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Greentown Service Group Co. Ltd.

綠城服務集團有限公司

(A company incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 2869)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Greentown Service Group Co. Ltd. (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**our**” or “**us**”) for the year ended 31 December 2024, together with the restated comparative figures for the year ended 31 December 2023, as follows.

HIGHLIGHTS

The Group’s financial performance[#]

- Revenue was RMB18,527.8 million. Compared with that for the year of 2023, which was RMB17,393.3 million, the growth rate on year-on-year (“**Y/Y**”) basis reached 6.5%.
- The Group’s revenue comes from four major businesses: (i) property services; (ii) community living services; (iii) consulting services; and (iv) technology services. During the year, (i) revenue from property services reached RMB12,401.3 million, accounting for 66.9% of the Group’s overall revenue. Compared with RMB11,101.5 million for the year of 2023, there was a Y/Y growth of 11.7%; (ii) revenue from community living services reached RMB3,373.2 million, accounting for 18.2% of the Group’s overall revenue, representing a Y/Y decrease of 5.5% from RMB3,568.6 million for the year of 2023; (iii) revenue from consulting services amounted to RMB2,412.0 million, accounting for 13.0% of the Group’s overall revenue. There was a Y/Y growth of 5.1% compared with RMB2,295.3 million for the year of 2023; and (iv) revenue from technology services amounted to RMB341.2 million, accounting for 1.9% of the Group’s overall revenue, representing a Y/Y decrease of 20.3% from RMB428.0 million for the year of 2023.

- Gross profit reached RMB3,196.7 million, representing a growth of 9.7% compared with RMB2,913.4 million in 2023. Gross profit margin was 17.3%, which increased by 0.5 percentage point compared with 16.8% for the year of 2023.
- Core operating profit[#] was RMB1,587.5 million, representing an increase of 22.5% compared with RMB1,296.0 million for the year of 2023. The profitability of the core business of the Company continues to improve.
- Profit attributable to equity shareholders of the Company for the year was RMB785.1 million, representing an increase of 29.7% as compared with RMB605.4 million for the year of 2023.
- As at 31 December 2024, cash and cash equivalents of the Group amounted to RMB4,853.9 million, representing an increase of 7.1% compared with RMB4,530.8 million as at 31 December 2023. During the year, in order to improve the return on capital, time deposits amounted to RMB1,118.2 million, representing an increase of 199.5% compared with RMB373.4 million as at 31 December 2023.
- The Board recommended the payment of a final dividend of HK\$0.13 per share and a special dividend of HK\$0.07 per share for 2024 (2023: final dividend of HK\$0.150 per share).

[#] Consider that Montessori Academy Group Holdings Pty Ltd (“MAG”) ceased to be a subsidiary of the Group after the Group disposed of a portion of its equity interest therein during the year, in accordance with the relevant requirements of Hong Kong Financial Reporting Standards (“HKFRSs”), Management has classified the Group’s operations as continuing operations and discontinued operations, with the operations of MAG being classified as discontinued operations and elected to disclose a single amount of profit from discontinued operations, net of tax in the statement of profit or loss and other comprehensive income and has analysed that amount into detail items of statement of profit or loss and other comprehensive income in note 3 of the section headed “Notes to The Financial Statements” in this announcement. In order to facilitate the shareholders and potential investors of the Company to compare the consolidated financial results of the Group for the year ended 31 December 2024 with the previous year, the analysis in the “Management Discussion and Analysis” in this announcement is based on the Group’s consolidated financial results without disaggregation of continuing operations and discontinued operations.

[#] *Core operating profit = Gross profit – Administrative expenses – Selling and marketing expenses*

To supplement our consolidated financial statements presented under HKFRSs, we use core operating profit (non-HKFRSs measure) as an additional financial measure, which is not required by, or presented in accordance with HKFRSs.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

*for the year ended 31 December 2024
(Expressed in Renminbi Yuan)*

	<i>Note</i>	2024 RMB'000	2023 RMB'000 Restated*
Continuing operations			
Revenue	2(a)	17,893,473	16,812,038
Cost of sales		<u>(14,882,110)</u>	<u>(14,052,541)</u>
Gross profit		3,011,363	2,759,497
Other revenue	4	98,497	112,266
Other net losses	4	(119,655)	(191,442)
Selling and marketing expenses		(346,809)	(336,943)
Administrative expenses		(1,158,022)	(1,192,599)
Expected credit losses on financial instruments	5(c)	(240,631)	(201,722)
Other operating expenses		<u>(230,479)</u>	<u>(168,201)</u>
Profit from operations		<u>1,014,264</u>	<u>780,856</u>
Finance income		94,549	82,611
Finance costs		<u>(38,198)</u>	<u>(36,515)</u>
Net finance income	5(a)	<u>56,351</u>	<u>46,096</u>
Share of profits less losses of associates		(10,967)	145,186
Share of profits less losses of joint ventures		(676)	(113)
Gain/(Loss) on disposal of subsidiaries		<u>11,676</u>	<u>(17,768)</u>
Profit before taxation	5	1,070,648	954,257
Income tax	6	<u>(318,923)</u>	<u>(252,596)</u>
Profit from continuing operations		<u>751,725</u>	<u>701,661</u>

	<i>Note</i>	2024 RMB'000	2023 RMB'000 Restated*
Discontinued operations			
Profit for the year from discontinued operations, net of tax	3	18,851	14,469
Gain on disposal of discontinued operation	3	96,971	–
Profit for the year		867,367	716,130
Attributable to:			
Equity shareholders of the Company		785,080	605,374
Non-controlling interests		82,287	110,756
Profit for the year		867,367	716,130
Other comprehensive income for the year (after tax and reclassification adjustments)			
<i>Item that will not be reclassified to profit or loss:</i>			
Share of other comprehensive income of the investees		–	26,610
Financial investments at fair value through other comprehensive income (“FVOCI”) — net movement in fair value reserves		(3,657)	(4,395)
Exchange differences on translation of financial statements of the Company and the Company’s subsidiaries outside the mainland China with non-foreign operation		68,510	32,604
		64,853	54,819
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of subsidiaries outside the mainland China with foreign operation		–	6,494
Other comprehensive income for the year		64,853	61,313
Total comprehensive income for the year		932,220	777,443

	<i>Note</i>	2024 RMB'000	2023 RMB'000 Restated*
Attributable to equity shareholders of the Company arising from:			
Continuing operations		743,749	657,469
Discontinued operations		106,184	8,680
Attributable to non-controlling interests arising from:			
Continuing operations		73,993	104,389
Discontinued operations		8,294	6,905
Total comprehensive income for the year		932,220	777,443
Earnings per share — Continuing operations			
Basic (RMB)	7	0.214	0.186
Diluted (RMB)		0.214	0.186
Earnings per share — Discontinued operations			
Basic (RMB)	7	0.034	0.003
Diluted (RMB)		0.034	0.003

* The comparative information has been restated due to a discontinued operation (See Note 3).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2024

(Expressed in Renminbi Yuan)

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Non-current assets			
Investment properties		476,699	365,725
Property, plant and equipment		516,628	1,038,845
Right-of-use assets		236,698	934,995
Intangible assets		380,920	592,341
Goodwill		434,672	661,261
Interest in associates		799,107	837,436
Interest in joint ventures		42,128	9,430
Other financial assets		314,198	475,154
Other non-financial assets		76,193	–
Deferred tax assets		564,616	519,073
Trade and other receivables	9	–	69,078
Prepayments		97,790	93,658
Time deposits		1,104,879	372,961
		<u>5,044,528</u>	<u>5,969,957</u>
Current assets			
Other financial assets		920,639	1,158,480
Inventories		597,962	673,789
Trade and other receivables	9	5,576,581	5,044,833
Prepayments		171,296	212,079
Restricted bank balances		515,603	491,243
Time deposits		13,353	452
Cash and cash equivalents		4,853,862	4,530,836
		<u>12,649,296</u>	<u>12,111,712</u>

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Current liabilities			
Bank loans		41,050	267,406
Contract liabilities		2,234,945	2,095,751
Trade and other payables	<i>10</i>	4,972,126	4,871,605
Lease liabilities		159,839	287,750
Current taxation		1,107,020	901,996
Provisions		13,408	133,017
		<u>8,528,388</u>	<u>8,557,525</u>
Net current assets		<u>4,120,908</u>	<u>3,554,187</u>
Total assets less current liabilities		<u>9,165,436</u>	<u>9,524,144</u>
Non-current liabilities			
Bank loans		23,873	23,018
Trade and other payables	<i>10</i>	–	1,369
Lease liabilities		553,235	1,129,962
Deferred tax liabilities		18,441	97,663
Provisions		26,830	46,928
		<u>622,379</u>	<u>1,298,940</u>
NET ASSETS		<u>8,543,057</u>	<u>8,225,204</u>
CAPITAL AND RESERVES			
Share capital	<i>8</i>	27	27
Reserves		7,788,660	7,405,508
Total equity attributable to equity shareholders of the Company		7,788,687	7,405,535
Non-controlling interests		<u>754,370</u>	<u>819,669</u>
TOTAL EQUITY		<u>8,543,057</u>	<u>8,225,204</u>

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2024

(Expressed in Renminbi Yuan)

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Operating activities		
Cash generated from operations	1,700,622	1,641,412
Income tax paid	(225,901)	(205,340)
Net cash generated from operating activities	<u>1,474,721</u>	<u>1,436,072</u>
Investing activities		
Payments for the purchase of investment properties, property, plant and equipment, right-of-use assets and intangible assets	(321,904)	(502,911)
Proceeds from disposal of property, plant and equipment	6,531	2,824
Acquisition of subsidiaries, net of cash acquired	(7,523)	(415)
Disposal of subsidiaries, net of cash disposed	62,721	(15,128)
Payments for purchase of:		
— financial assets classified as fair value through profit or loss (“FVPL”)	(1,091,000)	(1,141,521)
— financial assets classified as FVOCI		
Proceeds from redemption of:		
— FVPL	1,379,239	1,186,332
— listed debt investments	–	4,141
Payment for interests in associates and joint ventures	(16,773)	(42,248)
Investment income received from other financial assets	48,550	63,256
Dividends received from associates and joint ventures	58,203	56,615
Interest received	57,965	68,382
Placement of time deposits, net	(717,903)	(285,450)
Payments for loans and advances	(4,528)	(88,754)
Proceeds from repayment of loans and advances	43,132	317,347
Net cash used in investing activities	<u>(503,290)</u>	<u>(377,530)</u>

	2024	2023
	RMB'000	<i>RMB'000</i>
Financing activities		
Proceeds from new bank loans and other borrowings	1,441,233	329,151
Repayment of bank loans	(1,310,726)	(359,846)
Capital injection from non-controlling interests	16,028	13,994
Capital element of lease rentals paid	(153,869)	(154,480)
Interest element of lease rentals paid	(65,338)	(69,807)
Payment for acquisition of non-controlling interests	(9,800)	(6,045)
Payment on repurchase of shares	(72,131)	(130,707)
Dividends paid to equity shareholders of the Company	(433,447)	(285,115)
Dividends paid to non-controlling interests	(37,588)	(31,833)
Interest paid	(25,808)	(22,558)
	<hr/>	<hr/>
Net cash used in financing activities	(651,446)	(717,246)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	319,985	341,296
Cash and cash equivalents at 1 January	4,530,836	4,183,381
Effect of foreign exchange rate changes	3,041	6,159
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	4,853,862	4,530,836
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NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual 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 disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in associates and joint ventures.

The Company was incorporated in the Cayman Islands on 24 November 2014 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The Company’s shares were listed on the Main Board on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 July 2016.

The consolidated financial statements are presented in Renminbi (“**RMB**”), rounded to the nearest thousand, which is the presentation currency. It is prepared on the historical cost basis except for certain financial assets that are stated at their fair value as explained in the accounting policies set out below:

- investments in equity and debt financial instruments measured at fair value; and
- derivative financial instruments

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the “**functional currency**”).

RMB is the functional currency for the Company's subsidiaries established in the mainland China. The functional currency of the Company and the Company's subsidiaries outside the mainland China (excluding the Company's subsidiaries in Australia) are Hong Kong dollars. The functional currency of the Company's subsidiaries in Australia is Australian dollars.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements.

(c) Changes in accounting policies

The HKICPA has issued the following new and amended HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* and amendments to HKAS 1, *Presentation of financial statements — Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases — Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of property services, community living services, consulting services and technology services.

(i) Disaggregation of revenue

Disaggregation of revenue by major service line is as follows:

	Continuing operations		Discontinued operations		Total	
	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		Restated				
Revenue from contracts with customers within the scope of HKFRS 15						
Disaggregated by major service lines						
Property services	12,401,312	11,101,501	-	-	12,401,312	11,101,501
Community living services	2,692,013	2,940,646	634,287	581,234	3,326,300	3,521,880
Consulting services	2,412,030	2,295,256	-	-	2,412,030	2,295,256
Technology services	341,185	427,954	-	-	341,185	427,954
	<u>17,846,540</u>	<u>16,765,357</u>	<u>634,287</u>	<u>581,234</u>	<u>18,480,827</u>	<u>17,346,591</u>
Revenue from other sources						
Gross rentals from investment properties						
— Community living services	46,933	46,681	-	-	46,933	46,681
	<u>17,893,473</u>	<u>16,812,038</u>	<u>634,287</u>	<u>581,234</u>	<u>18,527,760</u>	<u>17,393,272</u>

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by timing of revenue recognition is as follows:

	Continuing operations		Discontinued operations		Total	
	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue recognised over time:						
Property services						
Property services	<u>12,401,312</u>	<u>11,101,501</u>	<u>-</u>	<u>-</u>	<u>12,401,312</u>	<u>11,101,501</u>
Community living services						
Home living services	<u>395,672</u>	<u>547,453</u>	<u>-</u>	<u>-</u>	<u>395,672</u>	<u>547,453</u>
Community space services	<u>292,734</u>	<u>280,635</u>	<u>-</u>	<u>-</u>	<u>292,734</u>	<u>280,635</u>
Property asset management services	<u>166,791</u>	<u>253,132</u>	<u>-</u>	<u>-</u>	<u>166,791</u>	<u>253,132</u>
Cultural & education services	<u>104,950</u>	<u>109,593</u>	<u>634,287</u>	<u>581,234</u>	<u>739,237</u>	<u>690,827</u>
	<u>960,147</u>	<u>1,190,813</u>	<u>634,287</u>	<u>581,234</u>	<u>1,594,434</u>	<u>1,772,047</u>
Consulting services						
Property under construction services	<u>2,115,033</u>	<u>2,020,899</u>	<u>-</u>	<u>-</u>	<u>2,115,033</u>	<u>2,020,899</u>
Management consulting services	<u>296,997</u>	<u>274,357</u>	<u>-</u>	<u>-</u>	<u>296,997</u>	<u>274,357</u>
	<u>2,412,030</u>	<u>2,295,256</u>	<u>-</u>	<u>-</u>	<u>2,412,030</u>	<u>2,295,256</u>
Technology services						
Technology services	<u>333,742</u>	<u>407,984</u>	<u>-</u>	<u>-</u>	<u>333,742</u>	<u>407,984</u>
	<u>16,107,231</u>	<u>14,995,554</u>	<u>634,287</u>	<u>581,234</u>	<u>16,741,518</u>	<u>15,576,788</u>
Revenue recognised at point in time:						
Community living services						
Community products and services	<u>1,310,311</u>	<u>1,272,004</u>	<u>-</u>	<u>-</u>	<u>1,310,311</u>	<u>1,272,004</u>
Property asset management services	<u>421,555</u>	<u>477,829</u>	<u>-</u>	<u>-</u>	<u>421,555</u>	<u>477,829</u>
	<u>1,731,866</u>	<u>1,749,833</u>	<u>-</u>	<u>-</u>	<u>1,731,866</u>	<u>1,749,833</u>
Technology services						
Technology services	<u>7,443</u>	<u>19,970</u>	<u>-</u>	<u>-</u>	<u>7,443</u>	<u>19,970</u>
	<u>1,739,309</u>	<u>1,769,803</u>	<u>-</u>	<u>-</u>	<u>1,739,309</u>	<u>1,769,803</u>
	<u>17,846,540</u>	<u>16,765,357</u>	<u>634,287</u>	<u>581,234</u>	<u>18,480,827</u>	<u>17,346,591</u>

Disaggregation of revenue from contracts with customers by geographical location is disclosed in note 2(b)(i).

No revenue from transaction with single external customer amounts to 10% or more of the Group's revenue for each of the periods presented.

(b) Segment reporting

The Group manages its businesses by geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following seven reportable segments.

- Region 1: Hangzhou (include Yuhang)
- Region 2: Yangtze River Delta Region (include Ningbo)
- Region 3: Pearl River Delta Region
- Region 4: Bohai Economic Rim Region
- Region 5: Australia
- Region 6: Other overseas and Hong Kong Regions
- Region 7: Other mainland China Regions

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all non-current assets and current assets with the exception of deferred tax assets. Segment liabilities include trade and other payables of the individual segments and bank borrowings managed directly by the segments with exceptions of current taxation and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is profit before taxation. In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by segments, depreciation and amortisation, impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below:

	Year ended 31 December 2024										
	Hangzhou		Yangtze River Delta Region								Total RMB'000
	Hangzhou (exclude Yuhang) RMB'000	Yuhang Region RMB'000	Yangtze River Region		Ningbo Region RMB'000	Pearl River Delta Region RMB'000	Bohai Economic Rim Region RMB'000	Australia (Discontinued operations*) RMB'000	Other overseas and Hong Kong Regions RMB'000	Other mainland China Regions RMB'000	
			Region								
(exclude Ningbo)											
Revenue from external customers	5,898,852	663,257	5,207,874	993,899	1,073,497	2,209,557	634,287	11,525	1,835,012	18,527,760	
Inter-segment revenue	212,466	114,316	43,294	90,795	26,004	31,874	-	-	26,502	545,251	
Reportable segment revenue	6,111,318	777,573	5,251,168	1,084,694	1,099,501	2,241,431	634,287	11,525	1,861,514	19,073,011	
Reportable segment profit	493,940	36,601	229,863	45,435	90,808	123,164	20,717	(77,102)	224,730	1,188,156	
Interest income	57,334	9	7,981	212	115	441	2,416	27,619	838	96,965	
Interest expense (excluding expense capitalised)	(17,042)	(1,154)	(3,768)	(11,454)	93	(3,316)	(54,370)	(18)	(1,539)	(92,568)	
Share of profits less losses of associates	(17,338)	-	-	-	-	(158)	-	6,529	-	(10,967)	
Share of profits less losses of joint ventures	(642)	-	(35)	-	-	1	-	-	-	(676)	
(Loss)/Gain on disposal of subsidiaries	(627)	9	-	-	-	1,074	-	117,695	(9,684)	108,467	
Impairment of assets											
— investment properties	-	-	-	-	-	-	-	-	-	-	
— inventories	21,358	-	-	10,329	-	-	-	-	-	31,687	
— goodwill	33,727	-	-	2,102	-	-	-	-	-	35,829	
— interest in associates	66,725	-	-	-	-	-	-	62,444	-	129,169	
Expected credit losses on financial instruments	60,992	4,184	64,614	12,298	20,353	36,218	-	876	41,096	240,631	
Depreciation and amortisation for the year (excluding expense capitalised)	(247,516)	(14,931)	(45,650)	(34,140)	(9,810)	(48,570)	(122,693)	(51)	(23,272)	(546,633)	
Reportable segment assets	43,527,728	728,772	8,308,686	1,809,256	1,464,292	2,232,858	-	2,452,018	2,187,134	62,710,744	
Including:											
Interest in joint ventures	11,816	-	22,792	7,425	-	95	-	-	-	42,128	
Interest in associates	393,948	-	98	-	-	-	-	405,061	-	799,107	
Additions to property, plant and equipment, right of use assets, investment properties, intangible assets and goodwill during the year	396,348	11,874	62,488	17,705	14,319	38,705	-	6	28,453	569,898	
Reportable segment liabilities	40,923,938	834,907	6,720,135	1,355,785	897,317	1,491,859	-	248,978	1,331,963	53,804,882	

	Hangzhou		Yangtze River Delta Region							Total
	Hangzhou (exclude Yuhang) RMB'000	Yuhang Region RMB'000	Yangtze River Region (exclude Ningbo) RMB'000	Ningbo Region RMB'000	Pearl River Delta Region RMB'000	Bohai Economic Rim Region RMB'000	Australia (Discontinued operations*) RMB'000	Other overseas and Hong Kong Regions RMB'000	Other mainland China Regions RMB'000	
Revenue from external customers	5,450,790	638,138	4,832,377	1,022,007	1,047,719	2,053,919	581,234	5,377	1,761,711	17,393,272
Inter-segment revenue	233,730	55,986	59,071	2,360	3,904	9,809	–	5	22,400	387,265
Reportable segment revenue	5,684,520	694,124	4,891,448	1,024,367	1,051,623	2,063,728	581,234	5,382	1,784,111	17,780,537
Reportable segment profit	451,622	62,746	320,787	39,777	18,609	76,445	17,969	(224,882)	209,153	972,226
Interest income	61,800	15	2,336	642	139	658	2,960	16,039	982	85,571
Interest expense (excluding expense capitalised)	(13,192)	(919)	(1,872)	(10,888)	(414)	(5,093)	(51,131)	(219)	(3,918)	(87,646)
Share of profits less losses of associates	133,798	–	(13)	–	–	266	–	11,135	–	145,186
Share of profits less losses of joint ventures	(206)	–	87	–	–	6	–	–	–	(113)
Impairment of assets										
— investment properties	–	–	–	–	–	–	–	–	11,708	11,708
— interest in associates	6,300	–	–	–	–	–	–	25,570	–	31,870
Expected credit losses on financial instruments	56,176	3,481	46,054	7,494	15,587	27,564	–	15,316	30,050	201,722
Depreciation and amortisation for the year (excluding expense capitalised)	(220,859)	(16,799)	(46,833)	(29,931)	(8,182)	(45,533)	(92,720)	(26)	(23,669)	(484,552)
Reportable segment assets	38,994,478	822,614	9,384,271	2,327,188	1,765,939	2,969,030	1,486,204	2,947,661	2,840,432	63,537,817
Including:										
Interest in joint ventures	8,801	–	535	–	–	94	–	–	–	9,430
Interest in associates	544,540	–	10,581	–	–	553	–	281,762	–	837,436
Additions to property, plant and equipment, right of use assets, investment properties, intangible assets and goodwill during the year	245,208	13,825	63,890	19,261	23,032	50,418	171,797	75	23,896	611,402
Reportable segment liabilities	37,535,472	804,718	7,416,410	1,952,366	1,310,171	2,266,868	1,379,963	98,805	2,078,273	54,843,046

* Upon the completion of the disposal as described in Note 3, the Group no longer has the control in the childcare business through Montessori Academy Group Holdings Pty Ltd (“MAG”) in Australia. Accordingly, these operations were classified as discontinued operations and segment reporting was restated.

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	Continuing operations	
	2024	2023
	RMB'000	<i>RMB'000</i>
		Restated
Revenue		
Reportable segment revenue	19,073,011	17,780,537
Elimination of inter-segment revenue	(545,251)	(387,265)
Elimination of discontinued operation	(634,287)	(581,234)
	<u>17,893,473</u>	<u>16,812,038</u>
Profit		
Reportable segment profit	1,188,156	972,226
Elimination of inter-segment profit	–	–
Elimination of discontinued operation	(117,508)	(17,969)
	<u>1,070,648</u>	<u>954,257</u>
Reportable segment profit derived from the Group's external customers of continuing operations	<u>1,070,648</u>	<u>954,257</u>
Consolidated profit before tax from continuing operations	<u>1,070,648</u>	<u>954,257</u>
	2024	2023
	RMB'000	<i>RMB'000</i>
Assets		
Reportable segment assets	62,710,744	63,537,817
Elimination of inter-segment receivables	(45,581,536)	(45,975,221)
Deferred tax assets	564,616	519,073
	<u>17,693,824</u>	<u>18,081,669</u>
Consolidated total assets	<u>17,693,824</u>	<u>18,081,669</u>
Liabilities		
Reportable segment liabilities	53,804,882	54,843,046
Elimination of inter-segment payables	(45,779,576)	(45,986,240)
Current taxation	1,107,020	901,996
Deferred tax liabilities	18,441	97,663
	<u>9,150,767</u>	<u>9,856,465</u>
Consolidated total liabilities	<u>9,150,767</u>	<u>9,856,465</u>

3 DISCONTINUED OPERATIONS

During the year ended 31 December 2024, the Group entered into a number of agreements with Montessori Academy Pty Ltd (“MA”), CCA Hold Co Pty Ltd (“CCA”) and MAG to dispose of the equity interests of MAG, a then subsidiary of the Group, by steps. The details were described in the announcement of the Company dated 8 November 2024.

- (1) Disposal of 11.64% and 10.78% equity interests of MAG over which the Group lost control after disposal.

On 16 December 2024, the Group disposed of 11.64% equity interests in MAG to MA Trust at cash consideration of AUD16.2 million (equivalent to RMB73.50 million). On the same day, the Group and MAG entered into the buyback agreement, pursuant to which the Group agreed to sell and MAG agreed to acquire the buyback shares, representing approximately 10.78% of the issued share capital of MAG, for the cash consideration of AUD15.0 million (equivalent to RMB67.06 million). Upon the completion of the disposal and buyback, the Group changed its appointment of directors to the board of directors of MAG from three directors to two directors. MAG became an associate of the Group thereafter.

Accordingly, the business operations of MAG were classified to discontinued operations.

The comparative consolidated statement of profit or loss and other comprehensive income has been restated to show the discontinued operation separately from continuing operations.

- (2) Put and call option deed

On 16 December 2024, the Group entered into the Put and Call Option Deed pursuant to which CCA will grant to the Group a put option to require CCA (or its nominee or a combination of MAG and CCA or its nominee) to purchase the option shares and the Group will grant to CCA a call option to sell the option shares to CCA (or its nominee or a combination of MAG and CCA or its nominee) at a fixed exercise price, subject to the terms and conditions of the Put and Call Option Deed.

The directors of the Company (the “**Directors**”) have recognised the put and call option of interests in MAG as a derivative financial instrument and initially recognised it at fair value of RMB42.7 million with subsequent changes in fair value of RMB139,000 recognised in profit or loss.

The Directors consider the agreements are entered into at in contemplation of each other for disposal purpose and all transactions are related. The total consideration of disposal of equity interests in MAG over which the Group lost control after disposal was RMB183 million, included the cash of RMB140.6 million and fair value of put and call option of RMB42.7 million.

(a) Results of discontinued operation

	For the period from 1 January 2024 to 16 December 2024 RMB'000	2023 RMB'000
Revenue	634,287	581,234
Cost of sales	<u>(448,985)</u>	<u>(427,345)</u>
Gross profit	185,302	153,889
Other net (losses)/income	(4,365)	122
Selling and marketing expenses	(6,073)	(5,623)
Administrative expenses	(98,315)	(82,247)
Other operating expenses	<u>(3,879)</u>	<u>–</u>
Profit from operations	72,670	66,141
Finance income*	2,417	2,960
Finance costs*	<u>(54,370)</u>	<u>(51,132)</u>
Net finance costs	(51,953)	(48,172)
Results from operating activities	20,717	17,969
Tax expense	<u>(1,866)</u>	<u>(3,500)</u>
Results from operating activities, net of tax	18,851	14,469
Gain on disposal of discontinued operation	<u>96,791</u>	<u>–</u>
Profit from discontinued operations, net of tax	115,642	14,469

* An elimination of finance income and finance costs between the continued and discontinued operations amounted to RMB12,411,000 (2023: RMB9,308,000).

(b) Cash flows from discontinued operation

	For the period from 1 January 2024 to 16 December 2024 RMB'000	2023 RMB'000
Net cash from operating activities	74,221	107,836
Net cash from investing activities	(134,925)	(102,059)
Net cash from financing activities	<u>44,772</u>	<u>2,602</u>
Net cash flows	(15,932)	8,379

(c) **Effect of disposal on the financial position of the Group**

	As at 16 December 2024 RMB'000
Current assets	125,543
Non-current assets	1,416,876
Current liabilities	(188,693)
Non-current liabilities	<u>(1,128,194)</u>
Net assets	225,532
Less: Non-controlling interest	<u>(93,736)</u>
Net assets of MAG in relation to disposed equity interests	<u><u>131,796</u></u>
Total consideration	183,273
Fair value of remaining interests in MAG*	201,278
Less: Net assets disposed	(131,796)
Goodwill	<u>(155,964)</u>
Gain on disposal of a subsidiary	<u><u>96,791</u></u>
Consideration received, satisfied in cash	140,618
Less: Cash and cash equivalents disposed of	(99,802)
Net cash inflows	<u><u>40,816</u></u>

* The equity interests remained subsequent to disposal are accounted as interest in associates, which are measured at the fair value of disposal date.

4 OTHER REVENUE AND OTHER NET LOSSES

	2024 RMB'000	2023 RMB'000
Other revenue		
Government grants (<i>note (i)</i>)	50,837	66,021
Value-added tax deductible (<i>note (ii)</i>)	–	28,749
Others	<u>47,660</u>	<u>17,496</u>
	<u><u>98,497</u></u>	<u><u>112,266</u></u>

(i) Government grants mainly represent unconditional discretionary financial support from local municipal government authorities.

- (ii) Value-added tax deductible mainly included additional deduction of input value-added tax applicable to certain subsidiaries of the Group.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> Restated
Other net losses		
Net loss on sale of property, plant and equipment	(3,641)	(2,297)
Net (losses)/gain on FVPL		
— Convertible notes	(105,746)	(127,434)
— Project investments	59,525	(18,279)
— Unlisted equity investments	(77,115)	(60,856)
— Treasury products	1,805	63,281
— Listed equity securities	42,897	(22,923)
— Funds	(39,417)	(19,213)
— Written put and call options of interests in an associate	139	—
Net foreign exchange gain/(losses)	1,898	(3,721)
	<u>(119,655)</u>	<u>(191,442)</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> Restated
(a) Net finance income		
Interest income on financial assets measured at amortised cost	(94,549)	(82,611)
Interest expense on bank loans	9,727	5,907
Interest expense on lease liabilities	28,471	30,608
	<u>(56,351)</u>	<u>(46,096)</u>

	2024	2023
	RMB'000	RMB'000
		Restated
(b) Staff costs		
Salaries and other benefits	4,901,633	4,644,856
Equity-settled share-based payment expense	25,427	29,985
Contributions to defined contribution scheme (<i>note (i)</i>)	860,193	785,288
	<u>5,787,253</u>	<u>5,460,129</u>
Included in:		
— Cost of sales	4,718,834	4,395,985
— Administrative expenses	867,928	879,815
— Selling and marketing expenses	200,491	184,329
	<u>5,787,253</u>	<u>5,460,129</u>

- (i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

	2024	2023
	RMB'000	<i>RMB'000</i>
		Restated
(c) Other items		
Expected credit losses on financial instruments		
— trade receivables	218,780	124,102
— other receivables	20,975	62,304
— listed debt investments	876	15,316
Impairment losses		
— investment properties	—	11,708
— inventory	31,687	—
— goodwill	35,829	—
— interest in associates	129,169	31,870
	<hr/>	<hr/>
Depreciation charge		
— property, plant and equipment	144,473	134,160
— right-of-use assets	156,147	148,768
— investment properties	69,499	56,721
Amortisation charge		
— intangible assets	53,821	52,183
Expense relating to short-term leases	93,539	121,269
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	736	728
(Reversal)/provision for lawsuit	(15,580)	94,048
Cost of inventories	969,359	1,134,658
Outsourcing labor costs	5,653,690	5,398,139
Auditors' remuneration		
— annual audit services	4,200	4,150
— review services	1,200	1,150
	<hr/> <hr/>	<hr/> <hr/>

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss represents:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
		Restated
Current tax — PRC corporate income tax		
Provision for the year	431,267	396,308
Under-provision in respect of prior years	5,479	2,075
	<u>436,746</u>	<u>398,383</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(117,823)</u>	<u>(145,787)</u>
Tax expense on continuing operations	<u>318,923</u>	<u>252,596</u>

Tax expense on continuing operations excludes the tax expense from the discontinued operation of RMB1,866,000 (2023: RMB3,500,000) has been included in “Discontinued operations” (see Note 3).

(b) **Reconciliation between tax expense and accounting profit at applicable tax rates:**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> Restated
Profit before taxation from continuing operations	<u>1,070,648</u>	<u>954,257</u>
National tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned (<i>note (i)</i>)	286,019	254,972
Tax benefit of subsidiaries subject to preferential tax rates (<i>note (ii)</i>)	(3,740)	(20,063)
Tax effect of non-deductible expenses, net of non-taxable income	23,506	52,181
Additional deduction for qualified research and development cost (<i>note (iii)</i>)	(5,848)	(9,267)
Tax effect of unused tax losses and other temporary differences not recognised as deferred tax assets	33,132	19,589
Recognition of temporary deductible differences and tax losses not recognised as deferred tax assets in previous years	(26,505)	(23,007)
Reversal of deferred tax recognised in prior years	6,683	11,420
Tax effect of share of results of associates and joint ventures	197	(35,304)
Under-provision in respect of prior years	<u>5,479</u>	<u>2,075</u>
Actual tax expense on continuing operations	<u><u>318,923</u></u>	<u><u>252,596</u></u>

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.

The income tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax is 16.5%. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HKD2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%), while the remaining profits will continue to be taxed at 16.5%.

The income tax rate applicable to group entities incorporated in Australia for the income subject to Income Tax Assessment Act 1997 during the reporting period is 30%.

(ii) PRC Corporate Income Tax

The Group's PRC subsidiaries are subject to PRC corporate income tax at 25% unless otherwise specified.

- For the years ended 31 December 2024 and 2023, the Group's certain subsidiaries fulfilled the criteria required for preferential income tax rate granted to small and low profit-making enterprises in the PRC, and were entitled to a preferential income tax rate of 5% on taxable income within RMB3,000,000.
- Pursuant to Chapter 28 of the Law of the People's Republic of China on Enterprise Income Tax, enterprises are entitled to a preferential income tax rate of 15% after the recognition of high and new technology enterprise.

The following list contains subsidiaries of the Group obtained high and new technology enterprise certifications and entitled to a preferential income tax rate of 15%.

	Concessionary tax rate	Applicable period
Hangzhou Greentown Information and Technology Company Limited* (杭州綠城信息技術有限公司)	15%	2024 to 2026
Lvman Technology Company Limited* (綠漫科技有限公司)	15%	2022 to 2024
Zhejiang Huixiang Information and Technology Company Limited* (浙江慧享信息科技有限公司)	15%	2023 to 2025
Zhejiang Greentown Architectural Technology Co., Ltd.* (浙江綠城建築科技有限公司)	15%	2024 to 2026
Caizhiyunxiang (Hangzhou) Data Information Technology Co., Ltd.* (財智雲享(杭州)數據信息技術有限公司)	15%	2022 to 2024
Zhejiang Greentown Housing Service System Co., Ltd.* (浙江綠城房屋服務系統有限公司)**	15%	1 January 2024 to 19 April 2024
Zhejiang Greentown Chunling Technology Group Co., Ltd.* (浙江綠城椿齡科技集團有限公司)	15%	2022 to 2024

* The English translation of the Company name is for reference only. The official names of these companies are in Chinese.

** On 19 April 2024, the shareholders of Zhejiang Greentown Housing Service System Co., Ltd.* (浙江綠城房屋服務系統有限公司) (“**Housing Service**”) resolved to re-organise its board of directors. Pursuant to this resolution, the board seats held by the Company no longer constituted a majority. The directors of the Company conclude that the Group no longer has control over Housing Service, and Housing Service has been redesignated as a joint venture of the Group.

(iii) Under the PRC Corporate Income Tax Law and its relevant regulations, additional tax deduction is allowed for qualified research and development costs.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company arising from continuing operations and discontinued operations of RMB677,732,000 and RMB107,348,000 (2023: RMB597,272,000 and RMB8,102,000) respectively, and the weighted average of 3,164,276,000 ordinary shares (2023: 3,210,924,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares (basic)

	2024	2023
	'000	'000
Issued ordinary shares at 1 January	3,188,036	3,227,696
Effect of shares repurchased	(23,760)	(16,772)
	<u>3,164,276</u>	<u>3,210,924</u>
Weighted average number of ordinary shares at 31 December	<u>3,164,276</u>	<u>3,210,924</u>

(b) Diluted earnings per share

The Company issued potentially dilutive instrument such as equity settled share-based transaction in previous years. However, the Company did not include this instrument in its calculation of diluted earnings per share during the years ended 31 December 2024 and 2023, because the effect of such inclusion would be anti-dilutive. Therefore, diluted earnings per share are the same as the basic earnings per share for the years ended 31 December 2024 and 2023.

8 CAPITAL AND DIVIDENDS

(a) Share capital

(i) Issued share capital

	2024		2023	
	No. of shares ('000)	RMB'000	No. of shares ('000)	RMB'000
Ordinary shares, issued and fully paid:				
At 1 January	3,194,114	27	3,232,380	28
Cancellation of shares (<i>note (ii)</i>)	(30,468)	*	(38,266)	(1)
At 31 December	<u>3,163,646</u>	<u>27</u>	<u>3,194,114</u>	<u>27</u>

* Amount less than 1,000.

(ii) Repurchase and cancellation of shares

During the year, the Company repurchased its own ordinary shares on the Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased ('000)	Highest price paid per share	Lowest price paid per share	Aggregate price paid (RMB'000)
January 2024	24,390	HKD2.94	HKD2.62	62,251
December 2024	2,860	HKD3.81	HKD3.62	9,880
				<u>72,131</u>

The total amount paid on the repurchased shares of RMB72,131,000 was paid wholly out of retained profits.

30,468,000 shares repurchased have been cancelled on 27 May 2024, and 2,860,000 shares repurchased have not yet been cancelled as at 31 December 2024.

(b) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the year:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
A final dividend of HKD0.13 per share and a special dividend of HKD0.07 per share proposed after the end of reporting period (2023: a final dividend of HKD0.15 per share)	<u>585,932</u>	<u>434,185</u>

The final dividend and special dividend proposed for shareholders' approval after the end of the reporting period have not been recognised as a liability at the end of the reporting period.

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
A final dividend of HKD0.15 per share in respect of the previous financial year, approved and paid during the year (2023: a final dividend of HKD0.10 per share in respect of the previous financial year, approved and paid during the year)	<u>433,447</u>	<u>285,115</u>

The dividends approved during the years ended 31 December 2024 and 2023 were paid on 11 July 2024 and 11 July 2023 respectively.

9 TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables (<i>note (i)</i>)	5,380,468	4,654,489
Less: Loss allowance of trade receivables	<u>(537,218)</u>	<u>(389,695)</u>
Trade receivables, net of loss allowance	4,843,250	4,264,794
Payments on behalf of property owners	297,690	319,187
Deposits	338,086	325,640
Loan receivables	67,653	204,286
Advances to staff	58,150	53,934
Receivable from disposal of subsidiaries	59,976	38,359
Others	<u>42,428</u>	<u>41,243</u>
	863,983	982,649
Less: Loss allowance of other receivables	<u>(130,652)</u>	<u>(133,532)</u>
Other receivables, net of loss allowance	733,331	849,117
Less: Other receivables due after one year, net of loss allowance	<u>–</u>	<u>(69,078)</u>
	<u>5,576,581</u>	<u>5,044,833</u>

Trade receivables are primarily related to revenue recognised from the provision of property services, community living services, consulting services and technology services.

For other provision of services and sales of goods, trade receivables are due when the receivables are recognised.

(i) Included in the balance of trade receivables, there is a sum of cash-in-transit of RMB104,361,000 which has been settled subsequently in the bank of the Group.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on the date of revenue recognition and net of allowance for impairment of trade receivables, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	2,984,049	2,734,183
1 to 2 years	994,618	1,041,867
2 to 3 years	668,042	427,564
3 to 4 years	188,993	55,581
4 to 5 years	7,548	5,599
	<u>4,843,250</u>	<u>4,264,794</u>

10 TRADE AND OTHER PAYABLES

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables		2,172,955	2,004,758
— billed trade payables	(a)	1,786,317	1,825,281
— accrued trade payables		386,638	179,477
Bills payable		48,878	81,097
		<u>2,221,833</u>	<u>2,085,855</u>
Trade and bills payable		2,221,833	2,085,855
— third parties		2,169,327	2,054,709
— related parties		52,506	31,146
Less: trade and bills payable due after one year		—	(1,369)
		<u>2,221,833</u>	<u>2,084,486</u>
Trade and bills payable (current)		2,221,833	2,084,486
Refundable deposits	(b)	571,011	589,032
Escrow funds held on behalf of customers		49,744	64,112
Cash collected on behalf of the owners' associations		427,150	320,383
Temporary receipts	(c)	461,561	470,053
Amounts due to related parties		37,404	102,326
Loan from a third party		25,522	23,027
Other payables		173,819	259,028
		<u>3,968,044</u>	<u>3,912,447</u>
Financial liabilities measured at amortised cost		3,968,044	3,912,447
Accrued payroll and other benefits		596,329	553,010
Other tax, charges payable and accruals		407,753	406,148
		<u>4,972,126</u>	<u>4,871,605</u>

- (a) Trade payables mainly represent payables arising from sub-contracting services including cleaning, landscaping, maintenance and security services provided by suppliers, and payable for the purchase of goods and car parking places.
- (b) Refundable deposits represent miscellaneous decoration deposits received from property owners during the decoration period.
- (c) Temporary receipts represent utility charges received from residents on behalf of utility companies.

As of the end of each reporting period, the ageing analysis of billed trade payables, based on invoice date is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 month	1,243,843	1,363,728
After 1 month but within 3 months	179,925	149,035
After 3 months but within one year	236,663	207,908
After one year	125,886	104,610
	<u>1,786,317</u>	<u>1,825,281</u>

11 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- (a) Subsequent to the end of the reporting period, the Directors proposed a final dividend and special dividend. Further details are disclosed in note 8(b).
- (b) On 23 December 2024, the Group entered into an Equity and Debt Transfer Agreement, pursuant to which the Group agreed to purchase 25% of the equity interest in Hangzhou Jiancheng Assets Management Company Limited* (杭州健成資產管理有限公司) (“**Hangzhou Jiancheng**”) and the shareholder loan for a consideration of RMB222,717,188 (of which the consideration of the shareholder loan is RMB175,388,750). On 2 January 2025, the acquisition was completed. Upon completion of the Acquisition, the Group held 45% equity interest in Hangzhou Jiancheng.

CHAIRMAN’S STATEMENT

Dear shareholders,

On behalf of the Board, I hereby present the report of annual results of the Company for the year 2024.

This year, thanks to the diligence, enthusiasm and ambition of all our employees, the Company’s performance has continued its excellence and quality as seen in the first half of the year. In line with its precise and effective strategic direction for development, the Company achieved a steady growth with resilience in terms of its core development, accumulating energy for the Company’s long-term vision and also strengthening the belief in the Company’s commitment to stable and compliant development.

Annual performance: stable quality improvement with resilience reflected in results

Only by striving for good services and quality products can we navigate through industry cycles. In 2024, facing the dual challenges of global economic recovery and in-depth industry adjustments, the Group has consistently adhered to its strategic outline of “high-quality development” to guide the Company to solve difficulties in all aspects. With its scale reaching a new level, the Group recorded an operating revenue of approximately RMB18.53 billion during the year, representing a steady progress despite the high base. The profit growth momentum was also strong, as evidenced by the profit attributable to equity shareholders of approximately RMB785 million, representing a year-on-year increase of 29.7%. Besides, the Group’s cash reserves were abundant, with cash and cash equivalents of approximately RMB4.85 billion, representing a year-on-year increase of 7.1% compared with that in 2023. The time deposits amounted to RMB1.12 billion, representing a year-on-year increase of 199.5%. Thus, the fundamental basis for increasing revenue and expanding profits is solid and reliable.

Market potential can only be unlocked by visionary insight and pragmatic execution. The managed gross floor area (“GFA”) of the Group reached 509 million square meters (“sq.m”), representing a double-digit growth compared with that in 2023, which was primarily concentrated in high-quality service spaces within first- and second-tier cities, demonstrating our robust capability to create a virtuous cycle from reserves to delivery and expansion, and establishing a secure margin for future development.

Development strategy: united efforts to stand firm in times of change

We refined management and improved efficiency to maximize effectiveness. The Company deepened internal management reform with a solid determination. In 2024, the Group reduced the management expense ratio by 0.5 percentage point through digital empowerment and precise operation with a “one model for one project” approach. Quality remained as our most valued principle, safeguarded by lean practices and efficiency. Our daily satisfaction remained consistently high, and the property owners of over a hundred projects supported price increases for high-quality services.

Technological empowerment, ecological symbiosis and innovation-driven growth define our strategy. The value of last-mile digitalization serves as the catalyst propelling us into the blue ocean of technology. Hangzhou has solidified its position as the most vibrant hub for technological innovation this year. As a service enterprise deeply rooted in this city, we are intimately attuned to its innovation-driven ethos and continuously harness technology to empower our operations. Through in-house research and development and ecosystem integration, we positioned technology services as one of the core infrastructures to drive competitive differentiation and overcome efficiency bottlenecks. In partnership with Ant Group, we launched the “Property Intelligence Agent” to deliver good services directly to property owners. Additionally, our collaboration with DingTalk included providing comprehensive logistics services for its headquarters and leveraging DingTalk’s advanced digital workspace solutions to transform the Group’s office ecosystem. Technologies like AI-powered glasses, floor-cleaning robots and customer service robots are already in pilot deployment. Concurrently, we are advancing brain-computer interface (BCI) solutions through rigorous development and testing. By integrating next-generation technologies, we are laying a robust foundation for service innovation.

Culture shapes the core and model drives breakthroughs, seeking momentum through integration. The construction of a better lifestyle is evolving from residential communities to urban districts. In 2024, Yuhu Park in Hangzhou gained widespread attention. During the first week of its opening, the new urban park attracted 150,000 visitors daily, and maintained a weekend flow of over 100,000 thereafter. Seizing this chance, we swiftly established a new paradigm for urban services by transitioning from the benchmark of “property+” comprehensive park operations to “park+”. This serves as a prime example of integrating the Company’s cultural professional services with its main property services business, leveraging cultural synergy to drive a breakthrough in development models. At our first conference in 2025, we designated business integration as a key initiative. The marketing team launched ten dedicated task forces to bring together large professional companies. The customer service team collaborated with operation team to ensure the effectiveness of implementation and execution, while the technology team served functional departments and business segments, comprehensively drove the continuous release of integration-driven momentum.

Mission of the times: a three-pronged approach, anchoring the future

Where the needs of the people lie, our services follow. Over the past year, the Group has pioneered and further deepened the “property + lifestyle” model, driving it toward greater practicality. Aligning with the national focus on “elderly and youth care”, our initiatives of “recreation”, “longevity” and “learning” have seamlessly integrated into the fabric of a fulfilling life, forming the cornerstone of an ideal community. The revenue from this sector accounted for 18.2% of the Group’s total operating revenue during the year.

Where urban renewal is needed, our expertise follows. Aligned with the urban development vision proposed by the Ministry of Housing and Urban-Rural Development of the PRC of “good houses, good neighborhoods, good communities and good urban districts”, the Group has focused on the “City Oases” integrated strategic layout. By actively engaging in urban renewal and pioneering practices, we have established exemplary projects such as Hangzhou Cuiyuan and Tianshui Street, well prepared for advancing the “Four Goods” urban development philosophy.

Where the consumption trends lead, our quality follows. In 2024, we witnessed a rise in consumption activity. Leveraging our service advantages of being “approachable, familiar and trustworthy”, we achieved continuous growth in operating revenue and profits from our community products and services. We have become a leading player in the community commerce sector. This was mainly because we faced the demand side, let services design life, optimized product quality, and learnt from outstanding retail peers like “Pangdonglai” to adopt better service and operational practices.

FUTURE OUTLOOK

The value of an enterprise lies not only in its ability to generate profits, but also in its capacity to become a “community of trust”, achieving more sustainable and long-lasting value creation. We believe that being approachable is natural, being familiar is our advantage, and becoming trustworthy is our goal. Trust is as precious as gold, forged only with craftsmanship; goodness and beauty radiate like light, guarded only with perseverance. Looking forward to 2025, we will focus on the main theme of “high-quality development”, enhance our services to improve “people’s livelihood warmth”, define the Company’s height with “innovative sharpness”, and expand industry horizon with “urban vitality”. We firmly believe that with our hearts set on the stars, we fear no obstacles; together with goodness and beauty, we shall traverse a magnificent journey.

Trust must never be betrayed. I would like to thank all of our shareholders again for their continuous support and trust. Let us embark on the new journey together and write a new chapter!

Yang Zhangfa
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a leading happy living service provider nationwide. The main business scope covers property services, community living services, consulting services and technology services. The Group always adheres to the concept of “Service Makes Life Better”, and the strategic goal of the Group is to become the most valuable happiness service provider in China. The Group adheres to the customer-oriented and quality-oriented service strategy, the development strategy on human-oriented technological synergy, the business strategy of improving the lean operational efficiency, and adheres to the original intention of service and service innovation. The Group will complete the same goal with employees, grow together with the property owners, and make progress with the society.

FINANCIAL REVIEW

For the year ended 31 December 2024, the Group achieved the following:

Revenue

Revenue was RMB18,527.8 million. Compared with that for the year of 2023, which was RMB17,393.3 million, the growth rate on Y/Y basis reached 6.5%.

The Group’s revenue comes from four major businesses: (i) property services; (ii) community living services; (iii) consulting services; and (iv) technology services. During the year, (i) revenue from property services reached RMB12,401.3 million, accounting for 66.9% of the Group’s overall revenue. Compared with RMB11,101.5 million for the year of 2023, there was a Y/Y growth of 11.7%; (ii) revenue from community living services reached RMB3,373.2 million, accounting for 18.2% of the Group’s overall revenue, representing a Y/Y decrease of 5.5% from RMB3,568.6 million for the year of 2023; (iii) revenue from consulting services amounted to RMB2,412.0 million, accounting for 13.0% of the Group’s overall revenue. There was a Y/Y growth of 5.1% compared with RMB2,295.3 million for the year of 2023; and (iv) revenue from technology services amounted to RMB341.2 million, accounting for 1.9% of the Group’s overall revenue, representing a Y/Y decrease of 20.3% from RMB428.0 million for the year of 2023.

	2024		2023		Y/Y%
	RMB'000	% of the total revenue	RMB'000	% of the total revenue	
Property services					
Property services	<u>12,401,312</u>	<u>66.9%</u>	<u>11,101,501</u>	<u>63.8%</u>	<u>11.7%</u>
	<u>12,401,312</u>	<u>66.9%</u>	<u>11,101,501</u>	<u>63.8%</u>	<u>11.7%</u>
Community living services					
Community products & services	1,310,311	7.1%	1,272,004	7.3%	3.0%
Home living services	395,672	2.1%	547,453	3.1%	-27.7%
Community space services	292,734	1.6%	280,635	1.6%	4.3%
Property asset management services	635,279	3.4%	777,642	4.5%	-18.3%
Cultural & education services	739,237	4.0%	690,827	4.0%	7.0%
	<u>3,373,233</u>	<u>18.2%</u>	<u>3,568,561</u>	<u>20.5%</u>	<u>-5.5%</u>
Consulting services					
Property under construction services	2,115,033	11.4%	2,020,899	11.6%	4.7%
Management consulting services	296,997	1.6%	274,357	1.6%	8.3%
	<u>2,412,030</u>	<u>13.0%</u>	<u>2,295,256</u>	<u>13.2%</u>	<u>5.1%</u>
Technology services					
Technology services	<u>341,185</u>	<u>1.9%</u>	<u>427,954</u>	<u>2.5%</u>	<u>-20.3%</u>
	<u>341,185</u>	<u>1.9%</u>	<u>427,954</u>	<u>2.5%</u>	<u>-20.3%</u>
	<u>18,527,760</u>	<u>100.0%</u>	<u>17,393,272</u>	<u>100.0%</u>	<u>6.5%</u>

Cost of sales

During the year, the cost of sales was RMB15,331.1 million, representing an increase of 5.9% compared with RMB14,479.9 million for the year of 2023, which was slightly lower than revenue growth.

Gross profit margin

Gross profit reached RMB3,196.7 million, representing a growth of 9.7% compared with RMB2,913.4 million for the year of 2023. Gross profit margin was 17.3%, increased by 0.5 percentage point compared with 16.8% for the year of 2023, which was mainly due to the fact that the Group continued to strengthen the cost control through a series of measures to improve quality and efficiency.

- Gross profit margin for property services was 13.7%, which increased by 0.7 percentage point compared with 13.0% for the year of 2023;
- Gross profit margin for community living services was 22.6%, which increased by 1.1 percentage points compared with 21.5% for the year of 2023;
- Gross profit margin for consulting services was 24.9%, which increased by 1.5 percentage points compared with 23.4% for the year of 2023; and
- Gross profit margin for technology services was 39.3%, which increased by 0.6 percentage point compared with 38.7% for the year of 2023.

Selling and marketing expenses

Selling and marketing expenses were RMB352.9 million, representing an increase of 3.0% compared with RMB342.6 million for the year of 2023. Selling expense ratio was 1.9%, representing a decrease of 0.1 percentage point compared with 2.0% for the year of 2023.

Administrative expenses

Administrative expenses were RMB1,256.3 million, representing a decrease of 1.5% compared with RMB1,274.8 million for the year of 2023. The management expense ratio was 6.8%, representing a decrease of 0.5 percentage point compared with 7.3% for the year of 2023. This was mainly because the Group continued to strengthen the streamlining of organization and the management and control of administrative logistics costs, and administrative expenses were effectively controlled.

Core operation profit

Core operating profit was RMB1,587.5 million, representing an increase of 22.5% compared with RMB1,296.0 million for the year of 2023, which was mainly because the Group has strengthened the revenue quality management and adopted effective cost control measures that have brought about continuous improvement in the profitability of the principal operating business.

Expected credit losses on financial instruments

During the year, the expected credit losses on financial instruments increased by 19.3% to RMB240.6 million from RMB201.7 million for the year of 2023, primarily because of the synchronous increase in impairment provisions caused by the increase in the balance of trade receivables.

Other operating expenses

Other operating expenses were RMB234.4 million, representing an increase of 39.3% compared with RMB168.2 million for the year of 2023, primarily due to the increase in impairment provisions for some assets such as long-term equity investments made by the Group pursuant to the market environment after taking into account prudent considerations.

Net finance (income)/costs

The net finance income during the year was RMB4.4 million, which increased by RMB6.5 million compared with the net finance costs of RMB2.1 million for the year of 2023, which was mainly due to the increase in interest income. The interest income was mainly composed of the time deposits and demand deposits. During the year, in order to improve the return on capital, the Group purchased a large number of time deposits, resulting in a significant increase in interest income.

	2024	2023	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>Y/Y%</i>
Interest income on financial assets measured at amortised cost	(84,555)	(76,263)	10.9%
Interest expense on bank loans	30,837	22,559	36.7%
Interest expense on lease liabilities	66,596	74,576	-10.7%
Less: interest expense capitalised into assets under construction	(17,276)	(18,796)	-8.1%
Net finance (income)/costs	<u>(4,398)</u>	<u>2,076</u>	<u>-311.8%</u>

Share of profits/losses of associates and joint ventures

During the year, share of losses of associates amounted to RMB11.0 million, representing a decrease of RMB156.2 million compared with the profits of RMB145.2 million for the year of 2023, which was mainly due to the profits of an associate of the Group in 2023, while there was no such effect during the year.

During the year, share of losses of joint ventures amounted to RMB0.7 million, representing an increase of RMB0.6 million compared with the losses of RMB0.1 million for the year of 2023, which was mainly due to the increase in losses of certain joint ventures.

Profit before taxation

During the year, profit before taxation reached RMB1,188.2 million, which increased by 22.2% from RMB972.2 million for the year of 2023. It was mainly due to the increase in profit brought by the expansion of the Group's operation scale and the improvement of operation and management efficiency.

Income Tax

The income tax for the year was RMB320.8 million, which increased by 25.3% from RMB256.1 million for the year of 2023. The effective income tax rate was 27.0%, which was in line with 26.3% for the year of 2023. For the applicable tax rate of income tax, please refer to Note 6 to the consolidated financial statements on pages 24 to 26 of this announcement.

Profit for the year

Profit for the year was RMB867.4 million, representing an increase of 21.1% compared with RMB716.1 million for the year of 2023.

The profit attributable to equity shareholders of the Company for the year was RMB785.1 million, representing an increase of 29.7% as compared with RMB605.4 million for the year of 2023. It was mainly due to the increase in profit brought by the expansion of the Group's operation scale and the improvement of operation and management efficiency.

Net profit margin for the year was 4.7%, representing an increase of 0.6 percentage point compared with 4.1% for the year of 2023.

Liquidity, reserves and capital structure

The Group maintained good financial condition during the year. The current assets as at 31 December 2024 amounted to RMB12,649.3 million, which increased by 4.4% compared with RMB12,111.7 million as at 31 December 2023. The Group's cash and cash equivalents amounted to RMB4,853.9 million as at 31 December 2024, which increased by 7.1% Y/Y compared with RMB4,530.8 million as at 31 December 2023. During the year, in order to improve the return on capital, time deposits amounted to RMB1,118.2 million, representing an increase of 199.5% compared with RMB373.4 million as at 31 December 2023.

Net cash generated from operating activities amounted to RMB1,474.7 million during the year, which increased by 2.7% Y/Y from RMB1,436.1 million for the year of 2023. Net cash used in investing activities amounted to RMB503.3 million, which increased by 33.3% compared with RMB377.5 million in 2023. Net cash used in financing activities was RMB651.4 million, down by RMB65.8 million from RMB717.2 million in 2023. It was mainly due to a decrease in cash used in the repurchase of shares during the year.

As at 31 December 2024, long-term loans amounted to RMB23.9 million, which were mainly borrowed by certain domestic non-wholly-owned subsidiaries of the Group from the banks for the day-to-day operational needs. The loan interest rate ranging from 4.35% to 5.20%. As at 31 December 2024, such subsidiaries did not breach the financing covenants.

As at 31 December 2024, the short-term loans amounted to RMB41.1 million, which were mainly borrowed by certain domestic subsidiaries of the Group from the banks for the day-to-day operational needs. The loan interest rate ranging from 0% to 3.80% (31 December 2023: 4.18% to 7.53%). As at 31 December 2024, such subsidiaries did not breach the financing covenants.

As at 31 December 2024, bank loans of approximately RMB64.9 million (31 December 2023: RMB72.2 million) were at fixed interest rates, the remaining balances were at floating interest rates.

As at 31 December 2024, the debt ratio (total liabilities divided by total assets) of the Group was 51.7%, representing a decrease of 2.8 percentage points compared with 54.5% as at 31 December 2023.

Investment properties, property, plant and equipment and right-of-use assets

As at 31 December 2024, investment properties, property, plant and equipment and right-of-use assets amounted to RMB1,230.0 million, which decreased by 47.4% from RMB2,339.6 million as at 31 December 2023, it was mainly because MAG was no longer a subsidiary of the Group and its statement of financial position was no longer integrated into the consolidated financial statements of the Group after the disposal of part of our equity interests in MAG during the year.

Intangible assets

As at 31 December 2024, intangible assets amounted to RMB380.9 million, representing a decrease of 35.7% compared with RMB592.3 million as at 31 December 2023, which was mainly because MAG was no longer a subsidiary of the Group and its statement of financial position was no longer integrated into the consolidated financial statements of the Group after the disposal of part of our equity interests in MAG during the year.

Trade and other receivables

As at 31 December 2024, trade and other receivables amounted to RMB5,576.6 million, representing an increase of 9.1% from RMB5,113.9 million as at 31 December 2023, which was mainly due to the increase in receivable balances brought by the growth in business scale. During the year, we also strengthened the assessment, management and control of repayment and further accelerated the rate of repayment.

Trade and other payables

As at 31 December 2024, trade and other payables amounted to RMB4,972.1 million, representing an increase of 2.0% from RMB4,873.0 million as at 31 December 2023, which was mainly due to the expansion of procurement volume resulting from the growth of business scale.

Lease liabilities

As at 31 December 2024, lease liabilities due within one year, which were included in current liabilities, were RMB159.8 million, representing a decrease of 44.5% from RMB287.8 million as at 31 December 2023. The lease liabilities due after one year, which were included in long-term lease liabilities, were RMB553.2 million, representing a decrease of 51.0% compared with RMB1,130.0 million as at 31 December 2023, which was mainly because MAG was no longer a subsidiary of the Group and its statement of financial position was no longer integrated into the consolidated financial statements of the Group after the disposal of part of our equity interests in MAG during the year.

Property services — accounting for 66.9% of total revenue and 53.2% of total gross profit

Property services remain the Group's largest revenue and margin source. The Group has been mainly adopting the overall rationing system for service charging. Based on our management experience and cost control capability over the past 20 years, property services provide us with stable revenue and profit, as well as good reputation, and is the cornerstone of the Group's implementation of its living services strategy. We will continue to strengthen our core fundamental services of "Security", "Maintenance", "Environmental" and "Greening", while effectively integrating the service contents of the Group's various product lines and empowering them with technology to drive the orderly and steady growth of this business segment. During the year:

- Revenue reached RMB12,401.3 million, representing an increase of 11.7% compared with RMB11,101.5 million for the year of 2023, which was mainly due to the revenue growth brought by the steady growth of the managed GFA.
- Gross profit reached RMB1,701.6 million, representing an increase of 17.8% from RMB1,444.7 million for the year of 2023.
- The managed GFA reached 509.0 million sq.m, representing an increase of 13.5% or net increase of 60.6 million sq.m compared with 448.4 million sq.m in 2023. During the year, we continued to strengthen the expansion of the existing market through the strategy of city focus, customer focus and service format focus and steady improvement of the managed GFA.
- Reserved GFA, as a major source of the future managed GFA, reached 357.2 million sq.m during the year, representing a decrease of 3.9% compared with 371.6 million sq.m in 2023, or a net decrease of 14.4 million sq.m, mainly affected by the domestic real estate market environment, we prudently carried out the expansion of incremental markets, focused on the expansion of high-quality existing markets. Meanwhile, we proactively withdrew from some non-core cities and reserve projects with delivery risks, in order to minimize the possible delivery risks of the subsequent projects. Nevertheless, our reserved GFA was still very abundant and will continue to provide a solid foundation for the Group's future growth.
- Managed projects reached 3,554, covering 202 cities in 31 provinces, municipalities and autonomous regions in China.

— Regional distribution: as at 31 December 2024, our managed GFA and revenue by region were distributed as follows:

	2024		2023	
	% of managed GFA	% of total revenue	% of managed GFA	% of total revenue
Hangzhou	16.6	36.1	16.4	35.9
Ningbo	7.0	5.7	7.1	5.8
Yangtze River Delta Region (exclude Hangzhou and Ningbo)	35.0	27.5	35.0	27.5
Bohai Economic Rim Region	15.6	11.8	15.4	11.6
Pearl River Delta Region	9.2	5.8	9.1	5.9
Others	16.6	13.1	17.0	13.3
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Community living services — accounting for 18.2% of total revenue and 23.8% of total gross profit

Community living services offer systematic product and service solutions for all life service scenes of property owners throughout the life cycle of real estate. They are an extension of property services and an important area for us to build an ideal community that integrates “recreation”, “learning”, “joy” and “longevity” (collectively referred to as “**Four Happiness**”).

During the year, the revenue from community living services was RMB3,373.2 million, representing a decrease of 5.5% compared with RMB3,568.6 million in 2023. Among them:

- (1) Community products and services (accounting for 38.9% of the revenue from community living services): in 2024, the revenue reached RMB1,310.3 million, representing an increase of 3.0% Y/Y compared with RMB1,272.0 million in 2023.
- (2) Home living services (accounting for 11.7% of the revenue from community living services): in 2024, the revenue reached RMB395.7 million, representing a decrease of 27.7% Y/Y compared with RMB547.5 million in 2023.
- (3) Community space services (accounting for 8.7% of the revenue from community living services): in 2024, the revenue reached RMB292.7 million, representing an increase of 4.3% Y/Y compared with RMB280.6 million in 2023.

- (4) Property asset management services (accounting for 18.8% of the revenue from community living services): in 2024, the revenue reached RMB635.3 million, representing a decrease of 18.3% Y/Y compared with RMB777.6 million in 2023.
- (5) Cultural and education services (accounting for 21.9% of the revenue from the community living services): in 2024, the revenue reached RMB739.2 million, representing an increase of 7.0% Y/Y compared with RMB690.8 million in 2023.

	2024			2023		
	Revenue RMB'000	% of total revenue	Y/Y %	Revenue RMB'000	% of total revenue	
Community products and services	1,310,311	38.9	3.0	1,272,004	35.6	
Home living services	395,672	11.7	-27.7	547,453	15.3	
Community space services	292,734	8.7	4.3	280,635	7.9	
Property asset management services	635,279	18.8	-18.3	777,642	21.8	
Cultural and education services	739,237	21.9	7.0	690,827	19.4	
Total	<u>3,373,233</u>	<u>100.0</u>	<u>-5.5</u>	<u>3,568,561</u>	<u>100.0</u>	

In light of the living needs of property owners, the Group continued to establish a living service platform with the integration of five ecosystems, including community retail, home living services, space services, asset operation and culture and education. During the year, we continued to optimize our service mix, focus on core ecosystems and enhance operational capacity based on strategic planning and actual conditions, of which:

— *Community products and services*

During the year, the Group relied on the support of the “Accessibility + Relationship” community retail system, centering on the demand of basic living products, effectively made use of small programs, community pre-warehouse and community market and other carriers to stimulate the vitality of the community direct selling system, and provided complete logistics service solutions according to different customer needs covering high-quality scenes. During the year, we optimized the product structure, streamlined product SKU, focused on the creation of millions and tens of millions of explosive products, continued to build product core capabilities, and further improved product competitiveness and premium ability. At the same time, we strengthened the collaborative development with the property services, focused on core service scenarios, achieved business diversification and sustainable development goals through continuous innovation and resource integration, and continued to provide customers with high-quality products and services.

— *Home living services*

The Group makes use of the “Four Seasons Living” home service platform, to facilitate the integration of existing home living service products, proprietary + business cooperation mode to build household service system, and fixed-point teaching to achieve business, system and operation training to ensure due provision of the services landing. During the year, considering that the long-term development of the housing service business of the Group, the shareholders unanimously agreed to adjust its internal operation and management structure of Zhejiang Greentown Housing Service System Co., Ltd.* (浙江綠城房屋服務系統有限公司), which was adjusted to a joint venture of the Group and the revenue of this segment decreased significantly as a result of this adjustment. In terms of “property services + home-based elderly care services”, the Group continued to promote the improvement of service operation capabilities, and initially formed three service modes, “Chun Yue Hui”* (椿悦薈) as the representative of the institutional elderly care operation, “Tao Ran Li”* (陶然里) as the representative of the health care community operation and “Chun Tian Li”* (椿天里) as the representative of home-based elderly care operation.

— *Property asset management services*

Based on the service value chain and the property owners’ asset management service needs as the starting point, the Group deeply cultivated the community covered by property services, built a community asset management service system, and took replacement services, marketing services and asset management (such as parking space business) as the main service products. During the year, the revenue of this segment decreased compared with that of the year of 2023 due to the environmental impact of the real estate industry and the termination of some special services, such as the accommodation services for the Athletes’ Village of The 19th Asian Games in Hangzhou. Next, we will continue to implement the multi-model expansion strategy, such as shared butlers and pipeline distribution, focus on advantageous projects, and continue to strengthen refine management. At the same time, relying on the brand influence and property service advantages of the Group, we will build a high-end brokerage brand, deepen the high-end residential market segments, and gradually promote the transformation of property asset management services through the broker partnership mechanism, parking agency sales and operation, and commercial agency operation mode, further shift to the direction of asset-light operation, reduce fixed cost and improve business quality.

— *Cultural and education services*

The Group continued to implement the multi-brand strategy in terms of childcare services through our three brand systems: “Wonderful Garden Daycare Center + Lezhen Daycare Center + Montessori Academy Daycare Center”* (綠城奇妙園 + 普惠托育園 + 澳蒙國際園), and through in-depth exploration of the educational service needs of the community under management, we further optimized the service content and curriculum system, improved the operation efficiency of the single garden, and continuously enhanced the core competitiveness of the Group’s cultural and educational services. During the year, considering the domestic policy and market environment of childhood education, the Group’s original goal of supporting the domestic large-scale development of childhood education related businesses through MAG’s education system and business model in Australia may not be realized within a short period of time. Therefore, based on the overall layout of the Group’s business development and the interests of the Company’s shareholders (the “**Shareholders**”) as a whole, we disposed of 2,328,592 shares in MAG (the “**Disposal**”). Immediately following completion of the Disposal, the Group held an equity interest of approximately 35% of the issued share capital of MAG and MAG ceased to be a subsidiary of the Group. For details, please refer to the announcements of the Company dated 8 November 2024, 16 December 2024 and 9 January 2025, respectively. Nevertheless, the Disposal does not affect the business cooperation between the Group and MAG. At present, we have continued to cooperate with MAG in the domestic cultural and education business through the licensing model.

Consulting services — accounting for 13.0% of total revenue and 18.8% of total gross profit

We continued to focus on the full life cycle of real estate, continuously improved the growth of consulting services and strengthened core competitive advantages of our consulting services through methods such as the integration of quality resources, construction of a standardized system and business innovation. During the year:

- Revenue reached RMB2,412.0 million, representing an increase of 5.1% compared with RMB2,295.3 million in 2023.

	2024		Y/Y %	2023	
	Revenue RMB’000	% of total revenue		Revenue RMB’000	% of total revenue
Project under construction services	2,115,033	87.7	4.7	2,020,899	88.0
Management consulting services	296,997	12.3	8.3	274,357	12.0
Total	<u>2,412,030</u>	<u>100.0</u>	<u>5.1</u>	<u>2,295,256</u>	<u>100.0</u>

— Our gross profit increased by 11.9% to RMB600.1 million from RMB536.3 million in 2023.

— *Property Under Construction Services*

Our revenue reached RMB2,115.0 million, representing an increase of 4.7% compared with RMB2,020.9 million in 2023. During the year, through integrating different service system resources within the Group, enriching the content of service and product, gradually expanding service scenarios, and combining them with customer service needs, we combined property under construction services with the single special business (such as exhibition hall explanation services, exhibition services and conference services, etc.), further broadened the scope of service targets, and continuously improved the comprehensive service ability and competitiveness, which promoted the steady growth of the property under construction services.

— *Management Consulting Services*

Our revenue reached RMB297.0 million, representing an increase of 8.3% compared with RMB274.4 million in 2023. It is mainly due to the continuous improvement of the marketization ability and core competitiveness of management consulting services. During the year, we continued to implement the strategy of deep cultivation in urban areas, accurately positioned and matched the service needs of the customers, continuously enhanced the competitiveness of management consulting services with the project expansion of the property services, and continued to create value for customers through a diversified product system. In the future, we will strengthen the capacity building of product design, value dissemination, operation management and customer breakthrough with market demand, promote the transformation and upgrading of services and products, build the management consulting services of the Group into a professional integration benchmark in the industry, build a sustainable development ecology and promote the realization of customer value.

Technology services — 1.9% of total revenue and 4.2% of total gross profit

Technology services are an important infrastructure to build the product differentiated system of the Group, break the bottleneck of efficiency, and help the Group achieve the strategic goal of being the most valuable and happy living service provider in China. Centering on the digitalization of services, we have built global platform products and intelligent property products for government's digital governance, futuristic communities and property enterprises. From the preliminary planning and design, smart hardware construction to the development and operation of digital system, technology services provide customers with intelligent, inclusive and affordable integrated solutions, and help customers in digital transformation. During the year:

- Revenue reached RMB341.2 million, representing a decrease of 20.3% compared with RMB428.0 million in 2023.
- Gross profit reached RMB134.0 million, representing a decrease of 19.1% compared with RMB165.7 million in 2023.

As mainly affected by the environment of the domestic market and the real estate industry, some of our contracted businesses have been delayed due to the requirement of the client and other reasons. During the year, we focused on core cities, and also taken the initiative to adjust the product structure according to the market demand, and upgrade product content to further improve service quality. In the future, we will continue to improve the standardization of core products, enhance product replication capabilities, optimize customer structure and other ways to drive business development.

Technology services mainly focus on the virtualization of space and the digitalization of services to provide customers with digital product and service solutions. During the year, two business systems including software services and hardware engineering services have been established. Among them, the core products of software services are: (1) Shanshu intelligent property* (善數智慧物業): which reshapes the product ecosystem matrix with digital system, and with the intelligent system operated by the Group over the years, it provides systematic solutions based on the demands of property service enterprises related to business operation management and intelligent needs; (2) Shanshu intelligent community* (善數智慧社區): which is based on the foundation of “platform + butler + governance” system to provide government customers with digital tools for urban basic unit governance and services, and support the digital renewal and development of urban and rural areas; and (3) Smart community* (智慧園區): which is a digital service product integrating investment management, space asset management, enterprise services, industrial collaboration and intelligent Internet of Things connection, aiming to build a digital management center for industrial community and improve community management efficiency and service level. The hardware engineering services take building science and technology as the core and provide customers with Building Information Modeling (BIM) design consulting, intelligent design, community renewal and improvement and other building technology life cycle services and comprehensive solutions in multiple segments, such as intelligent buildings and smart cities.

FOREIGN EXCHANGE RISKS

The Group conducts substantially all of its businesses in China, with most of the transactions conducted in Renminbi. Therefore, the Group is exposed to limited foreign currency exchange rate risk. During the year, the Group has not employed any financial instruments for hedging purposes or engaged in any forward foreign exchange contracts for foreign exchange risk hedging purposes. The Group will continue to closely monitor its exposure to exchange rate and interest rate risks and actively explore foreign exchange hedging options with major banks, and may employ derivative financial instruments to hedge against risks when necessary.

TREASURY POLICY

To manage liquidity risk, the Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements from time to time.

EMPLOYEES AND REMUNERATION POLICIES

The Group has established its human resources policies and systems to provide a wide range of training and personal development programmes to its employees. The remuneration package offered to the staff is in line with the duties and the prevailing market terms. Discretionary bonuses based on individual performance will be paid to employees and options will be granted as recognition of and reward for their contributions. Staff benefits, including pension, medical coverage, and provident funds are also provided to employees of the Group.

As at 31 December 2024, the Group had 48,423 employees, representing an increase of 5.2% compared with that of the year of 2023. The total staff costs were RMB6,150.5 million, representing an increase of 5.7% compared with RMB5,816.9 million in 2023, which was mainly due to the increase in staff costs brought by the delivery of new projects of the Group and the rigid increase in manpower costs.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 16 June 2023 (the “**2023 Share Option Scheme**”). For details, please refer to the circular of the Company dated 26 April 2023.

On 26 June 2024, the Company granted an aggregate of 71,242,600 share options to subscribe for shares of the Company to certain Directors, senior management of the Company and employees of the Group, subject to acceptance of the grantees, under the 2023 Share Option Scheme. For details, please refer to the announcement of the Company dated 26 June 2024.

PLEGGED ASSETS OF THE GROUP

As at 31 December 2024, a subsidiary of the Group had borrowed RMB9.1 million from a bank for the purchase of the office building, and has secured it by the purchased property (the carrying amount was RMB10.8 million) as collateral.

Save as disclosed above, during the year, there was no pledged asset of the Group.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments during the year.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year, the Group disposed of a total of 2,328,592 shares in MAG for an aggregate consideration of AUD31.2 million. Immediately following completion of the Disposal, the Group held an equity interest of approximately 35% of the total issued share capital of MAG and MAG ceased to be a subsidiary of the Group. For details, please refer to the announcements of the Company dated 8 November 2024, 16 December 2024 and 9 January 2025, respectively.

Save as disclosed above, the Group did not have other material acquisitions or disposals of subsidiaries, associates or joint ventures during the year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2024, the Group did not have any future plans for material investments and capital assets.

CONTINGENT LIABILITIES

Save as disclosed in this announcement, the Group did not have any other significant contingent liabilities as at 31 December 2024.

SUBSEQUENT EVENTS

Reference is made to the announcement of the Company dated 24 February 2025, in relation to, among other things, the changes of the Directors and chief financial officer of the Company (the “**Chief Financial Officer**”), including:

- (1) Mr. Chen Hao (陳浩) has resigned as an executive Director due to his desire to devote more time to his personal matters with effect from 24 February 2025;
- (2) Mr. Liu Xingwei (劉興偉) has resigned as a non-executive Director due to work adjustment, and Mr. Song Hailin (宋海林) (“**Mr. Song**”) has been appointed as a non-executive Director, both with effect from 24 February 2025. The Company has entered into an appointment letter (the “**Appointment Letter**”) with Mr. Song in relation to his appointment as a non-executive Director for a term of three years commencing on 24 February 2025 and subject to automatic renewal upon expiry, unless otherwise agreed in accordance with the Appointment Letter. Mr. Song will be subject to retirement and re-election at the annual general meeting of the Company (the “**AGM**”) to be held on 20 June 2025; and
- (3) Mr. Xia Yun (夏雲) has resigned as the Chief Financial Officer due to his desire to devote more time to his personal matters, and Mr. Zhang Lingbo (張玲波) has been appointed as the Chief Financial Officer, both with effect from 24 February 2025.

Save as disclosed in this announcement, there was no other important event which might affect the Group after 31 December 2024 and up to the date of this announcement.

DIVIDEND DISTRIBUTION

At the Board meeting held on 21 March 2025, the Board recommended the payment of a final dividend for 2024 of HK\$0.13 per share and special dividend of HK\$0.07 per share (2023: a final dividend of HK\$0.150 per share), subject to approval by the Shareholders at the AGM to be held on 20 June 2025.

The final dividend and special dividend will be paid on or before 9 July 2025.

ANNUAL GENERAL MEETING

The AGM will be held by the Company on 20 June 2025 and a notice convening the AGM will be published and/or sent to the Shareholders in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) in due course.

CLOSURE OF REGISTER OF MEMBERS

- (a) For the purpose of determining the qualification of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 17 June 2025 to 20 June 2025, both days inclusive. In order to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates are required to be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 16 June 2025.
- (b) For the purpose of determining the entitlement to the proposed final dividend and special dividend (subject to the approval of the Shareholders at the AGM), the register of members of the Company will be closed from 26 June 2025 to 27 June 2025, both days inclusive. In order to qualify for the entitlement to the proposed final dividend and special dividend, unregistered holders of shares of the Company are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 25 June 2025.

CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the year ended 31 December 2024, the Company was in compliance with all applicable code provisions set out in the Corporate Governance Code, and has adopted most of the recommended best practices set out in the Corporate Governance Code.

CHANGE OF DIRECTORS' AND SENIOR MANAGEMENT'S INFORMATION

Mr. Jia Shenghua (賈生華), an independent non-executive Director, has resigned as an independent director of Nandu Property Services Group Co., Ltd.* (南都物業服務集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603506) in December 2024 and retired from Zhejiang University* (浙江大學) in January 2025.

Save as disclosed above, the Directors confirmed that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company has established the audit committee (the “**Audit Committee**”). The Audit Committee currently consists of four members, namely Mr. Poon Chiu Kwok (Chairman), who acts as a professional accountant with related financial expertise, Mr. Wong Ka Yi, Mr. Li Feng and Mr. Jia Shenghua, and all of them are independent non-executive Directors. The primary duties of the Audit Committee are to review and supervise the Company’s financial reporting process, risk management and internal controls and to perform other duties and responsibilities as assigned by the Board.

The consolidated financial statements of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee.

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated cash flow statement and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been compared by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other 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 the auditor.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to all Directors and each of the Directors has confirmed that he/she has complied with the provisions set out in the Model Code throughout the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 31 December 2024, the Company has repurchased a total of 27,250,000 shares on the Stock Exchange with an aggregate amount of HK\$79,012,131.01, and 24,390,000 shares of which were cancelled on 27 May 2024.

Details of the shares repurchased during the year ended 31 December 2024 are set out as follows:

Month of repurchase	No. of shares repurchased by the Company	Price per share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
January 2024	24,390,000	2.94	2.62	68,346,255.20
December 2024	2,860,000	3.81	3.62	10,665,875.81

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any). As at 31 December 2024, the Company did not hold any treasury shares.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lvchengfuwu.com). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be sent to the Shareholders and published on the above websites in due course.

By Order of the Board
Greentown Service Group Co. Ltd.
Yang Zhangfa
Chairman

21 March 2025

As at the date of this announcement, the executive Directors are Mr. Yang Zhangfa (Chairman) and Ms. Jin Keli; the non-executive Directors are Mr. Shou Bainian, Ms. Xia Yibo, Ms. Li Hairong and Mr. Song Hailin; and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Wong Ka Yi, Mr. Li Feng and Mr. Jia Shenghua.

* *For identification purposes only*