
RISK FACTORS

An investment in our Shares involves significant risks. You should carefully read and consider all of the information in this document including the risks and uncertainties described below before deciding to make any investment in our Shares. Our business, financial condition or results of operations could be materially adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline due to any of these risks and uncertainties. As a result you may lose part or all of your investment.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks related to our business and industry; (ii) risks related to doing business in China; and (iii) risks related to the Global Offering.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Our business is susceptible to fluctuations in the real estate market of China, which may materially and adversely affect our revenues and results of operations.

We conduct our real estate services business primarily in China. Our business depends substantially on the condition of the PRC real estate market. Demand for private residential real estate in China has grown rapidly in the recent decade but such growth is often coupled with volatility in market conditions and fluctuations in real estate prices. Fluctuations of supply and demand in China's real estate market are affected by economic, social, political and other factors. Over the years, governments at both national and local levels have announced and implemented various policies and measures aimed to regulate the real estate market, in some cases to stimulate further development and more purchases of residential real estate units and in other cases to restrict these activities from growing too rapidly. These measures can affect real estate buyers' eligibility to purchase multiple real estate units, their down-payment requirements and financing, as well as availability of land to developers and their ability to obtain financing. These measures have affected and may continue to affect the condition of China's real estate market and cause fluctuations in real estate prices and transaction volumes. See the subsection headed "Risks Related to Our Business and Industry – Our business may be materially and adversely affected by government measures aimed at China's real estate industry." Furthermore, there may be situations in which China's real estate industry is so active that real estate developers see a reduced need for marketing initiatives and reduce their spending on such initiatives and the commissions they are prepared to pay, which could potentially adversely affect our results of operations. To the extent fluctuations in the real estate market adversely affect real estate transaction volumes or prices, our financial condition and results of operations may be materially and adversely affected.

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Our business may be materially and adversely affected by government measures aimed at China's real estate industry.

The real estate industry in China is subject to government regulation. In recent years, PRC government agencies have issued a number of restrictive rules on the real estate market. For example, in January 2011, the State Council issued the “New Eight Policies,” pursuant to which all direct-controlled municipalities, all provincial capitals and certain other cities where the local housing prices were deemed to be too high or to have risen too fast, were required to temporarily suspend the sale of housing units to families with registered local permanent residency that already own two or more housing units, families without registered local permanent residency that already own one or more housing units, and families without registered local permanent residency that cannot provide evidence of their local payment of taxes or social insurance premiums for a required period. In early 2013, the State Council issued the “New Five Policies” for the administration of the housing market and detailed implementation rules, which reflected the PRC government’s strong determination to curb the increase of housing prices by requiring more stringent implementation of housing price control measures. For example, in the cities where housing unit sales have already been subject to restrictions, if the local housing supply is not sufficient so that the housing prices are rising too fast, local governments are required to take more stringent measures to restrict housing units from being sold to those families who own one or more housing units. Following the request of the central government, Beijing, Shanghai and other major cities in China announced detailed regulations for the New Five Policies in March 2013 to further restrict local real estate markets.

Although certain local governments loosened some of the restrictive measures in 2015 and early 2016 to moderately stimulate the real estate market, such as lowering the minimum percentage of down-payment for housing purchases and relaxing real property related tax policies, those local governments subsequently retightened certain policies and issued new restrictive policies in late 2016 and 2017. For example, the minimum percentages of down-payment and mortgage loan interest rates were raised again. These regulatory measures and policies by the government have caused a reduction in transactions in the real estate market. While these measures and policies remain in effect, they may continue to depress the real estate market, dissuade potential purchasers from making purchases, reduce transaction volume, cause a decline in average selling prices, and prevent developers from raising the capital they need and increase developers’ costs to start new projects. The general trend of tightening government regulation over real estate industry may result in lower growth rates in the real estate industry. Frequent changes in government policies may also create uncertainties that could discourage investments in real estate and developers from initiating new projects. Our business and results of operations may be materially and adversely affected as a result of decreased transaction volumes or real estate prices that may result from government policies.

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We generate a substantial portion of revenue from a concentrated number of real estate developers.

In 2015, 2016, 2017 and the three months ended 31 March 2018, we derived 31.7%, 36.6%, 44.1% and 47.0%, respectively, of our total revenues from services rendered to our top five customers, all of which are real estate developers in China. In particular, in these periods, we generated 22.3%, 26.9%, 35.1% and 33.8% of our revenues from Evergrande, our single largest customer. In the future, these real estate developers may not continue to engage our services at the same level, or at all, or they may experience financial or other difficulties that prevent them from making timely delivery of their properties under development. Should these real estate developers terminate their contracts with us or substantially reduce their business with us and we fail to find alternative real estate developers to provide us with revenue-generating business, or if any of them fails to make timely delivery of its properties under development, our financial condition and results of operations may be materially and adversely affected. Even if we can maintain our relationships with these real estate developers, should one or more of them encounter any issue in their business or liquidity, we may not be able to grow our business with them or collect payments from them on time or at all, which will affect our own business and/or liquidity.

Our real estate brokerage network services have a limited operating history and are provided under a new business model.

Although we have operated in the PRC real estate service market since 2000, we only recently started to offer real estate brokerage network services in January 2016. Revenue generated from our real estate brokerage network services increased from RMB31.2 million in 2016 to RMB77.2 million in 2017, and as a percentage of our total revenue increased from 0.8% in 2016 to 1.7% in 2017. We expect this business segment to grow rapidly in the coming years, but its short operating history makes it difficult to assess its future prospects.

Furthermore, operation of a new business segment may expose us to new risks and uncertainties. Our real estate brokerage network services are offered under an innovative “S2B2C” business model. We provide comprehensive services to Fangyou-branded stores to empower them to better serve customers in the secondary real estate market. See the section headed “Business – Our Services – Real Estate Brokerage Network Services” for further details. We cannot assure you that our new business model will be successful. If our services are not favourable received by Fangyou-branded stores and their customers, our real estate brokerage network services business may not grow as fast as we expect, or at all. In addition, we cannot assure you that our new business model will be profitable. We do not charge Fangyou-branded stores for our services. Instead, through our real estate brokerage network services, we currently derive revenue primarily by sourcing buyers of new properties through our Fangyou-branded stores and other cooperating real estate brokerage firms for our developer customers. We do not control or interfere with the business operations of Fangyou-branded stores and other cooperating real estate brokerage firms, nor do we set minimum sales targets for them. If our new business model is successful, our competitors may imitate our services, which could reduce our business volumes or increase our costs.

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Failure to maintain or enhance our brands or image could have a material and adverse effect on our business and results of operations.

We operate our three major business lines under the “E-House” series of brands, which we believe are associated with a leading integrated real estate services company with consistent high-quality services among both real estate developers and individual real estate buyers in China. Our “CRIC” brand is associated with a leading real estate information and consulting service provider. Our brands are integral to our sales and marketing efforts. Our continued success in maintaining and enhancing our brands and image depends to a large extent on our ability to satisfy customer needs by further developing and maintaining quality of services across our operations, as well as our ability to respond to competitive pressures. If we are unable to satisfy customer needs or if our public image or reputation were otherwise diminished or damaged including by matters outside of our control, our business transactions with our customers may decline, which could in turn adversely affect our results of operations.

If we are unable to compete successfully, our financial condition and results of operations may be harmed.

We encounter intense competition in each of our business segments on a national, regional and local level. Competition in the industry is primarily based on quality of services, brand name recognition, geographic coverage, commission rates or service fees, and range of services. Compared to real estate development, providing real estate services does not require significant capital commitments. New and existing competitors may offer competitive rates, greater convenience or superior services, which could attract customers away from us, resulting in lower revenues for our operations. Our commission rates are based on individually negotiated contracts with our developer clients, which are affected by the competitive landscape of the relevant local real estate market. Increased competition among real estate service companies in the primary market could result in decreases in the average commission rates in the industry or in a particular local market. In addition, the real estate development market in China has been experiencing significant consolidation in recent years. As a result of such consolidation, the market share of large and sophisticated developers has gradually increased. These developers generally have higher requirements on real estate transaction service providers, such as the ability to provide integrated solutions covering various stages of real estate development and sufficient nationwide resources to execute such solutions. The new competitive landscape has placed additional demands on us to increase the amount of resources we provide to our customers and improve the quality of our services in order to retain our customers. As a result, we may not be able to continue to compete effectively and to maintain our current commission rates or profit margin levels. Furthermore, competition among real estate service companies may also increase our costs to attract or retain talented employees.

Although we are one of the largest real estate service companies in China, our relative competitive position varies significantly by service type and geographic area. We may not be able to continue to compete effectively, maintain our current fee arrangements or margin levels or ensure that we will not encounter increased competition. Some of our competitors may have smaller aggregate businesses than us, but may be more established and have greater market presence and brand name recognition on a local or regional basis. If we fail to compete effectively, our business operations and financial condition will suffer.

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If we fail to successfully execute the business plans for our strategic cooperation, our results of operations and prospects may be materially and adversely affected.

We have entered into strategic cooperation with a number of leading real estate developers in China. The success of these strategic cooperation depends on, among others, our successful sales and marketing of the projects and properties, the developers' ability to make timely delivery of properties in satisfactory quality and quantity and purchasers' ability to obtain financing and complete their purchase obligations. If we fail to successfully market and sell these new properties, or if purchasers fail to complete their purchase obligations for any reason, we may not be able to continue the existing strategic cooperation or enter into new strategic relationships with leading real estate developers and our results of operations and prospects may be materially and adversely affected.

If we cannot manage our growth effectively and efficiently, our results of operations or profitability could be adversely affected.

Our revenues increased from RMB2.7 billion in 2015 to RMB4.6 billion in 2017, representing a CAGR of 30.6%, and increased by 8.8% from RMB854.8 million in the three months ended 31 March 2017 to RMB930.2 million in the three months ended 31 March 2018. We intend to continue to expand our services and operations. See the sections headed "Business – Our Strategies" and "Future Plans and Use of Proceeds". This expansion has placed, and will continue to place, substantial demands on our managerial, operational, technological and other resources. We expect to incur operational expenses of RMB2.4 billion in the next five years in executing our expansion plans, particularly in connection with leasing new office space, purchasing equipment and software, and employing additional personnel. We also expect to incur depreciation expenses of RMB469.6 million over the course of useful lives of the fixed assets to be acquired. Our planned expansion will also place significant demands on us to maintain the quality of our services to ensure that our brands do not suffer as a result of any deviations, whether actual or perceived, in the quality of our services. In order to manage and support our growth, we must continue to improve our existing operational, administrative and technological systems and our financial and management controls, and recruit, train and retain additional qualified real estate service professionals as well as other administrative and sales and marketing personnel, particularly as we expand into new markets and launch new business initiatives. In particular, our expansion plans are based upon our forward-looking assessment of market prospects and industry trends. However, market conditions and/or industry trends may change in a way that we are unable to predict. Customer demands may also change unpredictably as new technologies develop. Our expansion plans may also be affected by a number of factors beyond our control. Such factors include changes in China's economic condition in general and its real estate market in particular, government regulation, changes in demands for our services, as well as our ability to obtain sufficient financing for our expansion efforts. We cannot assure you that our expansion plans will be implemented successfully, or we will be able to effectively and efficiently manage the growth of our operations, recruit and retain qualified personnel and integrate any new expansion into our existing operations. As a result, our quality of service may deteriorate and our results of operations or profitability could be adversely affected.

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Our upgrades and improvements to our real estate data systems may not be successful or may fall short of expected results.

As our real estate data and consulting services continue to develop and expand, we may need to upgrade and improve our real estate data systems to provide new features and functionalities based on the demand of our customers, such as a wider coverage on geographical market and industry subsectors, as well as smarter presentation of relevant information to facilitate our customers' decision-making. However, we cannot assure you that we will be successful in executing these system upgrades and improvement strategies. In particular, our systems may experience interruptions or longer response times during upgrades and new technologies or infrastructures may also not be fully integrated or functional with the existing systems on a timely basis or at all, all of which could have an adverse impact on customer experience. In addition, as we plan to further develop and upgrade our real estate data systems by purchasing hardware and software, depreciation and amortisation expenses in relation to our real estate data systems are also expected to increase by approximately HK\$20.0 million - HK\$26.0 million for each year over the estimated useful life of the relevant software and hardware after taking into account the budgeted amount of spending, the schedule of spending and the estimated useful life of the relevant software and hardware. Please refer to the section headed "Use of Proceeds" in this document for further information regarding the use of net proceeds to further develop and upgrade our real estate data systems. The actual useful life of the relevant software and other intangible assets may be shorter than expected due to reasons such as faster than expected technological advances resulting in necessary upgrades before the end of expected useful life. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We may lose our competitive advantage if we fail to obtain and maintain accurate, comprehensive and reliable data in our CRIC Systems or prevent disruptions or failure in the performance of our CRIC Systems.

We have devoted substantial resources to developing, maintaining and updating our CRIC Systems, which are a series of proprietary real estate information databases and analysis systems. Our ability to provide consistent high-quality services and maintain our competitive advantage relies in large part on the accuracy, comprehensiveness and reliability of the data contained in our CRIC Systems and the outputs and reports based on these data. The task of establishing and maintaining accurate and reliable data is challenging. We rely on third-party data providers for a significant amount of the information in our CRIC Systems, and some of these data may be inaccurate. If our data, including the data we obtain from third parties, are not current, accurate, comprehensive or reliable, we could experience reduced demand for our services or be subject to legal claims by our customers, which could adversely affect our business and financial performance.

Any frequent or recurring disruption or failure in the performance of our CRIC Systems could also adversely affect the quality of our services and damage our reputation. Our system is vulnerable to damage or interruption as a result of power loss, telecommunications failures, computer viruses, hacking or other attempts to disrupt our system, and similar events. Our servers may also be vulnerable to break-ins, sabotage and vandalism. Our disaster recovery planning does not account for all possible scenarios. If we experience frequent or persistent system failures, the quality of our services and our reputation could be harmed. The steps we need to take to increase the reliability of our CRIC Systems and to maintain complete backups may be costly, which could reduce our operating margin, and such steps may not reduce the frequency or duration of system failures and service interruptions.

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Our ability to protect the personal information of prospective and actual property buyers could be compromised and subject us to liabilities.

Although we do not collect or store personal information of individuals in our CRIC Systems, in the ordinary course of our real estate agency services business, we collect certain personal information voluntarily provided by prospective and actual property buyers which is stored in our internal databases. The use of personally identifiable and other confidential information is increasingly subject to laws and regulations in China. On 28 December 2012, the Standing Committee of the National People's Congress promulgated the Decision on Strengthening Network Information Protection to enhance the legal protection of information security and privacy on the internet. Under relevant laws and regulations, personal information can be collected only if it is directly related to the provision of products and services. In addition, we are required to establish internal rules for employees who are authorised to access personal information in our databases, as well as internal rules relating to the handling of data security emergencies. It is possible that these laws and regulations may be interpreted and applied in a manner that is inconsistent with our practices. To ensure our compliance with evolving laws and regulations on the protection of personal information, we may need to incur additional costs to regularly monitor the relevant legal developments, refine our internal procedures in response to new legal requirements and make technology investments to further improve our data security. Any inability to adequately address privacy concerns, even if unfounded, or to comply with applicable privacy or data protection laws and regulations, could result in additional cost and liability to us, damage our reputation and harm our business.

The personal information we have collected and stored in our internal databases are potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins, or similar disruptions. While we have taken steps to protect such information, our security measures could be breached. Because techniques used to sabotage or obtain unauthorised access to systems change frequently and generally are not recognised until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any accidental or willful security breaches or other unauthorised access to our technology system could cause confidential personal information to be stolen and used for criminal purposes. Security breaches or unauthorised access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity, which could adversely affect our business and results of operations.

If we fail to obtain or keep licences, permits or approvals applicable to the various real estate services provided by us, we may incur significant financial penalties and other government sanctions.

Due to the broad geographic scope of our operations and the wide variety of real estate services we provide, we are subject to numerous national, regional and local laws and regulations specific to the services we perform. Foreign ownership of the real estate agency and brokerage business in China used to be subject to government approval. Since 2015, the real estate agency and brokerage business in China is no longer a restricted category for foreign investment under the Foreign Investment Industrial Guidance Catalogue.

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Accordingly, our PRC subsidiaries only need to make a filing with, but no longer need to obtain the approval of, the Ministry of Commerce (the “**MOFCOM**”) or its relevant local counterparts for the establishment of, or investment in, any new PRC subsidiary with a registered business scope of real estate agency and brokerage services. Pursuant to the relevant regulations regarding real estate agency and brokerage businesses, however, a company engaging in real estate brokerage business is still required to make a filing with the real estate administrative authority within 30 days after issuance of its business licence. As of the Latest Practicable Date, three of our PRC operating entities engaging in real estate brokerage business had not completed such filings with the relevant local real estate administrative authorities. See the section headed “Business – Licences and Permits”. According to our PRC Legal Adviser, based on its interviews with the relevant local real estate administrative authorities, the three entities currently are allowed by the relevant authorities to conduct real estate brokerage business without filing. However, we cannot assure you that these local authorities will not change their views in the future. The requirements of the local real estate administrative authorities for such filings may vary in different cities and we cannot assure you that, if we are required to complete such filings, we will be able to do so in a timely manner or at all.

If we fail to properly complete filings or to obtain or maintain the licences and permits for conducting our businesses, the relevant branch office or subsidiary may be ordered to cease conducting the relevant real estate services and be subject to administrative penalties such as warning, fines and revocation of its licences. Given the large size and scope of real estate sale transactions, both the difficulty of ensuring compliance with the multiple levels of licencing regimes and the possible loss resulting from non-compliance are significant.

In addition to the licences for our operations, each of our employees who provides real estate brokerage services must have the requisite professional qualification certificate, which has an effective period of three years. We are not certain that our relevant employees can obtain or renew these certificates in a timely manner, if at all. As relevant real estate administrative authorities will only issue a licence to us to set up and operate a real estate brokerage company in certain cities when the company has a certain minimum number of licenced real estate brokers, our business could suffer if our relevant employees are unable to obtain or renew these certificates in those cities.

As a licensed real estate broker, we and our licensed employees are subject to statutory obligations not to sell properties that fail to meet the statutory sales conditions or provide false statements on the conditions of any property in any advertisement. We must present clients with relevant title certificates or sales permits of the properties and the related letter of authorisation. Failure to fulfil these obligations could subject us to litigation from parties who purchased or sold properties we brokered. We may become subject to claims by other participants in real estate transactions claiming that we did not fulfil our statutory obligations as brokers. We may also lose the licences and permits that are necessary for conducting our business and/or be subject to other government sanctions.

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If we fail to properly obtain or maintain the licences and permits or complete the filings and registrations required to conduct our business, our affected subsidiaries or branch offices in China may be warned, fined, have their licences or permits revoked, or ordered to suspend or cease providing certain services, or subjected to other penalties, including confiscation of revenues, sanctions or liabilities, which in turn could materially and adversely affect our business, financial condition and results of operations.

Our results of operations and cash flows may fluctuate due to seasonal variations in the real estate market and the non-recurring nature of our services provided to real estate developers.

Our operating income and earnings have historically been substantially lower during the first quarter than other quarters. This results from the relatively low level of real estate activities during the winter and the Chinese New Year holiday period, which falls within the first quarter each year.

We generated a majority of our total revenues during the Track Record Period from services provided to real estate developers, and expect to continue to rely on real estate developers to generate a significant portion of our revenues for the foreseeable future. Revenues from our services to real estate developers are typically generated on a project-by-project basis. The timing of obtaining sales permits varies from project to project and is subject to uncertain and potentially lengthy delays as developers need to obtain a series of permits and approvals related to the development before obtaining the sales permit. It is therefore difficult to predict the interval between the time we sign an agency agreement and the time we launch the sales for the relevant project. We recognise commission revenue from our real estate agency services in the primary market upon achieving the successful sale of a property unit. “Successful sale” is defined in individual contracts with our developer clients, and depends on, among other things, the delivery of the down payment. Some purchasers may not deliver the down payments on time, which makes it difficult for us to forecast revenues and increases period-to-period fluctuations.

In addition, we have in the past entered into, and expect to continue to enter into, contracts from time to time with developers requiring us to pay deposits, which has from time to time resulted in our operating with negative cash flows or, if we fail to recover such deposits, could have a material and adverse effect on our liquidity, financial condition and results of operations.

We had net operating cash outflows in 2017 and for the three months ended 31 March 2018 and cannot guarantee that we will always generate positive operating cash flows in the future.

In 2017 and the three months ended 31 March 2018, we had net cash used in operating activities of RMB275.0 million and RMB102.0 million, respectively. The principal reason for our net operating cash outflows in 2017 was that we paid income taxes of RMB522.3 million in 2017, compared with RMB33.5 million in 2015 and RMB92.7 million in 2016. We had a

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significant one-off increase in income tax payments because we changed our tax filing policy in 2017. See the section headed “Financial Information – Key Components of Our Results of Operations – Taxation”. The primary reason for our net operating cash outflows for the three months ended 31 March 2018 was that we made performance-based payments for the year 2017 to our employees before the Chinese New Year in February 2018. We cannot guarantee we will always be able to generate positive cash flows from operating activities in the future. If we have negative cash flows from operating activities in the future, our business, results of operations and liquidity may be adversely affected. See the section headed “Financial Information – Liquidity and Capital Resources – Cash Flows”.

If we fail to develop and innovate our services, our business and operating results may be materially and adversely affected.

The success of our business has been contributed by our ability to innovate. For example, we have continuously expanded our real estate data and consulting services and recently launched our real estate brokerage network services. To remain competitive, we must continue to develop and expand our service offerings, and to further improve our data analytical capabilities. Developing new services could be expensive and time-consuming. Furthermore, any new services we develop may not achieve market acceptance, and there may not be sufficient business synergies between our existing services and new services. If we fail to develop and market new services effectively and on a timely basis, our business, results of operations and growth prospects could be adversely affected.

We provide guarantees for mortgage loans of property buyers in the secondary real estate market in Wuhan. We may become liable to mortgagee banks if these buyers default on their mortgage payments and we may be required to obtain an additional permit for the provision of such guarantees.

Since 2017, Wuhan Fangyou Century Real Estate Trading Service Co., Ltd. (“**Wuhan Fangyou**”), one of our subsidiaries providing real estate brokerage network services, has entered into arrangements with several commercial banks in Wuhan to provide guarantees for property buyers in the secondary real estate market. In Wuhan, due to the specific registration procedures, the competent authorities normally require certain processing time after transfer of title (up to one to three months) before they issue the certificate of third party right in respect of the mortgage over the property. As such, in Wuhan, commercial banks providing mortgage loans generally require transitional guarantee from third parties in respect of the loans of property buyers. For any mortgage loan guaranteed by Wuhan Fangyou, the guarantee will be released upon receipt by the bank of the certificate of third party right in respect of the mortgage over the relevant property from the property buyer when it is issued by the relevant authorities, which in Wuhan would typically take up to one to three months. Some banks require Wuhan Fangyou to make a deposit ranging from RMB100,000 to RMB300,000. If the borrower defaults on payment of his or her mortgage loan before the guarantee is released, the mortgagee bank may deduct the payment due from the deposit and require that Wuhan Fangyou immediately repay the amount due from the borrower pursuant to the guarantee. We require the borrower to provide an undertaking to us under which we may claim from the borrower any

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amount which we pay to the mortgagee banks due to the borrower's default. In line with industry practice, we do not conduct any independent credit checks on the borrowers and rely on the credit evaluations conducted by the mortgagee banks. We do not charge the borrower for the guarantees provided. These are contingent liabilities not reflected on our balance sheets. Our contingent liabilities related to these guarantees as of 31 December 2017 amounted to RMB85.3 million, which corresponds to approximately 2% of the total liabilities of the Group as at 31 December 2017. Those guarantees not released as of 31 December 2017 had been released in full by the end of March 2018. See the section headed "Financial Information — Contingent Liabilities". So long as the provision of transitional guarantees remains a common industry practice, we plan to continue to provide such guarantees for property buyers who are customers of Fangyou-branded brokerage stores in Wuhan. In the future, we may also consider providing similar guarantees in other geographic markets if it is a common industry practice to do so in those markets. Should any material default occur and if we were called upon to honour our guarantees, our financial condition and results of operations could be adversely affected. Further, in the event of market downturn, the likelihood that the borrowers would default in mortgage payment which we guaranteed may increase. In such case, the mortgagee banks may require us to repay the outstanding loans pursuant to the guarantee, which may have a material adverse effect on our business, financial condition and results of operations.

Our PRC Legal Adviser is of the view that Wuhan Fangyou shall not be deemed as a company operating financing guarantee business and therefore is not required to obtain a financing guarantee business permit. However, the Chinese government is implementing a series of regulatory body reform which, among others, may lead to changes in the government authorities that are responsible for supervising and regulating financing guarantee companies. As a result, there remains uncertainty as to how the relevant government authorities will interpret and apply laws and regulations in relation to financing guarantee business. Thus, we cannot assure you that the competent government authorities will not take a view contrary to or otherwise inconsistent with our PRC Legal Adviser's view, in which case Wuhan Fangyou may be required to obtain a financing guarantee business permit in order to continue to provide transitional guarantees for property buyers.

The interests of our Shareholders may not be aligned with your or our interests, and we cannot assure you that they will not reduce their support for our Company in the future.

Our Shareholders may have interests that do not fully align with ours. For example, some of our Shareholders are also our customers. In particular, each of Evergrande, Vanke and Country Garden held 15% of our Shares as of the Latest Practicable Date and prior to the Global Offering. We cannot assure you that our Shareholders will act in the best interest of our Company should any conflict arise. For example, they may fail to continue their business relationships with us, or may conduct business in an unacceptable manner or take other actions that are detrimental to our interests. If they fail to act in our best interests, we may have to renegotiate with them or approach other potential business partners as replacements, which may be expensive, time-consuming and disruptive to our operations and may not be successful in whole or in part. If we are unable to resolve any such conflicts, or if we suffer significant delays or other obstacles as a result of such conflicts, our business and operations could be severely disrupted, which could materially and adversely affect our results of operations and financial condition.

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We have significant balances of trade receivables and customer deposits, which increase our credit risks and could materially and adversely affect our results of operations.

In line with the industry practice in China, our working capital levels are affected by the time lag between the time when we make sales and bill our customers and the time when we are able to collect the funds owed to us. This also results in large balances of trade receivables, consisting of accounts receivables and bills receivables and amounts due from related parties of a trade nature – accounts receivables, the latter representing service fees due from our customers that are also our Shareholders or related companies. As of 31 March 2018, the total balance of our trade receivables after loss allowance was approximately RMB3.2 billion. In 2015, 2016 and 2017 and the three months ended 31 March 2018, our loss allowance on trade receivables recognised in profit or loss amounted to RMB88.3 million, RMB104.0 million, RMB116.3 million and RMB12.5 million, respectively. Some of our developer customers require us to pay an upfront deposit as demonstration of our financial strength and commitment to provide high quality service, which is refundable to us subject to certain pre-determined criteria at a date specified in the agency contracts. If any of our customers with significant outstanding trade receivable balances were to become insolvent or otherwise unable to make payments in a timely manner, or at all, we would have to make further provisions against such trade receivable and deposits, or write off the relevant amounts, either of which could adversely affect our profitability and liquidity position.

We sometimes allow certain real estate developers to settle a limited percentage of the total amount payable by transferring to us certain properties they develop. We then resell such properties for cash. The resale prices are subject to market conditions and could fall short of the amounts owed to us against which these properties or rights to properties under construction are used as collateral, in which case we would need to write off a portion of our trade receivables or deposits, which could materially and adversely affect our results of operations.

If we fail to hire, train and retain qualified managerial and other employees, our business and results of operations could be materially and adversely affected.

We place substantial reliance on the real estate industry experience and knowledge of our senior management team as well as their relationships with other industry participants. Mr. Zhou Xin, our Chairman and Executive Director, is particularly important to our future success due to his substantial experience and reputation in the real estate industry. We do not carry, and do not intend to procure, key person insurance on any of our senior management team. The loss of the services of one or more members of our senior management team could hinder our ability to effectively manage our business and implement our growth strategies. Finding suitable replacements for our current senior management could be difficult, and competition for such personnel of similar experience is intense. If we fail to retain our senior management, our business and results of operations could be materially and adversely affected.

Service professionals of our real estate agency services in the primary market interact with our customers on a daily basis. They are critical to maintaining the quality and consistency of our services and our brand and reputation. It is important for us to attract qualified

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managerial and other employees who have experience in real estate related services and are committed to our service approach. There may be a limited supply of qualified individuals in some of the cities in China where we have operations and other cities into which we intend to expand. We must hire and train qualified managerial and other employees on a timely basis to keep pace with our rapid growth while maintaining consistent quality of services across our operations in various geographic locations. We must also provide continuous training to our managerial and other employees so that they are equipped with up-to-date knowledge of various aspects of our operations and can meet our demand for high-quality services. If we fail to do so, the quality of our services may decrease in one or more of the markets where we operate, which in turn, may cause a negative perception of our brand and adversely affect our business.

Certain issues relating to certain properties we lease may disrupt our occupancy and continuing use of those properties.

As of the Latest Practicable Date, we had leased 165 properties for our business operations in the PRC. For 39 of these leased properties, the landlords have not provided us with copies of building ownership certificates. For 32 of these leased properties, the landlords have not leased such properties in accordance with the intended use specified on the land use right certificate. See the section headed “Business – Properties – Leased Properties”. We cannot assure you that these landlords have the right to lease the relevant properties to us. As advised by our PRC Legal Adviser, we may not be able to continue to use such properties. In addition, the lease agreements to three of our leased properties have expired and we are in the process of negotiating the renewal of these leases. We cannot assure you that we will be able to renew these leasing agreements on acceptable terms, or at all. If ownership of the properties we have leased is disputed and/or the validity of such leases is challenged by third parties, or if we are unable to renew our lease agreements, we may not be able to continue to use those properties and have to relocate to other places, which could result in additional costs.

Increases in labour costs in the PRC may adversely affect our business and our profitability.

China’s economy has experienced increases in labour costs in recent years. China’s overall economy and the average wage in China are expected to continue to grow. The average wage level for our employees has also increased in recent years. In 2015, 2016 and 2017 and the three months ended 31 March 2018, our staff costs were RMB1,736.7 million, RMB2,401.9 million, RMB2,623.3 million and RMB503.4 million, respectively, representing approximately 63.9%, 60.1%, 56.6% and 54.1% of the total revenue in each corresponding period. We expect that our staff costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labour costs to our customers by increasing prices for our products or services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labour contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance,

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unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Compared with its predecessors, the current Labour Contract Law of the PRC (the “**Labour Contract Law**”) imposes stricter requirements on employers in terms of signing labour contracts, minimum wages, paying remuneration, determining the term of employees’ probation and unilaterally terminating labour contracts, further increasing our labour-related costs such as by limiting our ability to terminate some of our employees or otherwise change our employment or labour practices in a cost-effective manner.

Failure to fully comply with PRC labour-related laws may expose us to potential penalties.

As the interpretation and implementation of labour-related laws and regulations are still evolving, we cannot assure you that our employment practice does not and will not violate labour-related laws and regulations in China, which may subject us to labour disputes or government investigations. If we are deemed to have violated relevant labour laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

Pursuant to the Labour Contract Law and its amendments, dispatched labour is intended to be a supplementary form of employment and the fundamental form should be direct employment by enterprises and organisations that hire employees. Further, it is stated in the Interim Provisions on Labour Dispatch that became effective on 1 March 2014 that the number of dispatched workers an employer uses may not exceed 10% of its total labour force and the employer has a two-year transition period to comply with such requirement. Some of our PRC subsidiaries or branches historically used a significant number of dispatched workers to support their principal business activities. We have taken measures to reduce the percentage of dispatched workers. However, by the end of the transition period, which was 29 February 2016, the percentages of dispatched workers in some of our PRC subsidiaries or branches were still beyond the limit of 10%. As of 31 March 2018, 11 of our PRC subsidiaries or branches had not complied with the requirement on the maximum number of dispatched workers. As of 15 June 2018, all of these 11 PRC subsidiaries or branches have become compliant with the labour dispatch requirement.

In addition, companies operating in China are required to participate in various government-sponsored social welfare plans, consisting of several types of social insurance and housing provident funds, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. Under applicable PRC law, a company is required to register with the relevant local housing provident fund administrative agency within 30 days from its establishment. As of the Latest Practicable Date, 106 of our PRC subsidiaries or branches, including three in the process of being deregistered, have not registered with local housing provident fund administrative agencies because they did not have any employees. The requirement of social welfare plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. According to our PRC Legal Adviser, based

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on enquiries made with the relevant local housing provident fund administrative agencies, other than the three subsidiaries or branches in the process of being deregistered, local housing provident fund administrative agencies that have competent authority over 78 of these subsidiaries or branches do not accept registration applications from companies with no employees, whereas local housing provident fund administrative agencies that have competent authority over the remaining 25 subsidiaries or branches accept registration applications from companies with no employees but such companies can delay registration until they start to have employees without being subject to any fines. A company that fails to register with the local housing provident fund administrative agency may be ordered by the relevant agency to rectify such non-compliance within a prescribed period. If rectification is not completed within the prescribed period, the company may be subject to a fine ranging from RMB10,000 to RMB50,000. The maximum amount of penalty we may be subject to would be RMB1.25 million. In addition, during the Track Record Period, six of our subsidiaries or branches did not make housing provident fund contributions for their new employees who have not been employed for six months or a year, as the case may be. A company that does not make housing provident fund contributions in accordance with applicable law may be ordered by the relevant authorities to rectify such non-compliance within a prescribed period. If rectification is not completed within the prescribed period, housing provident fund contributions may be enforced by the relevant people's court upon application. See the section headed "Business – Employees – Social Welfare" for further details.

As of the Latest Practicable Date, we had not been ordered by relevant government authorities to make rectification with respect to the incidents described above. However, we cannot assure you that PRC governmental authorities will not impose penalties on the relevant subsidiaries or branches, which could have a material adverse effect on the financial condition and results of operations of these subsidiaries or branches.

If our employees or business partners engage in inappropriate or illegal conduct, our reputation could be harmed and we could be exposed to regulatory investigations, cost and liabilities.

For our real estate agency services in the primary market, we rely on our sales and marketing employees to promote and facilitate the sales of property units. We cannot fully control the interactions our employees have with prospective property buyers and other relevant parties. While we have adopted internal policies and have entered into relevant contracts to regulate behaviour of our employees, we cannot assure you that all the actions by our employees will meet our internal policies, the standards set out in the relevant contractual terms, applicable legal requirements and customer expectations. For example, our employees may try to increase sales volumes through illegal or inappropriate means. If our employees engage in improper conduct, our reputation could be harmed. Furthermore, we could be held liable for actions taken by our employees, which could expose us to regulatory investigations and penalties. In addition, as our employees directly interact with prospective home buyers who may mistake our employees as a developer's employees, any improper conduct by our employees may also affect the reputation of our developer customers, which may adversely affect their business relationships with us or subject us to liabilities.

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We are also exposed to risks related to actions taken by third-party brokers that use our real estate brokerage network services. Although these third-party brokers operate their brokerage businesses independently and serve their own customers, and we do not have any contractual relationship with customers of Fangyou-branded stores (other than as a provider of transaction services at an E-House Real Estate Transaction Centre if required by any such customer), they use the “E-House Fangyou” brand to market and provide their services. We have limited control over their day-to-day operations. If they engage in inappropriate conduct, our brand image and reputation could be damaged, and we may be subject to litigation and regulatory investigations, even if the claims against us were unfounded.

In addition, we may also be exposed to risks related to information given or actions taken by other third-parties, such as developers and advertising agencies. We carry out our real estate agency services in the primary market based on the information given by developers. Such information may not be accurate and our reliance on those information may expose us to certain risks. We also engage advertising agencies to promote real estate projects we sell. Any improper or illegal actions taken by advertising agencies may also harm our reputation.

The discontinuation of any of the preferential tax treatments currently available to us in the PRC or imposition of any additional PRC taxes on us could adversely affect our financial condition and results of operations.

Some of our PRC subsidiaries enjoyed preferential income tax rates during the Track Record Period. The total tax concession granted by PRC governments to our subsidiaries amounted to RMB2.5 million, RMB13.7 million and RMB37.6 million in 2015, 2016 and 2017, respectively, and amounted to RMB2.9 million and RMB2.3 million in the three months ended 31 March 2017 and 2018, respectively.

Pursuant to a Circular on Enterprise Income Tax Policies for Further Encouraging the Development of the Software Industry and the Integrated Circuit Industry issued by the State Administration of Taxation and the Ministry of Finance effective as of 1 January 2011, a qualified software enterprise is eligible to be exempted from income tax for its first two profitable years, followed by a 50% reduction in income tax, to a rate of 12.5%, for the subsequent three years. Shanghai Zhuxiang Information Technology Co., Ltd. was recognised as a qualified software enterprise and enjoyed income tax exemption for 2015 and 2016, followed by a 50% reduction in income tax from 2017 through 2019. Shanghai Zhuxiang accounted for an insignificant percentage of our revenue during the Track Record Period.

In addition, six of our subsidiaries are eligible to enjoy a 15% preferential income tax rate because they are located in the western regions of China. These six subsidiaries accounted for less than 10% of our revenue during the Track Record Period.

Furthermore, the PRC Enterprise Income Tax Law and its implementation rules permit certain “high and new technology enterprises” that hold independent ownership of core intellectual property and simultaneously meet a list of other criteria, financial or non-financial, as stipulated in the implementation rules, to enjoy a reduced 15% enterprise income tax rate.

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The State Administration of Taxation, the Ministry of Science and Technology and the Ministry of Finance jointly issued the Administrative Rules for the Certification of High and New Technology Enterprises delineating the specific criteria and procedures for the “high and new technology enterprises” certification in April 2008. However, the “high and new technology enterprise” status is subject to review every three years. Shanghai Zhuxiang Information Technology Co., Ltd and Beijing China Real Estate Research Association Technical Services Co., Ltd. were recognised as qualified “high and new technology enterprises” during the Track Record Period. Beijing China Real Estate Research Association Technical Services Co., Ltd. operates our rating and ranking services and accounted for a majority of our profit before taxation from the real estate data and consulting services segment during the Track Record Period. PRC Holdco was also recognised as a qualified “high and new technology enterprise” in 2015 and 2016, but did not renew such status for 2017 and was therefore subject to a 25% income tax rate for 2017 and the three months ended 31 March 2018. PRC Holdco accounted for less than 10% of our revenue and profit before taxation in 2017. We intend to apply or reapply for such status for PRC Holdco and certain other of our PRC subsidiaries in 2018, but we cannot assure you that our applications will be approved by the relevant authorities. Furthermore, if either Shanghai Zhuxiang Information Technology Co., Ltd or Beijing China Real Estate Research Association Technical Services Co., Ltd. fails to maintain its qualified software enterprise status or high and new enterprise status, or if the 15% preferential income tax rate is no longer available to companies located in the western regions of China, the enterprise income tax rate applicable to the relevant company may increase to up to 25%, which could have an adverse effect on our financial condition and results of operations.

Our deferred tax assets may not be fully realisable.

As of 31 December 2015, 2016 and 2017 and 31 March 2018, we had deferred tax assets of RMB208.3 million, RMB350.2 million, RMB504.2 million and RMB470.8 million, respectively. The realisation of deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. We cannot assure you that we will be able to fully utilise the deferred tax assets if our future taxable income and related income tax liability is insufficient to permit their use. In addition, in the future, we may be required to record a valuation allowance against our deferred tax assets if we believe that we are unable to fully utilise them, which would have an adverse effect on our results of operations.

Certain of our investments are recorded at fair value and quoted prices or observable inputs may not be readily available to determine such value, resulting in the use of unobservable inputs to determine value, and the fair value of our investments may be materially different from the value that we ultimately realise upon their disposal.

Our investment in a convertible note of RMB20 million was accounted for as financial assets measured at fair value through profit or loss as of 31 December 2017 and 31 March 2018. The values of our investments may not be readily determinable or ultimately realisable. Valuations of certain investments may be difficult to obtain or unreliable. Depending on the complexity and illiquidity of a security, valuations of the same security can vary substantially

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from one dealer or pricing service to another. Therefore, our results of operations for a given period could be adversely affected if our determinations regarding the fair market value of these investments are materially different from the values that we ultimately realise upon their disposal.

Our business benefits from government incentives and discretionary policies. Expiration of, or changes to, these incentives or policies could have an adverse effect on our results of operations.

Our PRC subsidiaries have historically received grants from local governments. These government grants represent incentives from various PRC government authorities in connection with the enterprise development support and fiscal subsidy, which are discretionary and vary from year to year. In 2015, 2016 and 2017 and the three months ended 31 March 2018, the government grants we received amounted to RMB17.0 million, RMB34.1 million, RMB31.2 million and RMB14.6 million, respectively. Local governments may decide to reduce or eliminate such grants at any time. In addition, we cannot assure you of the continued availability of the government grants currently enjoyed by some of our PRC subsidiaries.

Our investments and acquisitions may not be successful and may result in material and adverse impact to our financial condition and results of operations.

Although we have not in the past relied on acquisitions to grow our business, acquisitions and investments remain a potential source of our future growth and we may actively pursue them should suitable opportunities arise. The success of our acquisitions or investments will depend on our ability to identify suitable targets, our ability to reach agreements with them on commercially reasonable terms and the availability of financing to complete acquisitions, as well as our ability to obtain any required shareholder or government approvals. Our acquisitions and investments could subject us to uncertainties and risks, including:

- high acquisition and financing costs;
- potential ongoing financial obligations and unforeseen or hidden liabilities;
- potential loss of key business relationships and the reputations of the businesses we acquire;
- failure to achieve our intended objectives, benefits or revenue-enhancing opportunities;
- uncertainty of entering into markets in which we have limited or no experience and in which competitors have stronger market positions;
- costs associated with, and difficulties in, integrating acquired businesses and managing a larger business;
- potentially significant goodwill impairment charges; and

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- diversion of our resources and management attention.

Our failure to address these uncertainties and risks may have a material adverse effect on our liquidity, financial condition and results of operations.

Granting options under the share option schemes may affect our Company's result of operation and dilute Shareholders' percentage of ownership.

Our Company has granted share options under the Pre-IPO Share Option Scheme for the purpose of granting awards to grantees, such as our employees, executives, directors and officers of our Group and its affiliates to incentivise their performance in the future. The fair value of the options at the date on which they are granted with reference to the valuer's valuation will be charged as share-based compensation, which may materially and adversely affect our Company's results of operations. The exercise of options under the Pre-IPO Share Option Scheme and additional grant of options under the Post-IPO Share Option Scheme will result in the dilution to the percentage of ownership of the Shareholders and the net asset value per Share. See the section headed "Statutory and General Information – Pre IPO Share Option Scheme" and "Post-IPO Share Option Scheme" in Appendix IV for details.

Certain equity interests of our Controlling Shareholders are charged as security interests by Mr. Zhou, one of our Controlling Shareholders, pursuant to a facility agreement. A default under such facility agreement could result in enforcement of the security interests, which could materially and adversely affect Mr. Zhou's ownership in our Group.

As of the Latest Practicable Date, Mr. Zhou, one of our Controlling Shareholders, had pledged all his equity interests in E-House (China) Holdings and CRE Corp in favor of Shanghai Pudong Development Bank Co., Ltd. ("SPDB"), an authorised institution as defined in the Banking Ordinance, as security for the *bona fide* commercial loan borrowed by Mr. Zhou from SPDB (the "SPDB Loan Facility"). If events of default under the SPDB Loan Facility agreement occur, SPDB can enforce its rights against Mr. Zhou, including enforcing its rights against the pledged shares of E-House (China) Holdings and CRE Corp under the SPDB Loan Facility agreement. Events of default under the SPDB Loan Facility agreement include, among others, non-repayment, misrepresentation and breach of certain covenants. In such event, we may no longer be affiliated with Mr. Zhou, which could adversely affect our reputation and our relationships with other companies controlled by Mr. Zhou.

Any failure to protect our trademarks and other intellectual property rights could have a negative impact on our business.

We believe our trademarks and other intellectual property rights are critical to our success. Any unauthorised use of our trademarks and other intellectual property rights could harm our competitive advantages and business. Historically, China has not protected intellectual property rights to the same extent as more developed jurisdictions, such as Hong Kong and the United States, and infringement of intellectual property rights continues to pose a serious risk of doing business in China. Monitoring and preventing unauthorised use is

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difficult. The measures we take to protect our intellectual property rights may not be adequate. Furthermore, the application of laws governing intellectual property rights in China is uncertain and evolving, and could involve substantial risks to us. If we are unable to adequately protect our brand, trademarks and other intellectual property rights, we may lose these rights and our business may suffer materially.

Any competitive advantage that we may derive from our CRIC Systems depends in large part on our ability to protect our proprietary rights in it. We have imposed contractual obligations on employees and consultants and have taken other precautionary measures to maintain the confidentiality of our proprietary information and restricted the use of the proprietary information other than for our company's benefit. If our employees and consultants do not honour their contractual obligations and misappropriate our database and other proprietary information, our business would suffer as a result.

As internet domain name rights are not rigorously regulated or enforced in China, other companies have incorporated in their domain names elements similar in writing or pronunciation to our registered trademarks. This may result in confusion between those companies and our company and may lead to the dilution of our brand value, which could adversely affect our business.

We may be subject to infringement claims or other claims involving intellectual property, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, copyrights, trademarks, trade names or other intellectual property rights held by third parties. As a result, we may be subject to claims for breach of contract, defamation, negligence, unfair competition, copyright or trademark infringement, or claims based on other theories. We have been, and from time to time in the future may be, subject to legal proceedings and claims involving intellectual property rights. For instance, as part of our business, we collect information and data from various sources and distribute such information and data to others. In particular, we have collected and compiled in our CRIC Systems real estate-related news, articles, reports, floor plans, architectural drawings, maps and other documents and information prepared by third parties. Although we do not use the information we obtain from clients during the course of providing real estate consulting services, the same information derived from other sources may be found in our database. In such cases, we could be subject to breach of confidentiality or similar claims, whether or not having merit, by those clients. We could also be subject to claims based upon the content that is displayed on our websites or accessible from our websites through links to other websites or information on our websites supplied by third parties. Any lawsuits or threatened lawsuits in which we are involved, either as a plaintiff or as a defendant, could cost us a significant amount of time and money and distract management's attention from operating our business. Any judgements against us in such suits, or related settlements, could have a material impact on our ability to offer or market our services, harm our reputation and have a material and adverse effect on our results of operations. If a lawsuit against us is successful, we may be required to pay damages or enter into royalty or licence agreements that may not

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be based upon commercially reasonable terms, or we may be unable to enter into such agreements at all. As a result, the scope of information and data we offer to our clients could be reduced, or our methodologies or services could change, which may adversely affect the usefulness of our services and database, and our ability to attract and retain clients.

Any natural or other disasters, including outbreaks of health epidemics, and other extraordinary events could severely disrupt our business operations.

Our operations are vulnerable to interruption and damage from natural and other types of disasters, including earthquakes, fire, floods, environmental accidents, power loss, communication failures and similar events. If any natural disaster or other extraordinary events were to occur in the area where we operate, our ability to operate our business could be seriously impaired.

Our business could be materially and adversely affected by the outbreak of H7N9 bird flu, H1N1 swine influenza, avian influenza, severe acute respiratory syndrome, or SARS, Ebola or another epidemic. Any such occurrence in China could severely disrupt our business operations and adversely affect our results of operations.

RISKS RELATED TO DOING BUSINESS IN CHINA

Changes in PRC government policies could have a material and adverse effect on the overall economic growth in China, which could adversely affect our business.

We conduct substantially all of our business operations in China. As the real estate industry is highly sensitive to business spending, credit conditions and personal discretionary spending levels, it tends to decline during general economic downturns. Accordingly, our results of operations, financial condition and prospects are subject, to a significant degree, to economic developments in China. While China's economy has experienced significant growth in the past three decades, growth has been uneven across different periods, regions and among various economic sectors of China. The PRC government may implement measures that are intended to benefit the overall economy even if they would be expected to have a negative effect on the real estate industry. The real estate industry is also sensitive to credit policies. In recent years, the PRC government adjusted the People's Bank of China's statutory deposit reserve ratio and benchmark interest rates several times in response to various economic situations. Any future monetary tightening may reduce the overall liquidity in the economy and reduce the amount of credit available for real estate purchase. Higher interest rates may increase the borrowing cost for buyers who rely on mortgage loans to finance their real estate purchase. These could negatively affect the total demand for real estate purchase and adversely affect our operating and financial results. We cannot assure you that China will continue to have rapid or stable economic growth in the future or that changes in credit or other government policies that are intended to create stable economic growth will not adversely impact the real estate industry.

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Uncertainties with respect to the Chinese legal system could adversely affect us.

We conduct our business primarily through our subsidiaries in China. Our operations in China are governed by PRC laws and regulations. Our subsidiaries are generally subject to laws and regulations applicable to foreign investments in China and, in particular, laws applicable to foreign-invested enterprises. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC laws and regulations have significantly enhanced the protection afforded to various forms of foreign investments in China. 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. In particular, because these laws and regulations are relatively new, their interpretation and enforcement involve uncertainties. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

It may be difficult to effect service of process upon us or our Directors or officers named in this document who reside in China or to enforce non-PRC court judgements against them in China.

Substantially all of our assets are situated in China and most of our Directors and officers named in this document reside in, and most of their respective assets are located in, China. As a result, it may be difficult to effect service of process outside China upon most of our Directors and officers, including with respect to matters arising under applicable securities laws. China does not have treaties providing for the reciprocal recognition and enforcement of judgements of courts with the United States, the United Kingdom and many other countries. Consequently, it may be difficult for you to enforce against us or our Directors or officers in China any judgements obtained from non-PRC courts.

On 14 July 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “**Arrangement**”) and promulgated on 3 July 2008, pursuant to which a party with a final court judgement rendered by a Hong Kong court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgement in the PRC. Similarly, a party with a final judgement rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgement in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgement rendered by a Hong Kong court in the PRC if the parties in dispute have not agreed to enter into a choice of court agreement in writing. Although the revised Arrangement became effective on 1 August 2008, the outcome and effectiveness of any action brought under the Arrangement may still be uncertain.

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Governmental control of currency conversion may affect the value of your investment.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Restrictions on currency exchanges between the Renminbi and other currencies may limit our ability to utilize our revenues and funds, in particular in relation to capital account transactions such as investments and loans. We receive substantially all of our revenues in the Renminbi. Under our current structure, our income will be 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.

Under current PRC regulations, the Renminbi is convertible for “current account transactions,” which include among other things dividend payments and payments for the import of goods and services, subject to compliance with certain procedural requirements. Although the Renminbi has been fully convertible for current account transactions since 1996, we cannot assure you that the relevant PRC government authorities will not limit or eliminate our ability to purchase and retain foreign currencies for current account transactions in the future.

Conversion of the Renminbi into foreign currencies and of foreign currencies into the Renminbi, for payments relating to “capital account transactions,” which principally include investments and loans, generally requires the approval of filing with the State Administration of Foreign Exchange (the “SAFE”), and other relevant PRC governmental authorities. Restrictions on the convertibility of the Renminbi for capital account transactions could affect the ability of our PRC subsidiaries and affiliated PRC operating companies to make investments overseas or to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from us.

Fluctuation in the value of the Renminbi may have a material and adverse effect on your investment.

The value of the Renminbi against the Hong Kong dollar, the U.S. dollar and other currencies is affected by changes in China’s political and economic conditions and by China’s foreign exchange policies, among other things. In July 2005, the PRC government changed its decades-old policy of pegging the value of the Renminbi to the U.S. dollar, and the RMB appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

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The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to obtain approval by or complete filing with the SAFE before converting significant sums of foreign currencies into the Renminbi. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

The Notice on Issues Relating to the Administration of Foreign Exchange in Fund-Raising and Round-Trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies, or SAFE Circular 75, requires PRC residents to register with the relevant local branch of SAFE before establishing or controlling any company outside of China, referred to as an offshore special purpose company, for the purpose of raising funds from overseas to acquire or exchange the assets of, or acquiring equity interests in, PRC entities held by such PRC residents and to update such registration in the event of any significant changes with respect to that offshore company. The SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, on 4 July 2014, which replaced SAFE Circular 75. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." The term "control" under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle, such as changes in a PRC resident individual shareholder, name or operation period; or any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions.

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We have requested our beneficial owners who are PRC residents to make the necessary applications, filings and amendments required by SAFE. However, we cannot provide any assurances that all of our beneficial owners who are PRC residents will continue to make, obtain or amend any applicable registrations or approvals required by these SAFE regulations. The failure or inability of our PRC resident beneficial owners to comply with the registration procedures set forth therein may subject us to fines and legal sanctions, restrict our cross-border investment activities, or limit our ability to contribute additional capital into our PRC subsidiaries, or limit our PRC subsidiaries' ability to pay dividends or make other distributions to our company or otherwise adversely affect our business. Moreover, failure to comply with the SAFE registration requirements could result in liability under PRC laws for evasion of foreign exchange restrictions.

As it is uncertain how the SAFE regulations will be interpreted or implemented, we cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, including the remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

Failure to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Under the applicable regulations and SAFE rules, PRC citizens who participate in an employee stock ownership plan or a stock option plan in an overseas publicly listed company are required to register with SAFE and complete certain other procedures. In February 2012, SAFE promulgated the Notices on Issues concerning the Foreign Exchange Administration for Stock Incentive Plan of Overseas Publicly-Listed Company (the “**Stock Option Rules**”), which terminated the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plan or Stock Option Plan of Overseas Publicly-Listed Company issued by the SAFE in March 2007. Pursuant to the Stock Option Rules, if a PRC resident participates in any stock incentive plan of an overseas publicly-listed company, a qualified PRC domestic agent must, among other things, file on behalf of such participant an application with the SAFE to conduct the SAFE registration with respect to such stock incentive plan and obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the exercise or sale of stock options or stock such participant holds. Such participating PRC residents' foreign exchange income received from the sale of stock and dividends distributed by the overseas publicly-listed company must be fully remitted into a PRC collective foreign currency account opened and managed by the PRC agent before distribution to such participants. We and our PRC employees who have been granted stock options are subject to this rule. We cannot assure you that the local branch of the

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SAFE will accept the application of our PRC optionees' registration with regard to our existing employee stock ownership plan or stock option plan. If there is any change to our existing employee stock ownership plan or stock option plan, we cannot assure you that our PRC optionees will be able to amend such registration in a timely manner, or at all. If our PRC optionees fail to comply with these regulations, we or our PRC optionees may be subject to fines and legal sanctions.

The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (the "M&A Rules"), adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-Monopoly Law requires that the MOFCOM shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the security review rules issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defence and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval or filing processes, including obtaining approval from the MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

Our holding company relies principally on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements it may have, and any limitation on the ability of our PRC subsidiaries to make payments to our holding company could have a material and adverse effect on its ability to fund our operations, make investments or acquisitions, or pay dividends.

Our Company is a holding company, and relies principally on dividends from our PRC subsidiaries to fund any cash and financing requirements it may have, including the funds necessary to pay dividends and other cash distributions to the shareholders and service any debt it may incur. Current PRC regulations permit our PRC subsidiaries to pay dividends only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our PRC subsidiaries is required to set aside a

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certain amount of its after-tax profits each year, if any, to fund certain statutory reserves. These reserves are not distributable as cash dividends. Furthermore, if our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to our Company. Any limitation on the ability of our PRC subsidiaries to distribute dividends or other payments to our Company could materially and adversely limit its ability to fund our business operations, make investments or acquisitions that could be beneficial to our businesses or pay dividends.

PRC regulation of loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any funds we transfer to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises in China, capital contributions to our PRC subsidiaries are subject to the requirement of making necessary filings in the Foreign Investment Comprehensive Management Information System (the “FICMIS”), and registration with other governmental authorities in China. In addition, (i) any foreign loan procured by our WFOE is required to be registered with the SAFE or its local branches, and (ii) our WFOE may not procure loans that exceed the difference between its registered capital and its total investment amount as recorded in the FICMIS. Any medium-or long-term loan to be provided by us to our PRC subsidiaries must be recorded and registered by the National Development and Reform Committee and the SAFE or its local branches. We may not be able to complete such recording or registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us directly to our PRC subsidiaries. If we fail to complete such recording or registration, our ability to use the proceeds of this offering and to capitalise our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

Even if we complete such recording or registration in a timely manner, our ability to use the proceeds is still subject to certain limitations under relevant PRC laws and regulations. On 30 March 2015, SAFE released the Notice on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or SAFE Circular 19, which came into effect and superseded SAFE Circular 142 from 1 June 2015. On 9 June 2016, SAFE further promulgated the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects (《關於改革和規範資本項目結匯管理政策的通知》), or SAFE Circular 16. SAFE Circular 19 and SAFE Circular 16 stipulate that the settlement of foreign exchange shall only be used for its own operation purposes within the business scope of the foreign invested enterprises and following the principles of authenticity. It is unclear how SAFE Circular 19 and SAFE Circular 16 will be implemented, and there exists high uncertainties with respect to its interpretation and implementation by authorities. For example,

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under SAFE Circular 19 and SAFE Circular 16, we may still not be allowed to convert foreign currency-registered capital of our PRC subsidiaries which are foreign-invested enterprises into RMB capital for securities investments or other finance and investment except for principal-guaranteed bank products. Further, SAFE Circular 19 and SAFE Circular 16 restrict a foreign-invested enterprise from using RMB converted from its registered capital to provide loans to a non-affiliated company. Violations of SAFE Circular 19 or SAFE Circular 16 could result in severe monetary or other penalties.

You may be subject to PRC income tax on dividends from us or on any gain realised on the transfer of our Shares.

Under the PRC Enterprise Income Tax Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realised on the transfer of shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realised by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws.

Although substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realised from the transfer of our Shares, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realised through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

We face uncertainty with respect to indirect transfer of equity interests in PRC resident enterprises or other assets attributed to a PRC establishment of a non-PRC company, or immovable properties located in China owned by their non-PRC holding companies.

We face uncertainties on the reporting and consequences on private equity financing transactions, share exchange or other transactions involving the transfer of shares in our company by investors who are non-PRC resident enterprises.

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In February 2015, the State Administration of Taxation (the “SAT”) issued the Notice on Several Issues Concerning Enterprise Income Tax for Indirect Share Transfer by Non-PRC Resident Enterprises, or SAT Bulletin 7. Pursuant to SAT Bulletin 7, an “indirect transfer” of assets of a PRC resident enterprise, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterised and treated as a direct transfer of PRC taxable assets, if such transaction arrangement lacks a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to SAT Bulletin 7, “PRC taxable assets” include assets attributed to an establishment in China, immovable properties located in China, and equity interests in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. In respect of an indirect transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. If the underlying transfer relates to immovable properties located in China or to equity interests in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax at 10% would apply, subject to preferential tax treatment under applicable tax treaties or similar arrangements, if any, and the party who is obligated to make payments for the transfer has a withholding obligation. Although SAT Bulletin 7 does not apply to share transfers of publicly traded companies, there is uncertainty as to the application of SAT Bulletin 7. We and our non-PRC resident investors may be at risk of being subject to tax filing or withholding obligations under SAT Bulletin 7 and we may be required to expend valuable resources to comply with SAT Bulletin 7 or to establish that we should not be taxed under SAT Bulletin 7.

We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing and withholding or tax payment obligations on the transferors and transferees, while our PRC subsidiaries may be requested to assist in the filing. Any PRC tax imposed on a transfer of our shares or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of your investment in us.

RISKS RELATED TO THE GLOBAL OFFERING

There has been no prior public market for the Shares and the liquidity and market price of our Shares may be volatile.

Prior to completion of the Global Offering, there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the Global Offering. The Offer Price will be determined by our Company and the Joint Representatives (on behalf of the Underwriters), which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. The market price of our Shares may fall below the Offer Price at any time after completion of the Global Offering.

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The trading price of the Shares may be volatile, which could result in substantial losses to you.

The trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the Offer Price of our Shares is higher than the net tangible book value per Share of our Shares immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the Global Offering may experience further dilution in their shareholding percentage.

Future sales or major divestment of our Shares by any of our Controlling Shareholders or Pre-IPO Investors could adversely affect the prevailing market price of our Shares.

The market price of the Shares could decline as a result of future sales of substantial amounts of the Shares or other securities relating to the Shares in the public market by our substantial shareholders, or the perception that such sales may occur, which, in turn, could adversely affect the value of your investment in our Shares. Future sales, or perceived sales, of substantial amounts of the Shares could also materially and adversely affect our ability to raise capital in the future at a time and at a price favourable to it.

The Shares held by certain of our existing Shareholders are subject to lock-up undertakings commencing from the Listing Date. While we are not aware of any intentions of our existing Shareholders to dispose of significant amounts of their Shares upon expiry of the relevant lock-up periods, there is no assurance that they will not dispose of any Shares they may own. In the event that any of our existing Shareholders disposes of their Shares upon expiry of the relevant lock-up periods, it would lead to an increase in the number of Shares in public hands, and could negatively impact the market price of our Shares or lead to volatility in the market price or trading volume of our Shares, affecting the value of your investment.

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There can be no assurance if and when we will pay dividends in the future.

Our ability to pay dividends will depend on factors including whether we are able to generate sufficient earnings. Distributions of dividends will be determined by our Board at their discretion in accordance with relevant regulations and will be subject to Shareholders' approval. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors, including but not limited to our results of operations, cash flows, financial condition, operating and capital expenditure requirements, distributable profits, our Memorandum and Articles of Association, and any applicable laws and regulations, market conditions, our strategic plans and prospects for business development, contractual limits and obligations, payment of dividends to us by our operating subsidiaries, taxation, regulatory restrictions and any other factors determined by our Board from time to time to be relevant to the declaration or suspension of dividend payments. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy. See the section headed "Financial Information – Dividend" in this document for additional details regarding our dividend policy.

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

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

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Investors should read this entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering including, in particular, any financial projections, valuations or other forward looking statement.

Prior to the publication of this document, there may be coverage in the media regarding the Global Offering and our operations, which contained, among other matters, certain financial information, projections, valuation and other forward-looking information about us and the Global Offering. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. To the extent that any such information is not contained in this document or is inconsistent or conflicts with the information contained in this document, we disclaim any responsibility, liability whatsoever in connection therewith or resulting therefrom. Accordingly, prospective investors should not rely on any such information in making your decision as to whether to subscribe the Offer Shares. You should rely only on the information contained in this document and the Application Forms.