

## SUMMARY

*This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus including the appendices to this prospectus before you decide to invest in our Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in our Offer Shares are summarized in the section entitled "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in our Offer Shares.*

### BUSINESS OVERVIEW

We are one of the leading property management companies in the PRC, as we were named China's Largest Community Services Operator in terms of the number of residential units managed as of December 31, 2012 by China Index Academy in 2013. We have three main business segments:

- *property management services*, which primarily include: (i) services such as security, cleaning, gardening, repair and maintenance provided to residential communities, which are mixed-use properties containing residential units and ancillary facilities that are non-residential in nature, such as commercial or office units, and (ii) pre-sale services provided to property developers, including cleaning, security and maintenance of the pre-sale display units;
- *engineering services*, which primarily include: (i) equipment installation services, (ii) repair and maintenance services, and (iii) automation and other equipment upgrade services through our equipment leasing program; and
- *community leasing, sales and other services*, which primarily include: (i) common area rental assistance, (ii) purchase assistance, and (iii) residential and retail units rental and sales assistance.

The following table sets forth a breakdown of revenue by major product lines under each business segment of our continuing business for the periods indicated:

	Year ended December 31,					
	2011		2012		2013	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
Property management services under commission basis .....	28,534	19.5	34,970	17.8	64,494	27.7
Property management services under lump sum basis .....	33,311	22.7	39,044	19.9	34,744	14.9
Pre-sale services .....	12,978	8.9	30,856	15.7	37,037	15.9
Consultancy services <sup>(1)</sup> .....	—	—	—	—	528	0.2
<b>Total property management services fees .....</b>	<b>74,823</b>	<b>51.1</b>	<b>104,870</b>	<b>53.4</b>	<b>136,803</b>	<b>58.7</b>
Equipment installation services .....	34,098	23.3	47,716	24.3	34,206	14.7
Repair and maintenance services .....	12,742	8.7	11,592	5.9	14,788	6.3
Equipment leasing .....	—	—	186	0.1	2,629	1.1
<b>Total engineering services fees .....</b>	<b>46,840</b>	<b>32.0</b>	<b>59,494</b>	<b>30.3</b>	<b>51,623</b>	<b>22.1</b>

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	Year ended December 31,					
	2011		2012		2013	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
Community leasing, sales and other services						
Common area rental assistance .....	6,897	4.7	9,677	4.9	14,578	6.3
Purchase assistance .....	5,362	3.6	8,359	4.2	13,928	6.0
Residential and retail units rental and sales assistance .....	6,306	4.3	3,960	2.0	9,166	3.9
Others .....	2,297	1.6	7,440	3.8	6,971	3.0
<b>Subtotal</b> .....	<b>20,862</b>	<b>14.2</b>	<b>29,436</b>	<b>14.9</b>	<b>44,643</b>	<b>19.2</b>
Property agency services .....	3,978	2.7	2,707	1.4	—	—
<b>Total community leasing, sales and other services fees</b> .....	<b>24,840</b>	<b>16.9</b>	<b>32,143</b>	<b>16.3</b>	<b>44,643</b>	<b>19.2</b>
<b>Total revenue</b> .....	<b>146,503</b>	<b>100.0</b>	<b>196,507</b>	<b>100.0</b>	<b>233,069</b>	<b>100.0</b>

Note:

- (1) Revenue generated from our consultancy services in 2011 and 2012 was insignificant and principally non-recurring in nature, and as a result was treated as revenue generated from property management services under commission basis in 2011 and 2012.

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### Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by each business segment in 2011, 2012 and 2013:

	Year ended December 31,					
	2011		2012		2013	
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)
Property management services under commission basis .....	28,534	100.0	34,970	100.0	63,305	98.2
Property management services under lump sum basis .....	1,361	4.1	8,074	20.7	12,242	35.2
Pre-sale services .....	680	5.2	1,806	5.9	3,622	9.8
Consultancy services .....	—	—	—	—	528	100.0
<b>Total property management services .....</b>	<b>30,575</b>	<b>40.9</b>	<b>44,850</b>	<b>42.8</b>	<b>79,697</b>	<b>58.3</b>
Equipment installation services .....	9,596	28.1	11,637	24.4	9,594	28.0
Repair and maintenance services .....	8,568	67.2	7,283	62.8	8,370	56.6
Equipment leasing .....	—	—	151	81.2	2,048	77.9
<b>Total engineering services .....</b>	<b>18,164</b>	<b>38.8</b>	<b>19,071</b>	<b>32.1</b>	<b>20,012</b>	<b>38.8</b>
Community leasing, sales and other services .....	16,515	79.2	27,549	93.6	43,938	98.4
Property agency services .....	3,930	98.8	2,695	99.6	—	—
<b>Total community leasing, sales and other services .....</b>	<b>20,445</b>	<b>82.3</b>	<b>30,244</b>	<b>94.1</b>	<b>43,938</b>	<b>98.4</b>
<b>Total .....</b>	<b>69,184</b>	<b>47.2</b>	<b>94,165</b>	<b>47.9</b>	<b>143,647</b>	<b>61.6</b>

For further information, please see the section entitled “Financial Information — Description of Selected Statements of Profit or Loss Line Items — Gross Profit and Gross Profit Margin” on page 289 of this prospectus.

### Segment Profit and Profit Margin

The following table sets forth our segment profit and segment profit margin by each business segment in 2011, 2012 and 2013:

	Year ended December 31,					
	2011		2012		2013	
	Segment profit (RMB'000)	Segment profit margin (%)	Segment profit (RMB'000)	Segment profit margin (%)	Segment profit (RMB'000)	Segment profit margin (%)
Property management services .....	22,515	30.1	27,988	26.7	39,498	28.9
Engineering services .....	7,735	16.5	10,250	17.2	11,533	22.3
Community leasing, sales and other services .....	7,530	30.3	22,183	69.0	39,871	89.3
<b>Total .....</b>	<b>37,780</b>	<b>25.8</b>	<b>60,421</b>	<b>30.7</b>	<b>90,902</b>	<b>39.0</b>

## SUMMARY

### Our Property Management Services

For our property management services, we focus on implementing our standardization, centralization and automation strategy with a view to enhancing service quality, establishing centralized management and improving cost efficiency. Our major customers are mainly property developers (pursuant to preliminary property management contracts before their replacement by property management contracts with property owners' associations) and property owners' associations (pursuant to our contracts with property owners' associations entered into subsequently) of the residential communities managed by us. As of December 31, 2013, we had expanded our presence to 60 cities where we were contracted to manage 436 residential communities and provide consultancy services to 179 residential communities in the PRC. The table below sets forth the total contracted GFA and the number of residential communities and pure commercial properties we managed or provided consultancy services to in different regions in the PRC as of the dates indicated:

	2011				2012				2013			
	Managed by us		Under our consultancy service arrangements		Managed by us		Under our consultancy service arrangements		Managed by us		Under our consultancy service arrangements	
	Total contracted GFA ('000 sq.m.)	Number	Total contracted GFA ('000 sq.m.)	Number	Total contracted GFA ('000 sq.m.)	Number	Total contracted GFA ('000 sq.m.)	Number	Total contracted GFA ('000 sq.m.)	Number	Total contracted GFA ('000 sq.m.)	Number
Shenzhen	4,285	90	534	12	4,361	91	610	13	4,715	99	749	19
Southern China (excluding Shenzhen) <sup>(1)</sup>	7,210	68	97	1	14,367	101	97	1	18,087	111	6,017	41
Eastern China <sup>(2)</sup>	1,246	19	40	1	4,631	30	40	1	17,147	128	13,908	64
Southwestern China <sup>(3)</sup>	4,143	27	—	—	5,067	34	—	—	8,492	45	3,253	27
Northeastern China <sup>(4)</sup>	—	—	—	—	655	6	—	—	1,995	12	2,200	4
Northwestern China <sup>(5)</sup>	83	2	—	—	1,980	7	—	—	5,456	17	—	—
Northern China <sup>(6)</sup>	994	6	—	—	1,276	9	944	8	6,745	20	946	10
Central China <sup>(7)</sup>	—	—	—	—	—	—	—	—	648	4	1,175	14
<b>Subtotal</b>	<b>17,961</b>	<b>212</b>	<b>671</b>	<b>14</b>	<b>32,337</b>	<b>278</b>	<b>1,691</b>	<b>23</b>	<b>63,285</b>	<b>436</b>	<b>28,248</b>	<b>179</b>
Pure commercial properties <sup>(8)</sup>	378	8	42	1	649	11	42	1	697	14	42	1
<b>Total</b>	<b>18,339</b>	<b>220</b>	<b>713</b>	<b>15</b>	<b>32,986</b>	<b>289</b>	<b>1,733</b>	<b>24</b>	<b>63,982</b>	<b>450</b>	<b>28,290</b>	<b>180</b>

Notes:

- (1) Including Dongguan, Foshan, Fuzhou, Ganzhou, Guangzhou, Heyuan, Huizhou, Jingdezhen, Nanchang, Nankang, Putian, Qingyuan, Shangrao, Yangjiang, Yichun, Yingtan, Zhongshan and Zhuhai as of December 31, 2013.
- (2) Including Changzhou, Dongtai, Gaoyou, Huai'an, Jiangyin, Jurong, Lianyungang, Nanjing, Nantong, Shanghai, Shaoxing, Suzhou, Wuxi, Wuhu, Xinghua, Yancheng, Yangzhou and Yixing as of December 31, 2013.
- (3) Including Chengdu, Chongqing, Dali, Guilin, Nanning and Zigong as of December 31, 2013.
- (4) Including Gaizhou, Harbin, Huludao, Shenyang, Shuangyashan, Tieling and Yingkou as of December 31, 2013.
- (5) Including Weinan and Xi'an as of December 31, 2013.
- (6) Including Beijing, Chengde, Qinhuangdao and Tianjin as of December 31, 2013.
- (7) Including Changsha, Xinxiang, Yiyang and Zhengzhou as of December 31, 2013.
- (8) For further details, see the section entitled "Relationship with Our Controlling Shareholder — Relationship and Strategy — Strategy — 15 pure commercial properties managed (or provided consultancy services to) by our Group."

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The table below sets forth the expiration schedule of the related property management contracts based on their contractual terms and their contribution to our revenue in 2013:

	Number of residential communities or pure commercial properties and corresponding contracted GFA				Contribution to revenue in 2013		Contribution as a percentage to total property management services revenue in 2013	
	Residential communities or pure commercial properties managed by us		Residential communities or pure commercial properties under our consultancy service arrangements		Residential communities or pure commercial properties managed by us	Residential communities or pure commercial properties under our consultancy service arrangements	Residential communities or pure commercial properties managed by us	Residential communities or pure commercial properties under our consultancy service arrangements
	Number	('000 sq.m.)	Number	('000 sq.m.)	(RMB'000)	(RMB'000)	(%)	(%)
<b>Residential communities property management contracts expiring in</b>								
Year ending December 31, 2014 . . . .								
Communities we were contracted to manage . . . . .	35	4,963	1	1	12,529	—	9.1	—
Communities we provided services to beyond contract expiration <sup>(1)</sup> . . . .	133	10,599	1	52	35,460	—	25.9	—
Year ending December 31, 2015 . . . .	41	7,667	10	413	15,873	—	11.6	—
Year ending December 31, 2016 and afterwards . . . . .	68	12,335	154	26,153	10,912	528	8.0	0.4
Not specified <sup>(2)</sup> . . . . .	159	27,721	13	1,629	33,760	—	24.7	—
<b>Subtotal . . . . .</b>	<b>436</b>	<b>63,285</b>	<b>179</b>	<b>28,248</b>	<b>108,534</b>	<b>528</b>	<b>79.3</b>	<b>0.4</b>
<b>Pure commercial properties property management contracts expiring in</b>								
Year ending December 31, 2014 . . . .								
Properties we were contracted to manage . . . . .	2	63	—	—	216	—	0.2	—
Properties we provided services to beyond contract expiration <sup>(1)</sup> . . . .	3	39	—	—	42	—	0.0	—
Year ending December 31, 2015 . . . .	—	—	1	42	—	—	—	—
Year ending December 31, 2016 and afterwards . . . . .	4	225	—	—	25,540	—	18.6	—
Not specified <sup>(2)</sup> . . . . .	5	370	—	—	502	—	0.4	—
<b>Subtotal . . . . .</b>	<b>14</b>	<b>697</b>	<b>1</b>	<b>42</b>	<b>26,300</b>	<b>—</b>	<b>19.2</b>	<b>—</b>
<b>Total . . . . .</b>	<b>450</b>	<b>63,982</b>	<b>180</b>	<b>28,290</b>	<b>134,834<sup>(3)</sup></b>	<b>528<sup>(3)</sup></b>	<b>98.5<sup>(3)</sup></b>	<b>0.4<sup>(3)</sup></b>

Notes:

- (1) We continued to provide services to these residential communities and pure commercial properties as of December 31, 2013 despite the relevant property management contracts had expired.
- (2) The majority of these property management contracts are with property developers and will expire when the respective property owners' associations are formed and enter into new property management contracts, while the remaining contracts do not specify their expiration dates.
- (3) Excluding revenue generated from property management contracts that expired in 2013.

As of December 31, 2013, 94.9% of the properties we managed or provided consultancy services to were constructed by developers other than the Retained Group.

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Our property management fees are calculated either on a commission basis or a lump sum basis. When we are engaged on a commission basis, we essentially act as an agent of the property owners. We are entitled to first retain as revenue a pre-determined percentage (typically 10%) of the property management fees the property owners are obligated to pay as prescribed by relevant local authorities, and the remainder is reserved as working capital to cover the expenses associated with our property management work. The costs relating to the performance of our services are typically borne by the property owners through the community management offices, and as a result we do not incur any direct cost in general. We may be required to use our financial resources to make up for any working capital shortfall at the community level, and in such event we recognize payments on behalf of residents on our balance sheets. Please see the section entitled “— Summary Financial Information — Payments on Behalf of Residents” below. When we are engaged on a lump sum basis, we are entitled to retain as revenue the full amount of received property management fees. Out of such fees we pay out our expenses associated with our property management services, which we recognize as our costs. If the amount of property management fees we collect is insufficient to cover all the expenses incurred, we are not entitled to request the property owners to pay for the shortfall. In addition, we generate revenue from providing pre-sale services to property developers during their pre-sale activities, such as cleaning, security and maintenance of the pre-sale display units and from providing consultancy services to property management companies.

When we bid for a new engagement, one of the factors we generally consider is the local government’s guidance price on property management fees. The relevant price administration department and construction administration department of the State Council are jointly responsible for the supervision over and administration of the fees charged in relation to property management services. See the section entitled “Laws and Regulations relating to the Industry — Legal Supervision over the Property Management Sector in the PRC — Fees Charged by Property Management Enterprises” on page 94 of this prospectus. Our Directors believe that the government-imposed limits on fees have had an effect on our results of operation during the Track Record Period, as we did not have the flexibility to adjust our pricing upwards in response to rising operating costs. See the section entitled “Risk Factors — Risks relating to Our Business and Industry — We are subject to the regulatory environment and measures affecting the PRC property management industry” on page 45 of this prospectus.

As of December 31, 2011, 2012 and 2013, residential communities which fees charged on a commission basis constituted 95.6%, 94.5% and 68.7% of our total contracted GFA, respectively. As of December 31, 2011, 2012 and 2013, residential communities with fees charged on a lump sum basis constituted 0.8%, 0.5% and 0.4% of our total contracted GFA, respectively. As of the same dates, communities which we provided consultancy services to constituted 3.6%, 5.0% and 30.9% of our total contracted GFA for residential communities, respectively.

During the Track Record Period, our expansion primarily relied on organic growth by obtaining new service engagements. To accelerate our expansion, we plan to place increased emphasis on selectively pursuing acquisition opportunities for regional property management companies. We plan to selectively evaluate opportunities in cities with high population in economically developed regions. For example, we plan to further expand our presence in cities in Eastern China (such as Shanghai, Nanjing and Suzhou), Southern China (such as Shenzhen, Huizhou and Dongguan), Northwestern China (such as Xi’an) and Southwestern China (such as Chengdu) by the end of 2015.

## SUMMARY

### **Our Engineering Services**

We primarily provide automation and other hardware equipment installation services to property developers for their new property developments in accordance with their requirements, which we believe help diversify our revenue bases and enable us to build business relationships with property developers who may engage us to provide property management services for their property developments. As of December 31, 2013, we had completed 217 automation and other hardware equipment installation services projects to property developers, such as security monitoring systems, intercommunication devices, alarms, key card security systems and power supplies system. During the Track Record Period, our major suppliers were sub-contractors and equipment suppliers for our engineering services segment, and our major customers were property owners' associations of the residential communities managed by us and property developers for our engineering services.

We also provide repair and maintenance services to residential communities which we managed or provided consultancy services to. We began our automation and other equipment upgrade services through our equipment leasing program in the second half of 2012, and as of December 31, 2013, we had completed such upgrades at approximately 79 residential communities we managed or provided consultancy services to. We target to upgrade equipment such as carpark security systems, vehicle remote access systems and automatic personnel entry systems in all the properties we manage or provide consultancy services to, with a view to lowering the cost of property management services and enhancing their sustainability. In 2014 and 2015, we plan to roll out automation and other equipment upgrade to approximately an additional 320 residential communities we manage or provide consultancy services to, with capital expenditures amounting to approximately RMB120 million over the two years to be funded by the net proceeds from the Global Offering. We are authorized under our property management or consultancy contracts to make such upgrades.

### **Our Community Leasing, Sales and Other Services**

Our major community leasing, sales and other services provided to residents and property owners of the residential communities we manage or provide consultancy services to include:

- common area rental assistance, where we earn a commission by helping to lease out common areas in the residential communities we manage to;
- purchase assistance, through which residents can take advantage of products and services offered by local vendors through our platform, and we retain referral fees from suppliers in return; and
- residential and retail units rental and sales assistance, where we primarily (i) refer property owners with rental needs to an independent third-party property agent, who in turn rents the units as the primary tenant and sub-leases them out to sub-tenants, or (ii) refer cases to third-party property agents which help property owners consummate sales. We are paid a fee for each successful referral from the property agent, and also generate revenue from granting property agents access to our online rental information platform.

Our major community leasing, sales and other services generate one-off revenue, as the relevant revenue is generated on a per-transaction basis with our customers, except for the online rental information platform usage fees as part of our residential and retail units rental and sales assistance, which generate recurring revenue. Such recurring revenue amounted to approximately 11%, 4% and 12% of our total community leasing, sales and other services revenue in 2011, 2012 and 2013, respectively. During the Track Record Period, we also provided property agency services, which we have gradually replaced with our residential and retail unit rental and sales assistance services through third-party property agent in order to better concentrate on developing our service platform.



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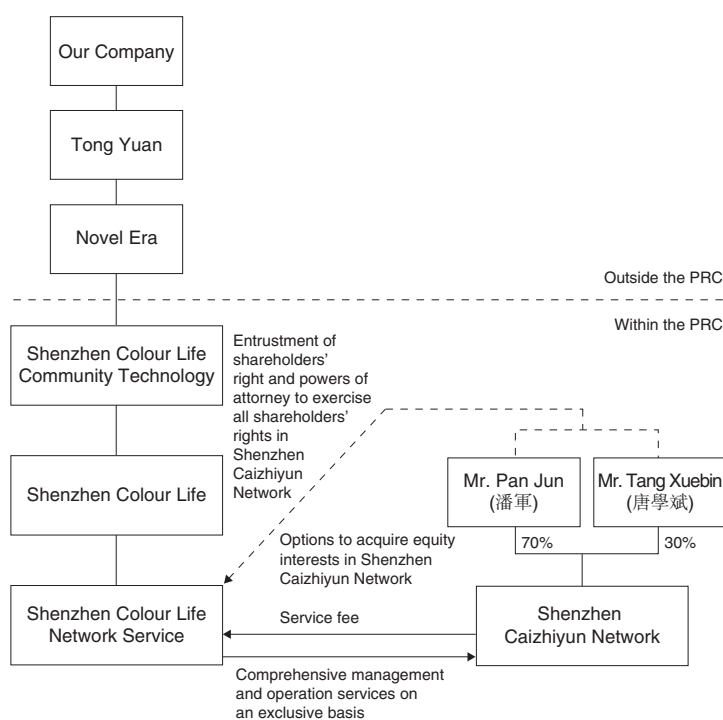
Our community leasing, sales and other services are primarily provided through our offline platform, including our on-site management offices and our toll free service hotline. We plan to develop an online platform by further extending the coverage of the Colour Life website to more residential communities we manage or provide consultancy services to with a view to making our online platform accessible for more residents to utilize our community leasing, sales and other services.

In response to rising labor costs, we plan to further develop our community leasing, sales and other services business which had higher gross profit margins than our existing property management services business and engineering services business during the Track Record Period. We aim to dedicate more resources to our community leasing, sales and other services business, which we believe will enable us to diversify our business and strengthen our profitability, thereby enhancing our competitive position as one of the leaders in the PRC property management industry.

### **Structured Contracts**

Throughout 2011 and up to May 31, 2012, our subsidiary, Shenzhen Colour Life Network Service, held an ICP License and operated certain online community leasing, sales and other services through the website [www.colourlife.com](http://www.colourlife.com). The ICP License expired on May 31, 2012, and the relevant authorities declined its renewal on the ground that Shenzhen Colour Life Network Service was an indirect foreign invested enterprise, and that its foreign companies do not have the track record and experience required under relevant laws and regulations.

To continue to operate our online business, on June 16, 2014, Shenzhen Colour Life Network Service, Shenzhen Caizhiyun Network and its equity interest holders, namely Mr. Pan Jun (潘軍) and Mr. Tang Xuebin (唐學斌), entered into the Structured Contracts, as illustrated by the simplified diagram below:





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For more information, see the section entitled “History, Reorganization and the Group Structure — The Structured Contracts — Summary of the Structured Contracts” on page 131 of this prospectus.

We believe that, taken as a whole, the Structured Contracts permit the results and financial operations of Shenzhen Caizhiyun Network to be consolidated in our Group as if it was our subsidiary, while allowing Shenzhen Colour Life Network Service to effectively supervise, manage and operate the online platform for our community leasing, sales and other services business operations, expansion plans and financial policies of Shenzhen Caizhiyun Network. In 2012 and 2013, we generated revenue from our value-added telecommunications services amounting to RMB2.7 million and RMB4.5 million, respectively, representing approximately 1.4% and 1.9% of our revenue in such years, respectively. For more information, see the sections entitled “Risk Factors — Risks relating to Our Corporate Structure” and “History, Reorganization and the Group Structure — The Structured Contracts” on page 53 and page 127, respectively, of this prospectus.

### **Sub-contracting**

To utilize our own workforce more efficiently, we delegate certain property management and engineering services, such as security, cleaning, gardening, repair and maintenance and equipment installation service to qualified third-party sub-contractors.

### **Major Cost of Sales and Services**

Our cost of sales and services comprises labor costs, sub-contracting costs, costs of raw materials (mainly consisting of energy-saving light bulbs, intercommunication devices, security camera wires, pipes and others), utility costs, depreciation and amortization and others. During the Track Record Period, labor costs and sub-contracting costs in aggregate accounted for 66.7%, 70.3% and 74.7% of our total cost of sales and services in 2011, 2012 and 2013, respectively. Raw material costs accounted for 18.9%, 18.3% and 13.1% of our total cost of sales and services in 2011, 2012 and 2013, respectively. For information regarding our major suppliers, please see the section entitled “Business — Our Suppliers” on page 194 of this prospectus.

### **RECENT DEVELOPMENT**

As of April 30, 2014, we had expanded our presence to 78 cities where we were contracted to manage 465 residential communities and provide consultancy services to 373 residential communities with an aggregate contracted GFA of 68.3 million sq.m. and 57.5 million sq.m., respectively, including revenue-bearing GFA of 58.2 million sq.m. and 56.9 million sq.m., respectively. With a view to expanding our presence, showcasing our services and abilities to a wider audience, making our brand more widely known and expanding the customer base for our community leasing, sales and other services, we have selectively entered into consultancy services contracts with regional property management companies. As of April 30, 2014, we had completed 219 automation and other hardware equipment installation service projects to property developers, and completed automation and other equipment upgrade services through our equipment leasing program to 137 residential communities we managed or provided consultancy services to. We rendered our community leasing, sales and other services to 507 residential communities we managed or provided consultancy services to as of April 30, 2014.

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Our Directors confirm that (i) there have not been any material adverse changes in our financial or trading position or prospects subsequent to the Track Record Period and up to the date of this prospectus, (ii) there have not been any material adverse changes in the PRC property management industry or the related regulatory environment that would result in a material adverse change to our business operations or financials or profit or loss conditions, and (iii) there were no significant non-recurrent items in our consolidated statements for the four month ended April 30, 2014.

Certain of our Directors and senior management members received share options from Fantasia Holdings in 2011 and 2012, and as a result, we recognized share-based payments of approximately RMB74,000, RMB167,000 and RMB370,000 in 2011, 2012 and 2013, respectively, in our consolidated statements of profit or loss and other comprehensive income. Assuming (i) their share options and positions in our Company remain unchanged in 2014, and (ii) our Directors and senior management members are not granted any more share options by Fantasia Holdings or our Company, we estimate that our share-based payments in 2014 will be approximately RMB174,000, due to the amortization of their Fantasia Holdings share options.

### OUR COMPETITIVE STRENGTHS

We were ranked second in terms of growth potential, and 22nd in terms of overall strength among the top 100 property management companies in 2013 by China Index Academy. For more information about the competitive landscape, see the section entitled “Industry Overview — Property Management Industry in the PRC — Competition” on page 85 of this prospectus. We believe that the following competitive strengths have allowed us to achieve a strong position in the property management industry in the PRC and differentiate us from our competitors:

- We are one of the leading property management companies with a proven track record and strong brand recognition
- By implementing standardization, centralization and automation, we are able to provide consistent and cost-efficient residential property management services
- We have a scalable business model which enables us to expand efficiently
- We focus on continuing to develop an offline and online service platform connecting residents with local vendors for community leasing, sales and other services
- We have ample growth opportunities
- We have an experienced and stable management team with strong execution capability and in-depth knowledge of our industry

### OUR BUSINESS STRATEGIES

We plan to strengthen our position in the property management industry and further develop a comprehensive residential community service platform. We intend to achieve our objective by implementing the following strategies:

- Further increase the total GFA and the number of residential units we manage in existing and new markets to enhance the reach of our service platform and increase our revenue
- Further enhance our standardization, centralization and automation to elevate service quality and consistency and maximize our cost efficiency
- Further strengthen existing relationships and develop new relationships with customers of our engineering services business

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- Continue to develop our offline and online service platform and enhance service quality to customers and the usage of the Colour Life website
- Develop and attract proper talents to support our growth

### THE SPIN-OFF AND INDEPENDENCE FROM FANTASIA HOLDINGS

Our Listing will constitute a spin-off of Fantasia Holdings, our Controlling Shareholder. Our Directors believe that the spin-off brings several benefits, including (i) realizing the fair value of investment in our Group by Fantasia Holdings and our Shareholders, (ii) allowing us to establish our own identity as a separately listed group and fund-raising platforms, (iii) allowing us to further develop our expertise and improve on our quality of residential property management service, (iv) enhancing our position to negotiate and solicit more businesses, (v) increasing our operational and financial transparency and improving our corporate governance, (vi) enhancing our corporate profile to attract strategic investors, (vii) using our stock performance as a separate benchmark to evaluate our performance, and (viii) enabling a more focused development, strategy planning and better allocation of resources for the Retained Group and our Group.

The Retained Group is principally engaged in (i) property development, (ii) property investment, (iii) property agency and related services, (iv) property operational services which involve the provision of property management of pure commercial properties, and (v) hotel operations. The Retained Group is also engaged in the provision of credit services while our Group is not. We, on the other hand, are principally focused on property management services of residential communities, engineering services and community leasing, sales and other services. For the reasons described in the section entitled “Relationship with our Controlling Shareholder,” our Group is restricted from providing property management services to pure commercial properties and our Directors are of the view that such potential competition between the Retained Group on one hand and our Group on the other hand, if it were to materialize, is sufficiently addressed by the terms of the Deed of Non-Competition and will not adversely affect our Group.

In light of the differences between residential communities and pure commercial properties, property management services are tailored and customized to accommodate the differences in the property involved and thus property management of residential communities and pure commercial properties requires different expertise. Given such differences, going forward, our Group will continue to acquire property management companies or bid for property management contracts where the majority of the portfolio consists of residential communities and the Retained Group will only acquire property management companies or bid for property management contracts where the business portfolios are purely commercial in nature. Based on the size of each of the residential community market and commercial property market, our Directors are of the view that each market can accommodate different types of property management business and minimize the potential competition.

Pursuant to the Deed of Non-Competition, Fantasia Holdings, our Controlling Shareholder has undertaken to us that:

- (i) it will not engage in any business involving:
  - property management services focusing on the residential communities;

## SUMMARY

- engineering services primarily including (i) equipment installation services, (ii) repair and maintenance services and (iii) automation and other equipment upgrade services through equipment leasing; or
  - community leasing, sales and other services targeting residents residing in and property owners of the residential communities primarily including (i) common area rental assistance, (ii) purchase assistance and (iii) residential and retail units rental and sales assistance.
- (ii) in relation to the residential communities developed by the Retained Group, the Retained Group will not participate in the property management of such properties but will select property management companies through a tendering process in which our Group will be invited to participate; and
- (iii) if the Retained Group has identified or is offered any project or new business opportunities to engage in or acquire a company engaging in property management for the residential communities, it shall provide us (subject to such confidentiality requirements as may be applicable) all information and documents possessed by it in respect of such project or new business opportunity in relation to property management of residential communities to enable us to evaluate the merit of the same.

The business opportunity shall be reviewed by our Executive Directors, who shall make their recommendation to our Independent Non-executive Directors, on whether or not to take up the business opportunity in relation to property management of residential communities referred to us under the terms of the Deed of Non-Competition after the Retained Group notifies our Company of such business opportunity in writing. Our Independent Non-executive Directors will be responsible for deciding whether or not to take up a business opportunity referred to us within one month under the terms of the Deed of Non-Competition.

Our Company is of the view that the one-month period for our Independent Non-executive Directors to consider whether our Company shall pursue such business opportunity is reasonable, it allows sufficient time for our Executive Directors to make their recommendation to our Independent Non-executive Directors and for our Independent Non-executive Directors to review the information relating to the business opportunity and (where necessary) to employ, at our Company's cost, an independent financial advisor as they consider necessary to advise our Independent Non-executive Directors on the business opportunity. Such one-month period is a reasonable period which could minimize the time for the Retained Group to offer the business opportunity to any Independent Third Parties.

Under the above proposed arrangement, our Company's management team will undertake a passive role and the decision as to whether or not our Company will take up the business opportunity rests solely with our Independent Non-executive Directors. We consider that the above implementation plan will ensure a high degree of effectiveness in terms of decision making under the Deed of Non-Competition.

For further information on our Group's competition with and business delineation from the Retained Group, please see the section entitled "Relationship with Our Controlling Shareholder" beginning on page 218 of this prospectus.

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### SUMMARY FINANCIAL INFORMATION

During the Track Record Period, we terminated certain business operations through our disposal of the relevant subsidiaries in connection with our Reorganization, which were accounted for as our discontinued operations under our consolidated statements of profit or loss and other comprehensive income. Such discontinued operations consisted of discontinued other property operation and discontinued hotel operation. See note 37 on page I-91 of the Accountants' Report in Appendix I to this prospectus.

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

	Year ended December 31,		
	2011	2012	2013
	RMB'000	RMB'000	RMB'000
<b>Continuing operations</b>			
Revenue .....	146,503	196,507	233,069
Gross profit .....	69,184	94,165	143,647
<b>Profit for the year</b> .....	<b>23,452</b>	<b>44,865</b>	<b>45,468</b>
<b>Discontinued operations</b>			
Profit (loss) for the year from discontinued operations	(36,456)	(529)	—
<b>Profit (loss) and total comprehensive income (expense) for the year</b> .....	<b>(13,004)</b>	<b>44,336</b>	<b>45,468</b>
<b>Profit (loss) and total comprehensive income (expense) for the year attributable to:</b>			
<b>Owners of the Company</b>			
— from continuing operations .....	19,712	43,961	44,368
— from discontinued operations .....	(13,060)	(529)	—
	<b>6,652</b>	<b>43,432</b>	<b>44,368</b>

#### Selected Consolidated Statements of Financial Position

	As of December 31,		
	2011	2012	2013
	RMB'000	RMB'000	RMB'000
Non-current assets .....	45,485	66,531	119,874
Current assets .....	421,404	589,411	374,593
Current liabilities .....	402,620	546,071	302,335
<b>Net current assets</b> .....	<b>18,784</b>	<b>43,340</b>	<b>72,258</b>
<b>Total assets less current liabilities</b> .....	<b>64,269</b>	<b>109,871</b>	<b>192,132</b>
Non-current liabilities .....	556	1,686	8,429
<b>Net assets</b> .....	<b>63,713</b>	<b>108,185</b>	<b>183,703</b>

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### Selected Consolidated Statements of Cash Flows

	Year ended December 31,		
	2011	2012	2013
	RMB'000	RMB'000	RMB'000
Net cash from operating activities .....	59,494	58,296	44,595
Net cash (used in)/from investing activities .....	(487,546)	(133,871)	363,410
Net cash from/(used in) financing activities .....	270,313	69,898	(286,872)
<b>Net (decrease)/increase in cash and cash equivalents .....</b>	<b>(157,739)</b>	<b>(5,677)</b>	<b>121,133</b>
<b>Cash and cash equivalents at end of the year .....</b>	<b>30,657</b>	<b>24,980</b>	<b>146,113</b>

### Key Financial Metrics

Financial metric	As of and for the year ended December 31,		
	2011	2012	2013
Return on equity .....	31.5%	41.4%	24.8%
Return on total assets .....	4.2%	6.7%	9.0%
Current ratio .....	1.05x	1.08x	1.24x
Quick ratio .....	1.05x	1.08x	1.24x
Gearing ratio .....	62.8%	1.3%	4.5%
Net debt to equity ratio <sup>(1)</sup> .....	14.7%	Net cash	Net cash

Note:

(1) Net debt is defined as all interest-bearing borrowings net of bank balances and cash.

### Payments on Behalf of Residents

When we are contracted to manage communities on a commission basis, we essentially act as an agent of the property owners. Since the management offices of these communities have no separate bank accounts, all transactions related to these management offices are settled through our treasury function. As of the end of a reporting period, if the working capital of a management office accumulated in our treasury function is insufficient to cover the expenses the management office has incurred and paid through our treasury function to arrange for property management services at the relevant community, the shortfall is recognized as payments on behalf of residents or payments on behalf of residents for residential communities under consultancy service arrangements. Our PRC legal advisor has confirmed that we have the legal right to request the property owners at communities to which we provide property management services on a commission basis to make up for shortfall of working capital and also to recover such shortfall, within the scope set by local competent authorities, according to the Measures on the Charges of Property Management Enterprise (《物業服務收費管理辦法》) (Fa Gai Jia Ge 2003 No. 1864). According to China Index Academy, it is a common practice for property management companies in the PRC to make such payments on behalf of residents with a view to recovering from the residents or property owners subsequently. We typically do not exercise such right in favor of preserving good relationships with the property owners. Instead, we generally attempt to make up for the shortfall from excess working capital generated in subsequent periods, which we target to realize through enhancing the collection of property management fees and reducing costs at the community level. We also aim to avoid such shortfalls through budget control and other measures. The net balances of our payments on behalf of residents were RMB19.7 million, RMB46.1 million and RMB44.0 million as of December 31, 2011, 2012 and 2013, respectively.



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Similarly, management offices of the residential communities we provide consultancy services to have no separate bank accounts, and we provide treasury function services to them to help them settle their transactions. As of December 31, 2013, we had payments on behalf of residents for residential communities under consultancy service arrangements of RMB2.9 million, which had been fully settled as of April 30, 2014.

For further information on impairment of payments on behalf of residents, please see the section entitled “Financial Information — Critical Accounting Policies, Estimates and Judgments — Critical Accounting Judgments and Estimates — Estimated impairment of payments on behalf of residents” on page 280 of this prospectus. There is no guarantee that we will be able to recover our payments on behalf of residents. For more information, see the section entitled “Risk Factors — Risks relating to Our Business and Industry — We may fail to recover all payments on behalf of residents” on page 37 of this prospectus.

We have begun adopting a number of measures to improve the recoverability of payments on behalf of residents since early 2013, such as the availability of electronic payment methods. We have also taken measures to reduce costs, such as our automation and other equipment upgrade services through our equipment leasing program since the second half of 2012. We believe these measures help maintain our sustainability and profitability going forward. For more information about our payments on behalf of residents, see the section entitled “Financial Information — Description of Certain Items in Statements of Financial Position — Payments/Receipts on Behalf of Residents” on page 318 of this prospectus.

### RISK FACTORS

Investing in our Offer Shares involves substantial risk and our ability to successfully operate our business is subject to numerous risks, including those that are generally associated with operating in the PRC. Any of the factors set forth under the section entitled “Risk Factors” may limit our ability to successfully execute our business strategy. For example, (i) we may fail to recover all payments on behalf of residents, (ii) our ability to maintain and improve our current level of profitability depends on our ability to control operating costs, in particular labor costs, (iii) our future growth may not materialize as planned, or our acquisitions may not be successful, (iv) we may not be able to grow our community leasing, sales and other services as planned, and (v) we may not be able to meet the Qualification Requirement and, if and when the relevant regulations evolve, we may not be permitted to hold 100% equity interests in our PRC operation company for the online value-added services. You should carefully consider all of the information set forth in this prospectus and, in particular, you should evaluate the specific factors set forth under “Risk Factors” beginning on page 37 of this prospectus in deciding whether to invest in our Offer Shares.

For further information relating to these and other risks relating to an investment in our Offer Shares, see the section entitled “Risk Factors” beginning on page 37 of this prospectus.

### USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$889.3 million from the Global Offering assuming an Offer Price of HK\$3.95 per Share (being the mid-point of the indicative Offer Price range) after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering. We currently plan to use our net proceeds from the Global Offering as follows:

- approximately 60% of net proceeds to us (approximately HK\$533.6 million) for acquisition of regional property management companies. Please see the section



## SUMMARY

entitled “Business — Our Property Management Services — Selection Process of Target Communities for Expanding our Property Management Services — External acquisitions of property management companies.” As of the Latest Practicable Date, we had not identified any particular acquisition target;

- approximately 20% of net proceeds to us (approximately HK\$177.9 million) to purchase hardware equipment used for upgrading the communities under our engineering services business segment. Please see the section entitled “Business — Our Engineering Services — Equipment Leasing”;
- approximately 10% of net proceeds to us (approximately HK\$88.9 million) to fund the sales and marketing activities and investment of information technology software to further develop our community leasing, sales and other services platform. Please see the section entitled “Business — Research and Development”; and
- approximately 10% of net proceeds to us (approximately HK\$88.9 million) for working capital and general corporate purposes.

For details, please see the section entitled “Future Plans and Use of Proceeds” beginning on page 356 of this prospectus.

### LISTING EXPENSES

The estimated total listing expenses (excluding underwriting commissions) incurred in relation to this Global Offering are estimated to be approximately RMB53.9 million. In 2013, we incurred RMB30.3 million of listing expenses of which RMB22.9 million was recognized in our consolidated statements of profit or loss. We estimate that we will incur an additional total of RMB23.6 million in listing expenses (excluding underwriting commission) by December 31, 2014, of which (i) RMB6.2 million is expected to be charged against equity upon successful listing, and (ii) RMB17.4 million will be charged to our consolidated statements of profit or loss. Our incurred and estimated listing expenses are non-recurring, and due to such expenses we may experience a material adverse change in our results of operations for the year ending December 31, 2014. See the section entitled “Financial Information — Listing Expenses” on page 347 of this prospectus.

### GLOBAL OFFERING STATISTICS<sup>(1)</sup>

	<b>Based on an Offer Price of HK\$3.30 per Share</b>	<b>Based on an Offer Price of HK\$4.60 per Share</b>
Number of Offer Shares. . . . .	250,000,000	250,000,000
Market capitalization of our Shares <sup>(2)</sup> . . . . .	HK\$3,300.0 million	HK\$4,600.0 million
Unaudited pro forma adjusted consolidated net tangible assets per share <sup>(3)</sup> . . . . .	HK\$0.92	HK\$1.24

Notes:

- (1) All statistics in this table are prepared without taking into account the 1% brokerage fee, 0.003% SFC transaction levy and 0.005% Stock Exchange trading fee.
- (2) The calculation of market capitalization is based on 1,000,000,000 Shares expected to be issued and outstanding following the Global Offering.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in Appendix II and based on 1,000,000,000 Shares expected to be issued and outstanding following the Global Offering.