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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The success of our business is dependent on general economic and market conditions.

We operate in the commercial operation services industry in China, the growth of which is affected by general economic and market conditions, including, but not limited to:

- changes in international, national, regional and local economic conditions such as the impact caused by trade tensions between China and the United States;
- the local conditions of retail commercial properties, such as an oversupply of, or a reduction in demand for, retail businesses, a decrease in rental rates, a decrease in the availability and creditworthiness of tenants;
- the level of and fluctuations in consumer spending and changes in consumer confidence;
- the impact of the growth in e-commerce and duty-free shops on tenants and demand for retail businesses;
- adjustments to commercial property management policy in the PRC; and
- changes in the applicable laws and regulations, including those relating to taxation, the environment, safety and land use rights.

Economic slowdowns or recessions, rising interest rates, fiscal or political uncertainty, policy adjustments, market volatility, declining demand for commercial property, falling commercial property prices, disruption to the global capital or credit markets, or the public perception that any of these events is likely to occur may have a negative impact on the commercial operation services industry in the PRC, which in turn will have material and adverse effects on us.

Our adjustments to the operating model make it difficult to assess our prospects or forecast our future results.

We provide our services for malls owned by Wanda Group or independent third parties. We have two operating models, namely the entrusted management model and the sublease management model.

We made the following adjustments to our operating models:

- In 2020 and January 2021, we respectively switched 34 malls and one mall owned by Wanda Group and managed under the entrusted management model to be managed under the sublease management model as part of our effort to explore the appropriate business model for our businesses.

- Since May 2021, we have started to charge operational management service fees under the entrusted management model as calculated based on the NOI of the malls we manage, thereby recognizing revenue from the operational management services.

- In March 2021, we started to switch all 56 malls owned by Wanda Group that were previously managed under the sublease management model to the entrusted management model, in order to align the operating model across all projects from Wanda Group.

- In 2021, to further adopt the asset-light model, we ceased the fixed or minimum payment arrangements provided to independent third parties who used to enjoy such arrangement under the sublease management model through disposal of the relevant subsidiaries that managed such malls. Subsequent to the adjustment, we no longer pay the fixed or minimum rental fee to the mall owners under the sublease management model.

See "Financial Information – Adjustments to Our Operating Models" and "Business – Our Operating Models – Adjustments to Our Operating Models."

The foregoing adjustments made to our revenue model may cause significant fluctuations in certain line items in the financial statements in any given year, and the operating result of a specific period in a year may not indicate the operating result of that year or future years. For example, the increase in our revenue and gross profit in 2021 compared to 2020 was partially attributable to the monetization of our operational management services. Therefore, investors should not unduly rely on our past operating results to predict our future performance.

We may not be able to successfully carry out our business expansion and growth strategy.

In recent years, we have been expanding our businesses and achieving continuous growth in our revenue, GFA under management, contracted GFA and the number of projects under our management. As of December 31, 2022, we managed 472 malls with GFA under management of 65.6 million sq.m. We expect to expand our business through promoting industry integration, enriching monetization scenarios, strengthening technology capabilities, investing in our ecosystem and building a leading talent team in the industry. For details, please refer to "Business – Our Strategies".

In particular, we seek to continue expanding through increasing the total contracted GFA and the number of projects under our management in the existing and new markets, including cities that are third-tier or below in China. However, the consumption power of those in cities that are third-tier or below may not be enough, and some of the cities to which we have expanded our business may already have an oversupply of malls. In addition, the expansion plans are based on our assessment of market prospects. We can provide no assurance that our assessment will always turn out to be correct, nor can we assure that we may grow our business as planned, or develop our business as fast as we have historically. Any relevant event could impair our ability to recover the costs associated with business expansion. In addition, our growth strategy may be affected by a number of factors beyond our control. Such factors include but are not limited to changes to the PRC economic and social conditions in general, changes in the PRC commercial operation services market, in particular, in government regulations or policies, and changes between supply and demand as well as the competitive landscape in the industry where we operate. As a result, our strategies may not succeed as planned. In addition, we can provide no assurance that future growth will materialize and profitability will sustain. A failure to do so as planned would have a material and adverse effect on our business, prospects, financial condition and operating results.

A significant portion of our revenue was generated from projects sourced from Wanda Group during the Track Record Period, over which we have no control.

We provide commercial operation services to Wanda Plazas that are either owned by Wanda Group or by independent third parties. During the Track Record Period, a significant portion of our revenue was generated from projects with malls owned by Wanda Group. In 2020, 2021 and 2022, the relevant revenue amounted to RMB11,676.4 million, RMB15,896.8 million and RMB17,494.0 million, accounting for 67.9%, 67.7% and 64.5% of our revenue from commercial operation services during the same period, respectively.

As we cannot control the business strategies of Wanda Group, nor any macroeconomic, regulatory or other factors affecting their business operations and financial conditions, any adverse development in the business operations of the Parent Group may therefore affect our ability to procure new contracts, and may result in delays in delivering projects under our management and in settling amounts payable to us. In addition, although we have a diverse customer base and plan to further expand our business by providing services to more independent third parties, if we cannot successfully renew our contracts with Wanda Group on the expiration date, we cannot assure that we will be able to acquire service contracts from other clients in a timely manner or on favorable terms. Therefore, we cannot assure you that any adverse change in Wanda Group will not affect us.

We may not be able to procure new commercial operation service contracts as planned or at a desirable pace or price.

We believe that our ability to expand our portfolio of commercial operation service contracts is critical to our sustainable growth. During the Track Record Period, we procured new commercial operation service contracts primarily through entering into contracts with property owners. The selection of commercial operation service provider by the property owners depends on a number of factors, including the quality of services, the level of pricing and the operating history of the commercial operation service provider. We cannot assure you that we will be able to procure new commercial operation service contracts as planned or at a desirable pace or price. In addition, even if we are able to procure new commercial operation service contracts, those new projects may not be as profitable as our existing ones. For details, please refer to "Business – Source of Projects".

If we fail to open our pipeline projects or encounter material cost overrun, our business and results of operation could be materially and adversely affected.

As of December 31, 2022, we had 181 pipeline projects with a total GFA of approximately 21.3 million sq.m., of which 163 projects were projects with independent third party owners, with a total GFA of approximately 19.0 million sq.m. As we generally do not have control over the decision-making of independent third party owners, our pipeline projects may not be able to open as expected due to factors beyond our control: the property owners may have poor financial or cashflow positions, or suspend the construction due to failure to secure financing in a timely manner or may abandon the contracted projects for other external reasons. If these independent third parties discontinue their cooperation with us, our revenues and profitability may fall below expectation and our operating results may be adversely affected.

We make cost estimates when obtaining operation rights for the commercial management projects. We endeavour to make these estimates based on our best judgment on the resources required for the projects and information available then. Any increased or unexpected costs or delays in opening these projects, including delays caused by factors beyond our control, could negatively affect the profitability on these projects and our results of operation.

Termination upon expiry, early termination or non-renewal of a significant number of our commercial operation service contracts with property owners could have a material adverse effect on our business, financial condition and operating results.

We cannot assure you that we can continue to provide satisfactory services to property owners such that the property owners will select us for subsequent service contracts or renew existing service contracts with us. The property owners may terminate the contract with us for reasons beyond our control such as their financial underperformance or insufficiency in cash flows. The property owners may also consider terminating or no longer renew the service contracts with us and sell their property to ensure liquidity or may opt for commercial operation service providers that offer more competitive prices.

Moreover, our efforts to renew existing commercial operation service contracts with property owners may be hindered by factors beyond our control, which may include, among others, changes in general economic conditions, changes in relevant laws and regulations as well as supply and demand dynamics within the commercial operation service market. Termination upon expiry, early termination and non-renewal of commercial operation service contracts with property owners could potentially be detrimental to our reputation, diminish our competitiveness within the market and lead to a material adverse effect on our growth prospects and operating results.

Our cash or liquidity position may be adversely affected due to our inability to fulfill obligations with respect to our contract liabilities.

During the Track Record Period, our contract liabilities mainly comprised of advance payments received for property management services. As of December 31, 2020, 2021 and 2022, our contract liabilities amounted to RMB2,101.5 million, RMB2,579.6 million and RMB1,957.6 million, respectively. See "Financial Information – Other Payables and Accruals – Contract Liabilities" for more details. We may not be able to fulfill obligations in respect of our contract liabilities when our property management contracts are unexpectedly terminated, since customers for our property management services may engage other property management service providers. In the event that we are unable to fulfill obligations to provide property management services due to the aforementioned scenarios, we may be required to refund a portion of our property management fees and our cash or liquidity position may be materially and adversely affected.

We may not be able to assist property owners with renting out all newly developed properties and renewing existing leases.

Our average occupancy rate (excluding car parking spaces) as of December 31, 2020, 2021 and 2022 reached 97.8%, 99.3% and 98.7%, respectively. Despite the relatively high occupancy rates during the Track Record Period, we may not be able to assist property owners in leasing all of their new properties to an appropriate mix of tenants. In addition, there may be mismatches between our contractual terms with property owners and those with the tenants, which may prevent us from renewing our contracts with expiring tenants or replacing them with other tenants during contract terms with property owners. Under the sublease management model, if our contracts with property owners are terminated early and our contracts with tenants have not yet expired, we may be subject to liability to our tenants for breach of contract, which could have an adverse effect on our reputation and condition of operations.

If malls under our management fail to achieve the satisfactory occupancy rate upon opening or maintain a high occupancy rate during their life cycle, our commercial operation service income may decrease, and as a result, our operating results and financial condition may be adversely affected.

Major tenants contribute significantly to our foot traffic, rental scale and revenue stability, and the withdrawal of such tenants could have an adverse effect on our operating results.

The projects under our management are typically anchored by a number of large tenants, such as sizable retail stores, supermarkets, cinemas, restaurants, lifestyle stores, and children goods and services, which are widely recognized by consumers, have larger lease areas and longer lease terms, and contribute more to our foot traffic, rental scale and revenue stability. The operations of our projects could be adversely affected if these large tenants and other major tenants fail to comply with their contractual obligations or cease their operations.

Certain large tenants may experience decreases in foot traffic due to uncertainty and less-than-desirable levels of consumer confidence, increased competition from alternative shopping options such as online shopping and other forms of pressure on their business models. As the pressure on these large tenants increases, their ability to maintain their stores and meet their obligations to property owners and us and to their external lenders may be impaired and result in closures of their stores or their seeking lease modification with the property owners, which will reduce our income from commercial operation services and have an adverse effect on us.

If any of the major tenants was to close its stores in the projects under our management, we may have difficulty or experience delay in sourcing new tenants, as well as in leasing spaces in areas adjacent to such vacant major tenants, at attractive rates, or at all. Additionally, major tenants' closures may result in decreased foot traffic, which could lead to decreased sales at other stores, which in turn would affect our operating results.

Our ability to maintain or improve our profitability depends on our ability to control operating costs, in particular, staff costs, subcontracting costs, utility costs, selling and distribution expenses.

In 2020, 2021 and 2022, our staff costs represented 18.9%, 19.0% and 16.5%, our subcontracting costs represented 12.8%, 11.1% and 10.7%, and our utility costs represented 8.6%, 8.6% and 9.0% of our total revenue, respectively. In addition, during the same periods, our selling and distribution expenses represented 5.8%, 5.1% and 4.8% of our total revenue, and our staff costs included in the administrative expenses represented 16.1%, 11.5% and 10.1% of the total revenue, respectively. Our staff costs are incurred both at our malls and headquarters.

To maintain and improve our profitability, it is critical for us to control and reduce our staff costs, utility costs, marketing and distribution expenses as well as other operating costs. We face pressure from rising staff costs due to various factors, including, but not limited to:

- *Increases in average wages.* The average wages in the market where we operate have increased substantially in recent years, partially due to the increases in minimum wages. The increase in market wages may force us to increase the salaries for our staff and commission for third-party subcontractors. As a result, we may incur more staff costs and subcontractor costs.

- *Increases in headcount*. As we expand our operations, the headcount of our sourcing and operating staff, property management, repair and maintenance staff, planning and design staff and other staff may continue to grow. We will also need to retain and continuously recruit qualified employees to meet our growing demand for talents, which could further increase our total headcount. Moreover, as we continue to expand our business scale, we will need a growing number of subcontractors. These increases in headcount also result in increases in other associated costs such as training, social insurance and housing provident funds contributions, and quality control measures.

Our ability to maintain and improve our current profitability levels largely depends upon whether we can control and reduce staff costs, utility costs, marketing and distribution expenses as well as other operating costs as our business expands, and whether we can replicate the same cost model across different projects under management. We cannot assure you that we will be able to control or reduce our operating costs, improve our cost efficiency, or successfully pass through additional costs to our customers. A failure to achieve such objectives could materially and adversely affect our business, financial condition and operating results.

We are exposed to risks associated with relying on third-party subcontractors to perform some commercial operation services.

We engage third-party subcontractors to provide security services and cleaning and greening services for projects under our management during the Track Record Period. We select third-party subcontractors based on factors such as professional qualifications, industry reputation, service quality and price competitiveness. However, we cannot assure you that they will always perform in accordance with our expectations. They may act in ways that are contrary to our instructions, their contractual obligations and our own quality standards, and we may not be able to monitor them as directly and efficiently as compared with our own employees. This subjects us to risks associated with their substandard performance, including but not limited to litigation, reputational damage, disruptions to our business, termination or non-renewal of our service contracts and monetary claims from our tenants or customers. We may also incur additional costs while seeking to monitor or replace third-party subcontractors who do not perform in accordance with our expectations.

Furthermore, when our existing subcontracting agreements expire, we may not be able to renew them or hire suitable replacements in a timely manner. We cannot assure you that we will renew our subcontracting agreements or hire replacements on favorable terms. We cannot control the ability of our subcontractors to maintain qualified, experienced and sizeable teams. In the event that our third-party subcontractors do not perform their obligations properly or in a timely manner, the service process may be interrupted which could potentially result in a breach of contract by us. Any such events could adversely affect our service quality and reputation, as well as our business, financial condition and operating results.

We may incur losses with respect to some of our commercial management projects.

In 2020, 2021 and 2022, there were 65, 19 and 20 of our subsidiaries operating commercial property management projects (excluding projects not yet opened or newly opened in the corresponding years or period) that incurred losses amounting to RMB393.3 million, RMB78.4 million and RMB74.6 million, respectively. Our revenue generated from such subsidiaries operating commercial property management projects amounted to RMB2,439.2 million, RMB569.9 million and RMB493.6 million in 2020, 2021 and 2022, respectively, representing 14.2%, 2.4% and 1.8% of our total revenue for the same periods, respectively. The main reason for the above losses is that the operational management services under the entrusted management model were provided as part of Wanda Group's business for which we did not charge service fees before May 2021.

Although we have adjusted our business model and started to enjoy a certain percentage of the NOI generated by the malls owned by Parent Group under the entrusted management model, and our malls under management generally generate profit after their operation stabilizes and matures, we cannot assure you that all of our existing or new projects will eventually become profitable. If such malls remain loss-making, our operating results and financial condition may be adversely affected.

We may not be able to fully collect our trade and bills receivables generated in the course of our business, which could lead to the impairment of our trade and bills receivables. We might also be subject to impairment losses on prepayments and other receivables.

We are subject to credit risks in relation to trade and bills receivables generated in the course of our business. If our customers, for any reason, experience any difficulty in their operations, we may encounter difficulties in collecting commercial operation service fees from property owners, rent and property management fees from tenants, and value-added service fees from customers. If our business relationship with the foregoing parties is terminated or scaled back, or the cooperative arrangements with us are altered, or if the foregoing parties experience financial difficulties, we cannot collect the corresponding trade and bills receivables, which may materially and adversely affect our financial position and liquidity. We strive to collect overdue service fees and rents through a number of collection measures, such as collecting prepayment and deposit. However, there can be no assurance that these measures will be effective.

As of December 31, 2020, 2021 and 2022, our loss allowance for impairment of trade and bills receivables was RMB44.9 million, RMB62.8 million and RMB67.5 million, respectively, and after impairment, the carrying amount of our trade and bills receivables was RMB196.4 million, RMB1,682.5 million and RMB2,815.6 million, respectively. We made such provisions for impairment based on expected credit losses. Similarly, we might be subject to impairment losses on prepayments and other receivables. As of December 31, 2020, 2021 and 2022, our loss allowance for impairment of prepayments, other receivables and other assets was RMB28.4 million, RMB13.3 million and RMB27.4 million, respectively, and after impairment, the carrying amount of our prepayments, other receivables and other assets was RMB16,881.0 million, RMB789.4 million and RMB3,377.7 million, respectively. Our prepayments are primarily related to prepayment of utility fees and prepayment for renovation of the malls. Our other receivables primarily represent non-trade, non-interest-bearing cash advances to related parties, collection and advance payments for utilities, security deposits for electronic transfer services. There can be no assurance that we will not have bad debts in the future. In the event that the actual recoverability of trade and bills receivables is lower than the expected level, we may need to provide allowance for impairment of trade and bills receivables, which could adversely affect our cash flow position and our ability to meet our working capital requirements, thereby materially and adversely affecting our business, financial condition and results of operations.

We are subject to risks associated with trade receivables due from related parties. Failure to settle our trade receivables due from related parties in a timely manner will materially adversely affect our financial conditions.

During the Track Record Period, a substantial proportion of our trade receivables were due from related parties, which mainly arose from our provision of commercial management services, property management services and value-added services to such related parties. As of December 31, 2020, 2021 and 2022, our trade receivables due from related parties (before impairment allowance) were RMB126.8 million, RMB1,613.6 million and RMB2,555.6 million, representing 52.9%, 92.5% and 88.6% of our total trade receivables (before impairment allowance), respectively. The increase in our trade receivables from related parties in 2021 was primarily because all of the malls owned by Wanda Group have been managed under the entrusted management model after the adjustment of our operating models between March and June 2021, where we have started to charge for operational management services since May 2021. As of December 31, 2021 and 2022, part of the settlement of such operational management service fees was not due. Due to the same reasons, we also have an increase in the turnover days of our trade receivables from related parties in 2021. See "Financial Information – Description of Certain Components of Our Consolidated Statements of Financial Position – Trade and Bills Receivables" for further details.

As a result, any adverse development in the business or deterioration of financial position of our related parties may negatively affect our related parties' ability to pay the operational management service fees, which in turn will negatively affect our ability to collect trade receivables due from related parties, and further materially and adversely affect our business and financial positions. See also "– A significant portion of our revenue was generated from projects sourced from Wanda Group during the Track Record Period, over which we have no control".

Although we have been closely monitoring and communicating with our related parties for the collection of trade receivables, there can be no assurance that we will be able to settle trade receivables due from related parties in a timely manner in the future. If the recoverability of our trade receivables becomes lower than expected, we may need to provide for allowance for impairment of trade receivables, which may adversely affect our liquidity position and our ability to meet our working capital requirements. See also "Financial Information – Liquidity and Capital Resources" and "Financial Information – Current Liabilities and Assets" for details of subsequent settlement of our trade receivables and liquidity position.

Failure to meet our obligations under our existing or future indebtedness and loan guarantees will materially and adversely affect our ability to obtain future financings, financial condition, liquidity, business and operating results.

As of December 31, 2020, 2021 and 2022, we had total interest-bearing bank and other borrowings of RMB1,398.5 million, nil and nil and loan guarantees of RMB5,737.0 million, nil and nil. Our ability to pay interest on and satisfy our existing or future debt will depend upon, among other things, our future operating performance and our ability to refinance the loans when necessary. Each of these factors is, to a large extent, dependent upon economic, financial, competitive and other factors beyond our control. If, in the future, we cannot generate sufficient cash from operations to meet our obligations, we will need to refinance our existing debt or sell our assets at prices lower than commercially acceptable levels, which in turn could materially and adversely affect our business and results of operations. Failure to meet our debt obligations could result in events of defaults of such indebtedness and/or cross-defaults of other indebtedness, which could materially and adversely affect our ability to obtain future financings, our business, financial conditions, liquidity and results of operations.

Some restrictive covenants and risks normally associated with debt financing may limit or otherwise materially and adversely affect our business, financial condition and operating results.

Our loan agreements may contain financial and other covenants that require us to maintain some financial ratios or impose restrictions on our asset disposal or our business operation. Furthermore, such loan agreements also include, and our future loan agreements may include, restrictive covenants under which we may be required to obtain approval from our lenders to, among other things, incur additional debt, pledge assets, undertake guarantee obligations and dispose of or sell assets. If we are not granted such approvals, we may not be able to obtain additional financing or conduct some other business activities that may be viewed as favorable to us, and we cannot assure you that our financial resources will be adequate to support our operations. Our financial condition, operating results, cash flows and business prospects may then be materially and adversely affected.

We may not be able to recover our deferred tax assets.

In the application of our accounting policies, our management is required to make judgments, estimates and assumptions about the carrying amounts of some 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. Therefore, actual results may differ from these accounting estimates. Our deferred tax assets amounted to RMB177.0 million, RMB120.8 million and RMB137.2 million as of December 31, 2020, 2021 and 2022, respectively.

Based on our accounting policies, we recognize deferred tax assets if taxable temporary differences or tax losses can, in our management's opinion, be used to offset future taxable profit. The outcome of the actual utilization of such temporary differences or tax losses may be different. If there is a significant adverse change in our performance, some or all of the relevant deferred tax assets may need to be written off and charged to the income statement, which could have an adverse effect on our financial condition. Moreover, utilization of deferred tax assets significantly depends on our management's judgment as to whether sufficient profits or taxable temporary differences will be available in the future.

We recorded net current liabilities in 2020, and we may continue to be subject to liquidity risks.

We had net current liabilities of RMB1,762.7 million as of December 31, 2020 mainly because RMB5,178.2 million dividends were distributed in 2020. Although our Directors believe that we have adequate resources to continue operations and meet our obligations due for at least 12 months from the end of the Track Record Period, going forward, we may continue to have net current liabilities that would expose us to liquidity risk. Our future liquidity and ability to make additional capital investments necessary for our operations and business expansion will depend primarily on our ability to maintain sufficient cash generated from operating activities and to obtain external financing. If we continue to have net current liabilities, our working capital for business operations may be constrained. If we do not generate sufficient positive operating cash flows or obtain additional financing to meet our working capital needs, our business, financial condition and results of operations may be materially and adversely affected.

Our future acquisitions or investment in other companies may not be successful and we may face difficulties in integrating acquired businesses with our existing business.

We may acquire other companies or business lines and integrate their operations into our business to further expand our business scale and service and geographical coverage. However, we cannot assure you that we will be able to identify suitable acquisition opportunities. Acquisitions and investments involve uncertainties and risks, including but not limited to, potential ongoing financial obligations and hidden liabilities, failure to achieve the intended objectives, inability to enhance revenue, and diversion of resources and management attention. Even if we manage to identify suitable opportunities, we may not be able to complete the acquisitions or investments on terms favorable or acceptable to us, in a timely manner, or at all, which could materially and adversely affect our competitiveness and growth prospects. In addition, we may face difficulties in integrating acquired businesses into our existing business. Such difficulties could disrupt our ongoing business, distract our management and employees or increase our expenses, any of which could materially and adversely affect our business, financial position and operating results. As of the Latest Practicable Date, we did not have any potential acquisition or investment target or enter into any definitive agreement for investment or acquisition.

We may require additional funding to finance our operations and future acquisitions, which may not be available on terms acceptable to us or at all, and if we are unable to raise funds, the value of your investment in us may be negatively impacted.

To fund our future growth plans, including to diversify our business and operational model by acquiring or investing in other commercial operation service providers, we need to secure additional funding to finance our capital expenditure. There can be no assurance that we will be able to secure funding on terms acceptable to us or at all. If our internal capital reserve is insufficient to finance our capital expenditure and growth plans, we may have to seek additional financing from third parties, including banks, joint venture partners and other strategic investors. We may also consider raising funds through the issuance of new Shares, which would lead to the dilution of our existing Shareholders' interests in the Company. If we are unable to obtain financing in a timely manner, at a reasonable cost and on acceptable terms, we may be forced to delay our expansion plans, or downsize or abandon such plans, which may adversely affect our business, financial condition and operating results, as well as our future prospects.

Our business operations and financial performance have been and may continue to be affected by the outbreak of COVID-19.

Our business operations and financial performance have been and may continue to be materially and adversely affected by the outbreak of COVID-19. During certain periods of the Track Record Period, the outbreak of COVID-19 in the PRC severely restricted the level of economic activity in affected areas and materially disrupted our business and operations.

At the peak of the COVID-19 outbreak in China, our industry was significantly affected. 202 of the malls which we provide services to were closed for an average of 24.6 days from January 1, 2020 to March 31, 2020. Such closure severely disrupted our operations and had a material adverse effect on our business, financial condition and operating results. We waived rent and property management fees for some of our tenants from January 2020 to February 2020 to ease their financial burden. In 2020, we waived total rent of RMB558.2 million and total property management fees of RMB810.5 million. It remains difficult to predict the full impact of the COVID-19 pandemic on the broader economy and how consumer behavior may change, and whether such change is temporary or permanent. Social distancing, telecommunicating and shopping online may become the new norm. These conditions may fundamentally impact the way we work and the services we provide, and may have continuing adverse effects on our operating results, cash flows and financial condition in the future.

In July 2021, multiple cities in China reported new locally transmitted Delta strain of the COVID-19 cases, which created new uncertainties. In 2021, malls we manage were closed for an average of 21 days due to the COVID-19 pandemic. The case of the omicron COVID-19 variant in China was found in December 2021. In 2022, there were regional outbreaks of the highly transmissible Omicron in China. In response, local governments in the affected areas such as Shanghai, Shenzhen and Jilin Province imposed various restrictions on business and social activities, including restrictions on travel, production activities and logistics, and other emergency quarantine measures. Due to the resurgence of COVID-19 cases in 2022, there was a 16.9% decrease in foot traffic. In 2022, malls were closed for an average of 31 days, and malls in first-tier cities were closed for an average of 46 days. In December 2022, the PRC government has announced a nation-wide loosening of COVID-19 restrictions, such as suspending mandatory testing requirements. In May 2023, the World Health Organization declared end of COVID-19 as a public health emergency. However, it remains uncertain as to the full extent of the long-term impact of COVID-19 pandemic on China's economy and our business operations either. Any additional impact of the COVID-19 pandemic or the outbreak of any other infectious disease, may adversely affect our business operations, financial condition and prospects.

We are in a competitive business and if we do not compete successfully against existing and new competitors, our business, financial condition, operating results and prospects may be materially and adversely affected.

The PRC commercial operation service markets are fragmented and competitive. Our major competitors include national and regional commercial operation service providers. For details, see "Business – Competition" and "Industry Overview." Competition may intensify as our competitors expand their service offerings or as new competitors enter our existing or new markets. We believe that we compete with our competitors in terms of a number of aspects, including property management portfolio, brand recognition, financial resources, price and service quality. Our competitors may have better track records and greater financial, technical, sales, marketing and other resources, as well as greater name recognition and larger customer bases. As a result, they may be able to devote more resources to the development, promotion, sales and support of their services, and may be better positioned than we are to compete for customers, financing, management and labor resources. In addition to competition from established companies, emerging companies may enter our existing or new markets. There can be no assurance that we will be able to continue to compete effectively or maintain or improve our market position, and a failure to do so could have a material adverse effect on our business, financial condition and operating results.

The rapid growth of the e-commerce business in China may have an adverse impact on the operation of our tenants, which may in turn affect the profitability of our commercial operation services.

As the e-commerce business in China experiences rapid growth, consumers' purchasing habits may undergo significant changes. People may tend to shop online instead of visiting malls, which may result in a decrease of foot traffic in the projects under our management. If some tenants' business and financial condition are affected by the change in consumers' purchasing habits or preferences, they may reduce their rental area or even cease to rent the storefronts.

To maximize consumer experience and attract more consumers, we have been gradually changing the demographic of our tenants, and providing consumers with a personalized and more diversified experience through technology empowerment. We have increased the percentage of experience-based business in the malls that we operate, such as catering, lifestyle, sports and other entertainment facilities, and continued to optimize our mini programs. Nonetheless, our commercial operation services may still be affected by the rising e-commerce business in China, and we may not be able to maintain our historical growth rates of revenue and profit, or remain profitable, if such adverse changes occur.

Our digital platforms may be disrupted by system failures, downtime and network interruptions, and we are subject to risks arising from any failure of or inadequacies in our digital platforms.

We may encounter technical problems, security issues and operational issues that may prevent our digital platforms from functioning properly and our users from receiving desired products and services. If we are unable to resolve such problems in a timely manner, or at all, we may lose our existing users or face lower user engagement. In addition, we may not be able to recruit sufficient qualified personnel to support the operation and growth of our digital platforms.

Future development of and investment in our digital platforms may be subject to PRC laws and regulations governing license approvals and renewals and we cannot assure you that we can obtain or renew our license on time, if at all. Any of the foregoing could materially and adversely affect our reputation, business, financial condition and operating results.

We rely on our information technology systems to manage key operational functions including, among others, managing and monitoring daily business operations and settling payments with our customers. However, we cannot assure you that damages or interruptions caused by power outages, computer viruses, hardware and software failures, telecommunication failures, fires, natural disasters, security breaches and other similar occurrences relating to our information systems will not occur going forward. We may incur significant costs in restoring any damaged information technology systems. Failures in or disruptions to our information technology systems and loss or leakage of confidential information could cause transaction errors, processing inefficiencies and the loss of customers and sales. We may thus experience material adverse effects on our business and operating results.

A failure to protect the data of our customers and visitors or to comply with data privacy and protection laws and regulations could harm our reputation and deter customers from using our services, which could materially affect our operating results.

During the ordinary course of our business, we collect, store and process personal and other sensitive data of our customers and visitors, such as addresses, phone numbers and shopping behavior. Our security measures may be breached due to employee errors, malfeasances, system errors or vulnerabilities, or more. External parties may also attempt to fraudulently induce employees to disclose sensitive information in order to gain access to our data or our customers' data. While we have taken steps to protect the confidential information that we have access to, our security measures may be breached. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and are generally not identified until they are launched against a target, we may not be able to identify these techniques or to implement adequate preventive measures. Any accidental or willful security breaches or other unauthorized access to our platforms could cause confidential customer information leakage and usage for unlawful purposes. Security breaches or unauthorized access to confidential information could also expose us to liabilities related to the loss of the information, time-consuming and expensive litigation and negative publicity.

The PRC laws and regulations in relation to cybersecurity, including the Cybersecurity Law of the People's Republic of China which was effective from June 2017, the Data Security Law of the People's Republic of China which was effective from September 2021, the Personal Information Protection Law of the People's Republic of China which was effective from November 2021 and the Measures for Cybersecurity Review which was effective from February 2022, are relatively new and evolving, and their interpretation and enforcement involve uncertainties, and the PRC government authorities may promulgate new laws and regulations regulating this area in the future, which may be costly to comply with. In addition, any public concerns about our practices with regard to the collection, use of personal information or other privacy-related matters, even if unfounded, could damage our reputation, which may, in turn, have a material and adverse effect on our business, financial condition and operating results.

Security breaches and attacks against our systems and network, and any potentially resulting breach or failure to otherwise protect personal, confidential and proprietary information, could damage our reputation and negatively impact our business, as well as materially and adversely affect our financial condition and operating results.

We may experience occasional system interruptions, delays or other technical problems that make any of our relevant mini programs and their services unavailable or difficult to access, and prevent us from promptly responding or providing products or services to our customers, which may reduce the attractiveness of such apps. If we are unable to continue to effectively upgrade our systems and network infrastructure and take other steps to improve the efficiency of our systems, there may be system interruptions or delays which will materially and adversely affect our operating results. In addition, services utilizing any mini program are subject to security risks, including security breaches and identity theft. We must be able to provide secured transmission of confidential information over public networks when providing such services. Any penetration of network security or other misappropriation or misuse of personal information could cause interruptions in the operations of our business and subject us to increased costs, litigation and other liabilities, which could materially and adversely affect our financial condition and operating results, and damage our reputation.

We are exposed to risks associated with the use of third-party online payment platforms.

We accept payments via various methods, including but not limited to online payments through third-party platforms. Payments through third-party platforms such as WeChat Pay and Alipay from the customers to the tenants are also accepted in the projects we manage. Transactions conducted through third-party payment platforms involve the transmission of confidential information such as credit card numbers, personal information and billing addresses over public networks. In recent years, the use of third-party platforms in the PRC has grown in parallel with consumer confidence in their security and efficiency. However, we do not have control over the security measures taken by providers of our third-party platforms. In the event that the security and integrity of these third-party platforms are compromised, we may experience adverse effects on our ability to process our service fees. We may also be perceived as partially responsible for failures to secure personal information and be subject to claims alleging possible liability brought by the customers. Such legal proceedings could damage our reputation and adversely affect our business, financial condition and operating results. In addition, the PRC Government may yet promulgate new laws and policies to regulate the use of third-party online payment platforms. Such measures may increase our compliance and operational costs, for example by requiring that we pay higher transaction fees.

The promotion, application and access of mini apps we operate may not succeed as planned, and we may be exposed to disputes and liabilities from products and services marketed on such mini programs.

We utilize mini programs as the gateway for users to access our services both online and offline with a view to enhance customer experience and loyalty, as well as our brand recognition. For details, see "Business – Our Membership and WeChat Mini Program." The future promotion, application and access of such mini programs depend on our ability to enhance the functionality of such mini programs, as well as our ability to stay abreast of emerging lifestyle and consumer preferences to attract and appeal to users. There can be no assurance that our users will be able to have access to their desired services through such mini programs, or our users may lose interest in our mini programs and thus may use such mini programs less frequently, if at all, which, in turn, may materially and adversely affect our business, operating results and financial condition.

As we collaborate with third parties and display their products on our mini program for sale, we may be subject to product liability arising from displaying such products under the relevant PRC laws and regulations. Any product liability claim or governmental regulatory action may be costly and time-consuming to us. We could be required to pay substantial damages as a result of such claim or action. A material design, manufacturing or quality failure in the products or services displayed on our relevant mini program, safety issues or heightened regulatory scrutiny could each result in a product recall and increased product or service liability claims. All of these events could materially harm our brand and reputation and marketability of such products or services, cause us to lose our existing mini program platform users with lower user engagement and have an adverse effect on our business, financial condition and operating results.

Negative publicity, including negative news, regulatory issues or litigation on the Internet, about us, our Controlling Shareholders, Directors, supervisors, senior management, our affiliates, our brand, management, business partners and products and services that we provide may have a material adverse effect on our business and reputation.

Negative publicity about us, our Controlling Shareholders, Directors, supervisors, senior management, our affiliates, our brand, management, business partners and products and services provided by us, including, but not limited to, negative news, regulatory issues, disputes, litigations or proceedings, may arise from time to time. Negative comments on the properties managed by us, our business operations and management may appear in Internet postings and other media sources from time to time and there can be no assurance that other types of negative publicity will not arise in the future. For example, disputes with tenants or consumers of the projects we manage may lead to negative publicity that could adversely affect our reputation. In addition, non-compliance with any laws or regulations by our employees and business partners and the existence of pending litigation by Controlling Shareholders, Directors, supervisors, senior management or affiliates could expose us to negative publicity or damage our reputation or cause our business to be materially and adversely affected. Any negative publicity, regardless of its validity, could have a material adverse effect on our business and reputation. We may need to spend significant time and incur significant costs in responding to allegations and negative publicity, and may not be able to mitigate the effects of such negative publicity to a level that our investors and customers are satisfied with.

Any inappropriate use of our trade name or trademark and deterioration in our brand image could materially and adversely affect our business.

Brands are our key assets. We provide commercial operation and subleasing services under the "萬達廣場" (Wanda Plaza) brand. Our ability to attract and retain customers is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, management, workplace culture, financial condition, our response to unexpected events and other subjective qualities. The success of our business depends substantially upon our continued ability to increase brand recognition and further grow brand equity.

Meanwhile, unauthorized use of our brand names or related trademarks could diminish the value of our brands, market reputation and competitive advantages, which could make it difficult for us to attract new customers and maintain existing ones.

We believe that our continued success depends on our ability to protect, develop and leverage the value of these brands. Protecting brands, including related trademarks, could be costly in terms of financial and operational resources. In addition, the measures we take to protect our brands may not adequately protect rights or prevent the infringement or misappropriation of trademarks by third parties. Even if we become aware of the infringement or misappropriation of trademarks, we may not be able to enforce all rights in such trademarks. Unauthorized use of our brands by third parties could have a material adverse effect on our brands. In addition, as we continue to expand our business, we may be exposed to claims of infringement or other alleged infringement of third party intellectual property rights, which may limit our ability to use our brands in a manner consistent with our business objectives.

In addition to unauthorized use of our brand name, inappropriate use of our "Wanda Plaza" brand name by certain third party entities not within our group, such as property owners, might also adversely affect our business. As the property owners are entitled to use the brand name "萬達廣場" (Wanda Plaza), if any of their inappropriate business activities damages such brand name, our brand image and reputation as well as our market value may be adversely affected.

Our reputation may be adversely affected by complaints from property owners, tenants, visitors or other stakeholders relating to the services provided by us even if the relevant complaints are frivolous or vexatious.

Property owners of our projects may file complaints or claims against us regarding our services. Tenants and consumers of the projects that we manage may also make complaints against us regarding our service quality. Therefore, in the ordinary course of our business, we need to strike a balance among varying expectations from different groups of property owners, tenants and consumers.

Although we have established procedures to monitor the quality of our services and maintain communication channels through which relevant stakeholders may provide feedbacks and complaints, there can be no assurance that the expectations and demands from all property owners, tenants and consumers can be addressed in a timely and effective manner. There can be no assurance that some property owners, tenants and consumers will not have specific demands or expectations which are beyond what we can provide in our ordinary course of business. Furthermore, there can be no assurance that, such property owners, tenants and consumers will not attempt to exert pressure on us by means beyond our control, such as by way of lodging or making frivolous or vexatious complaints directly to us or through various media sources in order to compel us to meet these demands. Any such events or any negative publicity thereof, regardless of veracity, may have an adverse effect on our business and reputation.

A failure to protect our intellectual property rights could have a negative impact on our business and competitive position.

We have registered and are in the process of registering a number of intellectual property rights in the PRC. We consider these intellectual properties our key business assets, which are of crucial importance to customer loyalty and our future development. The success of our business depends, to a large extent, on our ability to continue the use of our brand, trade names and trademarks, to increase brand recognition and to further develop our brand. The unauthorized reproduction of our trade names or trademarks may diminish the value of our brand, market reputation and competitive advantages. For details, please refer to "Business – Intellectual Property". Our measures to protect intellectual property rights may afford limited protection and policing unauthorized use of proprietary information can be difficult and expensive. If we were unable to detect unauthorized use of, or take appropriate measures to enforce, our intellectual property rights, it could have adverse effects on our business, operating results and financial condition.

As of the Latest Practicable Date, we have been licensed by the Parent Group and Wanda Group to use some of their trademarks in the operation of our business. For details, please refer to "Business – Intellectual Property". If the relevant licensor ceases to authorize us to use such trademarks, our business, financial condition and operating results may be adversely affected. We are also exposed to the risk that a third party may successfully challenge the licensor's ownership of, or our right to use, the relevant licensed trademarks, or if a third party uses such trademarks without authorization, we are also exposed to risk.

Third parties may assert or claim that we have infringed their intellectual property rights, which may disrupt and affect our business.

We may be subject to claims from competitors or third parties alleging intellectual property infringement in our ordinary course of business from time to time. Any claims or legal proceedings brought against us in relation to such issues, with or without merit, could result in substantial costs and divert financial resources and management attention. In the event of an adverse determination, we may be compelled to pay substantial damages or to seek licenses from third parties and pay ongoing royalties on terms unfavorable to us. In addition, regardless of whether our defense will be successful, intellectual property disputes may damage our brand value and reputation in the eyes of current and potential customers and within our industry. As a result, our business, financial condition and operating results could be adversely affected.

If we fail to obtain the requisite government approvals, certificates, permits or licenses for carrying out our business, or experience material delays in obtaining the relevant government approvals, certificates, permits or licenses, our business may be adversely affected.

We are required to obtain and maintain some licenses, permits, certificates and approvals for our business operations. There can be no assurance that we will be able to adapt to new rules and regulations that may be relevant to our services, or 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 business operations, we will not be able to continue our relevant business development plans, and our business, financial condition and operating results may be adversely affected.

Our use of some leased properties and the management of entrusted management projects may be challenged by third parties or governmental authorities, which may cause interruptions to our business operations.

During the Track Record Period, some of our landlords failed to provide valid title certificates with respect to some of our leased properties located in the PRC. For details, please refer to "Business – Properties – Leased Properties". If our landlords are not the owners or are not authorized by the genuine owners to lease the properties to us, we might need to seek alternative properties and incur additional costs relating to such relocation. Any dispute or claim in relation to the rights to use or lease the properties occupied by us, including any litigation involving allegations of illegal or unauthorized use of these properties, may require us to relocate our business premises. If any of our leases were terminated as a result of any challenge by third parties or any failure of our landlords to renew the leases or obtain their legal titles or the requisite government approval or consent to lease the relevant properties, we may need to seek alternative premises for our operations and incur additional costs for relocation.

Pursuant to applicable PRC laws and regulations, property leasing agreements must be filed with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. The filing of such leases will require the cooperation of the lessors. The lack of filing will not affect the validity and enforceability of the leasing agreements, but a fine ranging from RMB1,000 to RMB10,000 may be imposed on the parties of the leases for each non-filed lease. As of the Latest Practicable Date, we or the lessors had not filed the lease agreements for 165 of our leased properties with the local housing administration authorities as required under PRC law. For details, please refer to "Business – Properties – Leased Properties". We may be subject to fines for the failure to register the leasing agreements, which could adversely affect our financial condition and operating results.

In addition, in some of our entrusted management projects, our customers failed to provide documentary proof of property ownership. If the customer is not the property owner or has not been authorized or given consent by the genuine property owner, our ordinary operations may be adversely affected.

We may be subject to penalties from the PBOC or adverse judicial rulings as a result of extending loans to our related parties and third parties during the Track Record Period.

We extended non-trade, non-interest-bearing cash advances to related parties and provided loans to fellow subsidiaries and the Parent Company during the Track Record Period. We made non-trade non-interest-bearing advances to related parties mainly as the Parent Company centralized fund management. As of December 31, 2020, 2021 and 2022, our non-trade, non-interest-bearing cash advances to related parties in prepayments and other receivables amounted to RMB12,524.2 million, nil and nil, respectively. Our outstanding balance have been fully settled in October 2021. Our loans to fellow subsidiaries and the Parent Company were unsecured with an interest rate between 4.4% and 5.4% per annum. As of December 31, 2020, 2021 and 2022, our loans to fellow subsidiaries and the Parent Company amounted to RMB3,051.4 million, nil and nil, respectively. As of December 31, 2021 and 2022, our loans to fellow subsidiaries and the Parent Company have been fully settled. See "Financial Information – Description of Certain Components of Our Consolidated Statements of Financial Position – Prepayments, Other Receivables and Other Assets" for details.

We also provided assistance funds to our strategic and valued customers to help them recover from a challenging operational environment. As of December 31, 2022, our assistance funds to customers were RMB838.2 million. See Note 21 of the Accountants' Report in Appendix I to this document for further details.

According to the General Lending Provisions (《貸款通則》), a departmental rule rather than a law or an administrative regulation promulgated by the PBOC in 1996, only financial institutions may legally engage in the business of extending loans, and loans between companies that are not financial institutions are prohibited. According to the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) (the "**Judicial Interpretations on Private Lending Cases**") promulgated on August 6, 2015, revised on August 19, 2020 and December 29, 2020 and became effective on January 1, 2021, in terms of a private lending contract concluded between legal persons or non-legal-person organizations or between a legal person and a non-legal-person organization for the need of production and operation, except under any of the circumstances as prescribed in Articles 146, 153 and 154 of the Civil Code of the PRC and Article 13 thereof, relevant people's court shall recognise the validity of the private lending contract. Our Directors confirm that all non-interest-bearing cash advances to related parties and loans to fellow subsidiaries and the Parent Company during the Track Record Period arose from previous course of business with such parties, the loans are made for the purpose of such parties' normal business operation, we have no intention to engage in any private lending activity to derive interest income, and our provisions of non-interest-bearing cash advances to related parties and loans to fellow subsidiaries and the Parent Company did not involve the circumstances as set forth in Articles 146, 153 and 154 of the Civil Code of the PRC or Article 13 of the Judicial Interpretations on Private Lending Cases. Our Directors also confirm that the assistance funds to our customers are made for the purpose of such parties' normal business operation and the assistance funds did not involve the circumstances as set forth in Articles 146, 153 and 154 of the Civil Code of the PRC or Article 13 of the Judicial Interpretations on Private Lending Cases. On the basis above, our PRC Legal Advisor is of the view that our provisions of non-interest-bearing cash advances to related parties and loans to fellow subsidiaries and the Parent Company, as well as the assistance funds to customers were valid.

According to the General Lending Provisions (《貸款通則》), the PBOC may impose penalties on the lender equivalent to one to five times of the income generated (being interests charged) from loan advancing activities. Our Directors confirm that, as of the Latest Practicable Date, we have not received any notice or been penalized for extending non-interest-bearing cash advances to related parties and loans to fellow subsidiaries and the Parent Company, or providing assistance funds to our customers. Based on the above, since companies have rarely been penalized for extending interest-bearing loans to their related parties or providing assistance funds to customers by the PBOC, our PRC Legal Advisor is of the view that the risk of us being penalized is relatively remote in respect of the above-mentioned borrowings and loans under the condition that there are no material changes in current laws and regulations or the interpretation or implementation thereof in China.

Nevertheless, we cannot assure you that we may not be subject to a penalty fine from the PBOC and in the event that we are ordered by the PBOC to pay the penalties, our financial condition and results of operations could be adversely affected.

We may be involved in legal and other disputes and claims that arise from our operations from time to time.

We may, from time to time, be involved in disputes with and subjected to claims from property owners or tenants to whom we provide commercial operation and other services. Disputes may also arise if such property owners or tenants are dissatisfied with our services. In addition, property owners may take legal actions against us if they perceive that our services are inconsistent with the service standards prescribed in the service contracts. Furthermore, we may from time to time be involved in disputes with and subjected to claims by other parties involved in our business, including our employees, third-party subcontractors, other suppliers, and other third parties who sustain injury or damage while visiting properties under our management. All such disputes and claims may lead to legal or other proceedings or cause negative publicity against us, thereby resulting in damage to our reputation, substantial costs and diversion of resources from our business activities. Any such dispute, claim or litigation may have material and adverse effect on our business, financial condition and operating results. For details, please refer to "Business – Legal Proceedings." In addition, in 2019, one of our subsidiaries were fined RMB0.15 million by the relevant regulatory authority as we did not timely adjust the fee rates of utility costs charged to the tenants in accordance with the downward adjustments made by the relevant department of the government regarding the utility costs. If we fail to observe the applicable laws and regulations in the future, we may be subject to penalties imposed by the relevant regulatory authority from time to time, which will have adverse effects on our business, financial condition and operating results.

We may be subject to fines for our failure to fully contribute to social insurance fund and housing provident fund for some of our employees.

During the Track Record Period, some of our PRC subsidiaries did not fully contribute to social insurance and housing provident funds for their employees. Our PRC Legal Advisor believes that our failure to pay or fully pay social insurance premiums and housing provident funds for all employees in accordance with the relevant provisions of the PRC laws and regulations during the Track Record Period will not have any material adverse effect on us.

As advised by our PRC Legal Advisor, according to the relevant PRC laws and regulations, if we fail to pay the housing provident fund in full as due, the relevant government authority can order us to pay the outstanding housing provident fund contributions within a prescribed period, otherwise, the relevant government authority can apply to the people's court for compulsory enforcement. If we fail to contribute social insurance premiums on time and in full, the relevant government authority can require us to pay the unpaid social security contributions within a prescribed period, and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. If we still not make the payments within the stipulated period, we may be liable to a penalty of one to three times the amount of the outstanding contributions.

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

Our continued success depends on the efforts of our senior management team and other key employees. As they possess key connections and industry expertise, losing their services may have a material and adverse effect on our business. For example, Mr. Xiao Guangrui, our chairman, executive Director and president, has approximately 20 years of experience in business operation and management. In addition, Mr. Wang Zhibin, our executive Director, has been responsible for our overall strategic planning, management and operations since 2011. We believe that their insights into and knowledge of our industry, business operations and history have guided and will continue to guide us toward success. For further details on our Directors and senior management, please refer to "Directors, Supervisors and Senior Management" in this document. If one or more members of our senior management or our key employees are unable or unwilling to continue their employment with us, we may not be able to replace them with qualified personnel in a timely manner, or at all, which may result in material adverse changes to our established brand image, reputation, service quality or standards, and in turn, may disrupt our business and materially and adversely affect our business, financial condition and operating results.

We may not be able to detect and prevent fraud, negligence or other misconduct committed by our employees or third parties in a timely manner.

We are exposed to fraud or other misconduct committed by our employees, subcontractors, agents, customers or other third parties that could subject us to financial losses and sanctions imposed by governmental authorities as well as seriously harm our reputation. Our information systems and internal control procedures are designed to monitor our operations and overall compliance. However, they may be unable to identify non-compliance and/or suspicious transactions in a timely manner, or at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective, and our business, financial condition, operating results and reputation may be affected adversely as a result.

We are required to comply with the laws relating to anti-corruption, anti-bribery, anti-money laundering, sanction and similar legislation, non-compliance with such laws may subject us to administrative, civil and criminal fines and penalties, and be responsible for the incidental consequence, remedial measures and legal costs.

We are required to comply with the laws and regulations relating to anti-corruption, anti-bribery, anti-money laundering, sanction and similar legislation within the jurisdiction where we operate our business. We implement policies and procedures for the purpose of ensuring the compliance with applicable laws and regulations relating to anti-corruption, anti-bribery, anti-money laundering, sanction and similar legislation by us and our directors, supervisors, senior management officers, employees, subcontractors, agents, customers or other business partners. However, our policies and procedures may not be sufficient and our directors, supervisors, senior management officers, employees, subcontractors, agents, customers or other business partners may participate in misconduct which may subject us to liabilities. Non-compliance with anti-corruption, anti-bribery, anti-money laundering or sanction laws and regulations may lead to complaints and us being reported on, negative publicity, investigations and serious administrative, civil and criminal sanctions, and subject us to be held responsible for the incidental consequence, remedial measures and legal costs.

Accidents or injuries suffered by our employees, visitors, consumers or other personnel at the projects under our management may subject us to liabilities.

Accidents or injuries of our employees or other personnel, including subcontracting workers, tenants and consumers and other workers, may occur during the course of our business. For example, we provide repair and maintenance services to our customers and managed malls through our own employees or third-party subcontractors. Repair and maintenance services such as for elevators and fire control facilities involve the operation of heavy machines and, therefore, are subject to risks of work injuries or accidents. 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 condition and operating results. Nevertheless, there can be no assurance that any such incident or accident, which could result in property damage, personal injury or even death of the property owners, employees or subcontractors, will not occur in the future. In such events, these occurrences could result in damage to, or destruction of, the projects under our management, personal injury or death and legal liability and we may be held liable for the losses. In addition, we are exposed to claims that may arise due to our employees' or third-party subcontractors' negligence or recklessness when performing our services. We may also experience interruptions to our business and may be required to change the manner in which we operate as a result of governmental investigations or the implementation of safety measures upon the occurrence of accidents. Any of the foregoing could adversely affect our business, financial condition, operating results and reputation.

The fair value of our investment properties fluctuated during the Track Record Period. We may continue to recognize loss on changes in fair value of investment properties in the future.

We recognized loss on changes in fair value of RMB84.5 million, RMB40.9 million and nil in 2020, 2021 and 2022, respectively. We may continue to recognize loss on changes in fair value of investment properties in the future. In addition, we use unobservable inputs, such as reversionary capitalization rate and prevailing market rents, in valuing our investment property. The fair value change of investment property may affect our financial position and results of operations. Accordingly, such determination requires us to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of our investment property. These factors include, but are not limited to, general economic condition, changes in market interest rates and stability of the capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could affect our results of operations and financial condition.

We may incur impairment losses for other intangible assets and goodwill, which may adversely affect our results of operations.

Our other intangible assets comprised of licenses, software and trademarks. As of December 31, 2020, 2021 and 2022, our other intangible assets were RMB105.1 million, RMB137.5 million and RMB399.1 million. Our other intangible assets are subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The process of assessment involves a number of assumptions made by our management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to make a significant provision for our other intangible assets and record a significant impairment loss, which could in turn adversely affect our results of operations. We recognized goodwill in connection with the business combination of Xinyue Anhui as of December 31, 2022. As of December 31, 2020, 2021 and 2022, our goodwill were nil, nil and RMB80.9 million, respectively. Although no impairment of goodwill was recognized in 2022, there is no assurance that we may not incur impairment losses for goodwill in the future, which could in turn adversely affect our results of operations.

Our financial assets at fair value through profit or loss may adversely affect our financial performance and results of operations.

During the Track Record Period, the financial assets at fair value through profit or loss mainly represented our investment in wealth management products issued by commercial banks in the PRC and other unlisted investment which was equity investment in a partnership enterprise that mainly engaged in investment activities. In 2020, 2021 and 2022, the amount of our financial assets at fair value through profit or loss on a rolling basis was RMB5,800.0 million, RMB2,168.0 million and RMB8,926.8 million, respectively. In 2020, 2021 and 2022, the carrying amount of our financial assets at fair value through profit or loss was nil, nil and RMB1,506.8 million, respectively.

The fair value measurement of our financial assets at fair value through profit or loss is subject to accounting estimates, assumptions and judgments made by our management, which may also involve unobservable inputs. In 2020, 2021 and 2022, our gain on financial assets at fair value through profit or loss was RMB67.5 million, RMB18.2 million and RMB62.7 million, respectively. If the fair value of our financial assets at fair value through profit or loss were to fluctuate, our results of operations and financial condition may be adversely affected.

In addition, although we have adopted a comprehensive set of internal policies and guidelines to manage our investment in wealth management products, we are exposed to financial risks and hence potential loss should we fail to identify and manage such risks effectively. If we fail to identify such credit risks in a timely manner, our results of operations and financial condition may be adversely affected.

Our equity investment designated at fair value through other comprehensive income may adversely affect our financial performance and results of operations.

In the application of our accounting policies, our management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Therefore, actual results may differ from these accounting estimates. As such, we believe that our equity investment at fair value through other comprehensive income is subject to the accounting estimates and judgements and therefore warrant particular attention.

The fair value of our equity investment at fair value through other comprehensive income is subject to changes beyond our control. As of December 31, 2020, 2021 and 2022, our equity investment at fair value through other comprehensive income was RMB131.2 million, RMB91.5 million and RMB63.0 million, respectively. If the fair value of our equity investment at fair value through other comprehensive income were to fluctuate, our business, financial condition and results of operations could be materially adversely affected.

We recorded interest income from loans due from our related parties during the Track Record Period, which was non-recurring in nature.

Our other interest income is mainly derived from the loans we extended to related parties during the Track Record Period. In 2020, 2021 and 2022, we recorded interest income from related party transactions of RMB102.5 million, RMB182.5 million and nil, respectively. See "Financial Information – Related Party Transactions and Balances – Related Party Transactions – Interest Income." As of December 31, 2021 and 2022, our loans to fellow subsidiaries and the Parent Company have been fully settled. Subsequent to the [**REDACTED**], we do not expect to provide loans to related parties in the foreseeable future, as a result, all of these interest income are non-recurring in nature. Subsequent to the [**REDACTED**], we may not receive such interest income for future financial years and our financial position may be adversely affected.

The unavailability of government grants and value-added tax preference could materially and adversely affect our business, financial condition and results of operations.

We enjoy certain favourable regulatory treatments, such as government grants and value-added tax preference, which are offered by relevant governmental authorities. In 2020, 2021 and 2022, we received government grants of RMB173.5 million, RMB121.1 million and RMB408.1 million and value-added tax preference of RMB83.8 million, RMB103.6 million and RMB136.8 million in 2020, 2021 and 2022. See "Financial Information – Our Consolidated Statements of Profit or Loss and Other Comprehensive Income – Other Income and Gain" for further details.

It is in the local government authorities' sole discretion, subject to relevant PRC laws, regulations and policies, to decide whether and when to provide government grants and value-added tax preference to us. As those government grants and value-added tax preference are non-recurring in nature, we cannot guarantee that we will continue to receive such favourable treatments at a similar level or at all. In the event of any changes in government measures or policies, resulting in any suspension, material reduction or termination of government grants or value-added tax preference, our profitability, financial conditions and results of operations may be materially and adversely affected.

Occurrences of natural disaster, widespread health epidemic or other outbreaks could have a material and adverse effects on our business, financial condition and operating results.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic or pandemic, including COVID-19, SARS, H5N1 or H7N9 flu, H1N1 flu, swine influenza, avian influenza and MERS, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. For details, please refer to "– Our business operations and financial performance have been and may continue to be affected by the outbreak of COVID-19." The occurrence of such a disaster or prolonged outbreak of an epidemic illness or other adverse public health developments in the PRC or elsewhere may severely restrict the level of economic activity in affected areas, and could seriously disrupt our business and operations. Such events could also significantly affect our industry and cause a temporary closure of the facilities we use for our operations by us or our business partners, which would severely disrupt our operations and have material and adverse effects on our business, financial condition and operating results. Our business could be disrupted if any of our employees or employees of our business partners were suspected of having any of the infectious diseases, since this could require us or our business partners to quarantine some or all of such employees or disinfect the facilities used for our operations. In addition, our revenue and profitability may be reduced significantly if a natural disaster, health epidemic or other outbreak harms the global or PRC economy in general. Our operations could also be severely disrupted if our customers were affected by such natural disasters, health epidemics or other outbreaks.

In particular, the common areas of the projects we manage may be damaged in a variety of ways that are beyond our control, including, but not limited to, natural disasters, as well as intentional or unintentional actions. As a commercial operation service provider, we may be viewed as responsible for restoring the common areas and assisting any investigation efforts. If there is any shortfall in the special funds necessary to cover all the costs involved, we may have to compensate for the difference with our own resources first and collect the amount of the shortfall from the property owners or developers later. However, we may face difficulties in collecting such fees from them. To the extent that our attempts are unsuccessful, we may experience material and adverse effects on our business, financial condition and operating results. As we intend to continue growing our business, the likelihood of such occurrences may rise in proportion to any increases in the number of our managed properties. Save for the effects of COVID-19 pandemic, although none of our assets, business, operating results and financial condition were materially affected by other natural disasters, intentional or unintentional actions or other events during the Track Record Period and up the Latest Practicable Date, we continue to be exposed to such risks and failure to manage such risks may have material and adverse effects on our business, financial condition and operating results.

Our insurance may not sufficiently cover, or may not cover at all, the losses and liabilities we may encounter.

We maintain some insurance coverage, primarily including property, public liability and machinery breakdown insurance, to cover potential liabilities arising out of our business operations. For details, please refer to "Business – Insurance". There can be no assurance that our insurance coverage will be sufficient or available to cover damages, liabilities or losses we may incur in the course of our business. Moreover, there are some losses for which insurance is not available in the PRC on commercially viable terms, such as losses suffered due to business interruptions, earthquakes, typhoons, floods, 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 material and adverse effects on our business, financial condition and operating results.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Changes in the economic, political and social conditions and government policies in China could adversely affect our business and prospects.

During the Track Record Period, all of our revenue was derived from the PRC. Accordingly, our financial condition, our operating results and prospects are, to a material extent, subject to economic, political and legal developments of the PRC. The PRC economy may differ from the economies of developed countries in many respects, including, among other things, the degree of governmental involvement, control in investment, level of economic development, growth rate, foreign exchange controls and resource allocation. Changes in the economic, political and social conditions and government policies in China could adversely affect our business and prospects.

Governmental control in currency conversion may limit our foreign exchange transactions.

Currently, Renminbi is not allowed to exchange with foreign currencies freely, and foreign exchange transactions are subject to the foreign exchange requirements of the PRC. We cannot guarantee you that we will have sufficient foreign currency for our need of foreign exchange. Under the current foreign exchange control of the PRC, we may carry out foreign currency transactions by recurring accounts, including dividend payment, which is not subject to prior approval from the State Administration of Foreign Exchange, but we are subject to documentary certification for such transactions and carry out such transactions in designated foreign exchange banks with license carrying out foreign exchange transactions in the PRC. However, our foreign currency transactions carried out by capital accounts are subject to the prior approval of the State Administration of Foreign Exchange.

Under the current foreign exchange requirements, upon the completion of the [**REDACTED**], we will be able to pay dividends through utilizing foreign exchange by complying with certain procedural requirements, exempting from prior approval from the State Administration of Foreign Exchange. However, we cannot guarantee to you that the foreign exchange policy for dividend payments will carry on in the future. In addition, in the event of any inadequacy of foreign exchange, it may limit our supply of foreign exchange to pay dividends to our shareholders, or satisfy other foreign exchange requirements. In the event that we are not able to obtain the approval of Renminbi against other currencies by the State Administration of Foreign Exchange, there could be an adverse effect on our operating results and financial conditions.

Fluctuations in the value of the Renminbi may have an adverse effect on our business.

The value of the Renminbi against the US dollar, the 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 of the above factors and any future changes in currency policy, the exchange rate may fluctuate, and the Renminbi may be revalued further, which may result in an appreciation or a depreciation in the value of the Renminbi against the US dollar, the Hong Kong dollar or other currencies. 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 condition, and the value of any dividends payable to us by our PRC subsidiaries. It is difficult to predict how market forces and the PRC government's policies will continue to impact the Renminbi exchange rates going forward. In light of the trend towards Renminbi internationalization, the PRC government may announce further changes to the exchange rate system, and there can be no assurance that the Renminbi will not appreciate or depreciate significantly in value against the US dollar, the Hong Kong dollar or other foreign currencies.

Inflation in the PRC could adversely affect our profitability and growth.

Economic growth in China has, in the past, been accompanied by periods of high inflation. In response, the PRC government has implemented policies from time to time to control inflation, such as restriction on the availability of credit by imposing tighter bank lending policies or higher interest rates. The PRC government may take similar measures in response to future inflationary pressures. Rampant inflation without the PRC government's mitigation policies would likely increase our costs, thereby significantly reducing our profitability. There can be no assurance that we will be able to pass any additional costs to our customers. On the other hand, such control measures may also lead to slower economic activity and we may see reduced demand for our services.

We may not be subject to tax concessions under the Enterprise Income Tax Law which could result in material and unfavorable tax consequences to us.

We and some of certain of our PRC subsidiaries are eligible for a preferential income tax rate of 15%. Certain other subsidiaries are eligible for a preferential income tax rate of 5% or 10% with respect to part of their taxable income. Despite that we and such subsidiaries are eligible for the preferential enterprise income tax rate, we cannot guarantee that the preferential tax policies will not change, or that any current or future preferential tax treatment will not terminate. If our preferential tax treatment changes or terminates, we will, like all other PRC enterprises, be subject to the normal enterprise income tax rate. The effective tax rate may materially and adversely affect our profitability, which may have a material adverse effect on our business, financial condition and results of operation. Also, we cannot guarantee that application or the interpretation of the PRC Enterprise Income Tax Law will not continue to change, in which case the effective income tax rate of us may increase significantly, which will materially and adversely affect our profitability and financial condition.

Holders of our Shares may be subject to PRC income tax obligations.

Under current PRC tax laws, regulations and rules, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate under the Individual Income Tax Law of the People’s Republic of China (中華人民共和國個人所得稅法) for the interests, dividends and bonus they obtain from the PRC. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, in accordance with the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 Issued by the STA (國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知), domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, withhold individual income tax at a 10% rate. When a tax rate of 10% is not applicable, the withholding company shall: (a) return the excessive tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (b) withhold such individual income tax for foreign residents at the effective tax rate agreed on if the applicable tax rate is between 10% and 20%; or (c) withhold such individual income tax for foreign residents at a rate of 20% if no taxation treaty is applicable.

For non-PRC resident enterprises that were established under foreign laws with no real management body in China but have establishments or premises in China, or for those which have no establishments or premises in China but whose income is derived from China, under the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法), dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are ordinarily subject to PRC enterprise income tax at a 20% rate. In accordance with the Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知) issued by the STA, such tax rate has been reduced to 10%, subject to a further reduction under special arrangements or applicable treaties between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise.

Despite the arrangements mentioned above, there are significant uncertainties as to the interpretation and application of applicable PRC tax laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%.

In addition, there remain significant uncertainties as to the interpretation and application of applicable PRC tax laws and regulations by the PRC's tax authorities, including individual income tax on dividends paid to non-PRC resident Shareholders, and on gains realized on sale or other disposal of our Shares. The PRC's tax laws and regulations may also change. If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your investment in our Shares may be materially affected.

It may be difficult to effect service of process on, or enforce foreign judgments against, us, our Directors or senior management residing in the PRC.

We are a company incorporated under the laws of the PRC and most of our assets and our subsidiaries are located within the PRC. Most of our Directors reside in the PRC. We may not be possible to effect service of process outside of the PRC upon us or most of our Directors, Supervisors and senior management residing in the PRC.

A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in the PRC only if the jurisdiction has a treaty with the PRC or if the jurisdiction has been otherwise deemed by the PRC courts to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, the PRC is not a party to treaties providing for the reciprocal enforcement of judgments of courts with foreign countries such as the United States and the United Kingdom and enforcement in the PRC of judgments of a court in these jurisdictions may consequently be difficult or impossible. On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed the Arrangement between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "2006 Arrangement"). Under the 2006 Arrangement, where any designated PRC court or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, the party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. The 2006 Arrangement took effect on August 1, 2008, but the effectiveness of any action brought under the arrangement still remain uncertain. On January 18, 2019, the Supreme People's Court of the People's Republic of China and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement"). The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in mainland China and those in the Hong Kong Special Administrative Region.

RISKS RELATING TO THE [REDACTED]

[REDACTED]

[**REDACTED**]

Our Controlling Shareholders may have substantial influence over the Company and their interests may not be aligned with the interests of other Shareholders.

Prior to and immediately following the completion of the [**REDACTED**], our Controlling Shareholders will have, and will continue to have, substantial influence over their interests in the issued share capital of the Company. For details, see "Relationship with Controlling Shareholders." The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Our Controlling Shareholders will have significant influence on the outcome of any corporate transaction or other matters submitted to our Shareholders for approval, including mergers, consolidations, sales of all or substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent changes in the control of the Company that would otherwise benefit our other Shareholders. To the extent that the interests of our Controlling Shareholders conflict with those of our other Shareholders, our other Shareholders may be deprived of opportunities to advance or protect their interests.

Our Controlling Shareholders might be involved in legal or other proceedings with other parties, including their investors, which might have material and adverse effect on our business, financial condition and operating results.

Our Controlling Shareholders may from time to time be involved in disputes with and subjected to claims by other parties, including the investors of our Controlling Shareholders. All such disputes and claims may in turn lead to legal or other proceedings or cause negative publicity against us, thereby resulting in damage to our reputation, substantial costs and diversion of resources from our business activities. Any such dispute, claim or litigation may have material and adverse effect on our business, financial condition and operating results.

As of the Latest Practicable Date, 981,804,200 Shares of the Company, representing approximately 13.55% equity interests of the Company held by DWCM were subject to a freeze order due to the pre-trial assets preservation procedure in connection with a contract dispute involving DWCM with a claim amount of RMB1.1 billion. As of the Latest Practicable Date, the relevant dispute is pending the trial, the outcome of which remains uncertain. The PRC Legal Advisor of DWCM is of the view that such share freeze order results from the assets preservation procedure, which does not constitute material dispute regarding DWCM's shareholding of the Company under PRC laws. In the event that such dispute is resolved unfavourably for DWCM, or any further claim or dispute involving us or DWCM arises, whether or not valid, it may result in negative publicity of our Group and DWCM, which may in turn adversely affect our reputation and operations and impact the confidence of the creditors or investors of us and DWCM. Furthermore, any such claims or disputes against DWCM may adversely impact the liquidity of DWCM, as well as the Controlling Shareholders' shareholding of the Group.

We may not declare dividends in the future.

The amount of dividends actually distributed to our Shareholders after the [**REDACTED**] will depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. For details, see "Financial Information – Dividend and Dividend Policy." There can be no assurance that dividends of any amount will be declared or distributed in any year in the future. Our historical dividend policy should not be taken as indicative of our dividend policy in the future.

There can be no assurance of the accuracy or completeness of some facts, forecasts and other statistics obtained from various independent third-party sources, including the industry expert reports, contained in this document.

This document, particularly the sections headed "Business" and "Industry Overview," contains information and statistics relating to the property management and commercial operation markets. Such information and statistics have been derived from a third-party report commissioned by us and publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] or any other party involved in the [**REDACTED**], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics included in this document being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. You should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior or subsequent to the publication of this document, there has been or may be press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to some information that does not appear in this document or is inaccurate.

We have not authorized the publication of any such information contained in unauthorized press and media coverage. Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media and do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of the information in the media is inconsistent or conflicts with the contents of this document, we expressly disclaim it. Accordingly, prospective investors should only rely on information included in this document and not on any of the information in press articles or other media coverage in deciding whether or not to purchase [**REDACTED**].

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains some forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and similar expressions, as they relate to the Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to some risks, uncertainties and assumptions, including the other risk factors as described in this document. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend to publicly update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

Investors may experience difficulties in enforcing their Shareholder rights under PRC laws as the protection afforded to minority shareholders under PRC laws may be different from that under the laws of Hong Kong or other jurisdictions.

The Company was incorporated in the PRC and its affairs are governed by its Memorandum and Articles and the PRC Company Law. The rights of our Shareholders to take action against our Directors, the rights of minority shareholders to instigate actions and the fiduciary responsibilities of our Directors to us under the PRC Company law are, to a large extent, governed by the PRC laws and regulations. The PRC laws and regulations relating to the protection of the interest of minority shareholders may differ from those of Hong Kong or those of other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as those afforded under the laws of Hong Kong or in other jurisdictions. For details, see "Appendix V – Summary of Principal PRC and Hong Kong Legal and Regulatory Provisions."

[**REDACTED**]