

## SUMMARY

*This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire [REDACTED] carefully before making your [REDACTED] decision. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].*

## OVERVIEW

We are a leading state-owned urban service and operation provider, offering a wide range of services that encompass property management services, urban services and commercial operation services. Property management services serve as the bedrock of our development, and urban services have emerged as the theme and core of our business with robust revenue and profit, while commercial operation services provide important support to our overall business. As a result, this integration has created a powerful trinity of “management+service+operation,” forming a cohesive and innovative business model. By leveraging the synergy between spatial services and resource operation, we are committed to achieve the mission of “making urban life better.” According to CIA, we ranked first among the Top 100 Property Management Companies in China headquartered in Hunan Province in terms of overall strength, gross profit, and revenue generated from the urban services for the year ended December 31, 2022. In addition, we are recognized as the only one among the Top 100 Property Management Companies in China headquartered in Hunan Province to provide city lighting system operation, with which we are recognized as 2023 China Leading Property Management Companies in terms of characteristic services according to CIA.

We provide a wide spectrum of modern services to our customers through our own and our subsidiaries, forming an integrated business layout around urban spaces. The services we provide can be divided into three categories depending on the nature of the business: (i) property management services, including different property management services to public properties, commercial properties, and residential properties, and value-added services; (ii) urban services, including landscaping and engineering, lighting system operation, parking lot operation, and municipal sanitation services; and (iii) commercial operation services.

During the Track Record Period, our revenue increased at a CAGR of 37.8% from RMB278.3 million in 2020 to RMB431.7 million in 2021, and further to RMB528.5 million in 2022. Our profit and total comprehensive income for the year amounted to RMB34.6 million, RMB40.8 million and RMB53.6 million in 2020, 2021 and 2022, respectively, which represented a CAGR of 24.4% from 2020 to 2022.

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For the year ended December 31, 2022, the total number of our property management projects under management was 63, with a GFA under management of 10.3 million sq.m., and the total number of projects under management in the urban service sector was 148, including four lighting system operation projects, 142 parking lot operation projects, and two municipal sanitation projects; we also completed 98 landscaping and engineering projects for the same year, with 43 projects in progress as of December 31, 2022. The total number of projects under management in the commercial operation service sector was 44, with a GFA under management of 534 thousand sq.m. for the year ended December 31, 2022.

### OUR BUSINESS MODEL

During the Track Record Period, we generated revenue primarily from three business segments: (i) property management services; (ii) urban services; and (iii) commercial operation services:

- *Property management services.* We mainly provide public property management services, commercial property management services and residential property management services, such as cleaning, security, and repair and maintenance services. Public properties include civic squares, parks and scenic spots, urban exhibition halls, government office buildings and schools; commercial properties include commercial office buildings, commercial complexes and sales centers; and residential properties mainly include commercial housing and apartments. In addition, we also provide a wide range of value-added services for property developers, property owners, and tenants.
- *Urban services.* We assist local governments and public institutions in providing urban services to improve the living experience and environment of citizens. Our urban services mainly include (i) landscaping and engineering, including landscape construction and engineering construction; (ii) lighting system operation, including landscape lighting operation and functional lighting operation; (iii) parking lot operation including the operation and management of public parking spaces by self-operation and leasing; and (iv) municipal sanitation services including the cleaning of municipal infrastructures such as city roads, the external walls of buildings along the main road, street lamps, and bus platforms.
- *Commercial operation services.* We manage various types of commercial projects, such as commercial office buildings, commercial districts, and industrial parks. We have established a comprehensive commercial asset management process, including preliminary business planning, commercial positioning, tenant recruitment, lease agreement formulation, marketing and promotion, and daily operation management and maintenance of commercial assets. We typically provide commercial operation services to property owners, mainly through the entrusted management service model.

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

	For the years ended December 31,					
	2020		2021		2022	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
<b>Property management services</b>	154,660	55.6	192,256	44.6	207,466	39.2
– Public properties	68,384	24.6	69,894	16.2	72,458	13.7
– Commercial properties	69,894	25.1	95,191	22.1	105,798	20.0
– Residential properties	1,320	0.5	1,264	0.3	2,483	0.5
– Value-added services	15,062	5.4	25,907	6.0	26,727	5.0
<b>Urban services</b>	58,261	20.9	185,352	42.9	274,720	52.0
– Landscaping and engineering	17,432	6.3	83,482	19.3	125,847	23.8
– Lighting system operation	6,102	2.2	30,856	7.1	64,007	12.1
– Parking lot operation	34,727	12.4	42,089	9.8	40,633	7.7
– Municipal sanitation services	–	–	28,925	6.7	44,233	8.4
<b>Commercial operation services</b>	65,404	23.5	54,045	12.5	46,337	8.8
<b>Total</b>	<b>278,325</b>	<b>100.0</b>	<b>431,653</b>	<b>100.0</b>	<b>528,523</b>	<b>100.0</b>

The following table sets forth a breakdown of our revenue by type of the services and source of the projects for the years indicated:

	For the years ended December 31,					
	2020		2021		2022	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
<b>Property management services</b>	154,660	55.6	192,256	44.6	207,466	39.2
CSUD Group and its associates	93,290	33.5	131,991	30.6	150,576	28.5
Independent Third Parties	61,370	22.1	60,265	14.0	56,890	10.7
<b>Urban services</b>	58,261	20.9	185,352	42.9	274,720	52.0
CSUD Group and its associates	53,496	19.2	117,160	27.1	151,853	28.7
Independent Third Parties	4,765	1.7	68,192	15.8	122,867	23.3
<b>Commercial operation services</b>	65,404	23.5	54,045	12.5	46,337	8.8
<b>Total revenue</b>	<b>278,325</b>	<b>100.0</b>	<b>431,653</b>	<b>100.0</b>	<b>528,523</b>	<b>100.0</b>

Notes:

- (1) The revenue from property management services and commercial operation services is categorized by developer or owner of the properties.
- (2) Except the revenue from parking lot operation which is categorized by lessor of the parking spaces, the revenue from other urban services is categorized by counterparty of the contracts.

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

	For the years ended December 31,					
	2020		2021		2022	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
CSUD Group and its associates	212,190	76.2	303,196	70.2	348,766	66.0
Independent Third Parties	66,135	23.8	128,457	29.8	179,757	34.0
<b>Total</b>	<b>278,325</b>	<b>100.0</b>	<b>431,653</b>	<b>100.0</b>	<b>528,523</b>	<b>100.0</b>

The following table sets forth a breakdown of our gross profit and gross profit margin by type of the services and source of the projects for the years indicated.

	For the years ended December 31,					
	2020		2021		2022	
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)
<b>Property management services</b>	34,132	22.1	38,401	20.0	30,164	14.5
– CSUD Group and its associates	17,442	18.7	26,711	20.2	22,145	14.7
– Independent Third Parties	16,690	27.2	11,690	19.4	8,019	14.1
<b>Urban services</b>	12,212	21.0	39,992	21.6	66,433	24.2
– CSUD Group and its associates	11,895	22.2	15,386	13.1	17,923	11.8
– Independent Third Parties	317	6.7	24,606	36.1	48,510	39.5
<b>Commercial operation services</b>	35,466	54.2	28,913	53.5	24,950	53.8
<b>Total</b>	<b>81,810</b>	<b>29.4</b>	<b>107,306</b>	<b>24.9</b>	<b>121,547</b>	<b>23.0</b>

For details of our gross profit margin by business segments and source of projects during the Track Record Period, please refer to the section headed “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Gross Profit and Gross Profit Margin” in this document.

*Notes:*

- (1) The gross profit from property management services and commercial operation services is categorized by the developer or owner of the properties.
- (2) Except the gross profit from parking lot operation which is categorized by the lessor of the parking spaces, the gross profit from other urban services is categorized by the counterparty of the contracts.

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### SUPPLIERS AND CUSTOMERS

Our suppliers are mainly in China which provide human resource services, security and maintenance services, and rental services to us.

During the Track Record Period, purchases from our five largest suppliers in each year amounted to RMB56.8 million, RMB95.1 million and RMB137.2 million, respectively, accounting for 35.1%, 33.5% and 37.3% of our total purchase amount, respectively. During the same years, purchases from our largest supplier amounted to RMB18.9 million, RMB47.0 million and RMB75.9 million, respectively, which accounted for 11.7%, 16.6% and 20.6% of our total purchase amount, respectively. All of our five largest suppliers, except CSUD Group, are Independent Third Parties.

During the Track Record Period, revenue generated from sales to our five largest customers in each year amounted to RMB142.2 million, RMB255.2 million, and RMB355.9 million, respectively, accounting for 51.1%, 59.1% and 67.3% of our total revenue, respectively. During the Track Record Period, revenue from our largest customer amounted to RMB90.7 million, RMB178.8 million and RMB232.5 million, respectively, accounting for 32.6%, 41.4% and 44.0% of our total revenue, respectively. All of our five largest customers, except CSUD Group, are Independent Third Parties.

### OUR STRENGTHS

We believe the following competitive strengths have contributed to our success and will help drive our growth in the future:

- rooted in Hunan Province, we have a leading position and can take advantage of the region’s tremendous development potential;
- underpinned by the brand recognition of our Controlling Shareholder, we have sustainable growth opportunities, supporting our expansion of businesses with Independent Third Parties;
- from property management services to urban services, our deep understanding and coverage of urban spaces guarantees us a unique competitive advantage;
- standardized and customized service processes and high-quality services help us build up a prestigious brand image; and

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- an experienced and professional management team supported by an effective human resources management system.

For details, please refer to the section headed “Business – Competitive Strengths” in this document.

## OUR STRATEGIES

To achieve our strategic goals more effectively, we intend to pursue the following strategies:

- consolidate our position as the industry leader in Hunan Province and continue to expand our business scale through multiple channels;
- boost the service capacities and keep diversifying the service offerings;
- invest more for further technology development to bolster our technology and data capabilities; and
- adhere to talent-oriented management policy and continue to improve the human resource management system.

For details, please refer to the section headed “Business – Business Strategies” in this document.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth summary of financial data from our historical financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I to this document. The summary of financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information in this document, including the related notes. Our historical financial information was prepared in accordance with IFRSs.

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### Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the years ended December 31,		
	2020	2021	2022
	(RMB'000)	(RMB'000)	(RMB'000)
<b>Revenue</b>	<b>278,325</b>	<b>431,653</b>	<b>528,523</b>
Cost of sales	(196,515)	(324,347)	(406,976)
<b>Gross profit</b>	<b>81,810</b>	<b>107,306</b>	<b>121,547</b>
Other net income	1,099	8	3,790
Selling expenses	(4,981)	(4,717)	(4,454)
Administrative expenses	(36,616)	(42,324)	(43,744)
Expected credit loss	(1,026)	(11,920)	(10,758)
<b>Profit from operations</b>	<b>40,286</b>	<b>48,353</b>	<b>66,381</b>
Share of profits less losses of an associate and joint ventures	3,452	4,646	3,092
Finance income	764	1,180	1,221
Finance costs	—	(1)	(8)
<b>Profit before taxation</b>	<b>44,502</b>	<b>54,178</b>	<b>70,686</b>
Income tax	(9,885)	(13,337)	(17,090)
<b>Profit and total comprehensive income for the year</b>	<b>34,617</b>	<b>40,841</b>	<b>53,596</b>
<b>Attributable to:</b>			
Equity shareholders of the Company	34,286	40,400	53,095
Non-controlling interests	331	441	501
	<b>34,617</b>	<b>40,841</b>	<b>53,596</b>
<b>Earnings per share (RMB)</b>			
Basic and diluted	0.29	0.34	0.44

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### Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2020	2021	2022
	<i>(RMB in thousands)</i>		
Total non-current assets	41,955	62,884	45,750
Total current assets	284,057	393,689	493,715
<b>Total assets</b>	<b>326,012</b>	<b>456,573</b>	<b>539,465</b>
Total non-current liabilities	–	–	30
Total current liabilities	222,438	312,658	353,759
<b>Total liabilities</b>	<b>222,438</b>	<b>312,658</b>	<b>353,789</b>
<b>Net current assets</b>	<b>61,619</b>	<b>81,031</b>	<b>139,956</b>
<b>Net assets</b>	<b>103,574</b>	<b>143,915</b>	<b>185,676</b>
Paid-in capital/share capital	10,000	10,000	120,000
Reserves	92,412	132,312	65,676
<b>Total equity attributable to equity shareholders of the Company</b>	<b>102,412</b>	<b>142,312</b>	<b>185,676</b>
<b>Non-controlling interests</b>	<b>1,162</b>	<b>1,603</b>	<b>–</b>
<b>Total equity</b>	<b>103,574</b>	<b>143,915</b>	<b>185,676</b>

For details, please refer to the section headed “Financial Information – Discussion of Certain Selected Items from Our Consolidated Statements of Financial Position” in this document.



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### Summary of Consolidated Statements of Cash Flows

	For the years ended December 31,		
	2020	2021	2022
	<i>(RMB in thousands)</i>		
Operating cash flows before changes in working capital	47,009	70,090	86,213
Changes in working capital	14,382	(21,347)	(79,942)
Income tax paid	(6,487)	(5,370)	(14,387)
Net cash generated from/(used in) operating activities	54,904	43,373	(8,116)
Net cash (used in)/generated from investing activities	(24,337)	(41,057)	20,349
Net cash generated from/(used in) financing activities	8,659	(765)	(18,338)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>39,226</b>	<b>1,551</b>	<b>(6,105)</b>
Cash and cash equivalents at the beginning of the year	89,150	128,376	129,927
<b>Cash and cash equivalents at the end of the year</b>	<b>128,376</b>	<b>129,927</b>	<b>123,822</b>

For details, please refer to the section headed “Financial Information – Liquidity and Capital Resources – Cash Flow Analysis” in this document.

### KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years or as of the dates indicated.

	For the years ended/As of December 31,		
	2020	2021	2022
Return on equity <sup>(1)</sup>	35.4%	33.0%	32.5%
Return on total assets <sup>(2)</sup>	12.3%	10.4%	10.8%
Current ratio <sup>(3)</sup>	1.3	1.3	1.4
Quick ratio <sup>(4)</sup>	1.3	1.3	1.4

*Notes:*

- (1) Return on equity is calculated based on profit and total comprehensive income for the year divided by the average of the beginning and ending total equity for that year and multiplied by 100%.
- (2) Return on total assets is calculated based on the profit and total comprehensive income for the year divided by the average of the beginning and ending total assets for that year and multiplied by 100%.

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- (3) Current ratio is calculated by dividing current assets by current liabilities.
- (4) Quick ratio is calculated by dividing current assets less inventories by current liabilities.

For details, please refer to the section headed “Financial Information – Key Financial Ratios” in this document.

## RISK FACTORS

Our business and the [REDACTED] involve certain risks, including risks relating to (i) our business and industry; (ii) conducting business in China; and (iii) the [REDACTED]. Some of the major risks we face include, but are not limited to, the following:

- a significant portion of our operation is concentrated in Hunan Province, and we are susceptible to unfavorable shifts in government policies or the business environment in this region;
- certain portion of our projects during the Track Record Period was generated from CSUD Group and its associates;
- we may not be able to secure new service contracts or renew our existing service contracts;
- we may fail to obtain or renew required permits, licenses, certificates or other relevant PRC governmental approvals necessary for our business operations;
- delays in receiving payment or failure to collect service fees from customers may result in the risk of impairment losses on our trade receivables and adversely impact our financial condition and liquidity;
- damage to the common areas of the properties we manage or operate and the public urban areas where we provide the lighting operation system services could adversely affect our business, financial condition and results of operations; and
- increase in labor costs may adversely affect our business and reduce our profitability.

These risks are not the only significant risks that may affect the value of our Shares. You should carefully consider all of the information set forth in this document and, in particular, should refer to the section headed “Risk Factors” in this document before you decide to [REDACTED] in the [REDACTED].

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### RECENT REGULATORY DEVELOPMENTS

On February 17, 2023, the CSRC promulgated six rules and regulations, including the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five supporting guidelines which became effective on March 31, 2023. According to the Overseas Listing Trial Measures, an issuer is deemed to be a domestic enterprise indirectly listed abroad if it also meets the following circumstances: (i) the domestic enterprise’s operating revenue, total profit, total assets or net assets for the most recent fiscal year, any of which accounts for more than 50% of the relevant data in the issuer’s audited consolidated financial statements for the same period; and (ii) the majority of the senior management personnel responsible for business operation and management are Chinese citizens or have their habitual residence in the PRC, and the main part of the business activities are carried out in the territory or the main premises are located in the territory.

On the same day, in order to promote the orderly implementation of the Overseas Listing Trial Measures, the CSRC issued Notice on the Administrative Arrangements for the Filing of Overseas Listings of Domestic Enterprises (《關於境內企業境外發行上市備案管理安排的通知》), which stipulates that domestic enterprises falling within the scope of filing are existing enterprises if they meet the following conditions: (i) they have already been listed in an overseas offering; (ii) before the date when the Interim Measures for the Administration come into force, the applications for indirect overseas offering and listing have been approved by overseas regulatory institutions or overseas stock exchanges, and there is no need to undergo the regulatory procedures of overseas regulatory institutions or overseas stock exchanges for offering and listing, and overseas offering and listing have been completed before September 30, 2023. Stock companies are not required to file immediately, and subsequent filings should be filed as required if they are involved in refinancing and other filing matters.

On February 24, 2023, the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Confidentiality and Archives Administration Provisions**”) was released, which became effective on March 31, 2023. According to the Confidentiality and Archives Administration Provisions, domestic joint-stock companies with direct overseas offerings and listed entities and domestic operating entities with indirect overseas offerings and listed entities provide or publicly disclose to relevant securities companies, securities service providers, overseas regulatory bodies and other entities and individuals, or provide or publicly disclose through their overseas listed entities, etc., documents or information involving state secrets or secrets of the work of state organs, or other documents or information that will adversely affect national security or public interest after disclosure, the corresponding procedures shall be strictly performed in accordance with the relevant state regulations.

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Our PRC Legal Advisors are of the view that (i) the implementation of the [REDACTED] and [REDACTED] proposal is subject to the filing and approval procedures of domestic and offshore competent regulatory authorities, including, without limitation, CSRC, HKEX and SFC; and (ii) the Company shall submit filing documents to CSRC within three business days following the [REDACTED] at the HKEX.

### EFFECTS OF THE COVID-19 PANDEMIC

The global spread of an outbreak of respiratory sickness brought on by new coronavirus COVID-19 was first noted in December 2019. As of the Latest Practicable Date, COVID-19 Pandemic had been effectively controlled in China as a result of the strict measures implemented to contain the COVID-19 Pandemic spread and the regions where our managed properties are located are relatively less affected by the spread of COVID-19 Pandemic.

#### Effects of the COVID-19 Pandemic on Our Business Operation

The PRC property management market faced pressure during the outbreak of COVID-19 Pandemic, as a result of the need for property management companies to halt some services and incur more expenses in order to comply with new laws and regulations. COVID-19 Pandemic has had specific short-term effects on the following services in particular.

In terms of the effect on our operation, the outbreak of COVID-19 resulted in an increase of the cost of purchasing pandemic protective materials and hiring pandemic prevention personnel, which had an impact on the short-term performance of our property management services. However, as of the Latest Practicable Date, we had not experienced any significant disruptions to the services supplied by our subcontractors and utilities service providers, or the supply of materials from our suppliers.

In terms of the effect on our strategies, although COVID-19 Pandemic caused short-term economic slowdowns in the PRC, we think that it unlikely affect our expansion strategies, which is covered in “Business – Business Strategies”, and we currently anticipate that COVID-19 Pandemic will not likely change how we intend to use the [REDACTED] from the [REDACTED].

#### Impacts of the COVID-19 Pandemic on Our Financial Condition

Our financial performance has been somewhat impacted by the COVID-19 Pandemic. Our revenue generated from commercial operation services decreased in 2022 due to the termination of leases by certain tenants as affected by the COVID-19 Pandemic and the COVID-19 Pandemic has inevitably increased our additional expenditure during the Track Record Period. In addition, in the post COVID-19 Pandemic period, we may no longer receive one-off subsidies or other support from COVID-19-related government policies, such as reduction of social security contributions in 2020.

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Our Directors are of the view that we have not experienced significant adverse impact on our financial performance or results of operations as of the Latest Practicable Date, on the basis that we were able to continue to grow our diversified services and sustain our growth momentum with a robust revenue growth during the Track Record Period.

As of April 30, 2023, we had cash and cash equivalents of RMB158.9 million. We believe that our current level of liquidity is sufficient for us to successfully navigate an extended period of uncertainty. While the COVID-19 Pandemic has come under control in China in early 2023, the future development of COVID-19, and its long-term effects on our industry and business remain uncertain. For details, please refer to the section headed “Risk Factors – Risks Related to Our Business and Industry – Our business, financial condition and results of operations have been and may continue to be affected by COVID-19” in this document.

### MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial, operational or trading positions or prospects since December 31, 2022, being the end date of our latest audited financial statements, and there has been no event since December 31, 2022 that would materially affect the information shown in the Accountants’ Report included in Appendix I to this document.

### OUR SHAREHOLDING STRUCTURE AND RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, CSUDGCL, a limited company incorporated in the PRC (which was wholly owned by Changsha Municipal SASAC) and a promoter of our Company was directly interested in and entitled to exercise, 95% of the voting rights in our Company through 114,000,000 Domestic Shares held by it. As of the Latest Practicable Date, CSUDGCL was indirectly interested in the remaining 5% of our total issued share capital through Yuelushan Company, the other promoter of our Company. Accordingly, CSUDGCL is our Controlling Shareholder under the Listing Rules. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), CSUDGCL will be able to exercise, in aggregate, approximately [REDACTED]% of the voting rights in our Company and therefore will remain as our Controlling Shareholder pursuant to the Listing Rules. For more details, please see “Relationship with Our Controlling Shareholder” in this Document.

Our Directors are of the view that the businesses of our Group and CSUD Group are clearly delineated. CSUD Group principally assumes the roles of developer, owner and/or investor in respect of the properties and projects developed or invested by CSUD Group with the purpose of maximizing CSUD Group’s investment interests and brand value in such self-developed properties and infrastructure construction projects; whereas our Group is principally a light-asset service provider without holding any ownership interest in its managed properties, with its property management services aimed at keeping the properties under management safe, clean and functional, and its urban services aimed at improving the environment of property developments and addressing the lifestyle needs of existing residents.

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Whilst there exist limited overlapping or similar businesses, our Directors are of the view that these will not materially affect the business delineation between our Group and CSUD Group, and the interests of CSUD Group in the existing limited overlapping or similar businesses do not, and will not, give rise to (i) any direct or indirect competition between our Group and CSUD Group in any material aspect; or (ii) any actual or potential conflict of interest between our Group and CSUD Group in any material aspect.

CSUDGCL and certain of its associates have entered into Deeds of Non-Competition in favor of our Group. For more details, please see “Relationship with Our Controlling Shareholder – Deeds of Non-Competition” in this Document.

We have a well-established and ongoing business relationship with CSUD Group. We believe our long-term and close strategic relationship with CSUD Group lays a solid ground for our sustainable and rapid growth. Leveraging our comprehensive capabilities and expertise showing in cooperation with CSUD Group, we are well-positioned and have been actively sourcing projects from Independent Third Parties. For the years ended December 31, 2020, 2021 and 2022, our revenue generated from Independent Third Parties as customer accounted for 66.9%, 57.6% and 55.6% of our total revenue, respectively. In particular, the revenue from Independent Third Parties in the urban service sector accounted for 13.9%, 25.2% and 30.7% of our total revenue respectively, with an increasing trend year by year; we have been actively expanding our corporation with other customers, including municipal authorities, public institutions, and private enterprises.

Our Group has entered into certain transactions with CSUDGCL (for itself and on behalf of its associates) and its associates which will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon the [REDACTED]. For further details, please see “Continuing Connected Transactions” in this Document.

## DIVIDENDS

For the years ended December 31, 2020, 2021 and 2022, dividends amounting to RMB4,590,000, RMB20,000, and Nil were declared by the Company, respectively. As of December 31, 2022, the dividend payable remained unsettled.

For the years ended December 31, 2020, 2021 and 2022, aggregated dividends amounting to RMB11,912,000, RMB480,000 and nil were declared by Chengtou Asset, Chengfa Commercial and Parking Company to their then shareholders prior to the Reorganization, respectively. The dividends were fully paid subsequently.

After completion of the [REDACTED], our Shareholders will be entitled to receive dividends we declare. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other

## SUMMARY

contractual restrictions, and other factors that our Board deems to be appropriate. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, including (where required) the approval of our Shareholders.

### [REDACTED] STATISTICS<sup>(1)</sup>

	Based on the [REDACTED] of HK\$[REDACTED]	Based on the [REDACTED] of HK\$[REDACTED]
[REDACTED] of our Shares <sup>(2)</sup>	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share <sup>(3)</sup>	HK\$[REDACTED]	HK\$[REDACTED]

#### Notes:

- (1) All statistics in this table are on the assumption that the [REDACTED] is not exercised.
- (2) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED].
- (3) The unaudited [REDACTED] adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share is calculated after making the adjustments referred to “Appendix II – Unaudited [REDACTED] Financial Information” to this document.

### USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] payable by us, assuming no [REDACTED] is exercised and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] set forth on the cover page of this document).

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- approximately [REDACTED]%, or HK\$[REDACTED], will be used for pursuing potential strategic acquisition opportunities of property management service providers and urban service providers to maximize potential synergies with our existing business and enhance our geographic presence and boost our business development;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for strategic investments for the purchase of operational vehicles and equipment, thereby progressively enriching our service capacity;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used over the next four years for further technological development to bolster our R&D capabilities;



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## SUMMARY

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- approximately [REDACTED]%, or HK\$[REDACTED], will be used for recruiting talent and improving employee training to support sustainable business development; and
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

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

### [REDACTED] EXPENSES

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), and that [REDACTED] will not be exercised, we expect to incur estimated total [REDACTED] expenses of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), including [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) and [REDACTED] related expenses of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), which consist of (i) fees paid and payable to legal advisors and Reporting Accountants of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]); and (ii) other fees and expenses of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]). Among the estimated aggregate amount of our estimated [REDACTED] expense, (i) approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, of which approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) was recognized as our profit or loss during the Track Record Period; and (ii) approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) is directly attributable to the issue of the [REDACTED] in the [REDACTED] and is expected to be accounted for as a deduction from equity upon [REDACTED] in accordance with relevant accounting standards. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] Range), the [REDACTED] expenses as a percentage of gross [REDACTED] is approximately [REDACTED]%.