentown Health Development Management Company Limited (浙江綠城健康促進管理有限公司) to Hangzhou Dangui Investment at a consideration of RMB1.00;

(9) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 18, 2014, whereby Greentown Property Management agreed to transfer 100% equity interest in Zhejiang Lvjun Hengye Enterprise Development Company Limited (浙江綠郡恒業實業發展有限公司) to Hangzhou Dangui Investment at a consideration of RMB44,067,446.03;

(10) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 18, 2014, whereby Greentown Property Management agreed to transfer 20% equity interest in Zhejiang Greentown Greenery Engineering Company Limited (浙江綠城園林工程有限公司) to Hangzhou Dangui Investment at a consideration of RMB3,081,438.90;

(11) an equity transfer agreement between Greentown Real Estate Consulting and Hangzhou Dangui Investment dated December 18, 2014, whereby Greentown Real Estate Consulting agreed to transfer 80% equity interest in Zhejiang Greentown Jiabo Decoration Engineering Management Company Limited (浙江綠城家博裝飾工程管理有限公司) ("**Greentown Jiabo Decoration**") to Hangzhou Dangui Investment at a consideration of RMB1.00;

(12) an equity transfer agreement between Zhejiang Greentown Property Community Service Company Limited (浙江綠城物業園區生活服務有限公司) ("**Greentown Community Service**") and Hangzhou Dangui Investment dated December 18, 2014, whereby Greentown Community Service agreed to transfer 20% equity interest in Greentown Jiabo Decoration to Hangzhou Dangui Investment at a consideration of RMB1.00;

(13) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 20, 2014, whereby Greentown Property Management agreed to transfer 40% equity interest in Hangzhou Greentown Automobile Service Company Limited (杭州綠城汽車服務有限公司) to Hangzhou Dangui Investment at a consideration of RMB800,000;

(14) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 20, 2014, whereby Greentown Property Management agreed to transfer 100% equity interest in Hangzhou Lvjun Funeral Service Company Limited (杭州綠郡生命禮儀服務有限公司) to Hangzhou Dangui Investment at a consideration of RMB448,505.27;

(15) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 22, 2014, whereby Greentown Property Management agreed to transfer 100% equity interest in Zhejiang Gelingtong Elevator Engineering Company Limited (浙江格靈通電梯工程有限公司) to Hangzhou Dangui Investment at a consideration of RMB3,420,454.70;

(16) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 23, 2014, whereby Greentown Property Management agreed to transfer 15% equity interest in Hangzhou Greentown Capital Holding Company Limited (杭州綠城資本控股有限公司) to Hangzhou Dangui Investment at a consideration of RMB6,184,962.24;

(17) an equity transfer agreement between Zhejiang Lvsheng Property Management Company Limited (浙江綠升物業服務有限公司) ("**Zhejiang Lvsheng**") and Hangzhou Dangui Investment dated December 24, 2014, whereby Zhejiang Lvsheng agreed to transfer 100% equity interest in Hangzhou Lvzhen Architectural Decoration Design and Engineering Company Limited (杭州綠臻建築裝飾設計工程有限公司) to Hangzhou Dangui Investment at a consideration of RMB1,854,099.05;

(18) an equity transfer agreement between Greentown Property Management and Chen Xichun (陳錫春) dated December 25, 2014, whereby Chen Xichun agreed to transfer 100% equity interests in Xinyang Greentown Property Management Company Limited (信陽綠城物業服務有限公司) to Greentown Property Management at a consideration of RMB500,000;

(19) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 25, 2014, whereby Greentown Property Management agreed to transfer 15% equity interest in Shanghai Lanxi Health Service Company Limited (上海藍熙健康服務有限公司) ("**Shanghai Lanxi**") to Hangzhou Dangui Investment at a consideration of RMB30,000,000 (the "**Lanxi Transfer Agreement**");

(20) a supplemental agreement to the Lanxi Transfer Agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 25, 2014, whereby the consideration of the equity transfer was amended from RMB30,000,000 to RMB15,000,000, and at the same time Hangzhou Dangui Investment shall be obliged to ensure that its remaining RMB15,000,000 capital contribution is made to Shanghai Lanxi in accordance with Shanghai Lanxi's articles of association;

(21) an equity transfer agreement between Greentown Property Management and Hangzhou Dangui Investment dated December 25, 2014, whereby Greentown Property Management agreed to transfer its 4.25% equity interest in Greentown Modern Agriculture Development Company Limited (綠城現代農業開發有限公司) to Hangzhou Dangui Investment for a consideration of RMB5,000,000;

(22) an equity transfer agreement between Shenyang Greentown Property Services Company Limited (瀋陽綠城物業服務有限公司) ("**Shenyang Greentown Property Services**") and Hangzhou Dangui Investment dated December 29, 2014, whereby Shenyang Greentown Property Services agreed to transfer the equity interest in the amount of RMB300,000 in Shenyang Yinji Greenery Engineering Company Limited (瀋陽銀基園林工程有限公司) ("**Shenyang Yinji**") to Hangzhou Dangui Investment (the "**Shenyang Yinji Transfer Agreement**");

(23) a supplemental agreement to the Shenyang Yinji Transfer Agreement between Shenyang Greentown Property Services and Hangzhou Dangui Investment dated December 29, 2014, whereby Shenyang Greentown Property Services agreed to transfer its 100% equity interest in Shenyang Yinji to Hangzhou Dangui Investment for a consideration of RMB1.00;

(24) an exclusive business cooperation agreement dated October 10, 2015 entered into between Hangzhou Osmanthus Garden Investment Management and Greentown Telecommunications, pursuant to which, among others matters, Hangzhou Osmanthus Garden Investment Management agreed to provide exclusive business support, technical and consulting services to Greentown Telecommunications and Greentown Telecommunications agreed to pay service fees to Hangzhou Osmanthus Garden Investment Management (the "**Exclusive Business Cooperation Agreement**");

(25) an exclusive call option agreement dated October 10, 2015 entered into among Hangzhou Osmanthus Garden Investment Management, Mr. Yang Zhangfa, Ms. Li Hairong and Greentown Telecommunications, pursuant to which, among other matters, Mr. Yang Zhangfa and Ms. Li Hairong (together the "**Grantors**") granted an irrevocable and exclusive option to Hangzhou Osmanthus Garden Investment Management for the acquisition by Hangzhou Osmanthus Garden Investment Management (or its designated party) all or part of the equity interest in and/or the assets of Greentown Telecommunications held by the Grantors provided that it is allowed under the relevant PRC laws to do so (the "**Exclusive Call Option Agreement**");

(26) an equity pledge agreement dated October 10, 2015 entered into among Hangzhou Osmanthus Garden Investment Management, Mr. Yang Zhangfa, Ms. Li Hairong and Greentown Telecommunications, pursuant to which, among other matters, the Grantors pledged all of their equity interest in Greentown Telecommunications (being in aggregate 100% equity interest therein) together with all related rights thereto to Hangzhou Osmanthus Garden Investment Management as security for the timely and complete payment of all the amount payable by Greentown Telecommunications (the "**Equity Pledge Agreement**");

(27) an equity transfer agreement between Zhejiang Twin Cities Culture and Creation Company Limited (浙江雙城文化創意有限公司) ("**Twin Cities Culture**") and Greentown Property Management dated November 25, 2015, whereby Twin Cities Culture agreed to transfer its 30% equity interest in Twin Cities Network to Greentown Property Management for a consideration of RMB1.00;

(28) an equity transfer agreement between Hangzhou Jingui Investment Management Partnership Enterprise (Limited Partnership) (杭州金桂投資管理合夥企業(有限合夥)) ("**Jingui Investment**") and Greentown Property Management dated November 25, 2015, whereby Jingui Investment agreed to transfer its 9% equity interests in Twin Cities Network to Greentown Property Management for a consideration of RMB1.00;

(29) an equity transfer agreement between Zhejiang Langdao Trading Co., Ltd. (浙江朗道貿易有限公司) ("**Zhejiang Langdao**") and Greentown Property Management dated November 25, 2015, whereby Zhejiang Langdao agreed to transfer its 5% equity interests in Twin Cities Network to Greentown Property Management for a consideration of RMB151,700;

(30) a termination agreement dated April 5, 2016 entered into among Hangzhou Osmanthus Garden Investment Management, Greentown Telecommunications, Ms, Li Hairong and Mr. Yang Zhangfa in relation to the termination of, among others, the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement and the Equity Pledge Agreement with effect from March 31, 2016;

(31) the Deed of Indemnity;

(32) the Deed of Non-Competition;

(33) a cornerstone placing agreement dated June 24, 2016 entered into among our Company, the Joint Global Coordinators and Zhejiang Silicon Paradise Asset Management Group Co., Ltd. (on behalf of TTGG Cornerstone Investment No.1 Asset Management Plan) (浙江天堂矽谷資產管理集團有限公司) (代天堂矽谷基石投資1號資產管理計劃) ("**TTGG**"), pursuant to which TTGG agreed to subscribe for our Shares in the amount of RMB200 million;

(34) a cornerstone placing agreement dated June 24, 2016 entered into among our Company, the Joint Global Coordinators and China Orient Asset Management (International) Holding Limited ("**China Orient**"), pursuant to which China Orient agreed to subscribe for our Shares in the amount of US$25 million;

(35) a cornerstone placing agreement dated June 27, 2016 entered into among our Company, the Joint Global Coordinators and Loyal Rich Holdings Limited ("**Loyal Rich**"), pursuant to which Loyal Rich agreed to subscribe for our Shares in the amount of HK$305,553,600, subject to adjustments set out in the section headed "Cornerstone Investors — Our Cornerstone Investors — 1. Greentown China" in this prospectus;

(36) the deed of lock-up undertaking dated June 27, 2016 given by Lilac International Investment and Ms. Li Hairong in favour of, among others, the Company, the Joint Sponsors and the Joint Global Coordinators in relation to the lock-up of the Shares held by Lilac International Investment; and

(37) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group

Trademarks

(a) Trademarks for which registration has been granted

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class [(1)]	Valid Period
1		PRC	11327184	Zhejiang Greentown Hotel Management Company Limited (浙江綠城酒店管理有限公司) ("**Zhejiang Greentown Hotel**")	43	From January 7, 2014 to January 6, 2024
2	绿悦酒店	PRC	12468435	Zhejiang Greentown Hotel	43	From September 28, 2014 to September 27, 2024
3		PRC	12388843	Greentown Community Service	41	Form September 14, 2014 to September 13, 2024
4		PRC	12388865	Greentown Community Service	43	Form September 14, 2014 to September 13, 2024
5		PRC	12388877	Greentown Community Service	45	Form September 14, 2014 to September 13, 2024
6		PRC	12698457	Greentown Community Service	35	From December 14, 2014 to December 13, 2024
7		PRC	12699243	Greentown Community Service	43	From October 21, 2014 to October 20, 2024
8		PRC	12699257	Greentown Community Service	44	From October 21, 2014 to October 20, 2024
9		PRC	14137421	Greentown Community Service	29	From April 14, 2015 to April 13, 2025

No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class [(1)]	Valid Period
10	绿城·生活·我的家 Greentown·life·my home	PRC	14137403	Greentown Community Service	31	From May 14, 2015 to May 13, 2025
11	家年华	PRC	15487931	Greentown Community Service	9	From November 28, 2015 to November 27, 2025
12	家年华	PRC	15488001	Greentown Community Service	38	From November 28, 2015 to November 27, 2025
13	家年华	PRC	15488127	Greentown Community Service	39	From November 28, 2015 to November 27, 2025
14	家年华	PRC	15488179	Greentown Community Service	41	From November 28, 2015 to November 27, 2025
15	家年华	PRC	15488233	Greentown Community Service	42	From November 28, 2015 to November 27, 2025
16		Hong Kong	303186162	Greentown Property Management	36, 37	From November 3, 2014 to November 2, 2024
17	绿城生活	Hong Kong	303186180	Greentown Property Management	36, 37	From November 3, 2014 to November 2, 2024
18	绿城	Hong Kong	303511322	Greentown Holdings	36, 37	From August 19, 2015 to August 18, 2025

As of the Latest Practicable Date, we were granted a license to the use of the following trademarks which we consider to be or may be material to our business:

No.	Trade-mark	Place of Registration	Registration No.	Registered Proprietor	Licensee	Class [(1)]	Registration Date	Expiry Date
1		PRC	1354914	Greentown Holdings	Greentown Property Management	36	January 14, 2010	January 13, 2020
2	绿城房产 GREENTOWN	PRC	1354911	Greentown Holdings	Greentown Property Management	36	January 14, 2010	January 13, 2020

(b) Trademark under application

As of the Latest Practicable Date, we have also applied for the registration of the following trademark which we consider to be or may be material to our business:

No.	Trademark	Place of application	Application No.	Applicant	Class [(1)]	Application Date
1	绿城生活	PRC	15127945	Greentown Property Management	36	August 11, 2014

Note:

(1) For details of the classification of goods for trademarks, please see the paragraph headed "B. Further Information about our Business — 2. Intellectual property rights of our Group — Trademarks — (c) Classification of goods for trademarks" in this appendix.

(c) Classification of goods for trademarks

The table below sets out the classification of goods for trademarks in Hong Kong and the PRC (the detailed classification in relation to the relevant trademarks depends on the details set out in the relevant trademark certificates and may differ from the list below):

Hong Kong

Class Number	Goods
36	Insurance; financial affairs; monetary affairs; real estate affairs; investment; investment holding
37	Property development; real estate development; residential property development; commercial retail and industrial property development; infrastructure development; building construction

PRC

Class Number	Goods
9	Computer software (recorded); computer programs (downloadable software); computer gaming software; downloadable music files; downloadable graphic files; downloadable mobile phone ringtones; connectors (data processing device); electronic publications (downloadable); recorded computer programs; downloadable computer applications
29	Meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk and milk products; edible oils and fats
31	Grains and agricultural, horticultural and forestry products not included in other classes; live animals; fresh fruits and vegetables; seeds; natural plants and flowers; foodstuffs for animals; malt
35	Advertising; business management; business administration; office functions
36	Insurance; financial affairs; monetary affairs; real estate affairs

Class Number	Goods
37	Building construction; repair; installation services
39	Car parking; delivery (letters/commodities); mail postage; floral delivery; parcel delivery; accompanying travel; travel booking; tour arrangement; wheelchair rental; car parking space rental
41	Education; providing of training; entertainment; sporting and cultural activities
42	Computer engineering; computer software design; computer software rental; computer system analysis; computer system design; conversion of physical data or document into electronic copies; build and maintain websites; management of website; conversion of computer programs and data; web search
43	Services for providing food and drink; temporary accommodation
44	Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services
45	Legal services; security services for the protection of property and individuals; personal and social services rendered by others to meet the needs of individuals

Domain Names

As of the Latest Practicable Date, we have registered the following domain names:

Domain Name	Registrant	Expiry Date
lvchengfuwu.com	Greentown Property Management Group Co., Ltd.	July 29, 2016
4001113900.com	Greentown Community Service	June 28, 2017
lc95059.com	Greentown Community Service	December 10, 2016
gtc-corp.cn	Greentown Real Estate Consulting	June 5, 2017
zjlcwg.com	Greentown Property Management Group Co., Ltd.	November 4, 2021

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of interest — interests and short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations

Immediately following the completion of the Capitalization Issue and the Global Offering (but without taking into account the exercise of the Over-allotment Option), the interest or short position of our Directors or chief executives of our Company in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once the Shares are listed, are as follows:

(i) Interests in Shares of our Company

Name of Director	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Shou Bainian(1) (3)	Interest in a controlled corporation/Interest of concert parties	1,020,000,000	36.72%
Ms. Xia Yibo(2) (3)	Interest in a controlled corporation/Interest of concert parties	1,020,000,000	36.72%
Ms. Li Hairong(4)	Interest in a controlled corporation	680,000,000	24.48%
Mr. Yang Zhangfa(5)	Beneficiary of a trust	60,000,000	2.16%
Mr. Wu Zhihua(6)	Beneficiary of a trust	30,000,000	1.08%

Notes:

(1) Mr. Shou Bainian holds all issued shares in Lily International Investment, which holds 39% of the issued shares in Orchid Garden Investment.

(2) Ms. Xia Yibo holds all issued shares in ShenaLan International Investment, which holds 21% of the issued shares in Orchid Garden Investment. Ms. Xia Yibo is the spouse of Mr. Song Weiping.

(3) Given Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment are indirectly interested in the Shares through Orchid Garden Investment, Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment are deemed to be parties acting in concert.

As such, Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo, together with their respective holding companies (being Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment), are all deemed to be interested in the total Shares directly held by Orchid Garden Investment.

(4) Ms. Li Hairong holds all issued shares in Lilac International Investment.

(5) Mr. Yang Zhangfa is one of the grantees under the Pre-IPO Share Award Scheme.

(6) Mr. Wu Zhihua is one of the grantees under the Pre-IPO Share Award Scheme.

(ii) Interests in associated corporations

Name of Director	Nature of interest	Name of associated corporation	Number of issued share capital interest	Approximate percentage of shareholding
Mr. Yang Zhangfa	Beneficial interest	Shenyang Greentown Property Services	N/A	20%

(b) Particulars of service contracts and letters of appointment

Each of Ms. Li Hairong, Mr. Yang Zhangfa, Mr. Wu Zhihua and Mr. Chen Hao, being our executive Directors, has entered into a service contract with our Company on June 13, 2016. Each service contract is for an initial term of three years commencing from the Listing Date. The service contracts may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations.

Each of Mr. Shou Bainian, Ms. Xia Yibo, Mr. Tian Zaiwei, Mr. Poon Chiu Kwok and Mr. Wong Ka Yi, being our non-executive Directors and independent non-executive Directors, has entered into a letter of appointment with our Company on June 13, 2016. Each letter of appointment is for an initial term of three years commencing from the Listing Date. The letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations.

(c) *Directors' remuneration*

The aggregate remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to our Directors for the three years ended December 31, 2013, 2014 and 2015 were approximately RMB1,580,000, RMB2,075,000 and RMB2,409,000, respectively.

There was no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this prospectus.

Save as disclosed above, no other payments have been made or are payable in respect of the three years ended December 31, 2013, 2014 and 2015 by any member of our Group to any of our Directors.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group.

Further details of the terms of the above service contracts are set forth in the paragraph headed "C. Further Information About Our Directors And Substantial Shareholders — 1. Directors — (b) Particulars of service contracts and letters of appointment" in this appendix.

2. Substantial Shareholders

(a) So far as our Directors are aware, immediately following the completion of the Capitalization Issue and the Global Offering (but without taking into account the exercise of the Over-allotment Option), the following persons (other than our Directors and chief executive of our Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO:

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Orchid Garden Investment	Beneficial interest [1]	1,020,000,000	36.72%
Osmanthus Garden Investment	Interest of controlled corporation/ Interest of concert parties [1] [2]	1,020,000,000	36.72%
Mr. Song Weiping	Interest of controlled corporation/ Interest of concert parties/ Interest of spouse [1] [2]	1,020,000,000	36.72%

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Lily International Investment .	Interest of controlled corporation/ Interest of concert parties (1) (3)	1,020,000,000	36.72%
Ms. Yao Huanjing	Interest of spouse (4)	1,020,000,000	36.72%
ShenaLan International Investment	Interest of controlled corporation/ Interest of concert parties (1) (4)	1,020,000,000	36.72%
Lilac International Investment	Beneficial interest (5)	680,000,000	24.48%
Mr. Ju Jianhua	Interest of spouse (6)	680,000,000	24.48%
Mass Wisdom	Beneficial interest (7)	300,000,000	10.80%
Pre-IPO Trustee	Trustee (7)	300,000,000	10.80%

Note:

(1) Orchid Garden Investment is owned as to 40.0%, 39.0% and 21.0% by Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment, respectively.

Given Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment are indirectly interested in the Shares through Orchid Garden Investment, Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment are deemed to be parties acting in concert.

As such, Mr. Song Weiping, Mr. Shou Bainian and Ms. Xia Yibo, together with their respective holding companies (being Osmanthus Garden Investment, Lily International Investment and ShenaLan International Investment), are all deemed to be interested in the total Shares directly held by Orchid Garden Investment (being 1,020,000,000 Shares in total).

(2) Osmanthus Garden Investment is wholly-owned by Mr. Song Weiping. Mr. Song Weiping is deemed to be interested in the Shares held by Osmanthus Garden Investment for the purpose of Part XV of the SFO. Mr. Song Weiping is the spouse of Ms. Xia Yibo.

(3) Lily International Investment is wholly-owned by Mr. Shou Bainian. Mr. Shou Bainian is deemed to be interested in the Shares held by Lily International Investment for the purpose of Part XV of the SFO.

(4) Ms. Yao Huanjing is the spouse of Mr. Shou Bainian. Therefore, Ms. Yao Huanjing is deemed to be interested in the Shares which Mr. Shou Bainian is interested in.

(5) ShenaLan International Investment is wholly-owned by Ms. Xia Yibo. Ms. Xia Yibo is deemed to be interested in the Shares held by ShenaLan International Investment. Ms. Xia Yibo is the spouse of Mr. Song Weiping.

(6) Lilac International Investment is wholly-owned by Ms. Li Hairong. Ms. Li Hairong is deemed to be interested in the Shares held by Lilac International Investment for the purpose of Part XV of the SFO.

(7) Mr. Ju Jianhua is the spouse of Ms. Li Hairong. Therefore, Mr. Ju Jianhua is deemed to be interested in the Shares which Ms. Li Hairong is interested in.

(8) Mass Wisdom is wholly-owned by the Pre-IPO Trustee, the trustee of the Management Trust. The Pre-IPO Trustee is deemed to be interested in the Shares held by Mass Wisdom for the purpose of Part XV of the SFO.

(b) As of the Latest Practicable Date, so far as is known to our Directors, the following persons were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital:

Name of Shareholder	Name of member of our Group	Approximate percentage of shareholding
Hengyuan Property Co., Ltd. (恒元置業有限公司)	Ningbo Lvheng Property Management Company Limited (寧波綠恒物業服務有限公司)	20%

Name of Shareholder	Name of member of our Group	Approximate percentage of shareholding
Zhejiang Newspaper Media Holdings Group Limited (浙報傳媒控股集團有限公司)	Zhejiang Baoye Greentown Property Management Company Limited (浙江報業綠城物業服務有限公司)	49%
Mr. Teng Gaoming (滕皋明)	Zhejiang Greentown Real Estate Agency Company Limited (浙江綠城房屋置換有限公司)	45%
Liaoning Hangao Elevator Engineering Co., Ltd. (遼寧杭奥電梯工程有限公司)	Shenyang Greentown Property Services	20%
Mr. Yang Zhangfa (楊掌法)	Shenyang Greentown	20%
Greentown Properties Development Limited (綠城置業發展有限公司)	Zhejiang Greentown Lvfa Property Management Company Limited (浙江綠城綠發物業服務有限公司)	49%
Zhejiang Langdao	Twin Cities Network	25%
Beijing Guoqin Houde Investment Co., Ltd. (北京國勤厚德投資有限公司)	Guoqin Greentown (Beijing) Asset Management Company Limited	40%

3. Personal Guarantees

Save as disclosed in this prospectus, our Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to us.

4. Agency fees or commissions received

Save as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this prospectus in connection with the issue or sale of any capital of any member of our Group.

5. Connected and Related-Party Transactions

During the two years preceding the date of this prospectus, we were engaged in related party transactions as described under the section headed "Connected Transactions" in this prospectus and in Note 34 headed "Material Related Party Transactions" of Section B of the Accountants' Report set out in Appendix I to this prospectus.

6. Disclaimers

Save as disclosed herein:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are listed;

(b) none of our Directors or any of the experts referred to under paragraph headed "D. Other Information — 9. Qualification of Experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) so far as is known to our Directors or chief executive of our Company, no person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Capitalization Issue and the Global Offering, have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) none of our Directors, their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Pre-IPO Share Award Scheme

We adopted the Pre-IPO Share Award Scheme on January 1, 2016 (and as subsequently amended on April 18, 2016), the principal terms of which are summarized below.

(1) Purpose

We adopted the Pre-IPO Share Award Scheme in order to (i) implement our cultural concept that "workers shall be entitled to his/her own work achievements," (ii) optimize our modern enterprise management system, (iii) improve our incentive and control policies, and (iv) achieve joint development of both personnel and our Company.

Targets which were selected to take part in this Pre-IPO Share Award Scheme may obtain certain Shares (the "**Incentive Shares**") according to this Pre-IPO Share Award Scheme (the "**Incentive Targets**") Such Incentive Targets shall be rewarded for their past contribution to our Group and the relevant Incentive Shares will be vested to the Incentive Targets on the date of Listing (the "**Vesting Date**"). The relevant Incentive Shares will be awarded to the respective Incentive Targets on a one-off basis on the Date of Award (as defined below). Such Incentive Shares will be held by the Pre-IPO Trustee on behalf of the Incentive Targets in accordance with the Pre-IPO Share Award Scheme.

The Board may adjust the list of intended Incentive Targets if: (i) such Incentive Target becomes ineligible according to the terms of this Pre-IPO Share Award Scheme, (ii) such Incentive Target resigns, dies or experiences a change in duties or (iii) our Company needs to hire new management personnel.

(2) Source and proportion of the Incentive Shares

The Incentive Shares shall be transferred by Lilac International Investment to the Pre-IPO Trustee holding the Incentive Shares on behalf of the respective Incentive Targets at a price equivalent to the fair market price of the Incentive Shares as at December 31, 2015 to be determined by an independent valuer appointed by the Board (the "**Consideration**"). The Consideration payable for such Incentives Shares shall be paid in full by the Incentive Targets to Lilac International Investment after Listing.

As of the date of adoption of this Pre-IPO Share Award Scheme, a total of 105,000,000 Shares were held by Mass Wisdom, representing approximately 10.5% of the then total issued share capital of our Company.

As of the date of the subsequent amendment of the Pre-IPO Share Award Scheme on April 18, 2016, a total of 150,000,000 Shares were held by Mass Wisdom, representing approximately 15% of the then total issued share capital of our Company.

After the completion of the Capitalization Issue, the Pre-IPO Trustee shall continue to hold the Incentive Shares (including the Shares to be allotted and issued pursuant to the Capitalization Issue) on behalf of the Incentive Targets according to this Pre-IPO Share Award Scheme, thus maintaining its shareholding percentage in the Company immediately prior to the Capitalization Issue.

(3) Who may join

Incentive Targets under the Pre-IPO Share Award Scheme including 56 individuals decided at the discretion of the Board. Such Incentive Targets comprise directors of functional departments and management personnel of our Company's branches and subsidiaries (professional companies) bearing the rank of standing deputy general manager or above, including management personnel who retired after January 1, 2013 bearing such rank.

(4) Effective term, lock-up period and Waiting Period under the Pre-IPO Share Award Scheme

(a) Effective term of the Pre-IPO Share Award Scheme

This Pre-IPO Share Award Scheme shall be effective from the date of approval by the shareholders' meeting and the Board, being January 1, 2016. This Pre-IPO Share Award Scheme shall only be valid for a one-off award prior to the Listing, and shall automatically become null and void after the completion of the vesting of the Incentive Shares. Our Company shall not make any further issuance or award of shares under this Pre-IPO Share Award Scheme. Nonetheless, all other provisions of this Pre-IPO Share Award Scheme shall remain effective in all other respects. In particular, the Incentive Shares which have been awarded but not yet vested prior to the termination of the Pre-IPO Share Award Scheme shall remain effective according to the terms of the Pre-IPO Share Award Scheme.

(b) Lock-up requirement for the Incentive Shares

The Incentive Targets of the Incentive Shares are strictly prohibited from transferring any such Incentive Shares (including the Shares allotted and issued to the Incentive Targets pursuant to the Capitalization Issue) within 6 months after the Listing of our Company on the Stock Exchange.

(c) Waiting Period of the Incentive Shares

The waiting period of the Incentive Shares shall start from the date our Company awards the Incentive Shares to the Incentive Targets (the "**Date of Award**") until the Vesting Date (the "**Waiting Period**"). During the Waiting Period, the Incentives Shares awarded to the Incentive Targets and held by the Pre-IPO Trustee on their behalf shall be locked up and cannot be transferred or vested.

During the Waiting Period, the Incentive Targets under the Pre-IPO Share Award Scheme are not entitled to the relevant votes and voting rights in respect of the Incentive Shares awarded to them according to the Pre-IPO Share Award Scheme and the Incentive Shares shall be held by the Pre-IPO Trustee on their behalf. In respect of the Incentive Shares which have not been vested, the Pre-IPO Trustee shall exercise the respective voting rights attached to such Incentive Shares in such manner as may be directed by Lilac International Investment. Neither are such Incentive Targets entitled to the right to dividend in respect of such Incentive Shares. During the Waiting Period, all dividends obtained in respect of the Incentive Shares shall be transferred back to Lilac International Investment at the costs and expenses of Lilac International Investment.

(d) Vesting

Incentive Targets shall each serve a vesting notice to the Pre-IPO Trustee no later than 10 business days before the relevant Vesting Date, informing it of the relevant vesting arrangements. If any Incentive Target fails to serve such vesting notice within the time period set out above, the corresponding vesting right of such Incentive Target shall not be cancelled, and our Company shall provide all required information of that Incentive Target to the Pre-IPO Trustee and take all necessary actions to effect the vesting of the relevant Incentive Shares on the Vesting Date.

(5) Change and Termination of the Pre-IPO Share Award Scheme

(a) Change of Control, Amalgamation and Demerger of our Company

In the event of any change of control of our Company, vesting of any Incentives Shares being awarded but not yet vested to the Incentive Targets may, at the discretion of the Board, be expedited.

In the event of any amalgamation or demerger of our Company, or any circumstances rendering a likely delisting of our Company's shares, the Board shall have absolute discretion in dealing with such situation.

(b) Dereliction of Duty or Violation of the Law by any Incentive Target

In the event that any of the following situations occur to any Incentive Target, his/her vesting right in relation to Incentive Shares not yet vested shall be cancelled:

i. he/she being denounced or declared by the Stock Exchange as an inappropriate candidate;

ii. he/she being subject to any administrative punishment by the Stock Exchange due to his/her serious violation of any laws and regulations;

iii. where our Company has sufficient evidence proving that the Incentive Target, during his/her employment with our Company, has:

— violated any laws or professional ethics, or has embezzled Company funds;

— committed duty encroachment or pilferage, or disclosed operational and/or technological secrets of our Company;

— been involved in any type of corruption, offered or accepted bribes, sought benefits on the job for himself/herself or others;

— caused serious losses or adverse influence to the society due to severe mistakes on the job and dereliction of duty;

— been held responsible for maintaining fraudulent record(s) of performance conditions and statistical data; and

— been determined by the Board that he/she was in serious violation of any Company policies, rules or regulations (including but not limited to the "Chairman's Prohibition"), jeopardized our Company's interests or reputation, or caused losses to our Company due to gross negligence.

(c) Change of Duties of any Incentive Target

In the event that the duties of the Incentive Target has been changed but the Incentive Target nonetheless remains working within our Company, such Incentive Target's Incentive Shares shall, at the discretion of the Board, be awarded and vested to that Incentive Target according to relevant procedures stipulated in the Pre-IPO Share Award Scheme.

(d) Resignation by or Termination of the Incentive Target

In the event that the Incentive Target resigned or has been terminated by our Company, his/her vesting right in relation to Incentive Shares not yet vested shall be cancelled and the Pre-IPO Trustee may, under our Company's instructions re-allocate such shares to other Incentive Targets, or in case no other Incentive Targets can be identified, re-allocate such shares to any other person designated by our Company, at the Consideration.

(e) Retirement of the Incentive Target

In the event that an Incentive Target retires during the effective term of the Pre-IPO Share Award Scheme, such Incentive Target shall have priority in relation to our Company's consideration of whether to re-employ him/her.

In the event of any such retirement of an Incentive Target, his/her corresponding vesting right to the Incentive Shares awarded to him/her under the Pre-IPO Share Award Scheme shall not be cancelled and such Incentive Shares shall be vested to him/her according to the original conditions and procedures stipulated under the Pre-IPO Share Award Scheme.

The Board has the discretion to suggest other ways of dealing with such situations.

(f) Death or loss of labor capacity of the Incentive Target

In the event of death or loss of labor capacity of the Incentive Target:

i. where the Incentive Shares under the Pre-IPO Share Award Scheme have already been awarded and vested to the Incentive Target, such Shares shall remain unchanged or be inherited by the Incentive Target's designated property successor or legal successor;

ii. where the Incentive Shares under the Pre-IPO Share Award Scheme have already been awarded but not yet vested to the Incentive Target, his/her vesting right in relation to Incentive Shares not yet vested shall be cancelled and the Pre-IPO Trustee may, under our Company's instructions re-allocate such shares to other Incentive Targets, or in case no other Incentive Targets can be identified, re-allocate such shares to any other person designated by our Company at the Consideration; and

iii. the Board has the discretion to suggest other ways of dealing with such situations in accordance with the Listing Rules and applicable laws or regulatory requirements.

(g) Termination

i. Prior to the expiry of the effective term of the Pre-IPO Share Award Scheme, the Board may terminate the Pre-IPO Share Award Scheme by passing a board resolution. Under such circumstances, our Company shall not make further awards but the provisions of this Pre-IPO Share Award Scheme shall remain effective in all other respects. In particular, Incentive Shares already awarded before termination of the Pre-IPO Share Award Scheme but not yet vested shall continue to be effective and be vested according to the terms of the Pre-IPO Share Award Scheme.

ii. If the Listing does not take place on or before December 31, 2016, all Shares and corresponding rights awarded under the Pre-IPO Share Award Scheme before Listing shall be rescinded and terminated. The Pre-IPO Trustee shall transfer the Incentive Shares to Lilac International Investment Limited for free as directed in writing by our Company in accordance with the Listing Rules and any other applicable laws or regulatory requirements.

iii. Save as aforementioned, in the event that certain special situations occur to our Company, the Pre-IPO Share Award Scheme shall be modified or terminated, details of which shall be determined after discussion between our Company and its lawyer(s).

(h) Miscellaneous

Any matters not fully covered in the above may be dealt with at the discretion of the Board.

(6) Respective Rights and Obligations of our Company and Incentive Targets

(a) Rights and Obligations of our Company

In the event that the Incentive Target caused severe harm to the interests or reputation of our Company as a result of his/her violation of the law or professional ethics, malpractice, disclosure of our Company's confidential information or dereliction of duty, Incentive Shares of the Incentive Target not yet vested may be cancelled or transferred to other Incentive Targets according to the Pre-IPO Share Award Scheme upon approval of the Shareholders of our Company.

Our Company shall also carry out its rights and obligations as required by the applicable laws and regulations.

(b) Rights and Obligations of Incentive Targets

i. Incentive Targets shall work diligently according to the requirements of his/her position of employment, comply with professional ethics, and make due contribution to the development of our Company.

ii. Incentive Targets shall be subject to the lock up of the Incentive Shares where required according to the Pre-IPO Share Award Scheme.

iii. The Incentive Shares awarded to the Incentive Targets shall neither be assigned nor be used for securing guarantees or for repayment of debts.

iv. Incentive Targets shall pay personal income tax and other taxes in relation to income obtained from the Pre-IPO Share Award Scheme in accordance with applicable tax regulations.

v. Incentive Targets shall also comply with other relevant rights and obligations required by applicable laws and regulations as well as relevant provisions under the Pre-IPO Share Award Scheme and Articles of Association of our Company.

In the event that certain special situations occur to our Company, the Pre-IPO Share Award Scheme shall be modified or terminated. Incentive Shares not yet vested under the Pre-IPO Share Award Scheme shall be modified or be prohibited from being vested, details of which shall be determined after discussion between our Company and its lawyer(s).

2. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

3. Tax and Other Indemnity

Our Controlling Shareholders (the "**Indemnifiers**") have entered into a deed of indemnity in favor of our Group (being a material contract referred to in the sub-section headed "B. Further Information About Our Business — 1. Summary of Material Contracts" in this appendix) to provide the indemnities on a joint and several basis in respect of, among other matters, taxation resulting from profits or gains earned, accrued or received, as well as any penalties imposed due to non-compliance with any applicable laws and regulations, all tax liabilities and actual or threatened litigation on or before the date when the Global Offering becomes unconditional.

4. Litigation

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this prospectus and so far as our Directors are aware, no litigation or claim of material importance (to our Group's financial condition or results of operation) is pending or threatened against any member of our Group.

5. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued as mentioned in this prospectus. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to each of the Joint Sponsors by our Company is US$1,000,000 and US$1,000,000.

6. Preliminary Expenses

Our preliminary expenses are estimated to be approximately US$7,703 and are payable by our Company.

7. Promoter

We do not have any promoter.

8. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006.

(b) Cayman Islands

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisors

Intending holders of the Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercise of any rights attaching to them.

9. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
Merrill Lynch Far East Limited	Licensed to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities under the SFO, acting as a Joint Sponsor of the Listing
BOCI Asia Limited	Licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, acting as a Joint Sponsor of the Listing
KPMG	Certified public accountants
Commerce & Finance Law Offices	PRC legal advisor to our Company
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property valuer
China Index Academy	Industry consultant

10. Consents of Experts

Each of Merrill Lynch Far East Limited, BOCI Asia Limited, KPMG, Commerce & Finance Law Offices, Conyers Dill & Pearman, Jones Lang LaSalle Corporate Appraisal and Advisory Limited and China Index Academy has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

11. Particulars of Lilac International Investment

Lilac International Investment will be required to sell up to 116,666,000 Shares in case of exercise of the Over-allotment Option.

Name	Description	Registered Address	Maximum number of Shares to be sold pursuant to the exercise of the Over-allotment Option
Lilac International Investment Company Limited	Investment holding company	P.O. Box 3140, Road Town, Tortola, British Virgin Islands	116,666,000

A statement of particulars of Lilac International Investment has been attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration.

12. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

14. Miscellaneous

(a) save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

   (i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

   (ii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

   (iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) save as disclosed in this prospectus, no share or loan capital of our Company or any of our subsidiaries had been under option or agreed conditionally or unconditionally to be put under option;

(c) save as disclosed in this prospectus, there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(d) save as disclosed in this prospectus, none of the persons named in the sub-paragraph headed "D. Other Information — 9. Qualification of Experts" in this appendix is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group;

(e) our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2015 (being the date to which the latest audited consolidated financial statements of our Group were made up);

(f) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(g) our principal register of members will be maintained by our principal registrar, Codan Trust Company (Cayman) Limited, in the Cayman Islands and our Hong Kong register of members will be maintained by our Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited. All transfer and other documents of title of the Shares must be lodged for registration with and registered by our share register in Hong Kong. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;

(h) no company within our Group is listed on any stock exchange or traded on any trading system and at present, and our Group is not seeking or proposing to seek any listing of, or permission to deal in, the share or loan capital of our Company on any other stock exchange; and

(i) there is no arrangement under which future dividends are waived or agreed to be waived.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of each of the **WHITE**, **YELLOW** and **GREEN** Application Forms;

(b) a copy of each of the material contracts referred to in the sub-section headed "Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts" in Appendix IV to this prospectus;

(c) the written consents referred to in the sub-section headed "Statutory and General Information — D. Other Information — 10. Consents of Experts" in Appendix IV to this prospectus; and

(d) the statement of particulars of Lilac International Investment referred to the sub-section headed "Statutory and General Information — D. Other Information — 11. Particulars of Lilac International Investment" in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Paul Hastings at 21-22/F, Bank of China Tower, 1 Garden Road, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and Articles of Association;

(b) the Accountants' Report for the years ended December 31, 2013, 2014 and 2015 prepared by KPMG, the text of which is set out in Appendix I to this prospectus;

(c) the report on the unaudited pro forma financial information prepared by KPMG, the text of which is set out in Appendix II to this prospectus;

(d) the legal opinions issued by Commerce & Finance Law Offices, our PRC legal advisor, dated June 28, 2016 in respect of certain aspects of our Group;

(e) the letter of advice prepared by Conyers Dill & Pearman, our legal advisor as to the law of the Cayman Islands, summarizing certain aspects of Cayman Islands company law referred to in Appendix III to this prospectus;

(f) the material contracts referred to in the sub-section headed "Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts" in Appendix IV to this prospectus;

(g) the written consents referred to in the sub-section headed "Statutory and General Information — D. Other Information — 10. Consents of Experts" in Appendix IV to this prospectus;

(h) service contracts and the letters of appointment referred to in the sub-section headed "Statutory and General Information — C. Further Information About Our Directors and Substantial Shareholders — 1. Directors — (b) Particulars of service contracts and letters of appointment" in Appendix IV to this prospectus;

(i) the Companies Law of the Cayman Islands;

(j) the rules of the Pre-IPO Share Award Scheme;

(k) the industry report issued by China Index Academy; and

(l) the statement of particulars of Lilac International Investment referred to in the sub-section headed "Statutory and General Information — D. Other Information — 11. Particulars of Lilac International Investment" in Appendix IV to this prospectus.

綠城服務集團有限公司
Greentown Service Group Co. Ltd.