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Times Neighborhood Holdings Limited

時代鄰里控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9928)

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

SUMMARY OF ANNUAL RESULTS

- Revenue for the Year amounted to approximately RMB2,388.8 million, representing a year-on-year decrease of approximately 3.3%.
- Gross profit for the Year amounted to approximately RMB487.8 million, representing a year-on-year decrease of approximately 5.4%.
- Net profit for the Year amounted to approximately RMB11.5 million and net profit attributable to owners of the parent amounted to approximately RMB4.7 million. The core net profit attributable to owners of the parent (excluding non-recurring expenses) for the Year* amounted to approximately RMB175.2 million, representing a year-on-year increase of approximately 10.5%.
- As of 31 December 2024, the total contracted GFA for property management service amounted to approximately 125.8 million sq.m., total GFA under management amounted to approximately 118.8 million sq.m.
- The Board recommended a final dividend of RMB3.6 cents per ordinary share for the year ended 31 December 2024.

* *Net profit attributable to owners of the parent for the Year after excluding certain non-recurring items (including loss allowance for impairment of financial and contract assets, goodwill and equity related gains and losses).*

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Times Neighborhood Holdings Limited (the “**Company**”, “**we**”, “**us**”, “**our**” or “**Times Neighborhood**”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Year**” or the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
REVENUE	4	2,388,828	2,471,305
Cost of sales		<u>(1,901,044)</u>	<u>(1,955,600)</u>
Gross profit		487,784	515,705
Other income and gains	5	26,852	95,685
Selling and marketing costs		(45,743)	(41,108)
Administrative expenses		(231,634)	(276,942)
Net impairment losses on financial and contract assets		(200,449)	(96,547)
Other expenses		(20,644)	(373,967)
Finance costs	7	(512)	(497)
Share of profits and losses of associates		<u>255</u>	<u>1,629</u>
PROFIT/(LOSS) BEFORE TAX	6	15,909	(176,042)
Income tax expense	8	<u>(4,385)</u>	<u>(28,428)</u>
PROFIT/(LOSS) FOR THE YEAR		<u>11,524</u>	<u>(204,470)</u>
Attributable to:			
Owners of the parent		4,697	(201,763)
Non-controlling interests		<u>6,827</u>	<u>(2,707)</u>
		<u>11,524</u>	<u>(204,470)</u>
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB cents per share)	10	<u>0.5</u>	<u>(20.5)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
PROFIT/(LOSS) FOR THE YEAR	11,524	(204,470)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of overseas subsidiaries	(26,322)	(17,686)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	26,207	17,906
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(115)	220
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	11,409	(204,250)
Attributable to:		
Owners of the parent	4,582	(201,543)
Non-controlling interests	6,827	(2,707)
	11,409	(204,250)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		78,695	79,605
Right-of-use assets		7,609	5,482
Goodwill	11	107,853	123,242
Other intangible assets		114,017	165,023
Investments in associates		68,034	68,796
Deferred tax assets		156,313	124,891
Prepayments, deposits and other receivables		1,539	2,642
		<u>534,060</u>	<u>569,681</u>
CURRENT ASSETS			
Inventories		1,475	3,121
Trade receivables	12	763,870	823,543
Prepayments, deposits and other receivables		183,650	255,517
Restricted bank deposits		37,044	22,626
Cash and cash equivalents		1,071,844	918,740
		<u>2,057,883</u>	<u>2,023,547</u>
Assets of disposal groups classified as held for sale		–	11,555
		<u>2,057,883</u>	<u>2,035,102</u>
CURRENT LIABILITIES			
Trade payables	13	580,466	550,397
Other payables and accruals		358,798	358,416
Contract liabilities		90,724	95,453
Lease liabilities		4,408	4,643
Tax payable		36,657	39,560
Government grants		109	786
Financial liability for a put option written on non-controlling interests		52,230	52,230
		<u>1,123,392</u>	<u>1,101,485</u>
Liabilities directly associated with the assets classified as held for sale		–	10,155
		<u>1,123,392</u>	<u>1,111,640</u>
NET CURRENT ASSETS			
		<u>934,491</u>	<u>923,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u><u>1,468,551</u></u>	<u><u>1,493,143</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*31 December 2024*

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		5,713	3,995
Deferred tax liabilities		19,354	25,949
		<hr/>	<hr/>
Total non-current liabilities		25,067	29,944
		<hr/>	<hr/>
Net assets		1,443,484	1,463,199
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>14</i>	8,868	8,868
Shares held for the share award scheme		(22,198)	(22,198)
Reserves		1,341,049	1,364,325
		<hr/>	<hr/>
		1,327,719	1,350,995
		<hr/>	<hr/>
Non-controlling interests		115,765	112,204
		<hr/>	<hr/>
Total equity		1,443,484	1,463,199
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

General information

The Company is a limited liability company incorporated in the Cayman Islands on 12 July 2019. The registered office address of the Company is 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands. The Company's shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 19 December 2019.

The Company is an investment holding company. During the Year, the Company's subsidiaries were involved in the provision of property management and other relevant services in the People's Republic of China (the "**PRC**").

In the opinion of the Directors, the immediate holding company of the Company is Best Source Ventures Limited, which was incorporated in the British Virgin Islands ("**BVI**"), and the ultimate holding company is Renowned Brand Investments Limited ("**Renowned Brand**"), which was incorporated in the BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("**Mr. Shum**"), the founder of the Company and the Group.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The adoption of the above revised IFRS Accounting Standards has had no significant financial impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

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

⁴ No mandatory effective date yet determined but available for adoption

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

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

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

3. OPERATING SEGMENT INFORMATION

The Group is engaged in the provision of property management services, value-added services to non-property owners, community value-added services and professional services. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

The Group's revenue from external customers is derived solely from its operation in Mainland China. Except for the Group's certain property, plant and equipment amounting to HKD505,000 (approximately equivalent to RMB468,000) (31 December 2023: HKD12,000 (approximately equivalent to RMB10,000)) and certain right-of-use assets amounting to HKD5,606,000 (approximately equivalent to RMB5,192,000) (31 December 2023: HKD2,086,000 (approximately equivalent to RMB1,738,000)), the Group's non-current assets are located in Mainland China.

Information about major customers

There was no revenue from sales to a single customer or a group of customers under common control amounting to 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

4. REVENUE, CONTRACT LIABILITIES

Revenue from contracts with customers

(a) Disaggregated revenue information

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Services transferred over time:		
Property management services	1,816,170	1,885,576
Value-added services to non-property owners	29,510	67,628
Community value-added services	268,408	248,789
Professional services	211,029	179,693
	<hr/>	<hr/>
Subtotal	2,325,117	2,381,686
	<hr/>	<hr/>
Goods transferred at a point in time:		
Value-added services to non-property owners	1,873	1,930
Community value-added services	35,213	60,878
Professional services	26,625	26,811
	<hr/>	<hr/>
Subtotal	63,711	89,619
	<hr/>	<hr/>
Total revenue	2,388,828	2,471,305
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Contract liabilities

The Group recognised the following revenue-related contract liabilities:

	31 December		1 January
	2024	2023	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities			
– Third parties	86,540	87,378	72,707
– Related parties	4,184	8,075	6,333
	<u>90,724</u>	<u>95,453</u>	<u>79,040</u>
Total contract liabilities	<u>90,724</u>	<u>95,453</u>	<u>79,040</u>

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Property management services	<u>95,453</u>	<u>79,040</u>

(b) *Performance obligations*

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

Property management services

The Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value to the customer of the Group's performance to date on a monthly or quarterly basis and payment is generally due within 30 to 90 days from the billing date. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts. The majority of the property management services do not have a fixed term.

Community value-added services

The community value-added services except for brokerage services provided to property owners and residents and sale of goods are rendered in a short period of time which is generally less than a year and there was no unsatisfied performance obligation at the end of the respective periods. The payment for such community value-added services is generally due when the services are rendered to the customer.

Brokerage commission for parking space and second-hand house is recognised at a point in time when a buyer/lessee and a seller/lessor execute a legally binding agreement and the performance obligations are satisfied. The payment is generally due when the services are rendered to the customer.

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer. The payment is generally due within 30 to 90 days from delivery.

Value-added services to non-property owners

Value-added services to non-property owners mainly include construction site services, sales assistance services, pre-delivery cleaning services, construction and installation services and brokerage services provided to non-property owners. The term of the contracts for construction site services and sales assistance services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required. Pre-delivery cleaning services, construction and installation services are rendered in a short period of time and there were no unsatisfied performance obligations at the end of the respective periods. As the customers simultaneously receive and consume the benefits provided by the Group's performance, thus the revenue is recognised over time when the performance obligations are satisfied.

For brokerage services, the Group provides sales and rental assistance services to property developers. Brokerage commission for house agency services is recognised at a point in time when a buyer/lessee and a seller/lessor execute a legally binding agreement and the performance obligations are satisfied.

The payment for value-added services to non-property owners is generally due when the services are rendered to the customer.

Professional services

Revenue from sales commission, and the sale of elevators and elevator parts is recognised at the point in time when control of the asset is transferred to the end customer. The payment is generally due within 30 to 90 days from delivery.

Revenue from the provision of other professional services is recognised when the services are rendered and the terms of the contracts for other professional services are generally set to expire when the counterparties notify the Group that the services are no longer required. The payment is generally due when the services are rendered to the customer.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	9,394	9,803
Fair value gain on put option	–	69,411
Gain on disposal of financial assets at fair value through profit or loss	6,899	2,604
Government grants	4,865	3,917
Tax incentives	3,836	5,809
Others	1,858	4,141
	<hr/>	<hr/>
Total	26,852	95,685
	<hr/> <hr/>	<hr/> <hr/>

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

6. PROFIT/(LOSS) BEFORE TAX

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

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of services provided*		1,867,071	1,907,569
Cost of inventories sold		33,973	48,031
Depreciation of property, plant and equipment		20,353	19,125
Depreciation of right-of-use assets		6,451	5,821
Amortisation of other intangible assets		54,300	56,628
Research and development costs:			
Current year expenditure		3,185	14,044
Deferred expenditure amortised**		6,683	16,128
Total		9,868	30,172
Auditor's remuneration		2,528	2,931
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		435,253	662,293
Pension scheme contributions***		59,471	82,420
Equity-settled share award scheme expense		–	2,988
Total		494,724	747,701
Impairment of goodwill****		15,389	361,651
Impairment of other intangible assets****		–	2,960
Net impairment losses recognised/(reversed) on financial and contract assets			
– Trade receivables		166,641	34,304
– Prepayment, deposits and other receivables		34,817	62,810
– Contract assets		(1,009)	(567)
Total		200,449	96,547
Lease payments not included in the measurement of lease liabilities		8,733	16,649

- * Cost of services provided for the Year included an aggregate amount of RMB408,097,000 (2023: RMB629,871,000) which comprised employee benefit expense, depreciation of property, plant and equipment, amortisation of other intangible assets and rental expense. This amount was also included in the respective expense items disclosed above.
- ** Deferred expenditure amortised recognised in the administrative expenses was also included in the amortisation of other intangible assets.
- *** There were no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- **** These items are included in “Other expenses” in the consolidated statement of profit or loss.

7. FINANCE COSTS

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expense on lease liabilities	512	497

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax. The Group was not liable for income tax in Hong Kong as the Group did not have any assessable profits arising in Hong Kong during the Year.

Subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax (“CIT”) rate of 25% for the Reporting Period. Certain subsidiaries of the Group operating in Mainland China enjoyed a preferential CIT rate of 15% or 20% during 2024 and 2023.

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	42,402	49,162
Deferred income tax	(38,017)	(20,734)
Total tax charge for the year	4,385	28,428

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2024		2023	
	RMB'000	%	RMB'000	%
Profit/(loss) before tax	15,909		(176,042)	
Tax at the statutory tax rate	3,977	25.0	(44,011)	25.0
Lower tax rates enacted by local authorities	(14,817)	(93.1)	2,093	(1.2)
Tax incentives on eligible expenses	(446)	(2.8)	(1,897)	1.1
Profit attributable to an associate	(14)	(0.1)	(395)	0.2
Expenses not deductible for tax	12,171	76.5	87,639	(49.7)
Income not subject to tax	–	–	(17,353)	9.8
Tax losses not recognised	756	4.8	25	–
Tax losses utilised from previous periods	(172)	(1.1)	(2,053)	1.2
Temporary differences not recognised	1,066	6.7	3,127	(1.8)
Taxes on undistributed profits of the subsidiaries in the PRC	1,864	11.7	1,253	(0.7)
Tax charge at the Group's effective rate	4,385	27.6	28,428	(16.1)

9. DIVIDENDS

The Board recommended a final dividend of RMB3.6 cents per ordinary share (2023: RMB2.4 cents) totalling RMB35,484,000 for the year ended 31 December 2024 (2023: RMB23,656,000).

The proposed final dividend for the Year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 982,323,000 (2023: 982,323,000) in issue during the year.

The calculation of basic and diluted earnings per share is based on:

	2024	2023
Profit/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent (RMB'000)	<u>4,697</u>	<u>(201,763)</u>
Shares		
Weighted average number of ordinary shares in issue during the year (in thousand)	<u>982,323</u>	<u>982,323</u>
Profit/(loss) per share		
Basic and diluted (RMB cents per share)	<u>0.5</u>	<u>(20.5)</u>

Because the diluted profit per share amount is decreased when taking shares held for the share award scheme into account, the shares held for the share award scheme had an anti-dilutive effect on the basic profit per share for the year and were ignored in the calculation of diluted profit per share.

11. GOODWILL

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost at 1 January, net of accumulated impairment	123,242	485,185
Disposal of a subsidiary	–	(292)
Impairment during the year	<u>(15,389)</u>	<u>(361,651)</u>
Cost at 31 December, net of accumulated impairment	<u>107,853</u>	<u>123,242</u>

Impairment testing on goodwill

The Group's goodwill acquired through business combinations was allocated to ten cash-generating units ("CGUs") for impairment testing. The recoverable amounts of these CGUs have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period prepared by management.

12. TRADE RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Related parties (<i>note (a)</i>)	547,482	571,734
Third parties (<i>note (b)</i>)	776,488	647,016
	<u>1,323,970</u>	<u>1,218,750</u>
Impairment	<u>(560,100)</u>	<u>(395,207)</u>
Net carrying amount	<u><u>763,870</u></u>	<u><u>823,543</u></u>

Notes:

- (a) Trade receivables from related parties are due in twelve months upon the issuance of demand notes.
- (b) For trade receivables from property management services, the Group charges property management fees on a quarterly or monthly basis and the payment is generally due upon the issuance of demand notes. For trade receivables from other services, the Group's trading terms with its customers are mainly on credit and the credit period is generally within three months.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group's concentration of credit risk of trade receivables will be disclosed in the consolidated financial statements of the Group for the year ended 31 December 2024 in the Company's upcoming annual report. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the demand note date and net of loss allowance, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	560,801	541,999
1 to 2 years	102,291	240,519
2 to 3 years	85,641	26,055
3 to 4 years	10,330	14,824
4 to 5 years	4,807	146
	<hr/>	<hr/>
Total	763,870	823,543
	<hr/> <hr/>	<hr/> <hr/>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
At beginning of year	395,207	374,013
Impairment losses recognised	166,641	34,304
Amount written off as uncollectible	(1,748)	(13,110)
	<hr/>	<hr/>
At end of the year	560,100	395,207
	<hr/> <hr/>	<hr/> <hr/>

13. TRADE PAYABLES

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 1 year	407,393	407,696
Over 1 year	173,073	142,701
	<hr/>	<hr/>
	580,466	550,397
	<hr/> <hr/>	<hr/> <hr/>

Included in the trade payables are payables of RMB5,607,000 (2023: RMB4,176,000) due to related parties which are repayable within 60 days.

14. SHARE CAPITAL

	2024	2023
Authorised: 2,000,000,000 (2023: 2,000,000,000) ordinary shares of HKD0.01 each	<u>HKD20,000,000</u>	<u>HKD20,000,000</u>
Issued and fully paid: 985,672,747 (2023: 985,672,747) ordinary shares of HKD0.01 each	<u>HKD9,856,727</u>	<u>HKD9,856,727</u>
Equivalent to	<u>RMB8,868,000</u>	<u>RMB8,868,000</u>

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the audited annual results of the Group for the year ended 31 December 2024.

As we bid farewell to a year of challenges and progress, we find ourselves at a new starting point. The global economy is still undergoing regional adjustments, while the wave of technological advancements represented by artificial intelligence (AI) is reshaping production methods and service approaches across various industries. At the same time, policies aimed at boosting the real estate market and promoting consumption recovery continue to emerge domestically, accelerating the technological transformation of the property management sector. We will be facing increasingly complex and diverse opportunities and challenges.

Looking back at 2024, we embraced our concept of long-term development and positioned ourselves strategically to set a course for high-quality development. By evolving through service innovation and digital technology, we aim for endogenous growth that meets the property owners’ needs for a better living experience.

In 2024, with the “Spark Program” as our strategic focal point, we relied on the advantages of core urban clusters and expanded our multi-industry benchmark projects in residential buildings, industrial parks, museums and schools during the year. The service area of property management contracts increased by 7 percentage points year-on-year, achieving stable growth in scale.

In 2024, through the four major initiatives of “Renew, Beautify, Secure, and Empower”, we promoted the renewal of park facilities and upgraded intelligent security systems. We aimed to build an eco-friendly, low-carbon community ecosystem and all-age-friendly spaces, utilizing AI technology to realize online service scenarios and standardized processes. This comprehensively enhanced service efficiency and technological added value. As a result, we achieved a 4% increase in overall customer satisfaction for the year, with several projects awarded national and provincial-level demonstration titles. We also maintained our position as the 11th in the Top 100 Property Management Companies in China for three consecutive years.

In 2024, we focused on asset preservation and appreciation as the core of our “Property – Design – Renovation – Living” four-dimensional collaborative ecosystem. We integrated the flow access points of property scenarios to form a one-stop comprehensive asset service system. By leveraging property services to precisely meet demands, we drove a year-on-year increase of 48% in rental and sales orders. The renovation business completed a full-chain standardization upgrade, resulting in a 2.5-fold surge in new contract amounts, thereby continuously enhancing the value of owners’ assets throughout their entire lifecycle.

As we move into 2025, we need to embody the spirit of “Fuel Innovation with Pragmatism, Reinforce Commitment with Diligence”. In the face of changing times, we will adopt a proactive and modest attitude to seek truth, be pragmatic, and innovate, which we see as our “Three Strong Beliefs”.

First, **we are committed to creating value for our customers.** With in-depth insights into our customers’ needs for a better living experience, we have constructed a differentiated value system centered on quality enhancement and service innovation. By utilizing intelligent tools and standardized processes, we will transform customers’ latent needs into systematic service solutions, reshaping our service core through digital transformation to create an ecosystem service network driven by “Asset Appreciation + Living Experience”, completely leaping from a basic service provider to an asset operating expert.

Second, **we are determined to achieve quality growth.** We will extensively explore the existing market, advancing the strategic deployment of the “Spark Program”. By building service ecosystems in core cities and key regions, we will leverage digital platforms to drive precise allocation of urban service resources, creating a product matrix that integrates standardized service packages and customized solutions, and developing high-density, high-efficiency project clusters and service networks.

Third, **we are dedicated to achieve digital and intelligent transformation.** We will drive technological strategic upgrades through a “Digital Foundation + Intelligent Hub” approach, implementing a “Talent × Technology” compound development strategy. Through organizational efficiency innovation and digital transformation, we endeavor to build an agile and intelligent enterprise ecosystem.

In the future, the Group will reconstruct service boundaries through technology and cultivate growth resilience through ecosystems, enabling more people to enjoy a better life.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Overview

The Group is a leading and fast-growing urban comprehensive service operator in China, providing high-quality community services, urban services and innovative services for diversified industrial types such as residences, industrial parks, public buildings and other urban spaces. In 2024, the Group was recognized as the 11th in the 2024 Top 100 Property Management Companies in China by Beijing China Index Information Technology Academy in terms of its comprehensive strength.

Our main business includes property management services, community value-added services, value-added services to non-property owners and other professional services, comprehensively covering the entire property management value chain.

Property Management Services

As of 31 December 2024, our contracted property management services covered 82 cities, with a total of 878 property management projects under management (excluding 20 projects of urban public services), and a gross floor area (“GFA”) under property management of approximately 118.8 million sq.m. In addition, we had a total of 67 contracted property management projects which had not been handed over to us for management, with undelivered GFA of approximately 6.9 million sq.m.

In 2024, we strategically adjusted our portfolio of properties under management to pursue better profitability and cash collection performance. During the Year, our main focus was on internal expansion to diversify our business scope.

The table below sets forth the movements of our contracted GFA under property management and GFA under management as of the dates indicated:

	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
At the beginning of the period	117,577	110,933	134,142	118,708
New engagements ⁽¹⁾	18,774	18,486	12,814	20,232
Terminations ⁽²⁾	(10,592)	(10,592)	(29,379)	(28,007)
At the end of the period	<u>125,759</u>	<u>118,827</u>	<u>117,577</u>	<u>110,933</u>

Notes:

- (1) In relation to residential communities and non-residential communities we manage, new engagements primarily include preliminary property management service contracts for new properties developed by property developers and property management service contracts for non-residential communities replacing their previous property management service providers.
- (2) These terminations include our voluntary non-renewal of certain property management service contracts. We reallocated our resources to more profitable engagements in an effort to optimize our property management services portfolio.

Our Geographical Presence

The table below sets forth our contracted GFA under property management and GFA under management by regions as of the dates indicated:

	For the year ended 31 December			
	2024		2023	
	Contracted GFA <i>sq.m. '000</i>	GFA under management <i>sq.m. '000</i>	Contracted GFA <i>sq.m. '000</i>	GFA under management <i>sq.m. '000</i>
Greater Bay Area				
Guangzhou	16,816	16,765	16,508	16,458
Foshan	14,188	14,042	12,659	12,524
Zhuhai	4,800	4,254	4,795	4,179
Zhongshan	2,173	2,068	2,127	2,060
Dongguan	2,991	2,991	3,898	3,736
Zhaoqing	1,747	1,520	2,206	1,979
Huizhou	3,393	3,232	2,994	2,643
Jiangmen	4,325	4,103	4,110	3,887
Shenzhen	87	87	55	55
Subtotal	<u>50,520</u>	<u>49,062</u>	<u>49,352</u>	<u>47,521</u>
Other Region				
Northeast China ⁽¹⁾	81	81	86	86
North China ⁽²⁾	2,838	2,838	2,765	2,765
East China ⁽³⁾	21,960	21,590	18,027	17,558
South China ⁽⁴⁾	11,609	9,404	9,113	7,292
Central China ⁽⁵⁾	10,107	9,239	10,194	9,183
Northwest China ⁽⁶⁾	1,635	1,635	1,812	1,812
Southwest China ⁽⁷⁾	27,009	24,978	26,228	24,716
Subtotal	<u>75,239</u>	<u>69,765</u>	<u>68,225</u>	<u>63,412</u>
Total	<u>125,759</u>	<u>118,827</u>	<u>117,577</u>	<u>110,933</u>

Notes:

Only the provinces, cities and autonomous regions where we have property management projects are listed below:

- (1) Northeast China includes: Liaoning Province;
- (2) North China includes: Beijing, Tianjin, Hebei Province;
- (3) East China includes: Shanghai, Jiangsu Province, Zhejiang Province, Anhui Province, Jiangxi Province, Shandong Province, Fujian Province;
- (4) South China includes: Guangdong Province (excluding cities in the Greater Bay Area), Guangxi Zhuang Autonomous Region, Hainan Province;
- (5) Central China includes: Henan Province, Hubei Province, Hunan Province;
- (6) Northwest China includes: Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region; and
- (7) Southwest China includes: Chongqing, Sichuan Province, Guizhou Province, Yunnan Province.

The Group has been deeply rooted in the Greater Bay Area for more than 20 years and has continuously expanded the scope of property management in the Greater Bay Area, further consolidating its competitive advantage in the area. As at 31 December 2024, among the Group's projects under property management, the projects with the GFA under property management of approximately 49.1 million sq.m. were located in the Greater Bay Area, accounting for approximately 41.3% of the GFA under property management. With our successful management experience of the projects in the Greater Bay Area and word of mouth in the market, we achieved layout in other cities.

Portfolio of Properties under Management

We manage a diversified portfolio of properties, and in addition to focusing on the three major businesses of residential, industrial parks and public buildings, we also manage commercial properties, office buildings, urban space and other businesses, and are committed to enriching the types of services we provide.

The table below sets forth a breakdown of our GFA under property management as of the dates and revenue generated from property management services for the periods indicated by the type of property:

	For the year ended 31 December							
	2024				2023			
	GFA under management (sq.m.'000)	Percentage %	Revenue (RMB'000)	Percentage %	GFA under management (sq.m.'000)	Percentage %	Revenue (RMB'000)	Percentage %
Residential properties	72,187	60.7	979,674	53.9	69,314	62.5	983,316	52.1
Non-residential properties	46,640	39.3	836,496	46.1	41,619	37.5	902,260	47.9
Total	<u>118,827</u>	<u>100.0</u>	<u>1,816,170</u>	<u>100.0</u>	<u>110,933</u>	<u>100.0</u>	<u>1,885,576</u>	<u>100.0</u>

Benefitting from our continuous efforts to expand the customer base and to optimize the portfolio of properties under management, the effective strategies for independent expansion were implemented to gain a balanced and diversified business layout. As of 31 December 2024, the management area for the residential business was approximately 72.2 million sq.m., accounting for approximately 60.7% of the scale under management. The revenue derived from the management of residential properties for the Year was approximately RMB979.7 million, accounting for approximately 53.9% of the revenue from property management services. We believe that the experience and recognition gained from managing such diversified businesses will enable us to further expand our portfolio of properties under management, grow our customer base and generate a stable and recurring income in the future.

Nature of developers served

We stepped up our expansion into independent third-party markets. Leveraging on our high quality services, our professional service team and our renowned reputation, the GFA achieved from the expansion of third-party markets account for approximately 71.4% of the management area for property management services.

The following table sets forth our GFA under property management as of the dates and revenue generated from property management services by property developers for the periods indicated:

	For the year ended 31 December							
	2024				2023			
	GFA under management (sq.m.'000)	Percentage %	Revenue (RMB'000)	Percentage %	GFA under management (sq.m.'000)	Percentage %	Revenue (RMB'000)	Percentage %
Times China Group ⁽¹⁾	33,968	28.6	808,075	44.5	33,910	30.6	767,001	40.7
Third-party property developers ⁽²⁾	84,859	71.4	1,008,095	55.5	77,023	69.4	1,118,575	59.3
Total	118,827	100.0	1,816,170	100	110,933	100.0	1,885,576	100.0

Notes:

- (1) Includes properties solely developed by Times China Holdings Limited and its subsidiaries (the “**Times China Group**”) and properties that Times China Group jointly developed with other property developers to which Times China Group held a controlling interest.
- (2) Includes properties solely developed by third-party property developers independent from Times China Group, as well as properties jointly developed by Times China Group and other property developers for which Times China Group did not hold a controlling interest in these property developers. Properties developed by third-party property developers also include government-owned buildings and other public properties, which are constructed by third-party construction companies.

The percentage of GFA under property management for properties developed by third-party property developers increased from approximately 69.4% in 2023 to approximately 71.4% in 2024. The revenue generated from managing properties developed by third-party property developers decreased from approximately RMB1,118.6 million in 2023 to approximately RMB1,008.1 million in 2024. Such decline is mainly due to the optimization of the structure of managed projects and the exit from certain projects with relatively lower profit margins.

Community Value-added Services

As an extension of property management services, in order to satisfy the property owners’ and residents’ pursuit of convenience, to enhance customers’ experience and to increase their loyalty, we provide a wide range of services in two categories, namely, public space leasing and parking space management and resident services. Our resident services mainly include bag checking, home renovation, asset management, community group buying and housekeeping services.

The table below sets forth the breakdown of revenue derived from community value-added services for the periods indicated:

	For the year ended 31 December			
	2024		2023	
	Revenue (RMB'000)	Percentage %	Revenue (RMB'000)	Percentage %
Public space leasing and parking space management	121,060	39.9	129,334	41.8
Resident services	182,561	60.1	180,333	58.2
Total	<u>303,621</u>	<u>100.0</u>	<u>309,667</u>	<u>100.0</u>

In 2024, the revenue from community value-added services decreased by approximately 2.0% to approximately RMB303.6 million as compared with approximately RMB309.7 million for the corresponding period in 2023, which was mainly due to the withdrawal from the community bulk order business this year, which led to a significant decrease in revenue from this segment. At the same time, we focused on the home decoration and real estate brokerage businesses of which the revenue achieved remarkable growth, resulting in minimal changes in the revenue from community value-added services.

Value-added Services to Non-property Owners

We offer a broad range of property related business solutions to non-property owners, primarily property developers, which cover their entire property development process. Such solutions consist of (i) sales assistance services to assist property developers in showcasing and marketing their properties, services of which include pre-sale consultation, display unit management, organizing sales campaigns and visitor reception for property development projects; (ii) construction site services, such as consultancy and security services; (iii) housing agency services for residences, shops and parking spaces; and (iv) urban redevelopment project services.

The table below sets forth the breakdown of revenue derived from value-added services to non-property owners for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Revenue <i>(RMB'000)</i>	Percentage %	Revenue <i>(RMB'000)</i>	Percentage %
Sales assistance services	28,593	91.1	64,075	92.1
Construction site services	917	2.9	3,025	4.3
Urban redevelopment project services	–	–	528	0.8
Housing agency services	1,873	6.0	1,930	2.8
Total	31,383	100.0	69,558	100.0

In 2024, the revenue derived from value-added services to non-property owners decreased by approximately 54.9% to approximately RMB31.4 million from approximately RMB69.6 million in the same period of 2023. In response to cyclical downturn of the PRC real estate industry, the Group adjusted the business scale of value-added services to non-property owners out of prudent consideration and to balance the pace of cash collection, causing the decrease in the overall revenue of value-added services to non-property owners for the Year.

Other Professional Services

We provide other professional services to our customers, including (i) elevator services (including sale, installation, repair and maintenance of elevators); (ii) Zhilian (智聯) technology services; and (iii) urban public services.

The table below sets forth the breakdown of revenue derived from other professional services for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Revenue <i>(RMB'000)</i>	Percentage %	Revenue <i>(RMB'000)</i>	Percentage %
Zhilian technology services	23,971	10.1	28,663	13.9
Elevator services	58,184	24.5	49,568	24.0
Urban public services	155,499	65.4	128,273	62.1
Total	237,654	100.0	206,504	100.0

In 2024, we continued to develop urban public services projects, providing services such as municipal sanitation, security patrol, integrated management of construction site and comprehensive cleaning for these projects. In 2024, the revenue from urban public services increased to approximately RMB155.5 million from approximately RMB128.3 million in the same period of 2023. As at 31 December 2024, we had a total of 20 urban public service projects, with an aggregate signed contract amount of approximately RMB366.5 million and an annualized contract amount of approximately RMB148.3 million.

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from property management services, community value-added services, value-added services to non-property owners and other professional services. The Group's revenue decreased by approximately RMB82.5 million or approximately 3.3% to approximately RMB2,388.8 million in 2024 from approximately RMB2,471.3 million in 2023, which was primarily attributable to the decrease in our revenue from property management services.

The table below sets forth the breakdown of revenue of the Group by operating segments for the periods indicated:

	For the year ended 31 December			
	2024		2023	
	Revenue (RMB'000)	Percentage %	Revenue (RMB'000)	Percentage %
Property management services	1,816,170	76.0	1,885,576	76.3
Community value-added services	303,621	12.7	309,667	12.5
Value-added services to non-property owners	31,383	1.3	69,558	2.8
Other professional services	237,654	10.0	206,504	8.4
Total	<u>2,388,828</u>	<u>100.0</u>	<u>2,471,305</u>	<u>100.0</u>

The property management services segment remained to be our largest source of revenue. In 2024, the Group's revenue from property management services was approximately RMB1,816.2 million, accounting for approximately 76.0% of the Group's total revenue. This decrease in revenue was driven by the optimization of the structure of managed projects and the exit from certain projects with relatively lower profit margins. The decrease in revenue from community value-added services was mainly due to the decline in revenue from community bulk order business. The decrease in revenue from value-added services to non-property owners was mainly due to the decline in revenue from sales assistance services of marketing sites. The increase in revenue from other professional services was mainly due to the increase in revenue from urban public services and elevator services.

Cost of Sales

Our expenses mainly consist of (i) labor costs; (ii) cleaning and gardening expenses; and (iii) maintenance costs, etc. For the year ended 31 December 2024, the total expenses of the Group was approximately RMB1,901.0 million, which decreased by approximately RMB54.6 million or approximately 2.8% as compared to approximately RMB1,955.6 million for the year ended 31 December 2023. Such decrease was mainly due to the downsizing of property management services and value-added services to non-property owners.

Gross Profit and Gross Profit Margin

Based on the above reasons, the gross profit of the Group decreased by approximately RMB27.9 million or approximately 5.4% to RMB487.8 million in 2024 from RMB515.7 million in 2023, which was primarily attributable to the decrease of gross profit margin in property management services. The gross profit margin of the Group slightly decreased by 0.5 percentage points to 20.4% in 2024 from 20.9% in 2023, primarily due to the changes in the service revenue portfolio.

Gross profit margin of the Group by business lines was as follows:

	For the year ended	
	31 December	
	2024	2023
	%	%
Property management services	19.2	19.4
Community value-added services	39.7	42.5
Value-added services to non-property owners	5.5	5.5
Other professional services	6.9	6.9
Total gross profit margin	20.4	20.9

The gross profit margin of our property management services decreased by 0.2 percentage points, mainly due to our increased investment in environmental, fire protection, and quality services for long-term projects to support long-term expansion strategies and high-quality services.

The gross profit margin of our community value-added services decreased by 2.8 percentage points, mainly due to the adjustment and change of the service portfolio.

The gross profit margin of our value-added services to non-property owners and the gross profit margin of our other professional services remained unchanged.

Other Income and Gains

The other income of the Group decreased by approximately RMB68.8 million or approximately 71.9% to approximately RMB26.9 million in 2024 from approximately RMB95.7 million in 2023, which was primarily attributable to the non-recording of additional fair value gain on financial liabilities for the put options issued to non-controlling interests in the Year.

Administrative Expenses

Administrative expenses mainly consist of (i) staff remuneration; (ii) office expenses; and (iii) depreciation and amortization, etc. For the year ended 31 December 2024, the total administrative expenses of the Group were approximately RMB231.6 million, which decreased by approximately RMB45.3 million or approximately 16.4% as compared to approximately RMB276.9 million for the year ended 31 December 2023. Such decrease was mainly due to a reduction in various administrative expenses resulting from the Group's continuing effort in adopting refined management and applying smart devices with advanced technology.

Net Impairment Losses on Financial and Contract Assets

The net impairment losses on financial and contract assets of the Group increased by approximately RMB103.9 million or approximately 107.7% from approximately RMB96.5 million in 2023 to approximately RMB200.4 million in 2024. Such increase was mainly due to change in credit risk of several customers and trade receivables, resulting in the increase in impairment provision of trade receivables.

Other Expenses

The other expenses of the Group decreased by approximately RMB353.4 million or approximately 94.5% to approximately RMB20.6 million in 2024 from approximately RMB374.0 million in 2023. Such decrease in the expenses was mainly due to the decrease of the impairment loss of goodwill in accordance with industry performance and individual performance of subsidiary of the Company.

Finance Costs

For the year ended 31 December 2024, the Group's finance costs amounted to approximately RMB0.5 million, with no significant change as compared with 2023.

Income Tax Expense

For the year ended 31 December 2024, the income tax on the Group's statement of profit or loss was approximately RMB4.4 million (2023: income tax of RMB28.4 million) which was primarily due to the decrease in taxable income.

Net Profit Attributable to Owners of the Parent for the Year

For the year ended 31 December 2024, the Group recorded net profit attributable to owners of the Company of approximately RMB4.697 million (2023: loss of approximately RMB201.76 million), representing a turnaround as compared with the year ended 31 December 2023.

After excluding certain non-recurring items (including loss allowance for impairment of financial and contract assets, goodwill and equity related gains and losses) from the net profit attributable to owners of the parent for the Year, the core net profit attributable to owners of the parent for the Year^{note} amounted to approximately RMB175.2 million in 2024 (2023: RMB158.6 million), representing an increase of approximately 10.5%.

Note: The Group believes that the presentation of core profit, being a non-IFRS measure, will facilitate the evaluation of financial performance of the Group by excluding the impact of certain non-operating and/or non-recurring items which the Group does not consider to be indicative of the operating performance of the Group. Such non-IFRS measure does not have a standardised meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. The Group's presentation of this non-IFRS measure should not be construed as an inference that the Group's future results will be unaffected by these items.

The table below sets forth the reconciliation of net profit/(loss) attributable to owners of the parent for the year to core net profit attributable to owners of the parent for the year:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net profit/(loss) attributable to owners of the parent for the year	4,697	(201,763)
Net impairment losses on financial and contract assets*	155,409	67,529
Share of profits and losses of associates	(255)	(1,629)
Fair value gain on put option	–	(69,411)
Impairment of other intangible assets*	–	2,220
Impairment of goodwill	15,389	361,651
	<hr/>	<hr/>
Core net profit attributable to owners of the parent for the year	175,240	158,597
	<hr/> <hr/>	<hr/> <hr/>

* *Net of tax impact and excluding those contributable to non-controlling interests*

Property, Plant and Equipment

The Group's property, plant and equipment mainly included leasehold improvement, motor vehicles and office equipment. As at 31 December 2024, the Group's property, plant and equipment was approximately RMB78.7 million, representing a decrease of approximately RMB0.9 million from approximately RMB79.6 million as at the end of 2023, mainly due to an increase in the depreciation of property, plant and equipment.

Trade Receivables

Trade receivables mainly arise from property management services, value-added services to non-property owners and other professional services provided to Times China Group and third parties. The Group's trade receivables as at 31 December 2024 amounted to approximately RMB763.9 million, representing a decrease of approximately RMB59.6 million or approximately 7.2% as compared to approximately RMB823.5 million as at 31 December 2023, primarily due to the further reduction in the total amount of trade receivables from related parties compared to 31 December 2023.

Prepayments, Deposits and Other Receivables

Prepayment, deposits and other receivables decreased by approximately 28.3% from approximately RMB258.2 million as of 31 December 2023 to approximately RMB185.2 million as of 31 December 2024, primarily due to the recognition of provision for impairment losses on other receivables.

Trade Payables

The Group's trade payables as at 31 December 2023 amounted to approximately RMB580.5 million, representing an increase of approximately RMB30.1 million or approximately 5.5% as compared to approximately RMB550.4 million as at 31 December 2023, mainly due to the expansion of the elevator business and home decoration business scale.

Other Payables and Accruals

Other payables and accruals increased by approximately 0.1% from approximately RMB358.4 million as of 31 December 2023 to approximately RMB358.8 million as of 31 December 2024, with no significant changes.

Financial Position and Capital Structure

For the year ended 31 December 2024, the Group maintained a sound financial position.

As at 31 December 2024, the Group's current ratio (current assets/current liabilities) was 1.83 times (31 December 2023: 1.83 times) and net gearing ratio indicated a net cash status (31 December 2023: net cash). Net gearing ratio is calculated by other interest-bearing borrowings minus cash and cash equivalents, and then divided by net assets. As at 31 December 2024 and 2023, the Group did not have any outstanding other interest-bearing borrowings.

Financial Guarantee

As at 31 December 2024, the Group did not have any financial guarantee.

Pledge of Assets

As at 31 December 2024, none of the assets of the Group were pledged.

Contingent Liabilities

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

Interest Rate Risk

As the Group had no other significant interest-bearing assets and liabilities, the Group is not exposed to material risk directly relating to changes in market interest rate.

Foreign Exchange Risk

The Group mainly operates in the PRC and most of its operations are denominated in RMB. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into currency swap arrangement as and when appropriate for hedging corresponding risks. As at 31 December 2024, the Group did not engage in hedging activities for managing foreign exchange rate risk.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AFFILIATES AND JOINT VENTURE ENTERPRISES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held, no material acquisitions or disposals of subsidiaries, affiliates and joint venture enterprises during the Year, nor was there any plan authorized by the Board for other material investments or additions of capital assets as at the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events occurring after the Reporting Period up to the date of this announcement.

USE OF NET PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Main Board of the Stock Exchange on the listing date (i.e. 19 December 2019) (the “**Listing Date**”) by way of global offering (the “**Listing**”), raising a total net proceeds (after deducting professional fees, underwriting commissions and other related listing expenses) of approximately HKD786,744,178.

As at 31 December 2024, the proceeds from the Listing have been and will be continuously used according to the plans disclosed in the section headed “Future Plans and Use of Proceeds - Use of Proceeds” in the prospectus dated 9 December 2019 of the Company, namely:

Proposed Use of Proceeds	Percentage of Total Net Proceeds	Net Proceeds	As at 31 December 2024		Remaining Unutilized Proceeds	Expected Timeline for Use of Remaining Unutilized Proceeds
			Amount Used During the Year	Amount Used (Including the Reserved Amount)		
	%	HKD	HKD	HKD (%)	HKD (%)	
a) Seeking selective strategic investment and acquisition opportunities and further developing strategic alliances;	65	511,383,716	–	511,383,716 (65)	–	N/A
b) Improving the customer service quality by using advanced technology and building a smart community;	15	118,011,627	3,760,021	105,601,208 (13.4)	12,410,419 (1.6)	On or before 31 December 2025*
c) Further developing a one-stop service platform; and	10	78,674,417	8,439,655	75,898,019 (9.6)	2,776,398 (0.4)	On or before 31 December 2025*
d) Working capital and general corporate purposes.	10	78,674,417	–	78,674,417 (10)	–	N/A

* In order to ensure the effective use of the funds for higher service quality, the Company has decided to further defer the relevant plans. As at the date of this announcement, the Company expects the unutilized net proceeds to be fully utilized on or before 31 December 2025.

USE OF NET PROCEEDS FROM THE PLACING OF SHARES

On 7 July 2020, the Company entered into an agreement (the “**Agreement**”) with Credit Suisse (Hong Kong) Limited (the “**Manager**”) (the manager) and Asiaciti Enterprises Ltd. (“**Asiaciti Enterprises**”) (the seller), pursuant to which the Manager conditionally agreed to place 77,000,000 existing ordinary shares of the Company at the placing price of HKD10.22 per share to not less than six (6) places on a best effort basis, while Asiaciti Enterprises conditionally agreed to subscribe for new shares, the number of which is equal to the number of the placing shares placed by the Manager, at the issue price of HKD10.22 per new share (the “**Issue Price**”). The Company completed the placing of shares, and allotment and issuance of new shares under the general mandate, on 9 July 2020 and 20 July 2020, respectively. The total net proceeds raised by the Company after deducting all relevant fees, costs and expenses to be borne or incurred by the Company were approximately HKD779,596,946.

As at 31 December 2024, the proceeds from the placing of shares have been and will be continuously used according to the plans disclosed in the announcements dated 7 July 2020 and 20 July 2020 of the Company, which are set forth as follow:

Proposed Use of Proceeds	Percentage of Total Net Proceeds %	Net Proceeds HKD	As at 31 December 2024		Remaining Unutilized Proceeds HKD (%)	Expected Timeline for Use of Remaining Unutilized Proceeds
			Amount Used During the Year HKD	Amount Used (Including the Reserved Amount) HKD (%)		
a) Seeking potential strategic investment and acquisition opportunities; and	90	701,637,251	5,439,320	434,209,426 (55.7)	267,427,825 (34.3)	On or before 31 December 2025*
b) General working capital of the Group.	10	77,959,695	–	77,959,695 (10)	-	N/A

* As the Group has become more prudent in selecting and capitalizing on strategic investment and acquisition opportunities that meet the Group’s long-term development needs, the Company has decided to further defer the relevant plans. As at the date of this announcement, the Company expects the unutilized net proceeds to be fully utilized on or before 31 December 2025.

As at the date of this announcement, (i) the Company actively explores any targets that are related to its core businesses and has not identified any new investment or acquisition targets; (ii) the Company has developed a list of potential interest, but no agreement has been entered by the Group in respect of any such investments or acquisitions; and (iii) the rest of the net proceeds from the placing and subscription of shares will be continuously used according to the original intended use, subject to market conditions.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had 4,673 employees (31 December 2023: 6,584 employees).

The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund schemes, medical insurance scheme, unemployment insurance scheme, housing provident fund and mandatory provident fund. Relevant employees of the Group are eligible participants of the share award scheme, details of which are set out in the section headed “Share Award Scheme” below. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the remuneration levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) for the year ended 31 December 2024 is scheduled to be held on Thursday, 29 May 2025. A notice convening the AGM will be issued and disseminated to the shareholders of the Company (the “Shareholders”) upon request in due course.

FINAL DIVIDEND

The Board recommended a final dividend of RMB3.6 cents per ordinary share (2023: RMB2.4 cents) totalling approximately RMB35,484,000 (2023: RMB23,656,000) for the year ended 31 December 2024. The final dividend is subject to the approval of the Shareholders at the AGM, and is expected to be paid on or around 23 June 2025. The proposed final dividend shall be declared in RMB and paid in HKD. The final dividend payable in HKD will be converted from RMB to HKD at the average exchange rate of HKD against RMB announced by the People’s Bank of China on 29 May 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 22 May 2025 to 29 May 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 21 May 2025.

The record date for qualifying to receive the proposed final dividend is 10 June 2025. In order to determine the right of the Shareholders entitled to receive the proposed final dividend, which is subject to the approval by the Shareholders in the forthcoming AGM, the register of members of the Company will be closed from 4 June 2025 to 10 June 2025, both days inclusive. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 3 June 2025.

CORPORATE GOVERNANCE CODE

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

In the opinion of the Directors, the Company has complied with all the code provisions as set out in Part 2 of the CG Code for the year ended 31 December 2024. The Company will continue to review and monitor its corporate governance practice to ensure the compliance of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions conducted by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions conducted by relevant Directors. After making specific enquiries to all the Directors, each of them has confirmed that he/she has complied with the required standards set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2024.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2024 and the financial statements for the year ended 31 December 2024 prepared in accordance with the IFRSs.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young ("EY"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by EY 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 EY on this preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement for the year 2024 has been published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (<http://www.shidaiwuye.com>), and the annual report for the year 2024 containing all the information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company in due course and dispatched to the Shareholders upon request.

By order of the Board
Times Neighborhood Holdings Limited
Mr. Shum Chiu Hung
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises Ms. Wang Meng, Ms. Xie Rao and Ms. Zhou Rui as executive Directors; Mr. Shum Chiu Hung, Mr. Bai Xihong and Mr. Li Qiang as non-executive Directors; and Mr. Lui Shing Ming, Brian, Dr. Wong Kong Tin and Dr. Chu Xiaoping as independent non-executive Directors.