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**越秀服務集團有限公司**  
**YUEXIU SERVICES GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 06626)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **RESULTS HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2024**

- Total revenue amounted to RMB3,868 million, representing a year-on-year increase of 20.0%, among which:
  - (i) revenue from non-commercial property management and value-added services amounted to RMB3,134 million, representing a year-on-year increase of 19.2%; and
  - (ii) revenue from commercial property management and operational services amounted to RMB734 million, representing a year-on-year increase of 23.7%.
- As of 31 December 2024, GFA under management of the Group was 69.31 million sq.m., representing a year-on-year growth of 6.3%; and contracted GFA of the Group was 88.73 million sq.m., representing a year-on-year growth of 6.3%.
- Gross profit margin was 23.3%, representing a year-on-year decrease of 3.3 percentage points.
- Profit attributable to owners of the Company amounted to RMB353 million, representing a year-on-year decrease of 27.5%, which was mainly due to the impairment of goodwill incurred during the Year.
- Core net profit (the profit attributable to owners of the Company excluding the effect of impairment of goodwill) was RMB512 million, representing a year-on-year increase of 5.1%.
- The Board has proposed to declare a final dividend of HKD0.083 per share (equivalent to RMB0.078 per share); together with the interim dividend, total dividend for the full year of 2024 was HKD0.183 per share (equivalent to RMB0.169 per share).

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Yuexiu Services Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the consolidated annual results of the Group for the year ended 31 December 2024 (the “**Year**”).

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2024*

	Notes	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	3	<b>3,868,152</b>	3,223,631
Cost of sales		<b>(2,966,536)</b>	(2,367,004)
Gross profit		<b>901,616</b>	856,627
Other income and gains, net	4	<b>114,029</b>	122,214
Administrative expenses		<b>(296,362)</b>	(279,327)
Net impairment losses on financial and contract assets	5	<b>(15,572)</b>	(7,638)
Impairment of goodwill	5	<b>(236,866)</b>	—
Finance costs	6	<b>(5,307)</b>	(4,887)
Share of profits and losses of joint ventures		<b>961</b>	153
PROFIT BEFORE TAX	5	<b>462,499</b>	687,142
Income tax expenses	7	<b>(176,729)</b>	(187,260)
PROFIT FOR THE YEAR		<b>285,770</b>	499,882
Attributable to:			
Owners of the Company		<b>352,921</b>	487,020
Non-controlling interests		<b>(67,151)</b>	12,862
		<b>285,770</b>	499,882
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	9		
Basic and diluted (expressed in RMB per share)		<b>0.23</b>	0.32

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	RMB'000
<b>PROFIT FOR THE YEAR</b>	<b>285,770</b>	<b>499,882</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	1,445	(938)
<i>Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	(745)	1,044
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>700</b>	<b>106</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>286,470</b>	<b>499,988</b>
Attributable to:		
Owners of the Company	353,621	487,126
Non-controlling interests	(67,151)	12,862
	<b>286,470</b>	<b>499,988</b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 December 2024

	Notes	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		39,087	36,613
Right-of-use assets		113,743	103,691
Intangible assets	10	85,392	332,921
Investments in joint ventures		3,828	2,867
Equity investments designated at fair value through other comprehensive income		32,798	33,624
Deferred tax assets		16,388	12,677
Other non-current assets	12	33,388	—
Restricted bank deposits		63,280	11,001
Time deposits		2,230,000	—
Total non-current assets		2,617,904	533,394
<b>CURRENT ASSETS</b>			
Inventories		6,524	10,280
Trade receivables	11	773,364	573,524
Contract assets	3	114,467	75,674
Prepayments, other receivables and other assets	12	585,658	453,432
Prepaid income taxes		26,992	26,916
Restricted bank deposits		19,567	29,658
Time deposits		467,260	9,062
Cash and cash equivalents		2,004,599	4,695,204
Total current assets		3,998,431	5,873,750
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	13	651,499	399,277
Other payables and accruals	14	1,380,519	1,362,568
Contract liabilities	3	748,268	808,732
Lease liabilities		71,910	64,514
Tax payable		29,414	30,189
Total current liabilities		2,881,610	2,665,280
<b>NET CURRENT ASSETS</b>		1,116,821	3,208,470
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,734,725	3,741,864

	2024	2023
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<b>99,507</b>	77,795
Lease liabilities	<b>47,539</b>	43,614
	<hr/>	<hr/>
Total non-current liabilities	<b>147,046</b>	121,409
	<hr/>	<hr/>
Net assets	<b>3,587,679</b>	3,620,455
	<hr/>	<hr/>
Equity		
Equity attributable to owners of the Company		
Share capital	<b>2,543,048</b>	2,543,048
Other reserves	<b>(273,317)</b>	(296,242)
Retained earnings	<b>1,232,644</b>	1,197,774
	<hr/>	<hr/>
	<b>3,502,375</b>	3,444,580
Non-controlling interests	<b>85,304</b>	175,875
	<hr/>	<hr/>
Total equity	<b>3,587,679</b>	3,620,455
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# NOTES TO FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Yuexiu Services Group Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are primarily engaged in the provision of non-commercial property management and value-added services and commercial property management and operational services in the People’s Republic of China (the “**PRC**”).

The Company is a limited liability company incorporated in Hong Kong on 8 October 2020. The address of its registered office is 26/F, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

The Group was spun off from Yuexiu Property Company limited (“**Yuexiu Property**”) and separately listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 June 2021. After the listing of the Company, Yuexiu Property remains the controlling shareholder of the Group.

In the opinion of the directors, the ultimate holding company of the Company is Guangzhou Yue Xiu Holdings Limited, which is incorporated in Mainland China.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the years ended 31 December 2023 and 2024 included in this announcement does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements.

Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised standards has had no significant financial effect on the Group's consolidated financial statements.

## 2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
Amendments to HKAS 21	<i>Lack of Exchangeability</i> <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards – Volume 11	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.



HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

Except for HKFRS 18, the Group considers that the other new and revised standards are unlikely to have a significant impact on the Group's results of operations and financial position.

### **3. OPERATING SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group has two reportable operating segments, including non-commercial property management and value-added services, commercial property management and operational services.

#### **(a) Segment revenue and results**

Segment results represent the profit earned by each segment without other income and gains, net, unallocated operating costs, finance costs and income tax expenses. Revenue recognised at a point in time from contracts with customers mainly represents commission income from carpark space sales assistance services and estate agency services and revenue from sales of goods. Other revenue from contracts with customers is recognised over time.

The following is the analysis of the Group's revenue and results by operating and reportable segments:

<b>For the year ended 31 December 2024</b>	<b>Non-commercial property management and value-added services <i>RMB'000</i></b>	<b>Commercial property management and operational services <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
<b>Segment revenue</b>			
Revenue from contracts with customers			
– At a point in time	611,297	—	611,297
– Over time	2,522,939	733,504	3,256,443
Revenue from other sources	—	412	412
Total segment revenue	<u>3,134,236</u>	<u>733,916</u>	<u>3,868,152</u>
<b>Segment results</b>	<u>203,686</u>	<u>160,356</u>	<u>364,042</u>
Other income and gains, net			114,029
Unallocated operating costs			(10,265)
Finance costs			(5,307)
Income tax expenses			<u>(176,729)</u>
<b>Profit for the year</b>			<u>285,770</u>
<b>Segment results include:</b>			
Depreciation	37,789	54,477	92,266
Amortisation	13,177	—	13,177
Net impairment losses on financial and contract assets	15,937	(365)	15,572
Impairment of goodwill	236,866	—	236,866
Share of profits and losses of joint ventures	<u>(961)</u>	<u>—</u>	<u>(961)</u>

	Non-commercial property management and value-added services <i>RMB'000</i>	Commercial property management and operational services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>For the year ended 31 December 2023</b>			
<b>Segment revenue</b>			
Revenue from contracts with customers			
– At a point in time	473,753	—	473,753
– Over time	2,154,815	593,014	2,747,829
Revenue from other sources	1,549	500	2,049
Total segment revenue	<u>2,630,117</u>	<u>593,514</u>	<u>3,223,631</u>
<b>Segment results</b>	<u>466,245</u>	<u>132,906</u>	<u>599,151</u>
Other income and gains, net			122,214
Unallocated operating costs			(29,336)
Finance costs			(4,887)
Income tax expenses			<u>(187,260)</u>
<b>Profit for the year</b>			<u><u>499,882</u></u>
<b>Segment results include:</b>			
Depreciation	32,380	40,560	72,940
Amortisation	13,432	—	13,432
Net impairment losses on financial and contract assets	7,237	401	7,638
Share of profits and losses of joint ventures	<u>(153)</u>	<u>—</u>	<u>(153)</u>

An analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 is as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-commercial property management and value-added services</b>		
– Property management services	<b>1,236,278</b>	1,029,024
– Value-added services to non-property owners	<b>680,808</b>	669,295
– Community value-added services	<b>1,217,150</b>	931,798
	<hr/>	<hr/>
Subtotal	<b>3,134,236</b>	2,630,117
	<hr/>	<hr/>
<b>Commercial property management and operational services</b>		
– Commercial operation and management services	<b>630,404</b>	486,174
– Market positioning consultancy and tenant sourcing services	<b>103,512</b>	107,340
	<hr/>	<hr/>
Subtotal	<b>733,916</b>	593,514
	<hr/>	<hr/>
Total	<b><u>3,868,152</u></b>	<b><u>3,223,631</u></b>

The Group had a large number of customers, other than ultimate holding company, intermediate holding company, fellow subsidiaries, associates and joint ventures of Yuexiu Property and non-controlling interest of Yuexiu Property and its subsidiaries, none of the customers contributed 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

**(b) Segment assets and liabilities**

Segment assets and liabilities are allocated based on the operations of the segment. The Group's equity investments designated at fair value through other comprehensive income (“**Equity investments at FVOCI**”), prepaid income taxes, deferred tax assets, deferred tax liabilities, tax payable and other corporate assets and liabilities are not directly attributable to segments as they are managed on a group basis.

The segment assets and liabilities of the Group as at 31 December 2024 and 2023 are as follows:

	<b>Non- commercial property management and value-added services RMB'000</b>	<b>Commercial property management and operational services RMB'000</b>	<b>Total RMB'000</b>
<b>31 December 2024</b>			
Segment assets	<b>4,008,696</b>	<b>1,271,255</b>	<b>5,279,951</b>
Equity investments at FVOCI			<b>32,798</b>
Prepaid income taxes			<b>26,992</b>
Deferred tax assets			<b>16,388</b>
Other corporate assets			<b>1,260,206</b>
Total assets			<b>6,616,335</b>
Segment liabilities	<b>2,344,376</b>	<b>542,522</b>	<b>2,886,898</b>
Deferred tax liabilities			<b>99,507</b>
Tax payable			<b>29,414</b>
Other corporate liabilities			<b>12,837</b>
Total liabilities			<b>3,028,656</b>
Investments in joint ventures	<b>3,828</b>	<b>—</b>	<b>3,828</b>
Capital expenditure*	<b>58,388</b>	<b>57,699</b>	<b>116,087</b>

\* Capital expenditure consists of additions to property, plant and equipment, intangible assets and right-of-use assets.

	Non- commercial property management and value-added services <i>RMB'000</i>	Commercial property management and operational services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>31 December 2023</b>			
Segment assets	3,791,836	968,116	4,759,952
Equity investments at FVOCI			33,624
Prepaid income taxes			26,916
Deferred tax assets			12,677
Other corporate assets			1,573,975
Total assets			<u>6,407,144</u>
Segment liabilities	2,137,562	529,306	2,666,868
Deferred tax liabilities			77,795
Tax payable			30,189
Other corporate liabilities			11,837
Total liabilities			<u>2,786,689</u>
Investments in joint ventures	2,867	—	2,867
Capital expenditure*	25,113	82,579	107,692

**(c) Geographical distribution**

Revenue from external customers by geographical location is as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Mainland China	<b>3,766,996</b>	3,136,431
Hong Kong	<b>101,156</b>	87,200
Total	<b><u>3,868,152</u></b>	<u>3,223,631</u>

Non-current assets (other than Equity investments at FVOCI and deferred tax assets) located by geographical location are as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Mainland China	<b>2,511,065</b>	419,125
Hong Kong	<b>57,653</b>	67,968
Total	<b><u>2,568,718</u></b>	<u>487,093</u>

**(d) Contract assets**

The Group has recognised the following assets related to contracts with customers:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Contract assets relating to construction contracts		
– Related parties	<b>81,636</b>	56,649
– Third parties	<b>35,416</b>	20,465
Less: allowance for impairment of contract assets	<b><u>(2,585)</u></b>	<u>(1,440)</u>
Total	<b><u>114,467</u></b>	<u>75,674</u>

(i) Significant changes in contract assets

Contract assets have increased as the Group has provided more services ahead of the agreed payment schedules for service contracts. The Group also recognised a loss allowance for contract assets following the adoption of HKFRS 9.

- (ii) As at 31 December 2024 and 31 December 2023, the amount of contract assets is expected to be completed within one year.

(e) **Contract liabilities**

The Group has recognised the following revenue-related contract liabilities:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Contract liabilities		
– Related parties	<b>115,360</b>	86,084
– Third parties	<b>632,908</b>	722,648
Total	<b>748,268</b>	808,732

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from advance payments made by customers while the underlying services are yet to be provided. Such liabilities decreased as at 31 December 2024 as a result of the recognition of revenue arising from a contract liability.

(ii) Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Non-commercial property management and value-added services	<b>694,128</b>	424,090
Commercial property management and operational services	<b>19,640</b>	14,151
Total	<b>713,768</b>	438,241



**(f) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Property management services*

The Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts do not have a fixed term.

*Value-added services and operational services*

Except for carpark space sales assistance services, estate agency services and sales of goods, which are satisfied at a point of time, the Group's other value-added services and operational services are mainly satisfied over time. The payment is generally due when the services are rendered or after the date of billing.

The following table shows unsatisfied performance obligations resulting from fixed-price decoration services contracts:

	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Amounts expected to be recognised as revenue:		
Within one year	<b><u>123,578</u></b>	<b><u>348,139</u></b>

The amount disclosed above does not include variable consideration which is constrained. All other decoration services contracts are for periods of one year or less or are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

#### 4. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income from bank deposits	106,712	106,925
Dividend income from equity investments designated at fair value through other comprehensive income	1,232	—
Additional input value-added tax deduction	—	10,587
Government grants (note (a))	2,713	6,803
Penalty income	1,646	2,179
Net foreign exchange gains/(losses)	711	(5,081)
Gains/(losses) on disposal of property, plant and equipment	143	(27)
Others	872	828
Total	<u>114,029</u>	<u>122,214</u>

- (a) The government grants obtained by the Group were primarily employment subsidies. There are no unfulfilled conditions or contingencies relating to these grants.

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Subcontractor costs for decoration and other services		555,203	399,693
Gardening and cleaning		528,270	370,052
Cost of goods sold		226,266	198,147
Maintenance costs		268,228	180,863
Depreciation of property, plant and equipment		13,938	14,957
Depreciation of right-of-use assets		78,328	57,983
Amortisation of intangible assets	10	13,177	13,432
Research and development costs		11,322	11,973
Impairment of goodwill	10	236,866	—
Short-term lease payments		40,579	47,600
Auditors' remuneration			
– Audit services		1,520	1,900
– Non-audit services		660	1,000
Employee benefit expense:			
Wages, salaries and bonuses		920,604	805,437
Pension scheme contributions		139,412	140,246
Share-based payment		—	6,927
Other employee benefits		60,103	75,623
Total		1,120,119	1,028,233
Impairment losses on financial and contract assets, net			
– Trade receivables		9,328	4,449
– Contract assets		1,145	1,145
– Prepayments, other receivables and other assets		5,099	2,044
Total		15,572	7,638

	Notes	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Dividend income from equity investments at fair value			
through other comprehensive income	4	(1,232)	—
Bank interest income	4	<u>(106,712)</u>	<u>(106,925)</u>

- (a) Employees in the Group's subsidiaries in Mainland China are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's subsidiaries in Mainland China contribute funds which are calculated on a certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees. Other than the monthly contributions, the Group pays contributions to privately administered pension insurance plans.

During the year ended 31 December 2024, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2023: Nil).

- (b) Other employee benefits mainly represent employee welfare funds, staff education funds and staff union funds.

## 6. FINANCE COST

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest expense on lease liabilities	<u>5,307</u>	<u>4,887</u>

## 7. INCOME TAX

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	158,647	170,255
Deferred income tax	18,082	17,005
Total	<u>176,729</u>	<u>187,260</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group entities as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax	462,499	687,142
Tax calculated at corporate income tax rate of 25%	115,625	171,786
Effect of different tax rates applicable to certain subsidiaries	(10,039)	(7,269)
Income not subject to tax	(410)	(2,144)
Expenses not deductible for tax purposes	60,004	323
Additional deduction for tax incentives	(1,698)	(1,796)
Tax losses and deductible temporary differences		
for which no deferred income tax asset was recognised	2,700	2,558
Utilisation of previously unrecognised tax losses	(19)	(355)
Share of results of joint ventures	(220)	(38)
Corporate withholding income tax	10,786	24,195
Income tax expenses	<u>176,729</u>	<u>187,260</u>

## **Hong Kong profits tax**

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax regime, the first HKD2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%.

The two-tiered profits tax regime was applicable to certain group companies incorporated in Hong Kong during the years ended 31 December 2024 and 2023.

## **PRC corporate income tax**

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general enterprise income tax rate in Mainland China is 25%. Certain operations of the Group in Mainland China were qualified as “Small Low-Profit Enterprises” and taxed at the reduced tax rate of 20% from 1 January 2008. During the year ended 31 December 2024, the Small Low-Profit Enterprises whose taxable income is less than RMB3 million enjoy the preferential income tax treatment with the income tax rate of 20% and are eligible to have their tax calculated based on 25% of their taxable income.

Guangzhou Yueguan Intelligent Technology Co., Ltd. (“**Yueguan Intelligent**”) was qualified as a “High and New Technology Enterprise” in 2019 and subject to a reduced preferential enterprise income tax rate of 15% since 1 January 2019. On 12 December 2022, the filing of Yueguan Intelligent’s renewal of the High and New Technology Enterprise qualification for another 3 years starting from 1 January 2022 was completed.

According to the new Enterprise Income Tax Law of the PRC, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies outside Mainland China when their subsidiaries in Mainland China declare dividends out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the Hong Kong holding companies satisfied the requirements of the tax treaty arrangements between Mainland China and Hong Kong. For the Group, the applicable tax rate is 5%. There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

## 8. DIVIDENDS

The directors proposed a final dividend of HKD0.083 per ordinary share (2023: HKD0.087 per ordinary share), totalling approximately RMB115 million. Such dividend is to be approved by the shareholders at the Annual General Meeting on 18 June 2025. These financial statements do not reflect this dividend payable.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
2024 interim, declared and paid, of HKD0.100 equivalent to RMB0.091 (2023: HKD0.089 equivalent to RMB0.081) per ordinary share	<b>140,916</b>	124,411
2024 final, proposed, of HKD0.083 equivalent to RMB0.078 (2023: HKD0.087 equivalent to RMB0.079) per ordinary share	<b>114,894</b>	120,606
Total	<b>255,810</b>	245,017

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares during the years ended 31 December 2024 and 2023.

	2024	2023
Profit attributable to owners of the Company (RMB'000)	<b>352,921</b>	487,020
Weighted average number of ordinary shares (in thousands)	<b>1,518,985</b>	1,522,030
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	<b>0.23</b>	0.32

## 10. INTANGIBLE ASSETS

	<b>Goodwill</b>	<b>Customer</b>	<b>Computer</b>	<b>Total</b>
	<b>RMB'000</b>	<b>relationships</b>	<b>software</b>	<b>RMB'000</b>
		<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>31 December 2024</b>				
Opening net book amount	260,408	63,349	9,164	332,921
Additions	—	—	2,514	2,514
Amortisation	—	(9,413)	(3,764)	(13,177)
Impairment	(236,866)	—	—	(236,866)
	<u>23,542</u>	<u>53,936</u>	<u>7,914</u>	<u>85,392</u>
Closing net book amount	<u>23,542</u>	<u>53,936</u>	<u>7,914</u>	<u>85,392</u>
As at 31 December 2024				
Cost	260,408	92,372	27,617	380,397
Accumulated amortisation and impairment	(236,866)	(38,436)	(19,703)	(295,005)
	<u>23,542</u>	<u>53,936</u>	<u>7,914</u>	<u>85,392</u>
Net book amount	<u>23,542</u>	<u>53,936</u>	<u>7,914</u>	<u>85,392</u>
	<b>Goodwill</b>	<b>Customer</b>	<b>Computer</b>	<b>Total</b>
	<b>RMB'000</b>	<b>relationships</b>	<b>software</b>	<b>RMB'000</b>
		<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>31 December 2023</b>				
Opening net book amount	260,408	72,762	11,083	344,253
Additions	—	—	2,100	2,100
Amortisation	—	(9,413)	(4,019)	(13,432)
	<u>260,408</u>	<u>63,349</u>	<u>9,164</u>	<u>332,921</u>
Closing net book amount	<u>260,408</u>	<u>63,349</u>	<u>9,164</u>	<u>332,921</u>
As at 31 December 2023				
Cost	260,408	92,372	25,103	377,883
Accumulated amortisation	—	(29,023)	(15,939)	(44,962)
	<u>260,408</u>	<u>63,349</u>	<u>9,164</u>	<u>332,921</u>
Net book amount	<u>260,408</u>	<u>63,349</u>	<u>9,164</u>	<u>332,921</u>



Note:

(i) Impairment test for goodwill

The goodwill arose from the acquisition of Guangzhou Metro Environmental Engineering Co., Ltd. (“GZMEE”) and its subsidiary Guangzhou Metro Property Management Co., Ltd. (“GZMPM”, collectively, the “GZMEE Group”) in 2020 and the acquisition of Guangzhou City Bingxin Property Management Co., Ltd. (“Bingxin Property Management”) in 2022 with carrying amounts of RMB253,344,000 and RMB7,064,000, respectively. Goodwill arising from the acquisition of the GZMEE Group and Bingxin Property Management is monitored by the management at the level of non-commercial property management and value-added services segment. Goodwill has been assessed based on the related cash-generating unit (“CGU”) for impairment testing.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill as at 31 December 2024 and 2023:

	2024	2023
<b>For GZMEE Group CGU:</b>		
Revenue (annual growth rate)	<b>-3%-20%</b>	15%-29%
Gross margin (% of revenue)	<b>8%-9%</b>	15%-17%
Long-term growth rate	<b>2%</b>	2.5%
Pre-tax discount rate	<b>18.37%</b>	19.55%
<b>For Bingxin Property Management CGU:</b>		
Revenue (annual growth rate)	<b>-11%-42%</b>	-11%-23%
Gross margin (% of revenue)	<b>10%-15%</b>	15%-20%
Long-term growth rate	<b>2%</b>	2.5%
Pre-tax discount rate	<b>17.80%</b>	18.99%

There were significant decline in revenue growth rate and gross margin projections for the GZMEE Group CGU in 2024. The decline in the annual growth rate of revenue is primarily attributable to discontinuation of certain value-added services and cleaning services to a related party at the end of the year.

The decline in the gross margin is primarily driven by the customers' more stringent service requirements and the reduced average price per head in the service contracts renewed and newly signed at the end of the year, and the new contracts will be reflected in the upcoming years.

Management has determined the values assigned to each of the above key assumptions as follows:

<b>Assumption</b>	<b>Approach used to determining values</b>
Revenue	Annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Gross margin	Based on past performance and management's expectations for the future.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rate	Reflects specific risks relating to the relevant CGU.

The goodwill represents the excess of the acquisition consideration transferred over the fair value of the net identifiable assets acquired as at the acquisition date. The carrying amount of the GZMEE Group CGU which belonged to the non-commercial property management and value-added services segment, was impaired by RMB236,866,000 during the year ended 31 December 2024 (2023: Nil). The recoverable amount of the CGU was RMB180,768,000 as at 31 December 2024. Such recoverable amount of the CGU is determined based on the value in use (VIU calculation), which requires the Group to estimate the future cash flows expected to arise from the CGU and suitable discount rates in order to calculate the present value. The impairment in 2024 was mainly attributable to expected decrease in revenue and gross profits arising from the renewed service contracts signed with related parties at the end of the year.

## 11. TRADE RECEIVABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables (note (a))		
– Related parties	428,222	341,997
– Third parties	390,232	267,289
Subtotal	818,454	609,286
Less: allowance for impairment of trade receivables	(45,090)	(35,762)
Total	773,364	573,524

- (a) Trade receivables mainly arise from property management services under a lump sum basis and value-added services. Property management services under a lump sum basis are received in accordance with the terms of the relevant service agreements. Value-added services are due for payment by property owners and tenants upon the issuance of demand notes. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2024 and 2023, the ageing analysis of the trade receivables based on the invoice date is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	679,158	524,387
1 to 2 years	99,357	62,321
2 to 3 years	24,936	6,345
Over 3 years	15,003	16,233
Total	818,454	609,286

As at 31 December 2024, a provision of RMB45,090,000 (2023: RMB35,762,000) was made against the gross amounts of trade receivables. The Group's trade receivables were mainly denominated in RMB.

**12. PREPAYMENTS, OTHER RECEIVABLES, OTHER ASSETS AND OTHER NON-CURRENT ASSETS**

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Other receivables		
– Property management costs recoverable (note (a))	<b>136,609</b>	110,286
– Payments on behalf of third-party residents and tenants (note (b))	<b>128,727</b>	105,299
– Guarantee deposits paid (note (c))	<b>145,969</b>	103,261
– Others	<b>104,240</b>	86,282
	<b>515,545</b>	405,128
Less: allowance for impairment of other receivables	<b>(17,070)</b>	(11,971)
	<b>498,475</b>	393,157
Prepayments		
– Related parties	<b>2,080</b>	4,461
– Third parties	<b>63,573</b>	42,614
	<b>65,653</b>	47,075
Accrued interest receivable	<b>40,843</b>	—
Other prepaid taxes	<b>14,075</b>	13,200
Total	<b>619,046</b>	453,432
Portion classified as non-current:		
Accrued interest receivable	<b>33,388</b>	—
Current portion	<b>585,658</b>	453,432

- (a) The amounts mainly represent costs incurred in relation to property management services provided under a commission basis which could be recovered from property owners and tenants.
- (b) The amounts represent payments of utility charges on behalf of third-party property owners and tenants.
- (c) The amounts mainly represent performance guarantee deposits paid to property owners for the provision of property management services.

The Group's other receivables, prepayments and deposits were mainly denominated in RMB.

### 13. TRADE AND BILLS PAYABLES

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade and bills payables		
– Related parties	<b>18,414</b>	15,787
– Third parties	<b>633,085</b>	383,490
	<hr/>	<hr/>
Total	<b>651,499</b>	399,277
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2024 and 2023, the ageing analysis of the trade and bills payables based on the invoice date is as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Up to 1 year	<b>627,642</b>	367,560
1 to 2 years	<b>8,170</b>	15,944
2 to 3 years	<b>6,347</b>	3,017
Over 3 years	<b>9,340</b>	12,756
	<hr/>	<hr/>
Total	<b>651,499</b>	399,277
	<hr/> <hr/>	<hr/> <hr/>

The trade and bills payables are non-interest-bearing and are normally settled on terms of one year.

#### 14. OTHER PAYABLES AND ACCRUALS

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Other payables		
– Advances for property management services (note (a))	244,757	310,223
– Guarantee deposits received (note (b))	517,857	475,878
– Receipts on behalf of residents or tenants (note (c))	256,948	225,392
– Dividend payables to related parties	34,693	11,273
– Accrued expenses	105,603	105,725
– Others	12,823	20,061
Subtotal	1,172,681	1,148,552
Accrued payroll liabilities	181,434	179,508
Other tax payables	26,404	34,508
Total	1,380,519	1,362,568

- (a) The amounts represent advances received from property owners and tenants for settlement of costs to be incurred in relation to property management services provided under a commission basis.
- (b) The amounts mainly represent performance guarantee deposits received from other service providers and renovation and utility security deposits received from property owners and tenants.
- (c) The amounts mainly represent advances received from property owners and tenants for settlement of their utility charges.

Majority of the Group's other payables and accrued charges are denominated in RMB. Other payables are non-interest-bearing and have an average term of one year.

## CHAIRMAN’S STATEMENT

**Dear Shareholders,**

In 2024, Yuexiu Services Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) adhered to our annual theme of “raising quality with devoted services and creating benefits through lean management”. By refining its core property management services and strengthening the operational capabilities of its value-added services, the Group continued to achieve high-quality growth and delivered solid business performance.

## INDUSTRY REVIEW

In 2024, the central and local governments continuously introduced policies to enhance management systems within the property management industry, fostering its steady development. According to the Guidance Catalogue for Industrial Structure Adjustment (2024 Edition) (《產業結構調整指導目錄 (2024年本) 》), issued by the National Development and Reform Commission and effective from February 2024, property management services have been included in the “Encouraged Category – Commercial Services Industry”. This acknowledges the value of the property management industry and highlights its growing significance.

In August, the State Council issued the Opinions on Promoting High-Quality Development of Consumption of Service, encouraging property management companies to offer both property management and lifestyle services. Clearer criteria for quality housing and services were established, laying a strong foundation for the industry’s high-quality development. Furthermore, given the vital role of property management services in people’s livelihoods and living standards, four cities – Chongqing, Yinchuan, Qingdao, and Wuhan—released new property management fee standards. This encouraged the market to improve service standards which further intensified competition within the sector.

As a downstream sector of the property market, the property management industry has undergone significant changes in its market landscape. Industry growth has continued to slow down, while property management companies gradually exited projects with lower economic returns to optimise their existing portfolios and strengthen regional strategic layouts. Competition for high-quality projects has therefore intensified, leading to increased industry concentration. Property management companies gained in-depth insights into customer needs through differentiated service scenarios, continuously refining their service design and standards to deliver high-quality services that match property management fees. Additionally, by leveraging technology-driven services and intelligent management, they strived to enhance customer experience and satisfaction.

## **BUSINESS REVIEW**

### ***STABLE GROWTH IN OPERATING RESULTS***

The Group's revenue for the year ended 31 December 2024 (the “**Year**”) was RMB3,868 million, up 20.0% from the year ended 31 December 2023 (the “**Previous Year**”). The Group's gross profit margin for the Year was 23.3%. The profit attributable to owners of the Company was RMB353 million. Core net profit was RMB512 million, representing a 5.1% increase over the Previous Year.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has proposed to declare a final dividend of HKD0.083 per share of the Company (the “**Share**”) (equal to RMB0.078 per Share) for the Year. The total dividend for 2024, including the interim dividend, was HKD0.183 per Share (equal to RMB0.169 per Share).



## ***IMPROVING SERVICE QUALITY***

In 2024, the Group remained committed to its core service principles, maintaining a customer-centric approach while continuously enhancing service quality. The Group conducted in-depth research on “service capability”, thoroughly analysing its business strategies, service standards, coordination between real estate development and property management services, as well as its organisational management and competencies. This research laid the foundation for adjusting the Group’s development strategy to better adapt to the competitive and evolving industry landscape. During the Year, the Group launched specialised initiatives in cleaning, greening, security, and maintenance, focusing on key property management service touchpoints to optimise operational standards. In addition, the Group continued to implement the “Request Response” campaign to address customer concerns, refining its handling mechanisms and process standards. The Group recorded a prompt response rate of 99.4% for the Year and witnessed further improvement in customer satisfaction.

Moreover, the Group continued to adopt new tools and technologies to boost cost efficiency and support lean management. During the Year, it introduced a collaboration of human effort and machines in cleaning operations to deepen mechanisation of project operations, thereby enhancing both quality and efficiency. In terms of its greening model, the Group established a collective and professional team and developed its own plant nursery with graded maintenance, which comprehensively improved the quality of greening and aided successful external business expansion. Additionally, the Group actively promoted the development of intelligent smart-access systems to facilitate smoother entry for property owners and various visitors, thereby enhancing the overall user experience.

## ***ENHANCING OPERATIONAL CAPABILITIES OF VALUE-ADDED SERVICE***

Building on its core property management services, the Group developed an Integrated Facility Management (“IFM”) product system, tailored to the diverse business characteristics, development strategies, corporate cultures, and office environments of its customers. This approach enabled the Group to deliver more refined essential services, specialised administrative and logistical support, and a broader range of office space solutions to better meet customer needs, ultimately enhancing the overall operational value of non-residential projects. During the Year, the Group expanded its service scope to include museum interpretation, office renovation, and catering services. The additional contract value generated from IFM exceeded RMB60 million, marking an initial success in market expansion.

In addition, the Group focused on community-based initiatives. By leveraging synergies across its various business operations, the Group is committed to enhancing its capabilities in self-operated businesses. For lifestyle services, the Group remained customer-centric, launching seven customised co-branded products, including alcoholic beverages, laundry supplies, and festive gifts, all of which were well received by the communities. The Group also worked to expand innovative sales channels, such as live broadcasts, community fairs, and group purchases. For community commercial services, the Group remained committed to strengthening its capabilities in operating and managing community commercial properties and successfully maintained a high occupancy rate. Additionally, it piloted innovative business models, including self-operated coffee shops. The Group has also strengthened its market development capability by successfully launching its first full-cycle asset-light operation project in Wuxi.

## ***FOCUSING ON HIGH-QUALITY MARKET EXPANSION***

During the Year, the Group focused on strategic core cities, implementing the strategy of “solid presence in five cities + strategic expansion to five cities”. It explored and deepened engagement with key customer resources, strengthened the management of the entire bidding process, and enhanced its assessment system to drive high-quality expansion. Additionally, the Group proactively adjusted its project portfolio by terminating underperforming projects with underperforming operational or financial results.

During the Year, the Group secured bids for the Hong Kong-Zhuhai-Macao Bridge, a national strategic project, and successfully renewed contracts for landmark projects such as the Guangdong Science Center and Guangzhou Cultural Center. These achievements further reinforced its regional development foundation and effectively strengthened its reputation as a professional brand. In addition, the Group further strengthened its presence in areas associated with campuses and corporate headquarters during the Year, and continued to tap into customer resources and expand its business to key customer industrial parks.

In 2024, the Group signed contracts for 85 new projects, adding a total contracted gross floor area (“GFA”) of 13 million sq.m.. As at 31 December 2024, it managed 437 projects with a total GFA of 69 million sq.m., and was contracted to manage 508 projects with a total contracted GFA of 89 million sq.m.. The Group continuously strengthened its national presence, with the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”) as its core, and its contracted management projects spanning 48 cities, including Hong Kong.

## **AWARDS AND RECOGNITIONS**

In 2024, the Group received numerous recognitions, including being ranked as “TOP 12 among the 2024 TOP 100 Property Management Companies in China (2024中國物業服務百強企業TOP 12)” and recognised as one of the “2024 China Leading Property Management Companies in terms of Service Quality (2024中國物業服務質量領先企業)” by the China Index Academy.

Meanwhile, in recognition of its outstanding performance in ESG management, MSCI Inc. (“MSCI”) once again assigned the Group’s ESG rating to A—the highest rating awarded to property management companies in Mainland China currently. Additionally, the Group received the “Award of Excellence in ESG” at “The Hong Kong Corporate Governance and ESG Excellence Awards 2024”, co-organised by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy at Hong Kong Baptist University.

## **OUTLOOK**

Looking ahead, given the existing volume of properties, the property management industry is expected to experience steady market growth, increasing industry concentration, and a continuous broadening of service offerings, creating opportunities for leading players. In 2025, the Group will adhere to the annual theme of “refined services & innovation for progress” to align services with customer needs across different scenarios, and increase investment in core services. Meanwhile, through organisational reform, lean management, and enhanced efficiency driven by digital intelligence, the Group aims to strengthen its competitiveness and sustainable development.

### ***REFINING SERVICES TO BOOST SERVICE CAPABILITY***

The Group will refine its service design based on physical spaces, interpersonal interactions, and digital touchpoints while continuously enhancing service quality through specialised initiatives. It will also streamline customer feedback mechanisms to enhance convenience and accelerate response times, all with the aim of improving customers' living experiences. Furthermore, the Group will actively advance the adoption of digital intelligence. It will integrate three key areas—customer services, employee management, and equipment management—to automate work order circulation. Additionally, in line with project site quality control requirements, the Group will leverage artificial intelligence, EBA, and other tools to establish a centralised command centre, empowering project frontlines and improving service response efficiency.

### ***PROMOTING QUALITY GROWTH THROUGH QUALITY EXPANSION***

The Group will remain focused on strategic cities to enhance management density, prioritising high-quality areas associated with corporate headquarters, campuses, and industrial parks of key customers to optimise the quality of expansion projects. Meanwhile, it will expand and tap into channel resources, utilise tools to strengthen support, enhance professional expertise in investment and business development, and ensure team stability. Furthermore, through its IFM product matrix, the Group aims to further expand the “basic property management + IFM” business. To support this, it will establish a specialised team with professional expertise to enhance project management capabilities.

## ***UPGRADING VALUE-ADDED SERVICES TO ENHANCE MARKET COMPETITIVENESS***

The Group will strengthen its self-operated businesses to enhance market competitiveness. For the lifestyle service business, the Group aims to establish a community-focused platform that efficiently connects suppliers with customers. The community commercial service business will prioritise enhancing the operation of commercial facilities that support residential communities. For the technological service business, the Group will focus on community spaces, offering integrated technological services that combine software and hardware services. For the asset service business, the Group will develop property-centric operational services, including one-stop property leasing and sales, as well as partial renovations and home decoration services.

The Group will maintain a long-term view, increasing customer satisfaction and brand awareness by providing high-quality services and products, in order to enhance its core competitiveness and become a leading and trustworthy smart service provider.

While promoting high-quality business development, the Group also prioritises sustainability management. It actively takes on corporate social responsibility and fulfils its obligations as a state-owned enterprise, aiming to maximise the overall value across economic, social, and environmental dimensions.

## **ACKNOWLEDGEMENTS**

We would like to extend our sincere gratitude to our shareholders, partners, and customers for their support, as well as to all of our employees for their hard work and dedication, which have contributed to the Group's success and growth.

**Zhu Huisong**

*Chairman of the Board*

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Overview

The Group is one of the leading property management companies in the Greater Bay Area. The Group is committed to providing diversified and integrated services across a wide range of properties, including residential properties, shopping malls, office buildings, public amenities, urban railways, metro stations and metro depots. Its primary businesses are:

- (i) non-commercial property management and value-added services – which consist of property management services, value-added services to non-property owners and community value-added services; and
- (ii) commercial property management and operational services – which consist of commercial operation and management services and market positioning consultancy and tenant sourcing services.

As of 31 December 2024, the Group:

- had 508 (31 December 2023: 476) contracted projects, with a total contracted GFA of 88.7 million sq.m. (31 December 2023: 83.4 million sq.m.), representing a year-on-year increase of 6.3% in contracted GFA; and
- had 437 (31 December 2023: 408) projects under management, with a total GFA under management of 69.3 million sq.m. (31 December 2023: 65.2 million sq.m.), representing a year-on-year increase of 6.3% in GFA under management.

The table below sets forth the change in the Group's number of contracted projects and projects under management as of the dates indicated.

	<b>As of 31 December 2024</b>		<b>As of 31 December 2023</b>	
	<b>Contracted</b>	<b>Projects under management</b>	<b>Contracted</b>	<b>Projects under management</b>
	<b>projects</b>		<b>projects</b>	
<b>Total projects</b>	<b>508</b>	<b>437</b>	<b>476</b>	<b>408</b>

The table below sets forth the change in the Group's contracted GFA and GFA under management for the periods indicated.

	<b>Year ended 31 December</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Contracted</b>	<b>GFA under</b>	<b>Contracted</b>	<b>GFA under</b>
	<b>GFA<sup>(1)</sup></b>	<b>management<sup>(2)</sup></b>	<b>GFA</b>	<b>management</b>
	<i>(sq.m. in thousands)</i>			
As of the beginning of the year	<b>83,448</b>	<b>65,211</b>	70,597	51,689
New engagements	<b>12,953</b>	<b>11,305</b>	15,377	16,048
Acquisitions	—	—	46	46
Terminations	<b>(7,674)</b>	<b>(7,207)</b>	(2,572)	(2,572)
<b>As of the end of the year</b>	<b>88,727</b>	<b>69,309</b>	<b>83,448</b>	<b>65,211</b>

Notes:

(1) Contracted GFA means gross floor area currently being managed or to be managed by the Group under signed property management service contracts.

(2) GFA under management means gross floor area currently being managed by the Group under signed property management service contracts.



As of 31 December 2024, projects contracted to be managed by the Group covered 48 cities (including Hong Kong) in the PRC. The table below sets forth a geographical breakdown of the Group's contracted GFA and GFA under management as of the dates indicated.

	As of 31 December			
	2024		2023	
	Contracted GFA	GFA under management	Contracted GFA	GFA under management
	<i>(sq.m. in thousands)</i>			
Greater Bay Area	54,959	41,511	46,790	35,899
East China Region	9,112	7,500	10,815	8,384
Central and West China Region	15,711	12,708	16,742	13,105
North China Region	8,945	7,590	9,101	7,823
<b>Total</b>	<b>88,727</b>	<b>69,309</b>	<b>83,448</b>	<b>65,211</b>

### Non-commercial property management and value-added services

The Group provides a wide spectrum of property management services and value-added services to non-commercial properties, which primarily comprise residential properties, TOD properties, public premises and industrial parks. In particular, it offers:

- **Property management services.** The Group provides cleaning, security, gardening and repair and maintenance services to property owners, property owners' associations and/or residents for properties sold and delivered, and to property developers for pre-delivery stage of residential properties.
- **Value-added services to non-property owners.** The Group provides value-added services to non-property owners, which include: (i) sales office and display unit management and pre-delivery support services; (ii) carpark space sales assistance services; (iii) ancillary property leasing services; and (iv) preliminary planning and design consultancy services and intelligent services.

- **Community value-added services.** The Group provides community value-added services to meet the needs of property owners and residents of residential properties under its management. Such services include: (i) homeliving services; (ii) space operation services; and (iii) decoration, turnkey and move-in furnishing services.

As of 31 December 2024, the Group:

- had 423 (31 December 2023: 385) contracted non-commercial projects, with a contracted GFA of 81.3 million sq.m. (31 December 2023: 75.7 million sq.m.); and
- had 359 (31 December 2023: 331) non-commercial projects under management, with a GFA under management of 62.7 million sq.m. (31 December 2023: 59.3 million sq.m.).

The table below sets forth the change in the Group's contracted non-commercial projects and non-commercial projects under management as of the dates indicated.

	<b>As of 31 December 2024</b>		<b>As of 31 December 2023</b>	
	<b>Contracted</b>	<b>Projects</b>	<b>Contracted</b>	<b>Projects</b>
	<b>projects</b>	<b>under management</b>	<b>projects</b>	<b>under management</b>
Non-commercial projects	<u><b>423</b></u>	<u><b>359</b></u>	<u><b>385</b></u>	<u><b>331</b></u>

The table below sets forth the Group's contracted GFA and GFA under management of non-commercial projects as of the dates indicated.

	<b>As of 31 December 2024</b>		<b>As of 31 December 2023</b>	
	<b>Contracted</b>	<b>GFA under</b>	<b>Contracted</b>	<b>GFA under</b>
	<b>GFA</b>	<b>management</b>	<b>GFA</b>	<b>management</b>
	<i>(sq.m. in thousands)</i>			
Non-commercial projects	<u><b>81,292</b></u>	<u><b>62,652</b></u>	<u><b>75,660</b></u>	<u><b>59,271</b></u>

For the Year, the average property management fee of residential projects remained stable at RMB2.8/sq.m./month (Previous Year: RMB2.7/sq.m./month).

The table below sets forth the Group's average property management fee of residential projects for the periods indicated.

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<i>(RMB/sq.m./month)</i>	
Residential projects	<u><b>2.8</b></u>	<u><b>2.7</b></u>

### **Commercial property management and operational services**

The Group provides property management and operational services to commercial properties, which primarily comprise office buildings, shopping malls and wholesale markets. In particular, it offers:

- **Commercial operation and management services.** The Group provides commercial operation and management services to property owners, property developers and tenants, which mainly consist of commercial property management services and other value-added services such as carpark management and operational services and space operation services (including advertising space leasing and common area leasing services).
- **Market positioning consultancy and tenant sourcing services.** The Group provides market positioning consultancy and tenant sourcing services to property developers and property owners, including market positioning and management consultancy services and tenant sourcing services.

As of 31 December 2024, the Group:

- had 85 (31 December 2023: 91) contracted commercial projects, with a contracted GFA of 7.4 million sq.m. (31 December 2023: 7.8 million sq.m.); and
- had 78 (31 December 2023: 77) commercial projects under management, with a GFA under management of 6.7 million sq.m. (31 December 2023: 5.9 million sq.m.).

The table below sets forth the change in the Group's number of contracted commercial projects and commercial projects under management as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023	
	Contracted projects	Projects under management	Contracted projects	Projects under management
Commercial projects	<u>85</u>	<u>78</u>	<u>91</u>	<u>77</u>

The table below sets forth the Group's contracted GFA and GFA under management in its commercial projects as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023	
	Contracted GFA	GFA under management	Contracted GFA	GFA under management
	<i>(sq.m. in thousands)</i>			
Commercial projects	<u>7,435</u>	<u>6,657</u>	<u>7,788</u>	<u>5,940</u>

For the Year, the average management fee for office buildings and shopping malls was RMB20.0/sq.m./month (Previous Year: RMB19.7/sq.m./month) and RMB25.6/sq.m./month (Previous Year: RMB35.7/sq.m./month), respectively.

The table below sets forth the Group's average property management fee at commercial projects for the periods indicated.

	Year ended 31 December	
	2024	2023
	<i>(RMB/sq.m./month)</i>	
Office buildings	20.0	19.7
Shopping malls	<u>25.6</u>	<u>35.7</u>

## FINANCIAL REVIEW

### Revenue

For the Year, the Group's revenue amounted to RMB3,868.2 million (Previous Year: RMB3,223.6 million), representing a year-on-year increase of 20.0%.

The table below sets forth a breakdown of the Group's revenue by business segment for the years indicated.

	Year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Non-commercial property management and value-added services	<b>3,134,236</b>	<b>81.0</b>	2,630,117	81.6
Commercial property management and operational services	<b>733,916</b>	<b>19.0</b>	593,514	18.4
<b>Total</b>	<b><u>3,868,152</u></b>	<b><u>100.0</u></b>	<b><u>3,223,631</u></b>	<b><u>100.0</u></b>

The table below sets forth the breakdown of the Group’s revenue by type of ultimate paying customer for the years indicated.

	Year ended 31 December			
	2024		2023	
	<i>RMB’000</i>	<i>%</i>	<i>RMB’000</i>	<i>%</i>
GZYG, Yuexiu Property and their respective joint ventures, associates or other related parties <sup>(1)</sup>	<b>1,462,947</b>	<b>37.8</b>	1,298,583	40.3
Independent third parties <sup>(2)</sup>	<b>2,405,205</b>	<b>62.2</b>	1,925,048	59.7
<b>Total</b>	<b><u>3,868,152</u></b>	<b><u>100.0</u></b>	<b><u>3,223,631</u></b>	<b><u>100.0</u></b>

Notes:

- (1) *Comprise Guangzhou Yue Xiu Holdings Limited\* (廣州越秀集團股份有限公司) (“GZYG”), Yuexiu Property Company Limited (Stock code: 123) (“Yuexiu Property”), both being the controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) of the Company, and their respective joint ventures, associates or other related parties.*
- (2) *Comprise entity or person who is not a connected person (as defined in the Listing Rules) of the Company (“Independent Third Parties”).*

During the Year, the Group generally provided property management services to Independent Third Party customers – who were property owners, residents, tenants, property owners’ associations and property developers after the delivery of properties by property developers which were GZYY and Yuexiu Property and their respective joint ventures, associates or other related parties or Independent Third Parties. During the Year, the Group’s revenue received from GZYY, Yuexiu Property and their respective joint ventures, associates or other related parties amounted to RMB1,462.9 million, representing an increase by RMB164.3 million or 12.7% as compared to RMB1,298.6 million for the Previous Year. Such increase was mainly attributable to the further and deeper business cooperation in diversified businesses such as the provision of intelligence services.

The table below sets forth the geographical breakdown of the Group’s revenue for the years indicated.

	Year ended 31 December			
	2024		2023	
	<i><b>RMB’000</b></i>	<i><b>%</b></i>	<i><b>RMB’000</b></i>	<i><b>%</b></i>
Mainland China	<b>3,766,996</b>	<b>97.4</b>	3,136,431	97.3
Hong Kong	<b>101,156</b>	<b>2.6</b>	87,200	2.7
<b>Total</b>	<b><u>3,868,152</u></b>	<b><u>100.0</u></b>	<b><u>3,223,631</u></b>	<b><u>100.0</u></b>

***(I) Non-commercial property management and value-added services***

For the Year, revenue from non-commercial property management and value-added services amounted to RMB3,134.2 million (Previous Year: RMB2,630.1 million), representing a year-on-year increase of 19.2%. The increase was mainly attributable to the following factors:

- (i) the number of non-commercial projects under its management increased to 359 and the GFA under management increased to 62.7 million sq.m., as of 31 December 2024;
- (ii) revenue from value-added services to non-property owners increased slightly from RMB669.3 million for the Previous Year to RMB680.8 million for the Year, remaining basically stable; and
- (iii) revenue from community value-added services increased from RMB931.8 million for the Previous Year to RMB1,217.2 million for the Year, representing an increase of 30.6%. Such increase was mainly attributable to the increase in customer base as a result of the expansion of GFA under management of non-commercial properties and the diversification of community user services offered to customers.



The table below sets forth the breakdown of the Group's revenue from this business segment by type of services for the years indicated.

	Year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management services	<b>1,236,278</b>	<b>39.4</b>	1,029,024	39.1
Value-added services to non-property owners	<b>680,808</b>	<b>21.7</b>	669,295	25.5
Community value-added services	<b>1,217,150</b>	<b>38.9</b>	931,798	35.4
<b>Total</b>	<b><u>3,134,236</u></b>	<b><u>100.0</u></b>	<b><u>2,630,117</u></b>	<b><u>100.0</u></b>

***(II) Commercial property management and operational services***

For the Year, revenue from commercial property management and operational services amounted to RMB733.9 million (Previous Year: RMB593.5 million), representing a year-on-year increase of 23.7%. The increase was mainly attributable to the increase in number of commercial projects under its management to 78 and the GFA under management to 6.7 million sq.m. as of 31 December 2024.

The table below sets forth the breakdown of the Group's revenue from this business segment by type of services for the years indicated.

	Year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial operation and management services	<b>630,404</b>	<b>85.9</b>	486,174	81.9
Market positioning consultancy and tenant sourcing services	<b>103,512</b>	<b>14.1</b>	107,340	18.1
<b>Total</b>	<b><u>733,916</u></b>	<b><u>100.0</u></b>	<b><u>593,514</u></b>	<b><u>100.0</u></b>

### Cost of sales

The Group's cost of sales represents costs and expenses directly attributable to the provision of its services, which mainly comprises staff costs, subcontracting costs, cost of goods sold, maintenance costs and depreciation and amortisation.

For the Year, the Group's cost of sales was RMB2,966.5 million (Previous Year: RMB2,367.0 million), representing a year-on-year increase of 25.3%. The increase in cost of sales was mainly attributable to the expansion of the GFA under management and business scale during the Year. The cost of sales grew at a faster rate than revenue, primarily driven by a decline in high-margin value-added services, including carpark space sales assistance services and sales office and display unit management services, as a result of the ongoing property market adjustment.

For the Year, staff costs under cost of sales amounted to RMB915.9 million (Previous Year: RMB827.6 million), representing a year-on-year increase of 10.7%.

## Gross profit and gross profit margin

The following table sets forth the Group's gross profit and gross profit margin by business segments for the years indicated.

	Year ended 31 December			
	2024		2023	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
<b>Non-commercial property management and value-added services</b>				
– Property management services	185,295	15.0	165,397	16.1
– Value-added services to non-property owners	151,141	22.2	198,547	29.7
– Community value-added services	350,362	28.8	304,587	32.7
<b>Sub-total</b>	<b>686,798</b>	<b>21.9</b>	<b>668,531</b>	<b>25.4</b>
<b>Commercial property management and operational services</b>				
– Commercial operation and management services	173,441	27.5	143,023	29.4
– Market positioning consultancy and tenant sourcing services	41,377	40.0	45,073	42.0
<b>Sub-total</b>	<b>214,818</b>	<b>29.3</b>	<b>188,096</b>	<b>31.7</b>
<b>Total</b>	<b>901,616</b>	<b>23.3</b>	<b>856,627</b>	<b>26.6</b>

The overall gross profit margin of the Group is primarily affected by its business mix, average property management fee rates it charges for property management services, geographic concentration of GFA under management and cost control capabilities. The Group's gross profit increased from RMB856.6 million for the Previous Year to RMB901.6 million for the Year. The overall gross profit margin of the Group decreased from 26.6% for the Previous Year to 23.3% for the Year, which was mainly due to the decrease in the gross profit margin for value-added services.

The gross profit margin for non-commercial property management and value-added services decreased from 25.4% for the Previous Year to 21.9% for the Year, of which: (i) the gross profit margin for property management services decreased slightly by 1.1 percentage points; (ii) the gross profit margin for value-added services to non-property owners decreased by 7.5 percentage points, primarily attributable to the industry-wide slowdown in real estate development, resulting in reduced demand for high-margin value-added services for non-property owners, including carpark space sales assistance services and sales office and display unit management services; and (iii) the gross profit margin for community value-added services decreased by 3.9 percentage points as a result of the change in its business structure.

The gross profit margin for commercial property management and operational services decreased from 31.7% for the Previous Year to 29.3% for the Year, primarily due to a slight decline in the average management fee of commercial projects for the Year, as well as the increased cost investments made by the Group to improve the occupancy rate.

### **Administrative expenses**

Administrative expenses of the Group mainly comprise staff costs, consultancy fees, depreciation and amortisation charges, travelling and entertainment expenses, and bank charges. For the Year, administrative expenses of the Group amounted to RMB296.4 million, representing an increase of 6.1% as compared to that of RMB279.3 million for the Previous Year, which was mainly due to the Group's business expansion, relocation of headquarters in the mainland China and new investments in intelligence, safety and health and other related aspects.

### **Other income and gains, net**

Other income and gains, net of the Group primarily consist of interest income from bank deposits, government grants and net foreign exchange gains and losses. For the Year, other income and gains of the Group amounted to RMB114.0 million (Previous Year: RMB122.2 million), of which interest income from bank deposits amounted to RMB106.7 million (Previous Year: RMB106.9 million), remaining basically stable.

### **Income tax expenses**

For the Year, income tax expenses of the Group were RMB176.7 million (Previous Year: RMB187.3 million).

### **Profit for the Year**

For the Year, net profit of the Group amounted to RMB285.8 million (Previous Year: RMB499.9 million), representing a year-on-year decrease of 42.8%. Net profit margin for the Year was 7.4%, representing a decrease of 8.1 percentage points as compared to that of 15.5% for the Previous Year, mainly attributable to the impairment of goodwill incurred by the Group during the Year.

### **Profit attributable to owners of the Company**

During the Year, profit attributable to owners of the Company was RMB352.9 million (Previous Year: RMB487.0 million), representing a year-on-year decrease of 27.5%.

Core net profit representing the profit attributable to owners of the Company excluding the effect of impairment of goodwill was RMB512 million, representing a year-on-year increase of 5.1%.

### **Basic earnings per share**

In the Year, basic earnings per share attributable to the owners of the Company (based on the weighted average number of ordinary shares in issue) amounted to RMB0.23 (Previous Year: RMB0.32).

### **Final Dividend**

The Board has proposed the payment of a final dividend of HKD0.083 per share (equal to RMB0.078 per share) for the Year (2023: HKD0.087 per share which was equivalent to RMB0.079 per share). Together with the interim dividend of HKD0.100 per share which was equivalent to approximately RMB0.091 per share, total dividends for the year ended 31 December 2024 amounted to HKD0.183 per share which was equivalent to approximately RMB0.169 per share. The record date for the Shareholders' entitlement to the final dividend will be on Thursday, 26 June 2025, and the payment date for the final dividend will be on or about Tuesday, 8 July 2025, subject to the approval of Shareholders at the forthcoming annual general meeting of the Company. Dividends payable to Shareholders will be paid in Hong Kong dollars. The exchange rate adopted by the Company for its dividend payable is the average middle exchange rate of HKD against RMB announced by the People's Bank of China in the five business days preceding the date of dividend declaration.

### **Intangible assets**

Intangible assets of the Group primarily consist of goodwill, customer relationships and computer software. Intangible assets of the Group decreased from RMB332.9 million as of 31 December 2023 to RMB85.4 million as of 31 December 2024, mainly due to the impairment of goodwill amounted to approximately RMB236.9 million during the Year.

The goodwill arose from the acquisition of Guangzhou Metro Environmental Engineering Co., Ltd. ("GZMEE") and its subsidiary, Guangzhou Metro Property Management Co., Ltd. ("GZMPM", collectively, the "GZMEE Group") in 2020 with carrying amounts of RMB253.3 million. Goodwill arising from the acquisition of the GZMEE Group is monitored by the management at the level of non-commercial property management and value-added services segment. Goodwill has been assessed based on the related cash-generating unit ("CGU") for impairment testing.

The carrying amount of the GZMEE Group CGU which belonged to the non-commercial property management and value-added services segment, was impaired by RMB236.9 million during the Year. GZMEE Group substantially achieved the revenue and net profit forecasts in the Year. The impairment in 2024 was mainly attributable to the expected decline in GZMEE Group's revenue and gross profit starting from 2025 due to business activities with related parties, including discontinuation of certain services and the lower gross profit margin in certain new and renewed contracts. The above expected decline is in line with prevailing market sentiments and the expected stringent cost controls deployed by domestic property developers.

As the Group holds 67% equity of the GZMEE Group, such impairment was included in the calculation of the profit attributable to owners of the Company according to the proportion of equity interest, but was excluded in the calculation of the core net profit. The impairment of goodwill was a non-cash item and did not have an impact on the Group's cash flows and liquidity position as of 31 December 2024.

#### **Financial assets at fair value through other comprehensive income**

As of 31 December 2024, the Group had financial assets at fair value through other comprehensive income of RMB32.8 million (31 December 2023: RMB33.6 million), which comprised the Group's investments in:

- (i) 5% equity interests of Guangzhou Construction & Development Property Holdings Mingte Network Development Co., Ltd. (廣州市城建開發集團名特網絡發展有限公司), which is principally engaged in development and installation of intelligence management systems and information management systems and services;
- (ii) 10% equity interests of Guangzhou Yuetou Commercial Factoring Co., Ltd. (廣州越投商業保理有限公司), which is principally engaged in provision of commercial factoring and other related financial services in the PRC; and
- (iii) 10% equity interests of Guangzhou Yuebang Enterprise Management Co., Ltd. (廣州越邦企業管理有限公司), which is principally engaged in provision of human resources services, labour dispatch services and other related services.

## **Trade receivables**

The Group's trade receivables increased to RMB773.4 million as of 31 December 2024 from RMB573.5 million as of 31 December 2023, representing an increase of 34.8%, which was mainly attributable to the continuous expansion of the Group's business scale. The growth in aged receivables is primarily attributable to the receivables generated from commission income of carpark space sales assistance services, which are only collectible upon full settlement by clients who have purchased carpark spaces.

## **Other receivables**

The Group's other receivables mainly comprise property management costs recoverable, payments on behalf of residents and tenants and guarantee deposits paid in relation to the provision of property management services. The Group's other receivables increased to RMB498.5 million as of 31 December 2024 from RMB393.2 million as of 31 December 2023, representing an increase of 26.8%, mainly due to the growth of business scale.

## **Trade and bills payables**

The Group's trade and bills payables increased to RMB651.5 million as of 31 December 2024 from RMB399.3 million as of 31 December 2023, representing an increase of 63.2%, mainly due to the continuous business expansion of the Group and the adjustments to its payment schedules. The aged trade payables primarily consist of quality assurance retention deposits required for engineering business operations.

## **Other payables**

The Group's other payables primarily consist of advances received from property owners and tenants for settlement of costs to be incurred in relation to property management services provided under a commission basis, and performance guarantee deposits received from other service providers and renovation and utility security deposits received from property owners and tenants, accrued payroll liabilities and other tax payables. The Group's other payables as of 31 December 2023 and 31 December 2024 were RMB1,362.6 million and RMB1,380.5 million, respectively. The increase in the Group's other payables was mainly due to business expansion during the Year.



## **Liquidity and capital resources**

The Group finances its working capital mainly by its cash and cash equivalents, cashflows from its operating activities and a portion of the proceeds from the Global Offering (as defined below). The Group has adopted comprehensive treasury policies and internal control measures to review and monitor its financial resources and has consistently maintained stable financial condition and sufficient liquidity.

As of 31 December 2024, the Group's cash and cash equivalents and time deposits amounted to RMB4,701.9 million (31 December 2023: RMB4,704.3 million).

As of 31 December 2024, the Group had no bank borrowings (31 December 2023: Nil) or loans from related parties (31 December 2023: Nil) or non-trade amounts due to related parties (31 December 2023: Nil).

The gearing ratio is calculated based on total bank borrowings divided by total equity, multiplied by 100%. Since the Group had no bank borrowings as of 31 December 2023 and 31 December 2024, the gearing ratios as of both aforesaid dates were nil.

## **Proceeds from the Global Offering**

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of global offering (the “**Global Offering**”) on 28 June 2021 (the “**Listing Date**”). Pursuant to the Global Offering, 369,660,000 shares were issued on the Listing Date and 43,410,500 additional shares were issued on 26 July 2021 according to the partial exercise of the over-allotment option (the “**Over-allotment Option**”) as described in the prospectus of the Company dated 16 June 2021.

After deducting the underwriting fees and commissions, incentive fee and other relevant expenses, the net proceeds from the Global Offering and the exercise of the Over-allotment Option amounted to HKD1,961.3 million (equivalent to RMB1,632.0 million). At the end of 2023, after careful consideration and detailed evaluation by the Company of the operations and business strategy, the Company had announced the change in intended use of the unutilised proceeds as at the end of 2023. As of 31 December 2024, details of the use of the proceeds subsequent to the change in use are as follows:

Category	Intended use of unutilised proceeds up to 31 December 2023 <i>RMB'000</i>	Percentage of total proceeds %	Actual use of proceeds up to 31 December 2024 <i>RMB'000</i>	Unutilised proceeds up to 31 December 2024 <i>RMB'000</i>	Expected timeline for the intended use
Strategic acquisitions and investments	505,028	35	4,675 <i>(Note 1)</i>	500,353	By end of 2026
Further development of the Group's value-added services	288,587	20	172,725	115,862	By end of 2026
Developing information technology systems and smart communities	216,441	15	85,314	131,127	By end of 2026
Promoting ESG development	144,294	10	41,635	102,659	By end of 2026
Replenishing working capital and for general corporate purposes	288,587	20	93,172	195,415	By end of 2026
<b>Total</b>	<b><u>1,442,937</u></b>	<b><u>100</u></b>	<b><u>397,521</u></b>	<b><u>1,045,416</u></b>	

*Note:*

- (1) The Group had been actively identifying suitable acquisition opportunities during the Year and had used part of the funds to pursue and conduct feasibility studies and due diligence on potential acquisition targets.

The unutilised proceeds are expected to be utilised in accordance with the purposes set out in the amended resolution and are currently held as bank deposits denominated in RMB as the conversion to RMB of which has been basically completed.

### **Pledge of assets**

As of 31 December 2024, no assets of the Group were pledged as securities for liabilities.

### **Major acquisition and disposals**

During the Year, the Company did not have any major acquisition or disposal of subsidiaries and associates.

### **Major investments**

As of 31 December 2024, the Group did not hold any significant investment.

### **Contingent liabilities**

As of 31 December 2024, the Group did not have any material contingent liabilities.

### **Capital commitment and capital expenditure**

As of 31 December 2024, the Group did not have any capital commitment.

The Group's capital expenditure for the year 2025 is expected to be financed by proceeds from the Global Offering and working capital generated from the operating activities of the Group.

## **EMPLOYEES AND REMUNERATION POLICY**

As of 31 December 2024, the Group had a total of 10,422 full-time employees in the PRC and Hong Kong, PRC. Total staff costs for the Year amounted to RMB1,120.1 million.

The Group regularly reviews remuneration and benefits of its employees according to the market practice and the relevant employee's performance. The Group also (in accordance with applicable laws) provides various insurance coverage (including pension insurance, medical insurance, unemployment insurance, maternity insurance and occupational injury insurance), housing provident funds (in the PRC) and mandatory provident funds (in Hong Kong, the PRC) for its employees.

The Group has also implemented various talent development and acquisition policies, in order to recruit and retain high-quality employees and their expertise and experience. For example, the “Yuexiu Property Management Training & Development Academy” provides employees with various comprehensive training sessions and courses, including management skill enhancement, qualification test tutoring and professional skill training.

## **CORPORATE GOVERNANCE CODE**

The Board recognises the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of the Shareholders and has applied the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules. During the Year, the Company had complied with all code provisions set out in Part 2 of Appendix C1 to the Listing Rules.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, all Directors confirmed that they had complied with the required standards as set out in the Model Code during the Year.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Directors were authorised by the shareholders of the Company at the Company's annual general meeting to effect repurchase of the Company's ordinary shares not exceeding 10% of the total number of the Company's issued shares as at the dates of the resolutions being passed, details of which were announced on 20 May 2024.

During the Year, the Company repurchased an aggregate of 11,558,500 ordinary shares for a total consideration of approximately HKD37 million on the Stock Exchange, out of which 10,757,500 ordinary shares were cancelled during the Year and the remaining 801,000 ordinary shares were subsequently cancelled in January 2025. Details of the shares repurchased are as follows:

Month of repurchase in 2024	Number of ordinary shares repurchased	Consideration per share		Aggregate consideration paid (excluding expenses)
		Highest	Lowest	HKD'000
		HKD	HKD	
June	1,172,000	3.30	3.09	3,744
July	1,756,500	3.30	3.05	5,599
August	1,875,000	3.17	2.98	5,713
September	1,634,500	3.30	2.98	5,166
October	293,000	3.30	3.29	967
November	2,299,500	3.30	3.05	7,309
December	2,528,000	3.30	3.11	8,080

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

## **EVENTS AFTER THE REPORTING PERIOD**

There were no other significant events affecting the Group since 31 December 2024 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”), comprising Ms. Hui Lai Kwan (Chairlady), Mr. Hung Shing Ming and Mr. Leung Yiu Man, has discussed with the Group’s management and external auditor the accounting principles and policies adopted by the Group as well as the procedures adopted by the auditor in reviewing all continuing connected transactions and connected transactions, and has reviewed the consolidated financial statements of the Group for the Year with no disagreement.

## **CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS**

The continuing connected transactions have been reviewed by the independent non-executive Directors. The independent non-executive Directors confirm that the continuing connected transactions were entered into:

- a) in the ordinary and usual course of business of the Group;
- b) either on normal commercial terms or better; and
- c) under terms and conditions that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company has engaged its auditor to report on the continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The Company’s auditor has issued an unqualified letter containing the findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules and nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions:

- a) have not been approved by the Board;
- b) were not, in all material respects, in accordance with the pricing policies of the Group;
- c) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; or
- d) have exceeded the annual cap in respect of the disclosed continuing connected transactions.

## **REVIEW OF ANNUAL RESULTS**

The annual results have been reviewed and agreed by the Audit Committee. The figures in respect of this preliminary announcement of the Group’s results for the Year have been agreed by the Group’s auditor, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this preliminary announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 2025, both days inclusive, during which period no transfer of shares will be registered. For the purpose of ascertaining the Shareholders' eligibility to participate in the forthcoming annual general meeting of the Company to be held on Wednesday, 18 June 2025, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Thursday, 12 June 2025.

In addition, the register of members of the Company will be closed from Wednesday, 25 June 2025 to Thursday, 26 June 2025, both days inclusive, for the purpose of ascertaining the Shareholders' entitlement to the final dividend. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, no later than 4:30 p.m. on Tuesday, 24 June 2025.

## **PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement will be published on the websites of the Company ([www.yuexiuserVICES.com](http://www.yuexiuserVICES.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company's annual report for the Year will be despatched to the Shareholders and published on the aforesaid websites in due course.

By order of the Board of  
**Yuexiu Services Group Limited**  
**Yu Tat Fung**  
*Company Secretary*

Hong Kong, 20 March 2025



*As at the date of this announcement, the Board comprises:*

*Executive Directors: WANG Jianhui, ZHANG Chenghao and ZHANG Jin*

*Non-executive Directors: ZHU Huisong (Chairman), ZHANG Jianguo and YANG Zhaoxuan*

*Independent Non-executive Directors: HUNG Shing Ming, HUI Lai Kwan and LEUNG Yiu Man*

*\* for identification purpose only*