JINKE 金科服务
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Jinke Smart Services Group Co., Ltd.
金科智慧服務集團股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 9666)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

2024 RESULTS HIGHLIGHTS

- In 2024, total revenue of the Group was approximately RMB4,585.4 million, representing a decrease of approximately 7.9% from approximately RMB4,979.7 million in 2023. During the Year, revenue generated from residential property services, enterprise services and other services contributed approximately 72.9%, 21.9% and 5.2% to the total revenue, respectively.

- Revenue generated from residential property services of the Group amounted to approximately RMB3,343.0 million, representing a slight decrease from approximately RMB3,458.0 million in 2023. In particular, revenue generated from property management services of core business slightly decreased to RMB3,073.6 million, representing a decrease of approximately 0.7% from approximately RMB3,096.3 million in 2023. The GFA under management of the Group slightly decreased by approximately 2.1% from 211.7 million sq.m. as at 31 December 2023 to 207.4 million sq.m. as at 31 December 2024, of which 43.8% belonged to properties developed by Independent Third Parties. As at 31 December 2024, the Group's contracted GFA reached approximately 226.9 million sq.m., approximately 47.2% of which was attributable to properties developed by Independent Third Parties.

- Revenue generated from enterprise services of the Group amounted to approximately RMB1,002.7 million, representing a decrease of approximately 12.6% from approximately RMB1,146.7 million in 2023.

- The Group's gross profit for the Year amounted to approximately RMB660.0 million, representing a decrease of approximately 28.9% from RMB928.2 million in 2023. The Group's comprehensive gross profit margin for the Year was 14.4%.

- The Group's loss for the Year amounted to approximately RMB551.0 million, and loss attributable to owners of the Company for the Year amounted to approximately RMB587.3 million.

- As at 31 December 2024, the Group had cash and cash equivalents, term deposits, restricted cash and current financial assets at fair value through profit or loss in aggregate of approximately RMB3,126.6 million. The net operating cash inflow for the Year was approximately RMB244.6 million.

- According to the Articles of Association, as the Group recorded loss for the Year, the Board cannot declare any final dividend for the year ended 31 December 2024. However, the Group will regroup and regather its strength immediately, cover the loss for the previous years and maintain steady cash dividends in the future. The Group has not yet used the provident fund to make up for losses in accordance with the Company Law of the PRC which came into effect on 1 July 2024, mainly due to the lack of financial and tax implementation rules and the lack of market precedent.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Jinke Smart Services Group Co., Ltd. (the "**Company**") announce the consolidated annual results of the Company and its subsidiaries (the "**Group**" or "**we**") for the year ended 31 December 2024 (the "**Year**"), together with comparative figures for the year ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*4*	**4,585,435**	4,979,741
Cost of sales	*5*	**(3,925,421)**	(4,051,564)
Gross profit		**660,014**	928,177
Selling and marketing expenses	*5*	**(29,540)**	(2,150)
Administrative expenses	*5*	**(614,224)**	(602,763)
Net impairment losses on financial assets		**(556,556)**	(1,470,565)
Other income	*6*	**55,852**	149,703
Other losses – net	*7*	**(64,748)**	(166,354)
Operating loss		**(549,202)**	(1,163,952)
Finance income		**27,249**	46,455
Finance cost		**(8,982)**	(13,981)
Finance income – net		**18,267**	32,474
Share of net profits of associates and joint ventures accounted for using the equity method		**20,113**	11,933
Impairment loss on investment in an associate		**(35,976)**	–
Loss before income tax		**(546,798)**	(1,119,545)
Income tax (expenses)/credit	*8*	**(4,178)**	137,884
Loss and total comprehensive income for the year		**(550,976)**	(981,661)
Loss and total comprehensive income attributable to:			
– Owners of the Company		**(587,302)**	(951,038)
– Non-controlling interests		**36,326**	(30,623)
		(550,976)	(981,661)
Losses per share (expressed in RMB per share)			
– Basic and diluted losses per share	*9*	**(0.98)**	(1.49)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		As at 31 December	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Assets			
Non-current assets			
Property, plant and equipment		**144,319**	162,297
Right-of-use assets		**220,876**	256,916
Investment properties		**13,297**	18,859
Goodwill	*14*	**268,257**	324,681
Other intangible assets	*14*	**222,083**	289,297
Investments in associates and joint ventures		**178,948**	187,594
Other receivables	*10*	**76,444**	80,271
Prepayments for acquisition of equity interests	*10*	**6,825**	14,219
Term deposits		**296,873**	120,000
Financial assets at fair value through profit or loss ("FVPL")		**45,844**	45,317
Deferred income tax assets		**564,422**	490,941
		2,038,188	1,990,392
Current assets			
Inventories		**26,880**	28,452
Other assets		**13,361**	11,673
Loan receivables	*11*	**308,505**	372,200
Trade and bill and other receivables and prepayments	*10*	**1,498,675**	2,093,827
Financial assets at FVPL		**97,233**	3,000
Restricted cash		**227,589**	152,238
Term deposits		**98,828**	100,000
Cash and cash equivalents	*12*	**2,406,107**	2,905,545
		4,677,178	5,666,935
Total assets		**6,715,366**	7,657,327

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
Equity			
Equity attributable to owners of the Company			
Share capital		**597,089**	639,479
Other reserves		**5,332,503**	5,428,993
Accumulated losses		**(2,577,840)**	(1,990,538)
		3,351,752	4,077,934
Non-controlling interests		**30,175**	19,313
Total equity		**3,381,927**	4,097,247
Liabilities			
Non-current liabilities			
Lease liabilities		**115,575**	97,417
Financial instruments issued to investors		**–**	44,989
Deferred income tax liabilities		**31,876**	44,871
		147,451	187,277
Current liabilities			
Financial liabilities at fair value through profit or loss		**32,878**	38,435
Trade and bill and other payables	*13*	**2,201,744**	2,372,376
Lease liabilities		**16,115**	26,515
Contract liabilities	*4(a)*	**888,442**	880,682
Current income tax liabilities		**46,809**	54,795
		3,185,988	3,372,803
Total liabilities		**3,333,439**	3,560,080
Total equity and liabilities		**6,715,366**	7,657,327

1 GENERAL INFORMATION

Jinke Smart Services Group Co., Ltd. (the "Company" or "Jinke Services", formerly known as "Jinke Property Service Group Co., Ltd.") was established in the People's Republic of China (the "PRC") as a limited liability company on 18 July 2000. The address of the Company's registered office is No. 484-1 Panxi Road, Shimahe Street, Jiangbei District, Chongqing, PRC.

The Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 November 2020 (the "Listing").

The Company and its subsidiaries (the "Group") are primarily engaged in the provision of residential property service, enterprise services and other services in the PRC.

On 27 September 2022, the Company and Thematic Bridge Investment Pte. Ltd. (the "Offeror") jointly announced that the Offeror would make a voluntary conditional general cash offer to acquire all of the shares of the Company (the "Offer"). The Offeror is an investment holding company incorporated in Singapore which is controlled by funds managed by subsidiaries of Boyu Group, LLC ("Boyu") in their capacity as the general partner of such funds.

Before the completion of the Offer, Boyu was the second largest shareholder of Jinke Services, Boyu and its subsidiaries (the "Boyu Group") owned 22.69% of the total issued share capital of the Company at that moment. The Company's largest shareholder and original parent company was Jinke Property Group Co., Ltd. ("Jinke Property"), a real estate company established in the PRC and listed on the Shenzhen Stock Exchange Co., Ltd., stock code SZ 000656. Jinke Property and its subsidiaries ("Jinke Property Group") owned 30.34% of the total issued share capital of the Company.

On 22 November 2022, the Offeror and the Company jointly announced the results of the Offer. Approximately 7.15% of the issued share capital of the Company were purchased by the Offeror on-market, and approximately 4.79% of the issued share capital of the Company had received valid acceptances by the Offeror, hence Boyu Group became the largest shareholder of the Company with shareholding ratio of 34.63%. Both Boyu and Jinke Property have significant influence over Jinke Services as a result of the Offer. As at 31 December 2024, Boyu Group owned 37.86% of the total issued share capital of the Company.

On 26 December 2023, 35,000,000 shares of the Company (the "Share(s)") beneficially owned by Jinke Property had been transferred to a third-party as a result of an enforcement of judicial ruling against Jinke Property (the "Share Transfer"). Immediately following the transfer of shares, the shareholding of Jinke Property Group in the Company has decreased to 162,977,875 Shares, representing approximately 25.49% of the total issued share capital of the Company. As at 31 December 2024, Jinke Property Group owned 27.30% of the total issued share capital of the Company.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the "Board") on 26 March 2025.

2 BASIS OF PREPARATION

(i) Compliance with HKFRS and Hong Kong Companies Ordinance ("HKCO")

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") and requirements of the HKCO Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRS 16	Lease Liability in Sale and Leaseback
HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amendments and interpretation listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards and interpretations not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the Group's consolidated financial statements is expected when they become effective.

3 SEGMENT INFORMATION

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

During the years ended 31 December 2024 and 2023, the Group is principally engaged in the provision of residential property services, enterprise services and other services in the PRC.

During the years ended 31 December 2024 and 2023, all the segments are domiciled in the PRC and all the revenue are derived in the PRC, and the segments are principally engaged in the provision of similar services to similar customers. All operating segments of the Group were aggregated into a single operating segment.

As at 31 December 2024, all of the assets were located in the PRC except for cash and cash equivalents of HK$211,828,000 (equivalent to RMB196,159,000) (2023: HK$5,000 (equivalent to RMB5,000)) and US$17,000 (equivalent to RMB119,000) (2023: US$868,000 (equivalent to RMB6,148,000)) and term deposits of US$890,000 (equivalent to RMB6,398,000) (2023: nil) in Hong Kong.

4 REVENUE

Revenue mainly comprises of proceeds from residential property services, enterprise services and other services. An analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Recognized over time		
Residential property services	**3,340,344**	3,455,253
– Property management services	**3,073,615**	3,096,285
– Diversified value-added services	**224,724**	203,612
– Non-property owners value-added services	**42,005**	155,356
Enterprise services	**786,131**	884,895
Other services	**74,799**	115,279
	4,201,274	4,455,427
Recognized at a point in time		
Residential property services	**2,701**	2,740
– Diversified value-added services	**2,701**	2,740
Enterprise services	**216,586**	261,848
Other services	**164,874**	259,726
	384,161	524,314
	4,585,435	4,979,741

For the year ended 31 December 2024 and 2023, all customers individually contributed less than 10% of the Group's revenue.

(a) Contract liabilities

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Residential property services	**849,624**	840,616
Enterprise services	**16,505**	17,632
Other services	**22,313**	22,434
	888,442	880,682

(i) Significant changes in contract liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year		
Residential property services	**840,616**	707,015
Enterprise services	**17,632**	22,168
Other services	**22,434**	11,016
	880,682	740,199

(ii) Unsatisfied performance obligations

For residential and non-residential property management services, the Group recognizes revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance obligations up to the current periods, on a monthly or quarterly basis. The Group has elected the practical expedient and therefore has not to disclose the remaining performance obligations for these types of contracts. The term of the contracts for value-added services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For diversified value-added services, group catering services, hotel management and other services, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

5 EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Employee benefit expenses	**1,858,197**	1,938,155
Greening and cleaning expenses	**800,649**	849,628
Security charges	**545,191**	528,055
Utilities	**304,736**	262,128
Maintenance costs	**216,606**	244,085
Consumables, food, beverages and raw materials	**147,041**	190,151
Sub-contract expenses for certain services	**146,079**	69,161
Depreciation and amortization expenses	**100,003**	87,889
Travelling and entertainment expenses	**47,816**	45,456
Community activities expenses	**37,211**	27,913
Office expenses	**35,456**	57,396
Impairment charges of other intangible assets	**29,675**	–
Taxes and other levies	**20,496**	18,340
Bank and payment platform charges	**17,976**	20,571
Cost of goods sold	**15,135**	50,794
Impairment charges of property, plant and equipment	**13,091**	25,100
Short-term lease expenses	**10,061**	17,869
Construction costs	**9,610**	14,598
Auditor's remuneration		
– Audit services	**3,971**	5,615
– Non-audit services	**4,312**	4,517
Impairment charges of investment properties	**4,803**	5,114
Advertising expenses	**3,548**	7,787
Others	**197,522**	186,155
Total cost of sales, selling and marketing expenses and administrative expenses	**4,569,185**	4,656,477

6 OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest income from loans to a related party	**21,616**	111,603
Government grants *(Note (a))*	**18,188**	23,310
Interest income from term deposits	**11,619**	–
Interest income on finance lease	**4,391**	3,611
Value-added tax ("VAT") deductible *(Note (b))*	**–**	10,233
Others	**38**	946
	55,852	149,703

(a) Government grants mainly represent financial subsidies granted by local government. There are no unfulfilled conditions or other contingencies attached to these grants.

(b) VAT deductible mainly included additional deduction of input value-added tax applicable to certain subsidiaries based on the VAT policy and the policy terminated on 31 December 2023.

7 OTHER LOSSES – NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Impairment of goodwill	**(56,229)**	(142,381)
Loss on provision of compensation	**(8,035)**	–
Impairment of prepayments	**(7,394)**	–
Net foreign exchange losses	**(6,181)**	(2,507)
Losses on disposal of subsidiaries	**(2,171)**	(910)
Fair value (losses)/gains on financial liabilities at FVPL	**(1,347)**	9,479
Fair value gains/(losses) on financial assets at FVPL	**11,911**	(5,683)
Gains/(Losses) on disposal of long-term assets and other assets	**7,716**	(1,513)
Gains on early termination of lease contracts	**1,142**	8,202
Impairment of other assets	**–**	(10,381)
Losses on derecognition of investment properties	**–**	(3,469)
Others	**(4,160)**	(17,191)
	(64,748)	(166,354)

8 INCOME TAX EXPENSES/(CREDIT)

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**93,738**	110,793
Deferred income tax		
– PRC corporate income tax	**(89,560)**	(248,677)
	4,178	(137,884)

The income tax expenses/(credit) can be reconciled to the loss before income tax per the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(546,798)**	(1,119,545)
Tax charge at effective rate applicable to losses in the respective group entities	**(98,698)**	(211,353)
Tax effects of:		
– Expenses not deductible for tax purposes	**54,369**	31,000
– Tax effect of super deduction	**(823)**	(1,478)
– Effect of income not subject to income tax	**(3,141)**	(2,276)
– The impact of change in tax rate applicable to subsidiaries	**7,183**	3,257
– Tax losses and deductible temporary differences for which no deferred tax asset was recognized	**45,288**	42,966
Total income tax expenses/(credit)	**4,178**	(137,884)

Hong Kong profits tax

No Hong Kong profits tax was applicable to the Group for the year ended 31 December 2024. There was a subsidiary incorporated in Hong Kong. No Hong Kong profits tax was provided for this Hong Kong subsidiary as there was no estimated taxable profits that was subject to Hong Kong profits tax during the year ended 31 December 2024 (2023: nil).

PRC corporate income tax

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

The general corporate income tax rate in the PRC is 25%. The Company and most of subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% for certain years.

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

9 LOSSES PER SHARE

The basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares during the years ended 31 December 2024 and 2023.

The share award scheme granted and remained unexercised are not included in the calculation of diluted losses per share because performance conditions have not been met at the end of the reporting period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2024, the Company had share-based awards. For the year ended 31 December 2024, these potential ordinary shares were not included in the calculation of loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2024 is the same as basic loss per share.

	Year ended 31 December	
	2024	2023
Loss attributable to owners of the Company *(RMB'000)*	**(587,302)**	(951,038)
Weighted average number of ordinary shares *(in thousands)*	**597,462**	639,562
Basic and diluted losses per share for loss attributable to the owners of the Company during the year *(expressed in RMB per share)*	**(0.98)**	(1.49)

10 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables *(Note (a))*		
– Third parties	**2,046,256**	2,235,628
– Related parties	**677,966**	676,314
	2,724,222	2,911,942
Less: allowance for impairment of trade receivables	**(1,599,390)**	(1,369,516)
	1,124,832	1,542,426
Bill receivables		
– Third parties	**385**	4,018
– Related parties	**15,450**	15,450
	15,835	19,468
Less: allowance for impairment of bill receivables	**(15,450)**	(15,450)
	385	4,018
Other receivables		
– Third parties	**678,707**	757,983
– Related parties	**497,202**	510,588
	1,175,909	1,268,571
Less: allowance for impairment of other receivables	**(907,439)**	(815,726)
	268,470	452,845
Prepayments		
– Third parties	**62,101**	57,957
– Related parties	**213**	7,184
	62,314	65,141
Less: allowance for impairment of prepayments	**(7,394)**	–
	54,920	65,141

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finance lease receivables *(Note (b))*		
– Third parties	**1,509**	2,386
– Related parties	**79,388**	79,249
	80,897	81,635
Less: allowance for impairment of finance lease receivables	**(2,417)**	–
	78,480	81,635
Input VAT to be deducted	**54,857**	42,252
	1,581,944	2,188,317
Less: non-current portion of		
– Finance lease receivables *(Note (b))*	**(78,861)**	(80,271)
– Prepayments for acquisition of equity interests	**(14,219)**	(14,219)
Addition: allowance for impairment of non-current portion of		
– Finance lease receivables	**2,417**	–
– Prepayments	**7,394**	–
	(83,269)	(94,490)
Current portion of trade and other receivables and bill receivables and prepayments	**1,498,675**	2,093,827

(a) Trade receivables mainly arise from property management services income under residential property services and enterprise services.

Property management services income under residential property services and enterprise services are received in accordance with the terms of the relevant services agreements. Service income from property management service is due for payment by the residents upon the issuance of demand note and enterprise counterparties upon the issuance of document of settlement.

(b) As at 31 December 2024 and 2023, certain leased properties were classified as finance lease as the terms of the lease transfer substantially all the risks and rewards incidental to lessees. Amounts due from lessees under finance lease are recognised as finance lease receivables which included in the non-current and current other receivables.

A maturity analysis of finance lease receivables of the Group is shown in the table as at 31 December 2024 and 2023:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Minimum lease receivable due:		
– Within one year	**6,434**	6,840
– More than one year but not exceeding two years	**5,361**	5,803
– More than two years but not exceeding five years	**16,083**	15,302
– More than five years	**130,430**	132,097
	158,308	160,042
Less: future finance income	**(77,411)**	(78,407)
Present value of finance lease receivables	**80,897**	81,635

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 1 year	**1,026,782**	1,311,561
Over 1 year	**1,697,440**	1,600,381
	2,724,222	2,911,942

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9. As at 31 December 2024 and 2023, a provision of RMB1,599,390,000 and RMB1,369,516,000 was made against the gross amounts of trade receivables.

11 LOAN RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loan to a related party		
– A related party	**1,646,821**	1,623,908
Less: allowance for impairment of loan receivable	**(1,338,316)**	(1,251,708)
Current portion of loan receivables	**308,505**	372,200
Loan to a related party		
Beginning of the period	**372,200**	1,386,666
Interest receivable	**22,913**	118,299
Loss allowance	**(86,608)**	(1,132,765)
	308,505	372,200

Loan to a related party represented the loan in the principal amount of RMB1,500 million advanced by the Company to Jinke Property (the "**Loan**"). Pursuant to the loan agreement, the Loan bearing with fixed interest rate 8.6% per annum was secured by certain assets owned by Jinke Property Group as collaterals.

In March 2023, Jinke Property was default in repaying the Loan. In February 2024, Jinke Property submitted the bankruptcy reorganization application to the Fifth Intermediate People's Court of Chongqing, and then the court accepted the bankruptcy reorganization application on 22 April 2024.

Management assessed the provision for impairment of the Loan by considering scenarios weightings, recovery rate of possible bankruptcy reorganization or liquidation and other factors. Management considered the allowance for impairment of the Loan provided at 31 December 2024 is appropriate, and the allowance of the Loan will be subject to the subsequent scenarios weightings, possible bankruptcy reorganization plan, degree of judicial auction and macroeconomic variables.

12 CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash at banks, payment platforms and on hand *(Note (a))*		
– Denominated in RMB	**2,208,550**	2,891,490
– Denominated in HK$	**197,438**	7,904
– Denominated in US$	**119**	6,151
	2,406,107	2,905,545

(a) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

13 TRADE AND BILL AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables *(Note (a))*		
– Third parties	**940,611**	996,020
– Related parties	**19,324**	17,032
	959,935	1,013,052
Bill payables		
– Third parties	**47,764**	105,572
– Related parties	**5,144**	4,995
	52,908	110,567
Other payables		
– Third parties	**812,045**	864,543
– Related parties	**67,214**	64,282
	879,259	928,825
Accrued payroll	**233,549**	248,303
Other taxes payables	**76,093**	71,629
	309,642	319,932
	2,201,744	2,372,376

As at 31 December 2024 and 2023, the carrying amounts of trade and bill and other payables approximated their fair values.

(a) As at 31 December 2024 and 2023, the ageing analysis of the trade payables based on invoice date were as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 1 year	**831,885**	944,673
Over 1 year	**128,050**	68,379
	959,935	1,013,052

14 INTANGIBLE ASSETS

	Goodwill *RMB'000*	Customer relationship *RMB'000*	Software and others *RMB'000*	Total *RMB'000*
Year ended 31 December 2023				
Opening net book amount	357,139	166,036	25,261	548,436
Additions	–	–	13,869	13,869
Acquisition of subsidiaries	109,923	117,900	77	227,900
Disposal of subsidiaries	–	–	(84)	(84)
Disposals	–	–	(12)	(12)
Amortization	–	(26,173)	(7,577)	(33,750)
Impairment	(142,381)	–	–	(142,381)
Closing net book amount	324,681	257,763	31,534	613,978
As at 31 December 2023				
Cost	755,192	305,059	55,497	1,115,748
Accumulated amortization	–	(47,296)	(23,963)	(71,259)
Accumulated impairment	(430,511)	–	–	(430,511)
Net book amount	324,681	257,763	31,534	613,978
Year ended 31 December 2024				
Opening net book amount	**324,681**	**257,763**	**31,534**	**613,978**
Additions	**–**	**–**	**4,428**	**4,428**
Disposal of subsidiaries	**(195)**	**–**	**–**	**(195)**
Amortization	**–**	**(32,196)**	**(9,771)**	**(41,967)**
Impairment	**(56,229)**	**(29,675)**	**–**	**(85,904)**
Closing net book amount	**268,257**	**195,892**	**26,191**	**490,340**
As at 31 December 2024				
Cost	**754,997**	**305,059**	**59,926**	**1,119,982**
Accumulated amortization	**–**	**(79,492)**	**(33,735)**	**(113,227)**
Accumulated impairment	**(486,740)**	**(29,675)**	**–**	**(516,415)**
Net book amount	**268,257**	**195,892**	**26,191**	**490,340**

Amortization of intangible assets has been charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cost of sales	**32,319**	26,633
Selling and marketing expenses	**272**	–
Administrative expenses	**9,376**	7,117
	41,967	33,750

(i) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

– Software	5-10 years
– Customer relationship	10 years

(ii) Software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products, for example, applications, controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the research and development and to use the software product are available; and
- The expenditure attributable to the software product during its research and development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

15 DIVIDENDS

The Company resolved not to declare any dividend for the year ended 31 December 2024 (2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a leading, high-quality third party comprehensive service provider in the PRC and ranked the first in the Southwestern China Region. The Group has a comprehensive service product matrix covering residential buildings, mid-to-high end commercial office buildings, industrial parks, schools, hospitals, public construction, and urban services. Through its full cycle residential services and Integrated Facility Management (the "**IFM**") ecology enterprise services, we provided one-stop, all-time high quality services to various customers.

With its industry-leading overall strength and brand influence, the Group was recognized by the China Index Academy ("**CIA**") as one of the "Top 10 among the Top 100 China Property Management Companies in terms of Overall Strength" (中國物業服務百強企業綜合實力 Top10) for nine consecutive years. In 2024, due to its leading service quality, the Group was recognized as one of the "Top 2 among the Top 100 China Leading Property Management Companies in terms of Quality Service" (中國物業服務百強服務質量領先企業 Top 2) by CIA. Relying on our all-round service capability in multiple industries, we were on the top lists in IFM services, commercial and enterprise services, urban services, hospital and property services. IFM services received special honor. The Group was recognized by the CIA as the Top 1 distinguished China IFM services company in 2024. Based on our industry-leading smart living technology strength, we were recognized as one of the "Top 2 Leading Enterprises in China in terms of Property Technology Empowerment" (中國物業科技賦能領先企業 Top 2) by CIA. We insisted on our urban density strategy and were recognized by the CIA as one of the "Top 10 in terms of Comprehensive Strength among Property Service Enterprises" (物業服務企業綜合實力 Top10) in Chongqing and Wuxi.

In 2024, China's economy maintained a steady and progressive development trend amidst complex internal and external environments. The real estate market continued to be sluggish. Despite increased support from national policies, it will take some time for the market to stabilize substantially. As the real estate market adjusts, the growth rate of the property services industry has slowed. In response, the Group remains committed to focusing on our core business, continuously deepening our presence in key regions and cities. During this period of industry adjustment in 2024, our management adheres to the "Density + Condensation" strategy, strictly controlling project acceptance and decisively exiting low-quality and inefficient projects to ensure high-quality business development. Simultaneously, our group is enhancing two central aspects: efficiency and customer-centricity, actively promoting projects with "two guarantees, two enhancements, and three reductions," focusing on frontline projects to efficiently address customer issues.

OUTLOOK AND FUTURE PLANS

The overall Chinese real estate market is still in an adjustment phase, gradually shifting from incremental growth to stock competition. The market size of the property management industry continues to expand, but the growth rate is slowing. Intensified market competition has led property companies to place greater emphasis on regional deepening and urban focus. Additionally, there is a shift from scale-first to efficiency-first, continuously optimizing project portfolios and reducing costs through streamlined organizational structures.

Our Group, in line with market and industry changes, continues to advance the "Service + Ecology, Service + Technology" strategy, focusing on "high-quality development". We adhere to the business strategy of "revenue with profit, profit with cash flow". Through optimizing market layout, upgrading service brands, strengthening technological empowerment, and enhancing organizational management, we aim to reach new heights of independent and market-oriented development, becoming a leading high-quality third-party comprehensive service provider nationwide.

For residential services, the Group is committed to high-quality and sustainable development. Using the "Better Homes Plan" as a starting point, we are deepening the integrated management model of front and back ends, continuously focusing on core cities in the Southwest and Yangtze River Economic Belt, and enhancing the condensation of street communities in existing projects. We always consider customer satisfaction and needs as the core of property management services, continuously consolidating high-quality service capabilities and enhancing professional service capabilities across multiple business formats to provide strong support for the value preservation and appreciation of customer assets. We will strengthen project operation efficiency and full lifecycle management, strictly implement tiered project management, accelerate the intelligent upgrade of projects, and further promote effective cost reduction. We pursue high-quality scale expansion, value market expansion assessments, and will orderly exit projects with poor performance to ensure the long-term stable development of the Group. In the existing residential market, we are launching the "Better Homes Plan," focusing on the expansion of high-quality existing communities. At the same time, we adhere to a prudent merger and acquisition strategy, focusing on boutique third-party property management companies with high overlap with our existing advantageous regions.

For enterprise services, we insist on innovative service models, creating a new model of comprehensive Integrated Facility Management (IFM) services. By meeting the diverse needs of customers and enhancing service added value, we consolidate our leading position in the property services industry. For corporate clients, we provide integrated and customized new models of comprehensive IFM services, meeting diverse and efficient logistical service needs through integrated services. We will continue to utilize customized new models of comprehensive IFM services to enhance service management efficiency, further achieve cost reduction and efficiency improvement, flexibly meet the diverse service needs of customers, and enhance customer stickiness by continuously improving the added value of full-cycle management services. Additionally, we will strive to gain insight on new demands from corporate clients, enrich service content, and promote the comprehensive upgrade of the IFM ecosystem for enterprise services.

FINANCIAL REVIEW

Revenue

In order to implement the Group's operating policy of focusing on its principal businesses and deepening its strategic layout in 2024, the Group has adjusted its business lines: (i) classified the original space property management services and community value-added services into "residential property services" and "enterprise services" according to the service formats of the projects; (ii) consolidated the original group catering business of the local catering services into enterprise services to further strengthen the advantages of IFM services; and (iii) consolidated other non-core businesses into "other services" to enhance the concentration of service resources. After the adjustment, the Group's revenue in 2024 were generated from three major business lines: (i) residential property services; (ii) enterprise services; and (iii) other services. Comparative figures for the year ended 31 December 2023 have also been restated to a consistent basis of comparison as if the Group's business lines had been adjusted at the beginning of that period.

During the Year, the Group derived its revenue from three business lines, namely (i) residential property services; (ii) enterprise services; and (iii) other services.

The following table sets forth the details of the Group's total revenue by business line for the year indicated:

	For the year ended 31 December			
	2024		2023	
	(RMB'000)	*%*	*(RMB'000)*	*%*
Residential property services	**3,343,045**	**72.9**	3,457,993	69.5
– Property management services	**3,073,615**	**67.0**	3,096,285	62.3
– Diversified value-added services	**227,425**	**5.0**	206,352	4.1
– Non-property owners value-added services	**42,005**	**0.9**	155,356	3.1
Enterprise services	**1,002,717**	**21.9**	1,146,743	23.0
Other services	**239,673**	**5.2**	375,005	7.5
Total	**4,585,435**	**100.0**	4,979,741	100.0

The Group's revenue in 2024 decreased as compared with 2023. The details of change of revenue by business line are set out as below:

(i) Revenue from residential property services slightly decreased by approximately 3.3% from RMB3,458.0 million for the year ended 31 December 2023 to RMB3,343.0 million for the year ended 31 December 2024. Among which, (a) revenue from property management services slightly decreased by approximately 0.7% from approximately RMB3,096.3 million in 2023 to approximately RMB3,073.6 million, which was primarily driven by the Group's continued withdraw from the projects which were of low quality. The Group withdrew the residential gross floor area (the "**GFA**") under management of approximately 19.2 million square metres (the "**sq.m.**") throughout the year. As of the end of the Year, the residential GFA under management decreased to approximately 207.4 million sq.m.; (b) revenue from diversified value-added services increased by approximately 10.2% to RMB227.4 million from RMB206.4 million in 2023, primarily due to the fact that the Group conducted diversified value-added services based on the needs of property owners and precise positioning of its own resources, through the use of existing community resources, especially the active operation of debt settlement parking spaces, to increase temporary parking income, expand existing value-added services, improve profitability and enhance owner stickiness; (c) revenue from non-property owners value-added services decreased by approximately 73.0% from RMB155.4 million in 2023 to RMB42.0 million, which was primarily due to the impacts of the serious liquidity crisis in the property industry. The Group took the initiative to significantly reduce the number of projects for which it provided sales assistance services to real estate developers including Jinke Property Group during the Year, and instead focused on projects with guaranteed returns, as well as related services necessary for guaranteed delivery of buildings.

(ii) Revenue from enterprise services decreased by approximately 12.6% from RMB1,146.7 million for the year ended 31 December 2023 to RMB1,002.7 million for the year ended 31 December 2024, mainly due to the fact that the Group focused on sustainable businesses with guaranteed cash flows. The Group withdrew from approximately 145 enterprise services projects throughout the Year. As at the end of the Year, the Group had approximately 360 enterprise services projects under management.

(iii) Revenue from other services decreased by approximately 36.1% from RMB375.0 million for the year ended 31 December 2023 to RMB239.7 million for the year ended 31 December 2024, mainly due to the fact that affected by the macroeconomy and consumer demand weakened, the Group adopted a targeted approach to focus on its core businesses, optimize resource allocation, and strategically scale back non-core operations for which returns were not guaranteed.

Revenue from residential property services

Residential property services mainly consisted of (i) property management services; (ii) diversified value-added services; and (iii) non-property owners value-added services.

Revenue from property management services

We provide comprehensive services for urban multi-dimensional spaces with ubiquitous five-star care. We are committed to serving our clients compassionately and allow customers to enjoy a better-quality service experience. As the earliest market-oriented and independent third-party property management service provider in the industry, we continuously improve our operation concepts and service standards, thus accumulating industry-leading owner satisfaction and good market reputation and assisting us in building an industry-leading third-party external expansion capability through the high-quality and refined management capabilities.

With relatively good stability and anti-risk ability, the residential projects have the characteristics of "rigid demand + long-term cycle" and are the ballast for our sustainable development. At the same time, we aimed at the vast residential stock market, and relied on our high-quality service and brand capabilities to actively obtain existing high-quality residential projects. As at 31 December 2024, the Group has completed a national strategic layout in 26 provinces and 163 cities in the PRC. We managed a total of 757 residential projects. The total residential GFA under management was approximately 207.4 million sq.m.. The residential GFA under management in the core area of the Southwestern China Region reached 115.8 million sq.m., accounting for 55.9% of the total residential GFA under management, with a significant regional density strength. As at 31 December 2024, the total contracted residential GFA of the Group was approximately 226.9 million sq.m..

The Group adhered to the path of independent and high-quality development and selectively carried out market expansion. In 2024, the newly added residential GFA under management was approximately 14.9 million sq.m., representing a decrease of approximately 58.4% as compared to that of 2023. The number of newly added projects with annual saturation revenue over RMB10 million and RMB5 million was 6 and 14, respectively. For the existing residential market, the Group proposed the Better Homes Plan (美好家園計劃). With the improvement of community quality as the entry point, and relying on industry-leading brand and service capabilities, the Group actively obtained over 40 existing high-quality residential projects from parties (the "**Independent Third Party(ies)**") independent of the Group, forming a market-oriented and independent sustainable development model.

In addition, in 2024, the Group resolutely implemented the business idea of "revenue shall generate profit and profit shall contain cash flow" and continued to exit projects with low quality and efficiency, low collection rates and negative contribution. In the Year, the Group exited the projects with residential GFA under management of approximately 19.2 million sq.m., including resettlement property projects due to changes in contractual relationships and the residential projects that cannot be guaranteed for payment collection. We believe that the active exit from projects with negative contribution is the only way to high-quality development. Through the improvement of quality and efficiency of projects under management, it will help the Group achieve sustainable and sound development.

In terms of mergers and acquisitions, we believe that the valuation of industry mergers and acquisitions has gradually returned to rationality. With sufficient cash on hand, the Group will continue to pay attention to mergers and acquisitions opportunities in property service projects. We will focus on Independent Third Parties boutique property targets in the core areas of our management.

As of 31 December 2024, the average unit price of property management for residential property services of the Group maintained at RMB2.14 per sq.m./month (2023: RMB2.12 per sq.m./month). The Group's resident properties' combined collection rate of property management for residential property services was 90.4% for the Year (2023: 91.1%).

The table below indicates the changes for our contracted residential GFA and GFA under management for the years ended 31 December 2024 and 2023 respectively:

	For the year ended 31 December			
	2024		2023	
	Contracted GFA *(sq.m.'000)*	**GFA under management** *(sq.m.'000)*	Contracted GFA *(sq.m.'000)*	GFA under management *(sq.m.'000)*
As at the beginning of the year	**242,354**	**211,716**	244,722	193,359
New engagements[1]	**11,347**	**14,870**	19,915	35,758
– Properties developed by Jinke Property Group and its joint ventures and associates	**1,180**	**4,546**	632	13,978
– Properties developed by Independent Third Parties	**9,002**	**9,786**	11,935	15,248
– Properties took over upon mergers & acquisitions[2]	**1,165**	**538**	7,348	6,532
Terminations[3]	**(26,821)**	**(19,228)**	(22,283)	(17,401)
	226,880	**207,358**	242,354	211,716

Notes:

(1) With respect to residential communities under our management, new engagements primarily include preliminary management contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.

(2) During the Year, the new GFA acquired was mainly due to the continuous delivery of projects acquired in the previous phase.

(3) Such terminations include (a) non-renewal of certain property management service contracts upon expiration due to reallocation of our resources to high-quality projects in order to optimize our portfolio of property management projects; (b) voluntary exit of property management service contracts, which are generally characterized by low operational quality, low fee collection rates, and low real estate depreciation rates; and (c) passive termination of property management service contracts, which are due to the impact of the sluggish performance of the real estate market, where some property developers or asset holders who faced relatively severe periodic cash flow shortages, either chose to terminate the professional property services and replace them with self-management, or halted the construction work of the phased projects which were in a state of dilapidation, which had a far-reaching negative impact on the development of the Group's subsequent services.

The following table sets forth a breakdown of the GFA under management under property management services as at the dates indicated and total revenue from the provision of property management services by type of property developer for the years indicated:

	As at or for the year ended 31 December			
	2024		2023	
	GFA under management ***(sq.m.'000)***	**Revenue** ***(RMB'000)***	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*
Properties developed by Jinke Property Group(1)	**97,817**	**1,514,745**	100,637	1,652,781
Properties developed by Jinke Property Group's joint ventures and associates(2)	**18,642**	**285,942**	17,933	297,003
Properties developed by Independent Third Parties(3)	**69,343**	**872,556**	70,531	823,018
Properties took over upon mergers & acquisitions(4)	**21,556**	**400,372**	22,615	323,483
Total	**207,358**	**3,073,615**	211,716	3,096,285

Notes:

(1) Refer to properties developed by Jinke Property Group through its wholly-owned subsidiaries or properties jointly developed by Jinke Property Group and other property developers (excluding properties developed by Jinke Property Group's joint ventures and associates) in which Jinke Property Group held a controlling interest.

(2) Refer to properties developed by Jinke Property Group's joint venture and associates, in which Jinke Property Group did not hold a controlling interest.

(3) Refer to properties solely developed by third-party property developers independent from Jinke Property Group.

(4) Refer to properties acquired through a property right transaction to gain control of the acquired party and then incorporated into the Group's operation and management.

To facilitate management, we divided its geographic coverage into three major regions in China, namely, the Southwestern China Region, the Eastern and Southern China Region, the Central China Region and other regions. The table below sets forth a breakdown of the Group's total residential GFA under management as at the dates and revenue from property management services for the year indicated by geographic regions:

	As at or for the year ended 31 December			
	2024		2023	
	GFA under management ***(sq.m.'000)***	**Revenue** ***(RMB'000)***	GFA under management *(sq.m.'000)*	Revenue *(RMB'000)*
Southwestern China Region(1)	**115,841**	**1,848,521**	116,572	1,867,083
Eastern and Southern China Region(2)	**46,433**	**676,633**	52,031	659,963
Central China Region(3)	**26,016**	**268,665**	25,114	305,010
Other regions(4)	**19,068**	**279,796**	17,999	264,229
Total	**207,358**	**3,073,615**	211,716	3,096,285

Notes:

(1) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Southwestern China Region include Sichuan province, Guizhou province, Yunnan province, Tibet Autonomous Region and Chongqing municipality.

(2) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Eastern and Southern China Region include Jiangsu province, Zhejiang province, Fujian province, Jiangxi province, Shandong province, Anhui province, Guangdong province, Hainan province, Guangxi Zhuang Autonomous Region and Shanghai municipality.

(3) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Central China Region include Henan province, Hubei province and Hunan province.

(4) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in other regions include Hebei province, Shanxi province, Shaanxi province, Gansu province, Qinghai province, Liaoning province, Heilongjiang province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region, Beijing and Tianjin municipalities.

Revenue from diversified value-added services

The Group provides diversified value-added services to property owners and residents, primarily in the form of (i) community management services, which are mainly consisted of management of public resources (leasing of public spaces, for instance), temporary parking services and community media services; and (ii) home-living services, mainly consisted of community group purchase, household cleaning services and home delivery services. During the Year, revenue from diversified value-added services increased by approximately 10.2% from RMB206.4 million in 2023 to RMB227.4 million.

The Group acquired right-of-use assets of parking spaces from Jinke Property Group through the debt settlement arrangement, and continued to revitalize assets in 2024, actively carrying out temporary parking services to increase the Group's income from diversified value-added services and improve the cash flow of the Group.

Revenue from non-property owners value-added services

We provide value-added services to non-property owners primarily in the form of (i) sales assistance services; (ii) pre-delivery services; and (iii) consultancy and other services. Due to the continuous downturn of the real estate industry and the liquidity crisis of real estate developers, the Group has proactively and significantly reduced the number of projects for which it provides sales assistance services to developers during the year of 2024, and the number of projects under management at the end of the Year was significantly reduced to 33, among which 27 were those with sales assistance services provided to the Independent Third Parties. The Group focused on businesses with guaranteed cash flow and returns, or those that must be taken over by guaranteed delivery arrangements. During the Year, revenue from non-property owners value-added services was approximately RMB42.0 million, representing a decrease of approximately 73.0% as compared with RMB155.4 million in 2023.

Revenue from enterprise services

The Group provides enterprise services to clients, primarily in the form of (i) non-residential property management services; and (ii) group catering services.

As at 31 December 2024, the Group has completed a national strategic layout in 29 provinces and 85 cities in the PRC, the enterprise services projects under management was approximately 360, of which approximately 97.6% was attributable to Independent Third Parties. The enterprise services projects under management in the core area of Southwestern China Region reached 194, accounting for approximately 53.8% of the projects under management, with a significant regional density strength. During the Year, revenue from enterprise services was approximately RMB1,002.7 million, representing a decrease of approximately 12.6% as compared with RMB1,146.7 million in 2023.

Benefiting from the Group's new development model of the comprehensive logistics services of IFM and catering services, the Group had approximately 100 new corporate contracts during the Year, of which over 4 projects were synergy business of IFM models. The synergies between the businesses further emerged, and a moat was gradually established for the Group's enterprise services business expansion.

In the Year, the Group exited from 145 enterprise services projects. We believe that the active exit from projects with negative contribution is the only way to high-quality development. Through the improvement of quality and efficiency of projects under management, it will be conducive to the sustainable and sound development of the Group.

Revenue from other services

Other services provided by the Group to customers primarily in the form of: (i) hotel management services, (ii) catering supply chain services (e.g. food supply chain services for items such as rice, flour, grain and oil), (iii) asset operation services, which primarily include sale and marketing service for new homes, second-hand homes and parking spaces, and commercial operation services, and (iv) smart living technology solutions, mainly providing digital and intelligent technology solutions to property management companies, external clients like enterprises and public institutions, and property developers. During the Year, revenue from other services amounted to approximately RMB239.7 million, representing a decrease of approximately 36.1% from RMB375.0 million in 2023, which was mainly due to the fact that the Group focused on its main business and reduced investment in other services.

Cost of sales

The Group's cost of sales primarily consists of (i) employee benefit expenses; (ii) greening and cleaning expenses; (iii) security charges; (iv) utilities; (v) maintenance costs; (vi) consumables, food, beverages and raw materials; (vii) sub-contract expenses for certain services; (viii) depreciation and amortization expenses; (ix) office expenses; (x) travelling and entertainment expenses; (xi) community activities expenses; and (xii) other costs.

The cost of sales of the Group amounted to approximately RMB3,925.4 million for the year ended 31 December 2024, representing a decrease of approximately 3.1% from RMB4,051.6 million in 2023, which was mainly due to the fact that the Group focused on its principal business and focused on high-quality projects, and strategically scaled back non-core businesses for which returns were not guaranteed.

Gross Profit and Gross Profit Margin

The following table sets forth the components of the Group's gross profit and gross profit margin by business line for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Gross profit ***(RMB'000)***	**Gross profit margin** ***%***	Gross profit *(RMB'000)*	Gross profit margin *%*
Residential property services	**551,206**	**16.5**	686,229	19.8
– Property management services	**411,017**	**13.4**	540,156	17.4
– Diversified value-added services	**135,441**	**59.6**	127,559	61.8
– Non-property owners value-added services	**4,748**	**11.3**	18,514	11.9
Enterprise services	**95,784**	**9.6**	157,323	13.7
Other services	**13,024**	**5.4**	84,625	22.6
Total	**660,014**	**14.4**	928,177	18.6

Gross profit of the Group decreased by approximately 28.9% from approximately RMB928.2 million for the year ended 31 December 2023 to approximately RMB660.0 million for the year ended 31 December 2024. The consolidated gross profit margin of the Group decreased by 4.2 percentage points to approximately 14.4% for the year ended 31 December 2024 from approximately 18.6% in 2023.

During the Year, the gross profit of residential property services decreased by approximately 19.7% to approximately RMB551.2 million for the year ended 31 December 2024 from approximately RMB686.2 million in 2023, and gross profit margin decreased by 3.3 percentage points to approximately 16.5% from approximately 19.8% in 2023, among which:

(i) the gross profit of property management services decreased by approximately 23.9% to approximately RMB411.0 million for the year ended 31 December 2024 from approximately RMB540.2 million in 2023, and gross profit margin decreased by 4.0 percentage points to approximately 13.4% from approximately 17.4% in 2023. Such decreases were primarily attributable to (a) in accordance with prudence principle, the Group does not recognize revenue for customers exhibiting material credit risk deterioration and critically low debt servicing ability; (b) the increase in one-off expenses incurred by the Group as a result of the Group's proactive withdrawal from certain negative contribution projects in continued adherence to the business philosophy of "revenue shall generate profit and profit shall contain cash flow"; (c) the Better Homes Plan launched by the Group, for which, the Group increased investment in the maintenance and quality improvement of high-quality existing projects; and (d) the amortization expenses of the Group of intangible assets and customer relationship arising from mergers and acquisitions of property companies;

(ii) the gross profit of diversified value-added services increased by approximately 6.2% to approximately RMB135.4 million for the year ended 31 December 2024 from approximately RMB127.6 million in 2023, and gross profit margin decreased by 2.2 percentage points to approximately 59.6% from approximately 61.8% in 2023. Such decreases were primarily due to (a) the increase in gross profit as the Group actively launched the temporary parking service for debt settlement parking spaces based on the concept of revitalizing assets; and (b) the fact that the Group reconstructed the diversified business ecosystem through platform-based operation, which led to a slight decrease in the gross profit margin, but a steady expansion in the business scale;

(iii) the gross profit of non-property owners value-added services decreased by approximately 74.4% to approximately RMB4.7 million for the year ended 31 December 2024 from approximately RMB18.5 million in 2023, and gross profit margin decreased by 0.6 percentage point to approximately 11.3% from approximately 11.9% in 2023. Such decreases were primarily due to that the Group adhered to the path of high-quality development and took the initiative to significantly reduce the number of projects in relation to provision of sales assistance services to real estate developers in liquidity crisis during the Year. At the same time, in line with the national policy of "guaranteeing the delivery of buildings and stabilizing people's livelihood" (保交樓、穩民生), the Group still provided the necessary services for certain of these projects guaranteeing the delivery of buildings, which had a lower gross profit of this business.

The gross profit of enterprise services decreased by approximately 39.1% to approximately RMB95.8 million for the year ended 31 December 2024 from approximately RMB157.3 million in 2023, and gross profit margin decreased by 4.1 percentage points to approximately 9.6% from approximately 13.7% in 2023. Such decreases were primarily due to (a) the fact that the Group strategically scaled down and exited from low-quality projects subject to the impact of the macro-economy, and focused on the development of high-quality customer service capabilities, so as to lay a solid foundation for profitability recovery in the medium and long term; and (b) the amortization expenses of the Group of intangible assets and customer relationship arising from mergers and acquisitions of group catering companies and capital investments in previous years.

The gross profit of other services decreased by approximately 84.6% to approximately RMB13.0 million for the year ended 31 December 2024 from approximately RMB84.6 million in 2023, and gross profit margin decreased by 17.2 percentage points to approximately 5.4% from approximately 22.6% in 2023. Such decreases were primarily due to the Group's strategic adjustment, focusing on its principal business, optimizing resource allocation, and strategically scaling back non-core businesses for which returns were not guaranteed, which led to the decrease in gross profit.

Net Impairment Loss on Financial Assets

The net impairment loss of the Group's financial assets decreased by approximately 62.2% from approximately RMB1,470.6 million for the year ended 31 December 2023 to approximately RMB556.6 million for the year ended 31 December 2024. Such net losses for the Year was mainly due to that taking into consideration the latest operations of the related party Jinke Property Group, the Group has made an impairment provision again for the outstanding receivables owed by Jinke Property Group to the Group, and in addition, the Group made an impairment provision for the receivables from the withdrawn projects with poor recovery rate.

Other Net Losses

The Group's other net losses primarily consist of (i) impairment of goodwill; (ii) impairment of other assets. The Group's other net losses decreased by approximately 61.1% from approximately RMB166.4 million for the year ended 31 December 2023 to approximately RMB64.7 million for the year ended 31 December 2024. Such net losses was mainly because the Group, for prudence purpose, continued to make provisions for the impairment of goodwill recorded by the property management companies and group catering companies acquired during the historical period, but the amount of impairment decreased as compared to 2023, due to the impact of the macro-economy.

Administrative Expenses

The Group's administrative expenses primarily consist of (i) employee benefit expenses for administrative staff; (ii) traveling and entertainment expenses; (iii) depreciation and amortization expenses; (iv) bank and other payment platform charges, which mainly include transaction fees charged by banks and payment platforms; and (v) others, which mainly include consultancy service fees. Administrative expenses of the Group increased slightly by 1.9% from approximately RMB602.8 million for the year ended 31 December 2023 to approximately RMB614.2 million for the year ended 31 December 2024, which were primarily due to (i) the Group provided stock-based incentives to senior employees; and (ii) the increase in depreciation and amortization expenses due to an increase in the capital expenditure of the Group.

Income tax expenses/(credit)

The Group's income tax expenses/(credit) represents PRC corporate income tax. The Group's income tax position movement reflects an increase from income tax credit of RMB(137.9) million for the year ended 31 December 2023 to income tax expenses of RMB4.2 million for the year ended 31 December 2024, which was primarily due to the decrease in impairment losses made by the Group as compared with 2023, resulting in a decrease in deferred income tax credit.

Intangible Assets

The Group's intangible assets primarily consist of customer relationship, goodwill and software patent. The intangible assets of the Group decreased by approximately 20.1% from RMB614.0 million as at 31 December 2023 to RMB490.3 million as at 31 December 2024, mainly due to the amortization and impairment of approximately RMB118.1 million in customer relationship and goodwill arising from acquisitions during the historical periods.

Trade and Bill Receivables

Carrying balance of trade and bill receivables of the Group decreased by approximately 6.5% from RMB2,931.4 million as at 31 December 2023 to RMB2,740.1 million as at 31 December 2024, and provision for impairment of trade and bill receivables increased from RMB1,385.0 million as at 31 December 2023 to RMB1,614.8 million as at 31 December 2024. Trade receivables mainly arise from the residential property services. The Group has made reasonable impairment provision for customers with poor reputation for prudence purpose, the receivables mainly include property service charges owned by private property owners after the provision was made. The Group will pay close attention to the balance of trade receivables by strengthening special work of settlement of property fees for private property owners and by properly handling the shortage of funds owed by real estate developers to minimize losses through offsetting receivables by assets and other forms.

Loan Receivables

Loan receivables of the Group represents the loan in the principal amount of RMB1,500 million provided to Jinke Property. The loan receivables of the Group decreased from RMB372.2 million as at 31 December 2023 to RMB308.5 million as at 31 December 2024, mainly due to that as Jinke Property Group had not fulfilled its loan repayment obligations, taking into consideration of subsequent scenarios weightings, the possible bankruptcy and reorganization plans of Jinke Property Group, degree of judicial auction and the impact of macroeconomic environment, the Group made a further impairment provision of approximately RMB86.6 million for this loan receivables during the Year.

Trade and Bill Payables

Trade and bill payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers, including service fees and cost of materials. Trade and bill payables of the Group decreased by approximately 9.9% from RMB1,123.6 million as at 31 December 2023 to RMB1,012.8 million as at 31 December 2024, mainly because the Group scales down in the payment cycle of trade payables from the Independent Third Parties in order to obtain lower service prices from suppliers.

Other Payables

The Group's other payables primarily consist of (i) equity acquisition payables to the Independent Third Parties; (ii) deposit guarantee payable to various Independent Third Parties including but not limited to the performance guarantee deposit to suppliers and decoration quality guarantee deposit for small individual property owners. Other payables of the Group decreased by approximately 5.3% from RMB928.8 million as at 31 December 2023 to RMB879.3 million as at 31 December 2024, mainly attributable to the payment by the Group of certain equity payables due to historical acquisitions.

Contract Liabilities

Contract liabilities primarily consist of advances of property management fees and other service fees. The Group's contract liabilities slightly increased by approximately 0.9% from approximately RMB880.7 million as at 31 December 2023 to approximately RMB888.4 million as at 31 December 2024, mainly due to leading customer satisfaction of the Group within the industry and the increase in the prepayment of property management fees by private property owners at the end of Year.

Liquidity and Capital Resources

The Group met and expects to continue meeting its operating capital, capital expenditure and other capital needs with cash generated from operations and proceeds from the Listing.

Cash Position

As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB2,406.1 million (31 December 2023: approximately RMB2,905.5 million).

Cash Flows

For the year ended 31 December 2024, the Group's net cash inflow from operating activities was approximately RMB244.6 million, representing a decrease as compared to 2023, which was mainly attributable to that the Group gradually scales down in the payment cycle from the suppliers in order to obtain lower service prices in the future, and the payment to suppliers increased in the Year.

For the year ended 31 December 2024, the Group's net cash outflow from investing activities was approximately RMB390.4 million, representing an increase as compared to 2023, mainly attributable to the increase in purchase of financial assets such as term deposits by the Group.

For the year ended 31 December 2024, the net cash outflow from the Group's financing activities was approximately RMB347.5 million, mainly due to the expenses for the Group's continuous repurchase of Shares of the Company.

Indebtedness

Borrowings

As at 31 December 2024, the Group had nil borrowings (31 December 2023: Nil).

Gearing Ratio

As the Group had nil borrowings as at 31 December 2024, the gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of respective periods divided by total equity as at the same date) was nil as at 31 December 2024 (31 December 2023: Nil).

Pledge of Assets

As at 31 December 2024, the Group did not have any pledged assets (31 December 2023: Nil).

Foreign Exchange Risks

The Group's businesses are principally conducted in RMB, which is the functional currency of the Group companies. Foreign currency transaction included mainly receipts of proceeds from the Listing on the Main Board of the Stock Exchange and payment of professional service fees, which are denominated in Hong Kong dollars ("**HK$**"). As at 31 December 2024, the cash and cash equivalents of approximately RMB197.4 million and RMB0.1 million were denominated in HK$ and United States dollars ("**US$**"), and the term deposit of approximately RMB6.4 million was denominated in US$. Fluctuation of the exchange rates of RMB against foreign currency has a limited impact on the Group's results of operations.

Contingent Liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

COMMITMENTS

As at 31 December 2024, the Group did not have any capital commitments (31 December 2023: Nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2024, the Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

USE OF NET PROCEEDS FROM THE LISTING

After deducting the underwriting commission and other expenses payable by the Company in connection with the Listing, the net proceeds from the Listing and the exercise in full of the overallotment option amounted to approximately HK$6,660.9 million.

As of 31 December 2024, the Group utilized approximately HK$5,147.6 million of the proceeds raised, which were allocated in accordance with the use of proceeds set out in the prospectus (the "**Prospectus**") of the Company dated 5 November 2020, the announcement on the change of use of proceeds from the Global Offering as defined in the Prospectus dated 10 September 2021, the announcement on the further change in use of proceeds from the Global Offering dated 18 April 2023, the announcement on the further change in use of proceeds from the Global Offering dated 22 December 2023 and the announcement on the further change in use of proceeds from the Global Offering dated 8 July 2024 (the "**Fourth Announcement**"). The remaining unutilized net proceeds of approximately HK$1,513.3 million will be allocated in accordance with the purposes and proportions set out in the Fourth Announcement.

The following table sets forth details of the revised use and allocation of net proceeds as at 31 December 2024:

	Planned use of net proceeds disclosed in the Fourth Announcement		Unutilised net proceeds as at 1 January 2024	Actual use of net proceeds as of 31 December 2024	Unutilised net proceeds as at 31 December 2024	Expected timeline of the intended use of proceeds
	HK$'million	*approximately %*	*HK$'million*	*HK$'million*	*HK$'million*	
(a) Pursuing selective strategic investment and acquisition opportunities and further developing strategic partnerships to expand the Group's business scale and the depth and breadth of the Group's geographic coverage, by way of investment (direct investment, acquisition, or capital increase of affiliated companies), acquisition of or entering into joint venture arrangement with property management companies or companies engaged in the business of value-added services, and joint investment in relevant industry funds with business partners	3,544.0	53.2%	1,341.3	2,477.6	1,066.4	
(i) Investing in or acquiring property management companies which manage quality residential properties which meet the Group's selection criteria, and/or with the necessary experiences and qualifications, and/or which manage non-residential properties which meet the Group's selection criteria such as public facilities, educational institutions and/or hospitals	2,032.1	30.5%	1,138.7	970.5	1,061.6	On or before December 2025
(ii) Investing in or acquiring suitable targets with business that are complementary to the Group's existing services and can help the Group further integrate its upstream and downstream resources, such as catering services, and enjoy a reputable brand name	666.0	10.0%	202.6	666.0	–	

	Planned use of net proceeds disclosed in the Fourth Announcement		Unutilised net proceeds as at 1 January 2024	Actual use of net proceeds as of 31 December 2024	Unutilised net proceeds as at 31 December 2024	Expected timeline of the intended use of proceeds
	HK$'million	*approximately %*	*HK$'million*	*HK$'million*	*HK$'million*	
(iii) Retaining the net proceeds in Hong Kong for the investment in and acquisition of suitable targets with the business scope described in subcategories (i) and (ii) above, and according to the structure of the transaction and acquisition target (such as red chip structure), possibly for direct payment in Hong Kong of such investment and mergers and acquisitions, so that the Company can explore and expand business sources and channels in multiple directions	845.9	12.7%	–	841.1	4.8	On or before December 2025
(b) Upgrading the systems of the Group for digitization and smart management	170.9	2.6%	86.2	93.5	77.4	
(i) Developing and upgrading hardware and software	70.8	1.1%	–	70.8	–	
(ii) Developing and improving the Group's intelligent management systems	100.1	1.5%	86.2	22.7	77.4	On or before December 2025
(c) Further developing the value-added services of the Group	915.5	13.7%	283.5	915.5	–	
(i) Strategically developing the Group's upstream and downstream services	913.4	13.7%	283.5	913.4	–	–
(ii) Upgrading hardware and developing smart community	2.1	0.0%	–	2.1	–	–
(d) General business operations and working capital	666.1	10.0%	10.3	655.7	10.4	On or before December 2025

	Planned use of net proceeds disclosed in the Fourth Announcement		Unutilised net proceeds as at 1 January 2024	Actual use of net proceeds as of 31 December 2024	Unutilised net proceeds as at 31 December 2024	Expected timeline of the intended use of proceeds
	HK$'million	*approximately* %	*HK$'million*	*HK$'million*	*HK$'million*	
(e) Retaining the net proceeds in Hong Kong and mainland China for the funding of the repurchase of Shares and/or the establishment of incentive programs, such as employee share ownership plan and share award plan, as permitted by the laws of the place where the Company is registered and where the Company's shares are listed	1,169.3	17.6%	206.3	990.3	179.0	On or before December 2025
(f) Renovating and improving the housing of the old residential communities under the management of the Group or for which the Group is newly contracted to provide property management service	195.2	2.9%	189.4	15.0	180.2	On or before December 2025
Total	6,660.9	100%	2,117.0	5,147.6	1,513.3	

Note: The figures have been subject to rounding adjustments. Therefore, the total amount of each category may not equal the arithmetic total of the relevant sub-category.

Taking the actual needs of the current scale of business into account, the Group's expenditure on upgrading its systems for digitization and smart management as well as renovating and improving the housing of the old residential communities under the management of the Group or for which the Group is newly contracted has slowed down. Meanwhile, considering the macroeconomic environment, the Company has adopted a more prudent approach and has not used up the proceeds raised in respect of the repurchase of Shares and the establishment of incentive programs in 2024.

Save as disclosed in the Fourth Announcement, as at 31 December 2024, the Directors are not aware of any material change in the planned use of the net proceeds. The unutilised net proceeds and the following timeline of intended utilization will be applied in the manners disclosed by the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Use of Net Proceeds from the Listing" in this announcement, the Group has no other future plans for material investments and capital assets as at 31 December 2024.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had approximately 11,550 employees (31 December 2023: 12,955 employees). During the Year, the staff cost recognised as expenses by the Group amounted to approximately RMB1,858.2 million (31 December 2023: approximately RMB1,938.2 million).

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package including salary, bonus and various allowances. In general, the Group determines employees' salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion. As required by the relevant PRC laws and regulations, the Group makes contributions to social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund for the benefit of its PRC employees.

SUBSEQUENT EVENTS

As at the date of this announcement, no material events were undertaken by the Group after 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and applied the Corporate Governance Code (the "**Corporate Governance Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code on corporate governance. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all applicable code provisions as set out in the Corporate Governance Code during the Year. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct for dealings in the securities by the Directors and supervisors (the "**Supervisor(s)**") of the Company. Having made specific enquiries to all Directors and Supervisors, all the Directors and Supervisors have confirmed that they have complied with the Model Code during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, the Company repurchased a total of 26,933,200 H shares (the "**H Shares**") of the Company on the Stock Exchange at a total consideration of approximately HK$187,659,143. The share repurchase is aimed to enhance the returns to the shareholders (the "**Shareholders**") of the Company and reflect the Company's confidence in its business prospects, which is beneficial to all Shareholders. The details of the H Shares repurchased were as follows:

Month of repurchases	**Number of H Shares repurchased**	**Highest price per H Share** *(HK$)*	**Lowest price per H Share** *(HK$)*	**Aggregate consideration** *(HK$)*
January 2024	200,000	9.52	9.38	1,894,402
April 2024	436,200	9.28	8.38	3,893,547
May 2024	1,413,300	10.00	8.80	13,153,695
June 2024	4,211,500	9.19	7.85	35,184,363
July 2024	19,696,600	7.18	5.72	125,446,753
August 2024	485,300	8.00	7.45	3,799,041
September 2024	490,300	9.08	8.09	4,287,342
Total	26,933,200			187,659,143

Note: As at the date of this announcement, an aggregate of 26,933,200 H Shares repurchased by the Company during the year ended 31 December 2024 have been cancelled in full, and the total issued Shares of the Company is 597,088,700 Shares.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)) during the Year. As of 31 December 2024, the Company did not hold treasury shares.

ANNUAL GENERAL MEETING

The annual general meeting (the "**AGM**") is proposed to be held on 6 June 2025. A notice convening the AGM will be published and despatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 3 June 2025 to 6 June 2025 (both days inclusive), during which period no transfer of the Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of share documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 2 June 2025.

DIVIDEND POLICY AND FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the Year (for the year ended 31 December 2023: nil).

According to the Articles of Association, as the Group recorded loss for the Year, the Board cannot declare any final dividend for the year ended 31 December 2024. However, the Group will regroup and regather its strength immediately, cover the loss for the previous years and maintain steady cash dividends in the future. The Group has not yet used the provident fund to make up for losses in accordance with the Company Law of the PRC which came into effect on 1 July 2024, mainly due to the lack of financial and tax implementation rules and the lack of market precedent.

AUDIT COMMITTEE

The Board established the audit committee (the "**Audit Committee**") of the Company with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.jinkeservice.com).

The primary duties of the Audit Committee are to (i) review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit; (ii) provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee consists of five members, namely Mr. Tung Woon Cheung Eric (董渙樟), Mr. Shi Cheng (石誠), Mr. Wu Xiaoli (吳曉力), Ms. Yuan Lin (袁林) and Ms. Xiao Huilin (肖慧琳).

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has discussed with the management and the external auditor of the Company and has reviewed the annual results of the Group for the year ended 31 December 2024 together with the accounting standards and practices adopted by the Group. The Audit Committee has agreed with the management of the Company on the annual results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statements of comprehensive income, consolidated statements of financial position, and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at http://www.jinkeservice.com. The Company's 2024 annual report will be despatched to the Shareholders and published on the aforementioned websites in due course.

By Order of the Board
Jinke Smart Services Group Co., Ltd.
Xia Shaofei
Chairman

Chongqing, 26 March 2025

As at the date of this announcement, the Board comprises Mr. Xia Shaofei as executive Director, Mr. Wu Xiaoli, Ms. Lin Ke, Mr. Qi Shihao, Mr. Xu Guofu and Mr. Shi Cheng as non-executive Directors, and Mr. Tung Woon Cheung Eric, Ms. Xiao Huilin and Ms. Yuan Lin as independent non-executive Directors.