You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in our Shares. Our business, financial position and results of operations could be materially and adversely affected by any of these risks and uncertainties. The trading price of our Shares 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

We may fail to recover all 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. 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 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, as the case may be.

Management estimation is required to determine whether the management offices have the ability to settle the payments on behalf of residents. We take into consideration a number of indicators to determine whether there is any objective evidence of impairment loss on payments on behalf of residents, including, among others, (i) subsequent settlement status of payments on behalf of residents, (ii) historical write-off experience of payments on behalf of residents, (iii) the financial performance of the underlying communities (such as profitability trend, cash receipts from residents by the respective management offices during each reporting period, and cash payments to settle management offices' account payables), and (iv) future cash flows from the communities. Except for communities for which we plan to terminate the related property management contracts through non-renewal due to their inability to meet our performance expectations, we also assume, based on our operational history, that we will be able to either renew the relevant contracts or continue to manage them beyond the expiration dates of the related property management contracts on similar terms. Some of the payments on behalf of residents may have lower recoverability if the relevant communities have poor financial performance. For instance, if a significant number of communities consistently carry account payables which are significantly higher than their receivables on the management office level, their financial and liquidity positions may deteriorate, which in turn may affect the recoverability of our payments on behalf of residents attributable to them. In addition, during the Track Record Period, we terminated 38 contracts relating to communities we managed on a commission basis. For the balances that our management believes may not be recovered within a reasonable time frame, we had allowance for doubtful debts of RMB4.2 million, RMB6.6 million and RMB12.5 million as of December 31, 2011, 2012 and 2013, respectively. 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." Although our management's estimation or the related assumptions have been made in accordance with information available to us currently, such estimation or assumptions may need to be adjusted if new information becomes known. In the event that the actual recoverability is lower than expected, or that our past allowance for doubtful debt becomes insufficient in light of new information, we may need to make more allowance for doubtful debt, which may in turn materially and adversely affect our business, financial position and results of operations.

As of December 31, 2011, 2012 and 2013, we had net balances of payments on behalf of residents of RMB19.7 million, RMB46.1 million and RMB44.0 million, respectively, attributable to 177, 149 and 187 communities, respectively. As of December 31, 2013, we also had a net balance of payments on behalf of residents for residential communities under consultancy service arrangements of RMB2.9 million, attributable to 11 communities. Although we have begun to implement a series of measures aiming to improve property management fee collection rates and to reduce costs at the relevant communities, there is no guarantee that we may maintain or improve the recoverability of our payments on behalf of residents, or that the financial performance of the communities will maintain or improve. There can be no assurance that payments on behalf of residents will not increase in the future, especially in light of our growth and geographic expansion. A substantial increase in the payments on behalf of residents and impairment loss from the same could materially and adversely affect our business, financial position and results of operations.

Our ability to maintain and improve our current level of profitability depends on our ability to control operating costs, in particular, labor costs, and our profit margins and results of operations may be materially and adversely affected by increase in labor or other operating costs

According to China Index Academy, the average headcount of the top 100 property management companies was 2,973 and 3,024, respectively, as of the end of 2011 and 2012, and concurrent with the growing headcount, average labor costs also increased. In 2011, 2012 and 2013, labor costs and sub-contracting costs represented 66.7%, 70.3% and 74.7%, respectively, of our total cost of sales and services. To maintain and improve our profit margins, it is critical for us to effectively control and reduce our labor as well as other operating costs. We face pressure of increase in our labor cost from various aspects, including but not limited to:

- increase in minimum wage. Minimum wages across China are set at the regional or district level based largely on standards determined by relevant provincial, municipal and autonomous region governments. The minimum wage in the regions and districts in which we operate has increased substantially in recent years, impacting directly on our direct labor costs as well as the fees we pay to our third-party sub-contractors. For further information on minimum wage, please see the section entitled "Industry Overview — Property Management Industry in the PRC — Overview of the PRC Property Management Industry — Traditional Labor Intensive Property Management Services";

- increase in headcount. As we expand our operations, the headcount of our sales and marketing as well as administrative staff will continue to grow. We will also need to retain and continuously recruit qualified employees to meet our growing demand for talents, which will also increase our total headcount; and

- delay in implementing standardization, centralization and automation. There is a lapse in time between our commencement of management services and implementation of our standardization, centralization and automation strategy to reduce labor costs. Before we implement such strategy, our ability to mitigate the impact of labor cost increase is limited.

Our ability to maintain and improve our current profitability level depends upon whether we can effectively control and reduce our labor and other operating costs as our business continues to grow. There is no assurance that we will be able to continue to control or reduce our cost or improve our cost efficiency. If we cannot achieve this, our business, financial position and results of operations may be adversely affected.

Our future growth may not materialize as planned, and failure to manage any future growth effectively may have a material adverse effect on our business, financial position and results of operations

We have been expanding our business in recent years through organic growth as well as acquisitions of regional property management companies. As of December 31, 2011, 2012 and 2013, residential communities which we were contracted to manage occupied an aggregate GFA of 18.0 million sq.m., 32.3 million sq.m. and 63.3 million sq.m., respectively, representing a CAGR of 87.5% from December 31, 2011 to December 31, 2013. As of December 31, 2011, 2012 and 2013, the number of residential communities we were contracted to manage were 212, 278 and 436, respectively, representing a CAGR of 43.4% from December 31, 2011 to December 31, 2013. We seek to continue to expand through increasing the total contracted GFA and the number of residential communities we are contracted to manage in existing and new markets. Please see the section entitled "Business — Our Business 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." However, our expansion is based upon our forward-looking assessment of market prospect. We cannot assure you that our assessment will always turn out to be correct or we can grow our business as planned. Our expansion plans may be affected by a number of factors beyond our control. Such factors include change in China's economic condition in general and real estate market in particular, government regulation, change in supply and demand for our services, as well as our ability to obtain sufficient financing for our expansion efforts.

To succeed in our business expansion, we will need to recruit and train new managers and other employees, select third-party sub-contractors and suppliers, and continue to build our operations and reputation and understand the needs and preference of the residents in the residential communities we manage or provide consultancy services to within a relatively short period of time.

We may have limited knowledge of the local property management service markets or have little or no prior business experience in the new markets that we will expand into. In addition, we may face difficulties in adapting to the administrative, regulatory and tax environments in new markets, which could be substantially different from those in our established markets. We may not have the same level of familiarity with local business practices or relationships with local vendors, third-party sub-contractors, suppliers and other business partners as we do in our established markets. We may have limited ability to leverage our brand name in new markets in the way that we have done so in our established markets, and may face more intense competition from established residential property management companies or property developers that manage their own properties in those new markets.

Furthermore, our future growth depends on our management's ability to improve our administrative, technical, operational and financial infrastructure. Our ability to grow also depends on our ability to successfully hire, train, supervise and manage additional officers and employees, generate sufficient liquidity internally or obtain external financing for our capital needs, replicate our business model, allocate our human resources and manage our relationships with a growing number of customers, suppliers and other business partners. There can be no assurance that our future growth will materialize and that we will be able to manage our future growth effectively, and failure to do so would have a material adverse effect on our business, financial position and results of operations.

Our future acquisitions may not be successful and we may face difficulties in integrating acquired operations with our existing business

We plan to continue to evaluate opportunities to acquire regional residential property management companies and integrate their operations into our business. However, there can be no assurance that we will be able to identify suitable opportunities. Acquisitions involve uncertainties and risks, including, without limitation:

- potential ongoing financial obligations and unforeseen or hidden liabilities;
- failure to achieve the intended objectives, benefits or revenue-enhancing opportunities; and
- diversion of resources and management attention.

Even if we do identify suitable opportunities, we may not be able to complete the acquisitions on terms acceptable to us, in a timely matter, or at all. The inability to identify suitable acquisition targets or complete acquisitions could materially and adversely affect our competitiveness and growth prospects.

Furthermore, we may face difficulties in integrating acquired operations with our existing business, particularly when integrating the existing workforce of regional property management with companies we may acquire. 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 results of operations.

Our community leasing, sales and other services segment may not grow as planned

We plan to focus on growing our community leasing, sales and other services segment by expanding the coverage of our service platform, improving the integration of offline and online services and further developing the Colour Life website. For further information on our community leasing, sales and other services, please see the section entitled "Business — Our Community Leasing, Sales and Other Services." However, there is no assurance that we could grow our community leasing, sales and other services segment as planned.

We need to recruit qualified employees with relevant experience to grow our community leasing, sales and other services segment. As the market is competitive, there is no assurance that we will be able to recruit sufficient number of qualified employees to support our growth plan. In addition, the development of community leasing, sales and other services segment heavily relies on our ability to identify suitable products and services to be marketed and sold on our service platform as well as our ability to develop effective marketing strategy to increase the market penetration. See the paragraph entitled "— The Colour Life website is an evolving platform which may fail to attract and/or retain sufficient interest from residents or local vendors" below. Furthermore, in order to develop our community leasing, sales and other services segment, we need to keep pace with the development of information technology and find suitable software companies that can fulfill our business needs and translate our ideas on the presentation, function and features of our online platform into computer programming. Although there are various software companies in the market, there is no assurance we will be able to engage the suitable one at reasonable cost, if at all.

Moreover, it is our goal to expand the functionality of the Colour Life website and its mobile application to increase accessibility, improve user experience and offer more community leasing, sales and other services. As of the Latest Practicable Date, however, we have not made any concrete decision to implement any short-term plan towards achieving such goal. As such, our current planning may be changed or certain community leasing, sales and other services we plan to offer may not be realized due to changes in demand from residents and market trends, and the related costs incurred may not be recovered.

Termination or non-renewal of our property management services to a significant number of communities could have a material adverse effect on our business, financial position and results of operations

We generate a significant portion of our revenue from property management services performed under our property management contracts. In 2011, 2012 and 2013, revenue generated from our property management services constituted 51.1%, 53.4% and 58.7%, respectively, of our total revenue. Our property management contracts with the property developers or property owners' associations generally have terms of approximately one to five years and may be terminated for cause, and a significant number of them will expire in 2014 and 2015. See the section entitled "Business — Our Property Management Services — Expiration Schedule for Property Management Contracts." There can be no assurance that any such contract will not be terminated prior to expiration or will be renewed when their terms expire. Termination or non-renewal of a significant number of management contracts could have a material and negative impact on our revenue from property management services.

Moreover, during the Track Record Period, we continued to provide services to certain communities and properties despite the relevant property management contracts had expired. As of December 31, 2011, 2012 and 2013, we provided services to 65, 84 and 136 residential communities and pure commercial properties, respectively, under such arrangements. In 2013, revenue generated from providing property management services to such 136 residential communities and pure commercial properties was RMB35.5 million. As this type of work relationship may be unilaterally terminated by either party, there is no guarantee that we can continue to provide services and generate revenue from these communities or properties, either by maintaining the current work relationship or through a formal contract. Cessation of providing property management services to a significant number of these communities or properties could have a material and negative impact on our revenue from property management services. In addition, in assessing whether there is any objective evidence of impairment loss on payments on behalf of residents, we have made certain assumptions in our provisioning policy, such as our ability to continue providing services to communities under our management for at least two more years from the end of a reporting period (other than those we decide to cease managing after the relevant property management contracts expire). If this two-year assumption is later proved inaccurate as we cease to provide services to a community within two years, the allowance for doubtful debt for payments on behalf of residents may increase and our financial performance may be adversely affected. For more information, see the section entitled "Financial Information — Description of Certain Items in Statements of Financial Position — Payments/Receipts on Behalf of Residents — Allowance and provisioning policy for payments on behalf of residents."

In addition, the performance and development of our engineering services to residential communities we manage and community leasing, sales and other services segments heavily rely upon the total contracted GFA and the number of residential communities we manage. Therefore, any failure to renew our property management contracts or termination of such contracts could also adversely affect the performance of our engineering services and community leasing, sales and other services segments.

As such, termination or non-renewal of our property management services to a significant number of communities could have a material adverse effect on our business, financial position and results of operations.

The Colour Life website is an evolving platform which may fail to attract and/or retain sufficient interest from residents or local vendors

We believe that the Colour Life website is crucial to our future success. We plan to attract increased usage by residents of the properties we manage or provide consultancy services to and local vendors around such properties. For further information on our planning to enhance the usage of Colour Life website, please see the section entitled "Business — Our Business Strategies — Continue to develop our offline and online service platform and enhance service quality to customers and the usage of the Colour Life website." However, the Colour Life website is a relatively new platform which is undergoing constant evolution. We regularly seek to introduce different products and services from local vendors on the website. As we may have limited experience with such new products and services, there can be no assurance that residents will respond favorably to them. In addition, we may roll out new website features from time to time, which may present new and significant technical and operational challenges. If the Colour Life website fails to attract or retain sufficient interest from residents or local vendors as planned, they may cease using the website or turn to competing websites. In such an event, we will not be able to successfully develop our community leasing, sales and other services through Colour Life website or introduce more revenue-generating community leasing, sales and other services on the website, and our business, financial position and results of operations could be materially and adversely affected.

System interruption and security risks, including security breaches and identity theft, may result in reduced use by our customers of the Colour Life website, and expose us to the risk of litigation which could negatively affect our financial and operational results and damage our reputation

We may experience occasional system interruptions and delays that make the Colour Life website and its services unavailable or difficult to access, and prevent us from promptly responding or providing services to our customers, which may reduce the attractiveness of the Colour Life website. 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 and adversely affect our operating results. In addition, our e-commerce businesses are subject to security risks, including security breaches and identity theft. In order to succeed, our e-commerce businesses must be able to provide secured transmission of confidential information over public networks. 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 negatively affect our financial and operating results and damage our reputation.

We may face certain credit risks depending on the financial condition of the regional property management companies we entered into consultancy agreements with

As of December 31, 2013, we provided consultancy services to 179 residential communities managed by regional property management companies in the PRC. We also provide the treasury function to the relevant communities. As a result, we have certain receivables relating to our consultancy services, including our consultancy fees receivables, and payments on behalf of residents for residential communities under consultancy arrangements.

Our PRC legal advisor has advised us that our counter-parties are the relevant property management companies from whom we may seek to recover consultancy fees receivable and payments on behalf of residents for residential communities under consultancy arrangements. Consequently, the recoverability of such receivables depends on the financial conditions of the regional property management companies we have entered into the consultancy agreement with. If our counter-parties' financial condition deteriorate, we may have difficulties collecting our receivables, which could in turn have an adverse effect on our business, financial condition, results of operations and prospects. In addition, we paid a regional property management company a deposit of RMB5.3 million as security for our counter-party, given that we manage their working capital from property management fees of the relevant communities through our treasury function. Although the deposit is scheduled to be refunded to us in 2016, there is no guarantee that our counter-party will honor that commitment.

We rely on third-party sub-contractors to perform certain property management and engineering services

We delegate certain property management services (including cleaning, gardening, repair and maintenance services) and engineering services (including equipment installation and equipment upgrade) to third-party sub-contractors, some of whom are individuals. In 2011, 2012 and 2013, our sub-contracting fee to third-party sub-contractors constituted 34.7%, 37.0% and 32.9% of the total cost of sales and services, respectively. We may not be able to monitor their services as directly and efficiently as with our own services. They may take actions contrary to our instructions or requests, or be unable or unwilling to fulfill their obligations. As a result, we may have disputes with our sub-contractors, or may be held responsible for their actions, either of which could lead to damages to our reputation, additional expenses and business disruptions and potentially expose us to litigation and damage claims. Upon the expiration of our agreements with our current third-party sub-contractors, there can be no assurance that we will be able to renew such agreements or find suitable replacements in a timely manner, on terms acceptable to us, or at all. In addition, if our third-party sub-contractors fail to maintain a stable team of qualified manual labor or have easy access to a stable supply of qualified manual labor, the work process may be interrupted. Any interruption to the third-party sub-contractors' work process may potentially result in a breach of the contract we entered into with our customers. Any of such events could materially and adversely affect our service quality, our reputation, as well as our business, financial position and results of operations.

We charge management fees for certain communities that we manage on a lump sum basis, which could subject us to losses

Residential communities with property management fees charged on a lump sum basis constituted 0.8%, 0.5% and 0.4% of our total number of contracted GFA, as of December 31, 2011, 2012 and 2013, respectively. On a lump sum basis, we were paid management fees for our services regardless of the actual amount of property management expenses we had incurred. In the event that the amount of property management fees we collected is insufficient to cover all the management expenses incurred, we are not entitled to collect the shortfall from property owners' association, As such, we may suffer losses, which could result in a material adverse effect on our profitability, financial position and results of operations.

We are in a highly competitive business with numerous competitors and if we do not compete successfully against existing and new competitors, our business, financial position, results of operations and prospects may be materially and adversely affected

The PRC residential property management industry is highly competitive and fragmented. See the section entitled "Industry Overview — Property Management Industry in the PRC —

Competition — Competitive Landscape." Our major competitors include large national, regional and local residential property management companies. Competition may intensify as our competitors expand their product or service offerings or as new competitors enter our existing or new markets. We believe that we compete with our competitors on a number of factors, including primarily scale, brand recognition, financial resources, price and service quality. Moreover, the Colour Life website faces competition from other advertising venues, such as e-commerce companies, and our engineering services face competition from other property management companies as well as engineering companies providing similar services. Our competitors may have better track records, longer operating histories and greater financial, technical, sales, marketing, distribution and other resources, as well as greater name recognition and larger customer bases. As a result, these competitors may be able to devote more resources to the development, promotion, sale, and support of their services. 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 such failure could have a material adverse effect on our business, financial position and results of operations.

We believe our current success can be partially attributed to our standardization of operations in providing our property management services. We plan to further refine our service standardization practice to enhance the quality and consistency of our services, improve our on-site service teams' efficiency and reduce our costs. If we fail to continue to improve our standardization, our competitors may emulate our business model, and we may lose a competitive advantage that has distinguished ourselves from our competitors. If we do not compete successfully against existing and new competitors, our business, financial position, results of operations and prospects may be materially and adversely affected.

Damages to the communal areas of the communities we manage as a result of any natural disasters, intended or unintended actions of residents or other events could adversely affect our business, results of operations and financial position

The communal areas of the communities we manage may be damaged in a variety of ways that are out of our control, including but not limited to natural disasters, residents' intended or unintended actions, and epidemics, such as severe acute respiratory syndrome. For example, in the event of natural disasters, such as earthquake, typhoon and flood, the communal areas may be materially damaged. Although the special fund for residence maintenance could cover all or part of the cost, there can be no assurance that such fund will be sufficient. If any person purposely or recklessly sets fire or causes flooding in an apartment or communal area, the exterior of the building, corridors and stairways may be damaged, or if a person commits or is suspected of having committed criminal activities within the residential communities, we need to allocate additional resources to assist the police and other governmental authorities on their investigations. In the event of any damage that affects the communal areas, our current residents may be affected and we may have to fix the damages with our own proceeds and then attempt to collect fees from the property owners' associations to cover our expenses. However, we may face difficulties in collecting such fees from the property owners' associations.

The additional costs we incur due to damage to the communal areas may increase along with our business growth and geographic expansion. For example, certain areas where we operate may be located on earthquake belt or may be subject to frequent typhoons. Although none of our assets, business, results of operations and financial positions were materiality affected during the Track Record Period, we continue to be exposed to such risks that a material number of the properties may suffer damage due to reasons such as natural disasters, epidemics, and residents' intended or unintended actions.

Accidents in our business may expose us to liability and reputational risk

Accidents may occur during the course of business. We provide repair and maintenance services to property developers and the residential communities through our own employees or third-party sub-contractors. Repair and maintenance services such as elevators maintenance involve the operation of heavy machinery and therefore, are generally subject to certain risks of accidents. These occurrences could result in damage to, or destruction of, properties of the communities, personal injury or death and legal liability. Working at dangerous environment presents risks to our employees and third-party sub-contractors. In addition, we are exposed to claims that may arise due to employees' or third-party sub-contractors' negligence or recklessness when performing repair and maintenance services. We may be held liable for the employees', sub-contractors' or residents' injuries or deaths. 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 occurrence of accidents. Any of the foregoing could adversely affect our reputation, business, financial position and results of operations.

Interruption to standardized and centralized operations, which relies on surveillance through remote security camera and toll free service hotline, may adversely affect our business, financial position and results of operations

With the aid of automation devices and our network operations center at our headquarters, we have centralized certain standardized services to our headquarters in Shenzhen by commanding and supervising on-site service teams through remote security camera and receiving requests and feedbacks from residents through our toll free service hotline.

Many factors such as power outage and damage to our equipment may cause interruptions to our centralized remote system and toll free service hotline. If we experience any power outage, our computer system which is a key equipment of our remote surveillance system may not function properly. Our equipment may also be subject to damages caused by unforeseeable events and unexpected natural disasters, such as earthquake, fire or flood, or other similar events. If there is any interruption to our centralized business operation, our business, financial position and results of operation may be materially and adversely affected.

We are subject to the regulatory environment and measures affecting the PRC property management industry

In 2011, 2012 and 2013, we generated approximately 51.1%, 53.4% and 58.7%, respectively, of our revenue from providing property management services primarily to residential communities. Our operations are therefore affected by the regulatory environment and measures affecting the PRC property management industry.

In particular, the fees that property management companies may charge in connection with property management services are strictly regulated and supervised by relevant PRC authorities. 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, and such fees may need to follow government guidance prices. Please 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." The government-imposed limits on fees, coupled with rising labor and other operating costs, could have a negative impact on property management companies' earnings. If a property is managed on a lump sum basis, the property management company may experience a decrease in profit margin. If a property is managed on a commission basis, in the event that the collected fees after deducting the commission are insufficient to cover property management expenses, the property owners are legally responsible for making up for such shortage. In our experience, however, given the stringent governmental regulations on property management fees, together with the difficulties we may face in obtaining the requisite votes at property owners' meetings, it may be impracticable to collect additional property management fees. The property management company may therefore be forced to reduce expenses from other sources, in hope of striking a balance between collected property management fees and expenditures in relation to service provisions, or write off the uncollected payments on behalf of the residents. We cannot assure you that the PRC government regulations on fees and other matters concerning our industry will not continue to have an adverse effect on our business, financial position and results of operations.

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

We generated a significant portion of our revenue from our property management services segment during the Track Record Period. The performance of our property management services segment is primarily dependent on the total contracted GFA and number of residential communities we manage. As such, our growth in the property management services segment is, and will likely continue to be, affected by the PRC government regulations of the real estate industry. For further information on laws and regulations that are applicable to our business, please see the section entitled "Laws and Regulations relating to the Industry."

The PRC government has implemented a series of measures with a view to controlling the growth of the economy in recent years. In particular, the PRC government has continued to introduce various restrictive measures to discourage speculation in the real estate market. The government exerts considerable direct and indirect influence on the development of the PRC real estate industry by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC government may restrict or reduce property development activities, place limitations on the ability of commercial banks to make loans to property purchasers, impose additional taxes and levies on property sales and affect the delivery schedule and occupancy rates of the properties we service. Any such governmental regulations and measures may affect the PRC real estate industry, thus limiting our business growth and resulting in a material adverse effect on our business, financial position and results of operations.

Our business is significantly influenced by various factors affecting our industry and general economic conditions

Our business, financial position and results of operations are and will continue to be dependent on various factors affecting the property management industries and general economic conditions, most of which are beyond our control. For example, limited flexibility in charging property management fees can adversely affect profit margins in an event of rising labor cost. Furthermore, any economic slowdown, recession or other developments in the PRC social, political, economic or legal environment could result in fewer new property development projects, or a decline in the purchasing power of residents living in the communities we manage or provide consultancy services to, resulting in a lower demand for our services and lower revenue and income contribution for us. As such, our business, financial position and results of operations would be materially and adversely affected.

Our success depends upon the retention of our senior management, as well as our ability to attract and retain qualified and experienced employees and resignation of any member of our senior management would affect our operation

Our continued success is highly dependent upon the efforts of our Executive Directors and other key employees, including Mr. Tang Xuebin (唐學斌), our Executive Director and our chief executive officer, and Mr. Dong Dong, our Executive Director and our chief operating officer, each of whom has more than 15 years of experience in the residential property management industry. If either of them or any of our other key employees leaves and we are unable to promptly hire and integrate a qualified replacement, our business, financial position and results of operations may be materially and adversely affected. For further information on our senior management, please see the section entitled "Directors, Senior Management and Employees." In addition, the future growth of our business will depend in part on our ability to attract and retain qualified personnel in all aspects of our business, including corporate management and property management personnel. If we are unable to attract and retain these qualified personnel, our growth may be limited and our business, financial position and operating results could be materially and adversely affected.

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

Not all of our property management companies have purchased community management service liability insurance (小區管理意外保險). We cannot assure 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 certain losses for which insurance is not available in the PRC on commercially practicable terms, such as losses suffered due to business interruptions, earthquakes, typhoons, flooding, war or civil disorder. If we are held responsible for any such damages, liabilities or losses due to insufficiency or unavailability of insurance, there could be a material adverse effect on our business, financial position and results of operations. See the section entitled "Business — Insurance."

A significant portion of our operations are concentrated in Southern China, Eastern China, Northwestern China and Southwestern China, and our business could be adversely affected in the event of any adverse developments in government policies or business environment in these regions

We focus on cities with high population in economically developed regions, and a significant portion of our operations are concentrated in Southern China, Eastern China, Northwestern China and Southwestern China. As of December 31, 2011, 2012 and 2013, we managed approximately 17.0 million sq.m., 30.4 million sq.m. and 53.9 million sq.m., respectively, of residential communities in Southern China, Eastern China, Northwestern China and Southwestern China, which accounted for approximately 94.5%, 94.0% and 85.2% of the total contracted GFA of residential communities we managed as of such dates, respectively. As of the same dates, we provided consultancy services to approximately 0.7 million sq.m., 0.7 million sq.m. and 23.9 million sq.m., respectively, of residential communities in Southern China, Eastern China, Northwestern China and Southwestern China, which accounted for approximately 100.0%, 44.2% and 84.7% of the total contracted GFA of residential communities we provided consultancy services to as of such dates, respectively. Due to such concentration, any adverse development in government policies or business environment in these regions will materially and adversely affect our business, financial position and results of operations.

The expansion of our business may expose us to increased risks of non-compliance with rules and regulations issued by a number of governments at provincial and local levels

As we expand our business operations into new geographic regions and broaden the range of services we perform, we are subject to an increasing number of provincial and local rules and regulations. In addition, because the size and scope of our operations had increased significantly during the Track Record Period, the difficulty of ensuring compliance with the various local property management regulations and the potential for loss resulting from non-compliance have increased. If we fail to comply with the related local regulations, we may be subject to penalties by the competent authorities. The laws and regulations applicable to our business, whether national, provincial or local, may also change in ways that materially increase the costs of compliance, and any failure to comply could result in significant financial penalties which could have a material adverse effect on our business, financial position and results of operations.

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

We may, from time to time, be involved in disputes with and subject to claims by property developers or property owners, to whom we provide property management services. Disputes may also arise if they are dissatisfied with our services. Please see the section entitled "Business — Quality Control — Quality Control over Property Management Services." In addition, property owners may take legal actions against us if they perceive that our services are inconsistent with our service standards contained in the representations and warranties made to such property owners. Furthermore, we may from time to time be involved in disputes with and subject to claims by other parties involved in our business, including our third-party sub-contractors, suppliers and employees, or other third parties who sustain injuries or damages while visiting properties under our management. All of these 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 and management's attention from our business activities. For instance, in September 2012, Shenzhen Buji Water Supplies Co., Ltd. (深圳市布吉供水有限公司) ("**Shenzhen Buji**") initiated court proceedings in Shenzhen against us in relation to a water supply contract dispute for a total amount of RMB10.9 million. The relevant court has made a notice to a bank to freeze a bank deposit of RMB1.0 million in a bank account of Shenzhen Colour Life Property Management to secure the payment of water fee to Shenzhen Buji. As of the Latest Practicable Date, the outcome of this legal proceeding is yet to be finalized. For more information, see the section entitled "Business — Legal Proceedings and Compliance." Any such dispute, claim or proceeding may have a material adverse effect on our business, financial position and results of operations.

We do not carry product liability insurance and may be exposed to liabilities from disputes involving products and services advertised and sold on our platform

We collaborate with local vendors around the properties we manage or provide consultancy services to attract their advertisements and offering of products and services on our platform, including the Colour Life website. We may therefore become, or may be joined as, a defendant in litigations or administrative proceedings brought against such local vendors by purchasers of such products and services, regulatory authorities or other third parties. These actions could involve claims alleging, among other things, that:

- the quality of the products sold by local vendors fail to conform to required product quality;
- advertisements made on our platform with respect to such local vendors' products or services are false, deceptive, misleading, libelous, injurious to the public welfare or otherwise offensive;

- such local vendors' products or services advertised on our platform are defective or injurious and may be harmful to others; and
- such local vendors' marketing, communications or advertising infringe on the proprietary rights of third parties.

In addition, if the products sold through us are deemed by the PRC government authorities to fail to conform to product quality and personal safety requirements in China, we could be subject to PRC regulatory actions. Violation of PRC product quality and safety requirements by third parties' products sold by us may subject us to confiscation of related earnings, penalties or an order to cease sales of the violating products or to cease operations pending rectification. If the offense is determined to be serious, our business license to sell these products could be suspended and we could be subject to investigation and prosecution under the PRC criminal laws. We currently do not carry any product liability insurance coverage. Any product liability claim or governmental regulatory action could be costly and time-consuming. We could be required to pay substantial damages as a result of such claim or action. A material design, manufacturing or quality failure in other parties' products sold by us, safety issues or heightened regulatory scrutiny could each result in a product recall by us and increased product liability claims. Furthermore, customers may not use the products sold by us in accordance with product usage instructions, possibly resulting in customer injury. All of these events could materially harm our brand and reputation and marketability of such products, divert our management's attention and have a material adverse effect on our business, financial position and results of operations.

We may be subject to fines for our failure to register for and/or contribute to social insurance and housing funds on behalf of some of our employees

During the Track Record Period, some of our PRC subsidiaries did not register for and/or fully contribute to certain social insurance funds and housing funds for their employees, including subsidiaries which collect property management fees on a lump sum basis and those which collect property management fees on a commission basis. As for our subsidiaries which collect fees on a lump sum basis, the total of such outstanding contributions amounted to approximately RMB2.5 million as of December 31, 2013, and we have made provisions of RMB1.9 million, RMB1.7 million and RMB2.5 million in our financial statements in respect of such liabilities for 2011, 2012 and 2013, respectively. As for our subsidiaries which collect fees on a commission basis, although under the relevant rules and regulations, it is the owners of the relevant properties, and not our subsidiaries, who are responsible for the payment of employees' social insurance and housing funds, on the basis that such employees have entered into employment contracts with our subsidiaries rather than the relevant property owners, there can be no assurance that in the case of dispute, we would not be found liable by a court or arbitration panel to pay the above fees.

Although we are not aware of any complaints or demands for payment of these contributions from employees, our PRC legal advisor has advised that the relevant PRC authorities may notify us that we are required to complete registration and/or pay the outstanding contributions within a stipulated deadline. In the case we fail to pay the outstanding contributions before the expiry of such deadline, (i) in respect of outstanding social insurance contributions that accumulated prior to July 1, 2011, where payment is not made prior to such deadline, we may be liable to a penalty equal to 0.2% of the outstanding amount calculated daily from the date the relevant insurance funds became payable; and (ii) in respect of outstanding social insurance contributions that accumulated after July 1, 2011, we may be liable to a penalty equal to 0.05% of the outstanding amount calculated daily from the date the relevant insurance funds became payable and, if we fail to make such payments in arrears, we may be liable to a fine of one to three times the outstanding contribution amount. In the case we fail to complete housing fund registration and open a housing fund account before the expiry of such deadline, we may be subject to a fine of between RMB10,000 and RMB50,000. In the case we fail to make payments of outstanding housing fund contributions before the expiry of such deadline, we may be subject to an order from the relevant people's court to make such payment.

We may be subject to a penalty from the PBOC or an adverse judicial ruling in respect of an inter-enterprise loan we made to a third party

During the Track Record Period, to relieve the borrower's temporary cash flow difficulties, one of our PRC subsidiaries used its own funds to extend a loan (the "**Loan**") to a third-party enterprise in the amount of RMB4.5 million with interest at the rate of 10% per annum. As of the Latest Practicable Date, the principle and interest of the Loan had been paid to us in full, and since the Loan we have not extend any loans to any third-party enterprises. Our PRC legal advisor is of the view that the Loan constituted an "inter-enterprise loan."

The General Rules on Credit (《貸款通則》), published by the PBOC in 1996, state that the PBOC bans the arbitrary conduct of inter-enterprise loans, and may impose a penalty on a loan provider equal to between one and five times the "illegal income derived from such a loan." However, our PRC legal advisor is not aware that the PBOC has published information concerning any instances where the PBOC has imposed a penalty on a loan provider or borrower in respect of an inter-enterprise loan. Pursuant to the Reply of the Supreme People's Court on How to Deal with the Case in which the Borrower to an Enterprise Loan Contract Fails to Repay the Loan Overdue (No. 5 [1996] of the Supreme People's Court) (最高人民法院《關於對企業借貸合同借款方逾期不歸還借款的應如何處理的批復》(法復[1996]15號)), if the enterprise loan contract is in violation of relevant financial regulations, it shall be an invalid contract. Except for the principal amount of the loan which would be repaid to the lender, the interests received or to be received by the lender as stipulated would be confiscated, while the borrower would be subject to a fine equivalent to the bank interest. However, in cases where the enterprise loan contract is not considered to violate relevant financial regulations and is found to be valid under Contract Law, the courts are inclined to protect the lender's right to repayment of the principal amount of the loan and interests accrued thereon at a reasonable rate. Furthermore, pursuant to the Notice on Providing Judicial Support to the Financing of SMEs and Micro Businesses issued by Guangdong High Court (《關於為中小微企業融資提供司法保障的通知》) on April 13, 2012, in the event of litigation between parties to an inter-enterprise loan, the courts in Guangdong shall support the reasonable claims of the lender if the loan funds are sourced from the lender's own funds, interest is charged within a reasonable range and the loan is provided to relieve the borrower's temporary financial difficulties in order to maintain its normal operations.

Both parties to the Loan were domiciled in Shenzhen and any dispute arising between these two parties would be submitted to a court in Shenzhen. Moreover, we confirm that (i) the full amounts of the principal and interests on the Loan have repaid in accordance with the loan agreement, (ii) we are not aware of any current dispute arising out of or in connection with the Loan, and (iii) neither our lending PRC subsidiary nor, to our knowledge, the borrower has been subject to any notice or order from the PBOC regarding their entry into and performance of the relevant loan agreement. Based on the above, our PRC legal advisor advises us that (i) the possibility that the PBOC imposes a penalty on our lending PRC subsidiary in respect of the Loan is remote, (ii) the possibility that our lending PRC subsidiary would be subject to proceedings in respect of the Loan is remote, and (iii) even in the event that our lending PRC subsidiary is subject to any proceeding, any adverse decision or judgment against the lending PRC subsidiary would not constitute or result in any material adverse effect on our business, results of operations and financial position of us. However, there can be no assurance that we will not be subject to penalty from the PBOC or an adverse judicial ruling in the case of any future dispute between us and the borrower, in which case our business, results of operations and financial position may be adversely affected.

We may be considered a "resident enterprise" under the EIT Law and income tax on the dividends that we receive from our PRC operating subsidiaries may increase

Our Company was incorporated in the Cayman Islands. We conduct our business through operating subsidiaries in the PRC.

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

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

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

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

We consider our intellectual properties, and in particular, the trademarks of the "Colour Life" logo and our rights over the Colour Life website, are crucial business assets, key to customer loyalty and essential to our future growth. The success of our business depends substantially upon our continued ability to use our brand, trade names and trademarks to increase brand recognition and to further develop our brand. The unauthorized reproduction of our trade names or trademarks could diminish the value of our brand and our market reputation and competitive advantages. Please see the section entitled "Business — Intellectual Property Rights."

We rely on a combination of trademarks, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property rights. Nevertheless, these afford limited protection and policing unauthorized use of proprietary information can be difficult and expensive. In addition, enforceability, scope and validity of laws governing intellectual property rights in the PRC are uncertain and still evolving, and could involve substantial risks to us. To our knowledge, the relevant authorities in the PRC historically have not protected intellectual property rights to the same extent as most developed countries. If we were unable to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights, it could have a material adverse effect on our business, operating results and financial position.

We may be subject to an order to surrender relevant income and pay a fine for operating the Colour Life website for a period of time after the expiration of our ICP License

Telecommunications laws in the PRC require that entities engaged in the provision of commercial services to Internet users must obtain an ICP License from the MIIT or its local bureau. An entity that engages in the provision of such services without an ICP License may be subject to an order to (i) cease the provision of services; (ii) surrender any income unlawfully earned from the provision of such services; and (iii) pay a fine of between three to five times the amount of any income unlawfully earned from the provision of such services or, where there was no unlawful income or where unlawful income was less than RMB50,000, pay a fine of between RMB100,000 and RMB1,000,000. In serious cases an order may be made to close down the relevant website. We managed and operated the Colour Life website for a period from June 2012 to November 2012 following the expiration of the validity period of the relevant ICP License held by us, during which time the website generated a minimal amount of income. Although we were not subject to any order to cease operations, nor have we been subject to any order to surrender the income generated by the website and pay a fine, we cannot assure you that the MIIT or its local bureau will not order us to surrender the income and pay a fine in the future.

Our rights to lease certain properties could be challenged, which could prevent us from continuing to operate the affected facilities

The lessors of certain properties leased by us as office space have not obtained the relevant building title certificates. As a result of such non-compliance with relevant PRC law, we may not be able to continue to occupy the relevant properties if any such lease is challenged by a third party or relevant authorities. In the event that a third party claims to be the proper owner of any such property, or if relevant government authorities do not issue a building title certificate and require that the property be vacated, we may be required to relocate our offices to other places and bear related relocation costs. If we need to relocate a large number of offices within a short period of time, our operations may be materially disrupted. In addition, the lessors of seven of our leased properties have not registered the relevant lease agreements with governmental authorities in the PRC. If the relevant authorities require us to rectify such failure and we fail to do within a specified time limit, we may be subject to a fine of between RMB1,000 and RMB10,000 for each such lease agreement or such other fine which may be determined by relevant local governmental authorities. For more information, please see the section titled "Business — Legal Proceedings and Compliance — Non-Compliance Record — Lease registration."

RISKS RELATING TO OUR CORPORATE STRUCTURE

The PRC government may determine that the Structured Contracts or the ownership structure or business operations of our Company or Shenzhen Caizhiyun Network do not comply with PRC laws and regulations, if so, our business, financial position or results of operations could be materially and adversely affected

Our PRC legal advisor is of the opinion that the Structured Contracts do not violate the mandatory laws and regulations in the PRC and are not found to be invalid due to the violation of Article 52 of the Contract Law and the related rules of the General Principle of Civil Law, so they are valid, binding and enforceable among Shenzhen Caizhiyun Network, its shareholders and Shenzhen Colour Life Network Service. However, our PRC legal advisor is of the view that there can be no assurance that the Structured Contracts will be deemed by the relevant governmental or judicial authorities to be in compliance with the existing or future applicable PRC laws and regulations, or the relevant governmental or judicial authorities may in the future interpret the existing laws or regulations with the result that the Structured Contracts would be deemed to be in compliance of the PRC laws and regulations. In particular, any future acquisition of rights, benefits or assets of or equity interests in Shenzhen Caizhiyun Network pursuant to the Structured Contracts will be subject to the laws and regulations then applicable.

If we are found to be in violation of any existing or future PRC laws or regulations, the relevant regulatory authorities would have broad discretion to deal with such violations, including possibly:

- revoking any of the Structured Contracts;
- revoking our PRC subsidiaries' business and operating licenses;
- discontinuing or restricting the operations of our PRC subsidiaries or our Group;
- imposing conditions or requirements with which we or our PRC subsidiaries may not be able to comply;
- requiring us or our PRC subsidiaries to restructure our ownership or operations; or
- taking other regulatory or enforcement actions, including levying fines, that could be harmful to our business.

If any of the above possible actions were to be taken by PRC regulatory authorities, the flow of economic benefits from Shenzhen Caizhiyun Network to our Group as stipulated under the Structured Contracts may be hindered or even terminated. If the imposition of any of these penalties causes us to lose the rights to direct the activities of Shenzhen Caizhiyun Network or our right to receive its economic benefits, we would no longer be able to consolidate Shenzhen Caizhiyun Network. In addition, we may have to rationalize or restructure the operations of Shenzhen Caizhiyun Network and our PRC subsidiaries under the Structured Contracts or our organizational or operational structure in the PRC if there is any determination that the existing Structured Contracts are not in compliance with any interpretations of laws, regulations, rules or policies. Such rationalization or restructuring could result in the diversion of management attention and the incurrence of substantial operating and production costs which could adversely affect our business, financial position or results of operations.

The Structured Contracts may not be as effective as direct ownership in providing operational control over Shenzhen Caizhiyun Network

We rely on contractual arrangements with Shenzhen Caizhiyun Network to operate our value-added telecommunication service in the PRC. For a description of these contractual arrangements, see the section entitled "History, Reorganization and the Group Structure — The Structured Contracts." These contractual arrangements may not be as effective in providing us with control over Shenzhen Caizhiyun Network as direct ownership. If we had direct ownership of Shenzhen Caizhiyun Network, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of Shenzhen Caizhiyun Network, which in turn could affect changes at the management level. However, under the current contractual arrangements, we rely on the performance by the Shenzhen Caizhiyun Network and their shareholders of their obligations under the contracts to exercise control over our Shenzhen Caizhiyun Network.

Any failure by Shenzhen Caizhiyun Network or its shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business and financial position

If Shenzhen Caizhiyun Network or its shareholders fail to perform its or their respective obligations under the Structured Contracts, we may have to incur substantial costs and expend significant resources and time to enforce those contacts and rely on legal remedies under PRC laws. These remedies may require, among other things, the defaulting party to continue to perform its and/or their respective obligations under the Structured Contracts or to take other remedial measures and pay damages, any of which may not be effective or satisfactory to us. Moreover, in the event that we are unable to enforce these Structured Contracts, we may be unable to exert effective control over Shenzhen Caizhiyun Network, and our ability to conduct our business may be materially and adversely affected. For example, if the shareholders of Shenzhen Caizhiyun Network were to refuse to transfer their equity interest in such consolidated affiliated entity to us or our nominee when we exercise the call option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

Shareholders of Shenzhen Caizhiyun Network may potentially have a conflict of interest with us, and they may breach their contracts with us

Our control over Shenzhen Caizhiyun Network is based upon the Structured Contracts. Shareholders of Shenzhen Caizhiyun Network, namely Mr. Pan Jun (潘軍) and Mr. Tang Xuebin (唐學斌), are our Directors. Conflicts of interest may arise due to the dual roles of those individuals. If they breach their contracts with us or otherwise have disputes with us, we may have to initiate legal proceedings, which involve significant uncertainty. Such disputes and proceedings may significantly disrupt our business operations, divert the attention of our management, cause us to incur significant costs, adversely affect our ability to control Shenzhen Caizhiyun Network or otherwise result in negative publicity, and we cannot assure you that the outcome of such disputes and proceedings will be in our favor.

Despite the steps we take to satisfy the Qualification Requirement, we may not be able to meet the Qualification Requirement and if and when the relevant regulations evolve, we may not be allowed to hold 100% equity interests in our PRC operation company for the online value-added services

Pursuant to the Catalogue of Industries for Guiding Foreign Investment (2011 version) (《外商投資產業指導目錄》(2011年修訂)), value-added telecommunication service is subject to foreign investment restriction in which a foreign investor shall hold no more than 50% equity interest in a value-added telecommunications services provider in the PRC. Internet content provision services, or ICP services, belong to a subcategory of value-added telecommunications services. Our PRC legal advisor has advised that the community leasing, sales and other services provided by Shenzhen Colour Life Network Service through the Colour Life website constitute value-added telecommunications services. According to the Administrative Rules for Foreign Investment in Telecommunications Enterprises (《外商投資電信企業管理規定》), foreign investors shall contribute no more than 50% of the registered capital of a value-added telecommunications services provider and any such foreign investor shall maintain a good track record and possess relevant operational experience in the value-added telecommunication services industry ("**Qualification Requirement**"). For further details about the Qualification Requirement, please refer to the section entitled "History, Reorganization and the Group Structure — The Structured Contracts — Effect and legality of the Structured Contracts."

We have taken and will take a number of steps aiming to satisfy the Qualification Requirement. Currently, however, none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation of the Qualification Requirement, such as what would constitute "a good track record period" and there are no specific written guidelines in this regard. For further details about the steps that have been or will be taken to satisfy the Qualification Requirement, please refer to the section entitled "History, Reorganization and the Group Structure — The Structured Contracts — Effect and legality of the Structured Contracts."

Despite the active steps which have been and will be taken to satisfy the Qualification Requirement, we cannot assure you that such steps will guarantee the satisfaction of the Qualification Requirement. We undertake to unwind the Structured Contracts and acquire the equity interest in Shenzhen Caizhiyun Network as soon as the relevant PRC laws allow us to operate Shenzhen Caizhiyun Network's business without the Structured Contracts. At the time the Structured Contracts are unwound and when we acquire Shenzhen Caizhiyun Network, we may not have met the Qualification Requirement yet. In that event, our Group will not be able to provide online value-added services, and our business, financial position and results of operations may be adversely affected.

Our arrangements with Shenzhen Caizhiyun Network may be subject to scrutiny of the PRC tax authorities as requiring transfer pricing adjustments and additional tax may be imposed

We could face material adverse tax consequences if the PRC tax authorities determine that the Structured Contracts with Shenzhen Caizhiyun Network were not entered into based on arm's length negotiations. If the PRC tax authorities determine that these contracts were not entered into on an arm's length basis, they may adjust our income and expenses for PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment could adversely affect us by increasing Shenzhen Caizhiyun Network's tax liability without reducing our PRC subsidiary's tax liabilities, and could further result in late payment fees and other penalties to Shenzhen Caizhiyun Network for under-paid taxes. As a result, any transfer pricing adjustment could have a material adverse effect on our financial position and results of operations.

Certain of the terms of the Structured Contracts may not be enforceable under PRC laws

Each of the Structured Contracts provides for dispute resolution by way of arbitration by the arbitral body of the South China International Economic and Trade Arbitration Commission in accordance with its then prevailing arbitration rules. These agreements contain provisions to the effect that the arbitral body may award remedies over the shares and assets of the Shenzhen Caizhiyun Network, grant injunctive relief or wind up Shenzhen Caizhiyun Network. In addition, the Structured Contracts also contain provisions to the effect that courts of competent jurisdictions may grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

Under PRC laws, it is uncertain whether some of the above contractual terms are enforceable. For instance, under PRC laws, an arbitral body does not have the power to grant any injunctive relief or provisional or final liquidation order for the purpose of protecting assets of or equity interest in Shenzhen Caizhiyun Network in case of disputes. Therefore, such remedies may not be available to us, notwithstanding the contractual provisions contained in the agreements. PRC laws do allow the arbitral body to give an award of transfer of assets of or equity interest in Shenzhen Caizhiyun Network in favor of an aggrieved party. In the event of non-compliance with such award, enforcement measures may be sought from the court. However, PRC courts may not support such an award of the arbitral body when deciding whether to take enforcement measures. Under PRC laws, courts or judicial authorities in the PRC generally would not award injunctive relief or winding-up of Shenzhen Caizhiyun Network as preliminary remedies for the purpose of protecting assets or shares in favor of any aggrieved party. Even though the Structured Contracts provide that overseas courts are given jurisdiction to grant or enforce interim remedies and support arbitral judgments and awards, such interim remedies (even if so granted by overseas courts in favor of an aggrieved party) may not be recognized or enforced by PRC courts. In addition, the court in Hong Kong and the place where we established has no jurisdiction referred to the dispute related to the Structured Contracts. Therefore, in the event of breach of any of the Structured Contracts by Mr. Pan Jun (潘軍), Mr. Tang Xuebin (唐學斌) or Shenzhen Caizhiyun Network, and if we are unable to enforce the Structured Contracts, we may not be able to exert effective control over Shenzhen Caizhiyun Network, and our ability to conduct our business may be negatively affected.

We are a holding company relying on dividend payments from our subsidiaries for funding

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

We may suffer losses as the primary beneficiary of Shenzhen Caizhiyun Network if we provide financial support to Shenzhen Caizhiyun Network, and we may lose the ability to use and enjoy assets held by Shenzhen Caizhiyun Network that are important to the operation of our business if Shenzhen Caizhiyun Network declares bankruptcy or becomes subject to a dissolution or liquidation proceeding

Under the Structured Contracts, as the entrusted operator of Shenzhen Caizhiyun Network, we are obligated to share the losses of Shenzhen Caizhiyun Network incurred to the operation of Shenzhen Caizhiyun Network with no violation of the Structured Contracts by Shenzhen Caizhiyan Network and its shareholders nor are we obligated to provide financial support to Shenzhen Caizhiyun Network under any circumstances. However, in the event that Shenzhen Caizhiyun Network operates at losses or otherwise, we may decide and resolve, at our sole and absolute discretion, to provide financial support to Shenzhen Caizhiyun Network in any manner permitted by relevant PRC laws in order to maintain its sound operations.

In addition, Shenzhen Caizhiyun Network holds certain assets that are important to our business operations. Although relevant agreements under the Structured Contracts between Shenzhen Colour Life Network Service, Shenzhen Caizhiyun Network and its shareholders contain terms that specifically obligate the shareholders of Shenzhen Caizhiyun Network to ensure the valid existence of Shenzhen Caizhiyun Network and that Shenzhen Caizhiyun Network may not be voluntarily liquidated, in the event that the shareholders breach this obligation and voluntarily liquidate Shenzhen Caizhiyun Network, or if Shenzhen Caizhiyun Network declares bankruptcy, and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business operations, which could materially and adversely affect our business, financial position and results of operations. Furthermore, if Shenzhen Caizhiyun Network undergoes a voluntary or involuntary liquidation proceeding, its shareholders or unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial position and results of operations.

Our ability to acquire the entire equity interest and/or assets of Shenzhen Caizhiyun Network through Shenzhen Colour Life Network Service may be subject to various limitations

We have adopted the Structured Contracts in order to manage our value-added telecommunication service business in the PRC and we will unwind the Structured Contracts when PRC laws and regulations allow the value-added telecommunication service business to be directly operated by us through the acquisition of the entire equity interest and/or all assets of Shenzhen Caizhiyun Network by Shenzhen Colour Life Network Service. However, our acquisition of Shenzhen Caizhiyun Network's equity interest and/or assets may only be conducted to the extent that is permitted by and will be subject to required approvals and procedures under applicable PRC laws. In addition, our acquisition may be subject to a minimum price limitation (such as an appraised value for the entire equity interest or all assets of Shenzhen Caizhiyun Network) or other limitations as imposed by applicable PRC laws, and may also be subject to substantial costs. Shenzhen Caizhiyun Network's shareholders have undertaken that if any minimum price is required to be paid by Shenzhen Colour Life Network Service or its nominee(s) to any of them, such price will be reimbursed to Shenzhen Colour Life Network Service or its nominee(s) after deducting any paid-up capital of Shenzhen Caizhiyun Network contributed by them.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

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

The economy of the PRC differs from the economies of most developed countries in many respects, including but not limited to:

- structure;
- level of government involvement;
- level of development;
- growth rate;
- control of foreign exchange; and
- allocation of resources.

While the PRC economy has grown significantly in the past 30 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also negatively affect our operations. For example, our financial position and results of operations may be adversely affected by the PRC government's control over capital investment or any changes in tax regulations or foreign exchange controls that are applicable to us.

The PRC economy has been transitioning from a planned economy to a market oriented economy. For the past three decades, the PRC government has implemented economic reform measures emphasizing the utilization of market forces in the development of the PRC economy. The PRC economy has grown significantly in recent decades, but there can be no assurance that this growth will continue or continue at the same pace. In addition, demand for our services and our business, financial position and results of operations may be adversely affected by:

- political instability or changes in social conditions in the PRC;
- changes in laws, regulations or policies or the interpretation of laws, regulations or policies;
- measures which may be introduced to control inflation or deflation;
- changes in the rate or method of taxation; and
- imposition of additional restrictions on currency conversion and remittances abroad.

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

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

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

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

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

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

We plan to finance our equity controlled PRC subsidiaries with the net proceeds from the Global Offering through overseas shareholder loans or additional capital contributions, which require registration with or approvals from PRC government authorities. Any overseas shareholder loans to our PRC subsidiaries must be registered with the local branch of SAFE as a procedural matter, and such loans cannot exceed the difference between the total amount of investment our PRC subsidiaries are approved to make under the relevant PRC laws and their respective registered capital. In addition, the amounts of the capital contributions are subject to the approval of the Ministry of Commerce in China or its local counterpart. On August 29, 2008, SAFE promulgated Circular 142, a notice regulating the conversion by a foreign-invested company of foreign currency-denominated capital contribution into Renminbi by restricting how the converted Renminbi may be used. The notice requires that Renminbi converted from the foreign currency-denominated capital contribution of a foreign-invested company may only be used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments, nor, except in the case of foreign-invested real estate enterprises, can Renminbi be used for acquisition of property in the PRC not for self-use purposes unless otherwise provided by laws and regulations. In addition, SAFE strengthened its oversight of the flow and use of Renminbi funds converted from the foreign currency-denominated capital of a foreign-invested company. The use of such Renminbi may not be changed without approval from SAFE, and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used for purposes within the company's approved business scope. Violations of Circular 142 may result in severe penalties, including substantial fines as set forth in the Regulations on the Control of Foreign Exchange, which is discussed in greater details in the section entitled "Laws and Regulations relating to the Industry — Legal Regulations over Foreign Exchange in the PRC." We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, or at all, with respect to making future loans or capital contributions to our PRC subsidiaries with the net proceeds from the Global Offering. If we fail to complete such registrations or obtain such approvals, our ability to contribute additional capital to fund our PRC operations may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

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

We conduct substantially all our business in Renminbi. However, following the Global Offering, we may also maintain a significant portion of the proceeds from the offering in Hong Kong dollars before they are used in our PRC operations. The value of the Renminbi against the US dollar, Hong Kong dollar and other currencies may be affected by changes in the PRC's policies and international economic and political developments. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the US dollar. Under the new policy, the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. Effective May 21, 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the US dollar from 0.3% to 0.5% around the central parity rate. This allows the Renminbi to fluctuate against the US dollar by up to 0.5% above or below the central parity rate published by the PBOC. On June 19, 2010, the PBOC announced that the PRC government will reform the Renminbi exchange rate regime and increase the flexibility of the exchange rate. The floating band was further enlarged to 1% on April 16, 2012 and 2% on March 17, 2014. Under the current policy, the RMB is pegged against a basket of currencies, as determined by the PBOC, against which it can rise or fall within stipulated ranges each day. These changes in currency policy resulted in the Renminbi appreciating against the US dollar by approximately 24.5% from July 21, 2005 to June 6, 2014. As a result of these and any future changes in currency policy, the exchange rate may become volatile, the Renminbi may be revalued further against the US dollar or other currencies or the Renminbi may be permitted to enter into a full or limited free float, which may result in an appreciation or depreciation in the value of the Renminbi against the US 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 position, and the value of, and any dividends payable to us by our PRC subsidiaries. For example, an appreciation of the Renminbi against the US dollar or the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert US dollars or Hong Kong dollars into Renminbi for such purposes.

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

As our businesses are conducted, and our assets are located, in the PRC, our operations are governed principally by the PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation, finance, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China, or may be unclear or inconsistent. In particular, since the property management service industry is in its early developmental stage in the PRC, the laws and regulations relating to this industry are unspecific and may be incomprehensive. Because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of PRC laws and regulations involve uncertainties and can be inconsistent. Even where adequate laws exist in China, the enforcement of existing laws or contracts based on existing laws may be uncertain or sporadic, and it may be difficult to obtain swift and equitable enforcement of a judgment by a PRC court. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until some time after such violation. Finally, any litigation in China may be protracted and result in substantial costs and the diversion of resources and management's attention. The materialization of all or any of these uncertainties could have a material adverse effect on our financial position and results of operations.

It may be difficult to effect service of process on our Directors or executive officers who reside in the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts

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

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

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

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

RISKS RELATING TO THE GLOBAL OFFERING

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

The Offer Price of our Shares is higher than the consolidated net tangible assets per Share immediately prior to the Global Offering. Therefore, purchasers of our Shares in the Global Offering will experience an immediate dilution in unaudited pro forma adjusted consolidated net tangible assets of HK$1.24 per Share, based on the maximum Offer Price of HK$4.60 per consolidated Offer Share.

In order to expand our business, we may consider offering and issuing additional Shares in the future. We may also issue additional Shares pursuant to our Share Option Scheme. Purchasers of our Shares may experience dilution in the net tangible assets book value per Share of their investments in the Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share prior to the issuance of such additional Shares.

There has been no prior public market for our Shares

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

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

The price and trading volume of our Shares may be volatile as a result of the following factors, as well as others, which are discussed in this "Risk Factors" section or elsewhere in this prospectus, some of which are beyond our control:

- actual or anticipated fluctuations in our results of operations (including variations arising from foreign exchange rate fluctuations);
- news regarding recruitment or loss of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;

- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- changes in general economic conditions or other developments affecting us or our industry;
- price movements on international stock markets, the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and
- release of lock-up or other transfer restrictions on our outstanding Shares or sales or perceived sales of additional Shares by us, the Controlling Shareholder or other Shareholders.

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

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

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

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

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

Our Controlling Shareholder has substantial control over the Company and its interests may not be aligned with the interests of the other Shareholders

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

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

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

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

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

Forward-looking information may prove inaccurate

This prospectus contains forward-looking statements and information relating to us and our operations and prospects that are based on our current beliefs and assumptions as well as information currently available to us. When used in this prospectus, the words “anticipate,” “believe,” “estimate,” “expect,” “plans,” “prospects,” “going forward,” “intend” and similar expressions, as they relate to us or our business, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and various assumptions, including the risk factors described in this prospectus. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this prospectus. Whether actual results will conform with our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section. We do not intend to update these forward-looking statements in addition to our on-going disclosure obligations pursuant to the Listing Rules or other requirements of the Stock Exchange.

You may not have the same protection of your shareholder rights under Cayman Islands law comparing to what you would have under Hong Kong law

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

We may not declare dividends on our Shares in the future

We did not declare any dividend during the Track Record Period. The amount of dividends actually distributed to our Shareholders will depend upon our earnings and financial position, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. There is no assurance that dividends of any amount will be declared or distributed in any year.