恒大物業
EVERGRANDE PROPERTY SERVICES

# Evergrande Property Services Group Limited
# 恒 大 物 業 集 團 有 限 公 司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6666)**

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

**Financial Summary**

For the year ended 31 December 2024:

- The Group had operating revenue of approximately RMB12,756.7 million, representing a year-on-year increase of approximately 2.2%.
- The Group had gross profit of approximately RMB2,443.4 million, and the gross profit margin of approximately 19.2%, representing a year-on-year decrease of approximately 5.7 percentage points.
- The Group had net profit of approximately RMB1,032.0 million, and the net profit margin of approximately 8.1%, representing a year-on-year decrease of approximately 4.4 percentage points.
- Profit attributable to owners of the Company amounted to approximately RMB1,021.0 million and basic earnings per share was approximately RMB0.09.

As at 31 December 2024, the Group had a total contracted GFA of approximately 799 million sq.m. and the GFA under management of approximately 579 million sq.m.. The cumulative newly signed contracted GFA from third parties exceeded 47 million sq.m. during the Year, representing a year-on-year increase of over 100%. Annual saturated contract revenue exceeded RMB1.0 billion.

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2024.

**Consolidated Statement of Profit and Loss and Other Comprehensive Income**

| | | For the year ended 31 December | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| Revenue | *5* | **12,756,687** | 12,486,544 |
| Cost of sales | | **(10,313,250)** | (9,378,096) |
| **Gross profit** | | **2,443,437** | 3,108,448 |
| Other income | *6* | **185,275** | 206,650 |
| Other losses | *7* | **(48,222)** | (151,294) |
| Impairment losses on financial assets, net | | **(130,890)** | (140,172) |
| Fair value losses on investment properties | | **(43)** | (2,433) |
| Administrative and marketing expenses | | **(975,422)** | (909,429) |
| **Operating profit** | | **1,474,135** | 2,111,770 |
| Fair value gains on financial liabilities at fair value through profit or loss | | **2,753** | 48,455 |
| Finance costs | *9* | **(69,536)** | (54,768) |
| **Profit before income tax** | | **1,407,352** | 2,105,457 |
| Income tax expenses | *10* | **(375,327)** | (541,645) |
| **Profit for the year** | | **1,032,025** | 1,563,812 |
| **Profit attributable to:** | | | |
| – Owners of the Company | | **1,020,987** | 1,541,199 |
| – Non-controlling interests | | **11,038** | 22,613 |
| | | **1,032,025** | 1,563,812 |
| **Other comprehensive income** | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange difference arising on translation of financial statements of foreign operations | | **1,197** | 518 |
| **Total comprehensive income for the year** | | **1,033,222** | 1,564,330 |
| **Total comprehensive income attributable to:** | | | |
| – Owners of the Company | | **1,022,184** | 1,541,717 |
| – Non-controlling interests | | **11,038** | 22,613 |
| | | **1,033,222** | 1,564,330 |
| **Earnings per share** | | | |
| – Basic and diluted | *11* | **RMB0.09** | RMB0.14 |

## Consolidated Statement of Financial Position

| | | At 31 December | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| **Assets** | | | |
| **Non-current assets** | | | |
| Property and equipment | | **67,908** | 58,643 |
| Right-of-use assets | | **22,860** | 28,507 |
| Intangible assets | | **1,498,280** | 1,646,599 |
| Investment properties | | **5,177** | 5,220 |
| Investments accounted for using equity method | | **52,526** | 39,615 |
| Deferred tax assets | | **509,045** | 498,164 |
| **Total non-current assets** | | **2,155,796** | 2,276,748 |
| **Current assets** | | | |
| Trade and other receivables | *13* | **3,152,306** | 3,508,637 |
| Prepayments | | **59,519** | 31,495 |
| Inventories | | **4,624** | 2,365 |
| Financial assets at fair value through profit or loss | | **503,180** | 420,654 |
| Restricted cash | | **137,549** | 125,667 |
| Cash and cash equivalents | | **2,697,369** | 1,880,850 |
| **Total current assets** | | **6,554,547** | 5,969,668 |
| **Total assets** | | **8,710,343** | 8,246,416 |
| **Equity** | | | |
| Share capital | *14* | **7,060** | 7,060 |
| Reserves | | **(5,969,520)** | (6,082,397) |
| Retained earnings | | **6,517,066** | 5,607,762 |
| **Equity attributable to owners of the Company** | | **554,606** | (467,575) |
| **Non-controlling interests** | | **422,568** | 486,786 |
| **Total equity** | | **977,174** | 19,211 |

| | | At 31 December | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Other payables | | **75,053** | 177,852 |
| Lease liabilities | | **11,008** | 18,181 |
| Contingent consideration payables | | **–** | 2,753 |
| Deferred tax liabilities | | **123,942** | 151,482 |
| **Total non-current liabilities** | | **210,003** | 350,268 |
| **Current liabilities** | | | |
| Contract liabilities | *5* | **2,755,007** | 2,649,350 |
| Trade and other payables | *15* | **4,222,898** | 3,937,708 |
| Current tax liabilities | | **461,143** | 1,187,544 |
| Lease liabilities | | **84,118** | 102,335 |
| **Total current liabilities** | | **7,523,166** | 7,876,937 |
| **Total liabilities** | | **7,733,169** | 8,227,205 |
| **Total equity and liabilities** | | **8,710,343** | 8,246,416 |

## Notes to the Consolidated Financial Statements

### 1. GENERAL INFORMATION

Evergrande Property Services Group Limited (the "**Company**") was incorporated in the Cayman Islands on 13 March 2020 as an exempted company with limited liability under the Companies Act (Cap. 22. Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's ultimate holding company is China Evergrande Group (in liquidation), an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are primarily engaged in the provision of property management services, community living services, asset management services and community operation services.

The consolidated financial statements are presented in Renminbi ("**RMB**") and rounded to nearest RMB'000, unless otherwise stated.

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### (i) Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

#### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, financial assets at fair value through profit or loss and contingent consideration payables that are measured at fair values at the end of each reporting period.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

### (iii) Going concern assumptions

As at 31 December 2024, the net current liabilities of the Group amounted to approximately RMB968,619,000 (as at 31 December 2023: approximately RMB1,907,269,000). The above matters indicated that the Group would need to secure a substantial amount of funds in the foreseeable future to finance these financial obligations under various contractual and other arrangements.

In view of the above circumstances, the directors of the Company have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 December 2024. The directors are of the opinion that, taking into account the following actions taken during the year ended 31 December 2024 and plans and measures to be taken, the Group will have sufficient working capital to meet its financial obligations up to 31 December 2025.

— The Group has reached agreements with certain creditors on not demanding immediate repayment of the liabilities when they fall due for the next twelve months from 31 December 2024;

— The Group has been actively negotiating with the creditors on consideration payable for business combinations to revise the repayment plan; and

— The directors of the Company has implemented and will continue to further implement cost control in operating and other expenses, as well as to increase market expansion and promote innovative business development, in order to improve the operating and financial position of the Group.

On the basis that all these measures can be implemented successfully, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as they fall due and accordingly the consolidated financial statements for the year ended 31 December 2024 has been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group for the year ended 31 December 2024.

## 3 APPLICATION OF NEW AND AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS

*Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

| | |
|---|---|
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilites as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

### *3.1 Impacts on application of Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback*

The Group has applied the amendments for the first time in the current year.

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

According to the transitional provisions, the Group has applied the new accounting policy retrospectively to the sale and leaseback transactions entered into by the Group as the seller-lessee after the initial application of HKFRS 16. The application of the amendments has no material impact on the Group's financial position and performance.

### *3.2 Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")*

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

— specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

— clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

### 3.3 *Impacts on application of Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements*

The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to HKAS 7 Statement of Cash Flows stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, HKFRS 7 Financial Instruments: Disclosures was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by HKAS 7:44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

*New and amendments to HKFRS Accounting Standards in issue but not yet effective*

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments [3] |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity [3] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [1] |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 [3] |
| Amendments to HKAS 21 | Lack of Exchangeability [2] |
| HKFRS 18 | Presentation and Disclosure in Financial Statements [4] |

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2025.

[3] Effective for annual periods beginning on or after 1 January 2026.

[4] Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

## 4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker (the "**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 was principally engaged in the provision of property management services, community living services, asset management services and community operation services in the People's Republic of China (the "**PRC**"). Management reviews the operating results of the business as a single operating segment as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment is the same in different regions.

The principal operating entities of the Group are domiciled in the PRC and the majority of revenue was derived from the PRC during the years ended 31 December 2024 and 2023.

As at 31 December 2024 and 2023, the majority of the non-current assets of the Group were located in the PRC.

## 5. REVENUE

Revenue mainly comprises of proceeds from property management services, community living services, asset management services and community operation services. An analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Property management services | | |
| – Basic property management services | **10,591,066** | 10,227,388 |
| – Value-added services to non-property owners | **97,615** | 91,130 |
| | **10,688,681** | 10,318,518 |
| Community living services | **910,983** | 809,252 |
| Asset management services | **776,780** | 740,369 |
| Community operation services | **380,243** | 618,405 |
| | **12,756,687** | 12,486,544 |
| Timing of revenue recognition | | |
| – Over time | **11,953,432** | 11,779,227 |
| – At a point in time | **803,255** | 707,317 |
| | **12,756,687** | 12,486,544 |
| Type of customers | | |
| – Related parties *(Note 16)* | **86,806** | 113,712 |
| – Third parties | **12,669,881** | 12,372,832 |
| | **12,756,687** | 12,486,544 |

For the years ended 31 December 2024 and 2023, revenue from the services provided by the Group to the fellow subsidiaries and joint ventures of China Evergrande Group contributed approximately 0.7% and 0.9% of the Group's revenue, respectively.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the years ended 31 December 2024 and 2023.

### (a) Contract liabilities

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

| | At 31 December | | At 1 January |
|---|---|---|---|
| | **2024** | 2023 | 2023 |
| | ***RMB'000*** | *RMB'000* | *RMB'000* |
| Contract liabilities | | | |
| – Basic property management services | **2,680,232** | 2,582,650 | 2,654,505 |
| – Community living services | **19,034** | 13,535 | 9,918 |
| – Asset management services | **16,283** | 19,072 | 6,043 |
| – Community operation services | **39,458** | 34,093 | 17,563 |
| | **2,755,007** | 2,649,350 | 2,688,029 |

ii. Revenue recognised in relation to contract liabilities

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

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the year | | |
| – Basic property management services | **2,329,292** | 2,330,815 |
| – Community living services | **13,535** | 9,918 |
| – Asset management services | **19,072** | 6,043 |
| – Community operation services | **34,093** | 17,563 |
| | **2,395,992** | 2,364,339 |

**(b) Unsatisfied performance obligations**

For basic property management services and value-added services to non-property owners, the Group recognises 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 to date, on a monthly basis or settlement cycle. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts. The majority of the basic property management services contracts do not have a fixed term. The term of the contracts with non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community living services, asset management services and community operation services, they are rendered in a 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.

**(c) Assets recognised from incremental costs to obtain a contract**

During the years ended 31 December 2024 and 2023, there were no significant incremental costs incurred to obtain a contract.

## 6. OTHER INCOME

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | | (Re-presented) |
| Government grants *(Note (a))* | **47,807** | 92,216 |
| Income from compensation of non-fulfilment of performance guarantee *(Note (b))* | **87,474** | 29,216 |
| Income from overdue fine | **3,255** | 5,286 |
| Interest income | **16,573** | 16,228 |
| Share of profits in associates | **10,519** | 8,621 |
| Write-off of payables | **13,579** | 26,344 |
| Others | **6,068** | 28,739 |
| | **185,275** | 206,650 |

Notes:

(a) Government grants mainly comprise of financial subsidies from government organizations, tax deductions for employing retired soldiers and priority groups, subsidies for value-added tax and other tax incentive policy, and refunds of paid unemployment insurance. There are no outstanding conditions or contingencies attached to the grants.

(b) As some of the acquired target companies failed to complete the performance guarantee, the consideration payment of approximately RMB87,474,000 should be deducted and recognized as other income for the year in accordance with the terms of the Equity Transfer Agreement and the Supplemental Agreement.

## 7. OTHER LOSSES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Foreign exchange losses/(gains) | **196** | (213) |
| Impairment loss on goodwill | **41,283** | 145,602 |
| Impairment loss on other intangible assets | **6,743** | 5,736 |
| Loss on disposal of investment properties | **–** | 169 |
| | **48,222** | 151,294 |

## 8. EXPENSES BY NATURE

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Employee benefit expenses | **6,072,132** | 5,627,747 |
| Greening and cleaning expenses | **1,925,499** | 1,756,609 |
| Maintenance costs | **887,730** | 790,811 |
| Utilities | **632,778** | 539,045 |
| Short-term and low value lease expenses | **245,964** | 169,421 |
| Tax and other levies | **82,757** | 58,658 |
| Office expenses | **120,417** | 92,899 |
| Travelling and entertainment expenses | **70,319** | 58,923 |
| Costs of security | **65,029** | 54,553 |
| Depreciation and amortization charges | **146,821** | 222,470 |
| Community activities expenses | **118,009** | 51,661 |
| Bank charges | **29,896** | 25,521 |
| Uniform costs | **17,950** | 14,792 |
| Auditors' remuneration | **4,650** | 4,850 |
| Service fees | **162,422** | 167,533 |
| Professional fees | **110,766** | 64,185 |
| Penalties and overdue payments | **59,869** | 147,160 |
| Costs of goods sold | **458,557** | 387,814 |
| Others | **77,107** | 52,873 |
| | **11,288,672** | 10,287,525 |

## 9. FINANCE COSTS

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Interest on borrowings | **–** | 10,869 |
| Interest on lease liabilities | **10,169** | 987 |
| Interest on consideration payables | **533** | 3,705 |
| Other finance costs *(Note)* | **58,834** | 39,207 |
| | **69,536** | 54,768 |

Note: Other finance costs represented the finance expenses contained in the one-off discount offered by the Group to the individual property owners for their advanced payments of property management fees.

## 10. INCOME TAX EXPENSES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Current tax | **413,748** | 621,767 |
| Deferred tax | **(38,421)** | (80,122) |
| | **375,327** | 541,645 |

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries in the British Virgin lslands ("**BVI**") were incorporated under the International Business Companies Act of the BVI and accordingly, are exempted from BVI income tax.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising from operations in Hong Kong during the year except for one subsidiary of the Group which is a qualified corporation under the two-tiered profits tax rates regime. In respect of this subsidiary, the first HK$2 million of assessable profits are subject to tax at the rate of 8.25% and the remaining assessable profits are subject to tax at the rate of 16.5%.

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the years ended 31 December 2024 and 2023. Certain subsidiaries and branches of the Group in the PRC were located in cities from western part of the PRC, and they were subject to a preferential income tax rate of 15% during the years ended 31 December 2024 and 2023. The subsidiaries and branches of the Group located in Hainan Province are qualified to enjoy the preferential income tax rate of 15% from 1 January 2020 to 31 December 2027. A preferential income tax rate of 20% will apply to subsidiaries that meet the conditions for small and micro-profit enterprises.

## 11. EARNINGS PER SHARE

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

The Company did not have any potential ordinary shares outstanding during the years ended 31 December 2024 and 2023. Diluted earnings per share is equal to basic earnings per share.

| | **2024** | 2023 |
|---|---|---|
| Profit attributable to owners of the Company (RMB'000) | **1,020,987** | 1,541,199 |
| Weighted average number of ordinary shares in issue (in thousands) | **10,810,811** | 10,810,811 |
| Basic and diluted earnings per share | **RMB0.09** | RMB0.14 |

## 12. DIVIDENDS

No dividend has been declared or paid by the Company for the years ended 31 December 2024 and 2023.

## 13. TRADE AND OTHER RECEIVABLES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade receivables *(Note (i))* | **2,586,373** | 3,046,591 |
| Value-added tax recoverable | **28,319** | 34,810 |
| Other receivables *(Note (ii))* | **537,614** | 427,236 |
| | **3,152,306** | 3,508,637 |

(i) Trade receivables

| | 2024<br>*RMB'000* | 2023<br>*RMB'000* |
|---|---|---|
| Trade receivables | | |
| Related parties *(Note 16)* | **2,205,037** | 2,257,835 |
| Third parties | **3,357,659** | 3,661,636 |
| Gross trade receivables | **5,562,696** | 5,919,471 |
| Less: allowance for impairment of trade receivables | | |
| – Related parties *(Note 16)* | **(2,203,003)** | (2,251,242) |
| – Third parties | **(773,320)** | (621,638) |
| | **2,586,373** | 3,046,591 |

(ii) Other receivables

| | 2024<br>*RMB'000* | 2023<br>*RMB'000* |
|---|---|---|
| Ultimate holding company *(Note (c))* | | |
| – Financial guarantees | **13,400,000** | 13,400,000 |
| Less: | | |
| – Enforcement of financial guarantees pledged | **(13,400,000)** | (13,400,000) |
| | **–** | – |
| Other related parties *(Note 16)* | **10,727** | 11,716 |
| Third parties | | |
| – Payments on behalf of property owners *(Note (d))* | **424,898** | 395,058 |
| – Deposits | **142,072** | 115,957 |
| – Others | **100,684** | 59,184 |
| Gross other receivables | **678,381** | 581,915 |
| Less: allowance for impairment of other receivables | | |
| – Related parties *(Note 16)* | **(7,188)** | – |
| – Third parties | **(133,579)** | (154,679) |
| Total other receivables | **537,614** | 427,236 |

(a) Trade receivables mainly arise from basic property management services income under lump sum basis. Basic property management services income is received in accordance with the terms of the relevant services agreements.

(b) As at 31 December 2024 and 2023, the aging analysis of the trade receivables based on date of revenue recognition and net of loss allowance was as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| 0 to 180 days | **1,301,036** | 1,563,624 |
| 181 to 365 days | **356,921** | 613,792 |
| 1 to 2 years | **505,979** | 571,109 |
| 2 to 3 years | **276,321** | 298,066 |
| Over 3 years | **146,116** | – |
| | **2,586,373** | 3,046,591 |

(c) Pursuant to the Court's judgement, the ultimate controlling shareholder and Hengda Real Estate Group Company Limited (a related party of the Company), were the actual debtor of the financing guarantee fund, and certain other third parties as the guarantees were jointly liable for the full amount of the aforementioned debt respectively.

(d) Payments on behalf of property owners mainly represented utilities costs of properties.

(e) As at 31 December 2024 and 2023, trade and other receivables were denominated in RMB and the carrying amounts of trade and other receivables approximate their fair values.

## 14. SHARE CAPITAL

| | **Number of ordinary shares** | **Nominal value of ordinary shares** | **Equivalent nominal value of ordinary shares** |
|---|---|---|---|
| | | *USD'000* | *RMB'000* |
| **Authorized:** | | | |
| At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | 100,000,000,000 | 10,000 | 70,000 |
| **Issued:** | | | |
| At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | 10,810,811,000 | 1,081 | 7,060 |

Note: The Company did not have any treasury shares.

## 15. TRADE AND OTHER PAYABLES

| | 2024 | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | | (Re-presented) |
| Trade payables *(Note (a))* | | |
| Related parties *(Note 16)* | **453,820** | 375,003 |
| Third parties | **1,312,851** | 1,040,364 |
| | **1,766,671** | 1,415,367 |
| Accrued payroll | **505,544** | 521,055 |
| Other payables | | |
| Related parties *(Note 16)* | **133,650** | 183,506 |
| Third parties | | |
| – Amounts temporarily received from/on behalf of property owners or lessors *(Note (b))* | **425,679** | 350,663 |
| – Deposits | **401,510** | 405,714 |
| – Other tax payables | **81,193** | 171,609 |
| – Considerations payable for business combinations | **447,228** | 556,196 |
| – Others | **536,476** | 511,450 |
| | **2,025,736** | 2,179,138 |
| | **4,297,951** | 4,115,560 |
| Less: Non-current portion | **(75,053)** | (177,852) |
| Current portion | **4,222,898** | 3,937,708 |

(a) As at 31 December 2024 and 2023, the aging analysis of the trade payables based on goods and services received was as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Up to 1 year | **1,390,034** | 1,106,311 |
| 1 to 2 years | **256,856** | 232,988 |
| 2 to 3 years | **43,987** | 62,917 |
| More than 3 years | **75,794** | 13,151 |
| | **1,766,671** | 1,415,367 |

(b) The amounts mainly represented utilities expenses temporarily collected from the property owners to be paid to related service providers and rental income collected from lessees to be returned to the property owners.

(c) As at 31 December 2024 and 2023, trade and other payables were denominated in RMB and the carrying amounts of trade and other payables approximate their fair values.

## 16. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties.

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Revenue from rendering of services | | |
| – Controlled by the Group's ultimate holding company | **85,189** | 77,847 |
| – Joint ventures of the Group's ultimate holding company | **1,617** | 35,865 |
| | **86,806** | 113,712 |
| Purchase of goods and services | | |
| – Controlled by the Group's ultimate holding company | **6,826** | 8,000 |
| Leasing car parking spaces | | |
| – Controlled by the Group's ultimate holding company | **182,665** | 108,260 |

The transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

Starting from September 2021, due to China Evergrande Group's liquidity difficulties, the management of the Group expects material uncertainties on the inflow of economic benefits from China Evergrande Group. Since the property services customers involve all the property owners and various aspects of the community, which has integrality and indivisibility as a whole, it is impracticable to exclude China Evergrande Group from the provision of property management services to those vacant properties. Hence, no additional costs have been incurred and the Group continues to provide property management services to China Evergrande Group. The Group estimates that the amount of the service income for the year ended 31 December 2024 to be approximately RMB373,841,000. No revenue is recognised in respect of the property management services delivered to, while the Group will endeavour to take reasonable measures to collect the receivables from the relevant parties in accordance with the relevant laws and applicable agreements to actively safeguard the interests of the Group.

(b) Balances with related parties:

The Group had the following balances with related parties.

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade receivables | | |
| – Controlled by the Group's ultimate holding company | **2,004,388** | 2,083,525 |
| – Joint ventures of the Group's ultimate holding company | **200,649** | 174,310 |
| | **2,205,037** | 2,257,835 |
| Less: allowances for impairment of trade receivables (charged to profit or loss) | **(2,203,003)** | (2,251,242) |
| | **2,034** | 6,593 |

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Other receivables | | |
| – Controlled by the Group's ultimate holding company | **10,727** | 11,716 |
| Less: allowances for impairment of other receivables (charged to profit or loss) | **(7,188)** | – |
| | **3,539** | 11,716 |

| | 2024 | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Prepayments | | |
| – Controlled by the Group's ultimate holding company | **1,392** | 1,439 |

| | 2024 | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade payables | | |
| – Controlled by the Group's ultimate holding company | **445,869** | 372,122 |
| – Joint ventures of the Group's ultimate holding company | **7,951** | 2,881 |
| | **453,820** | 375,003 |

| | 2024 | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Other payables | | |
| – Controlled by the Group's ultimate holding company | **131,862** | 176,371 |
| – Joint ventures of the Group's ultimate holding company | **1,788** | 7,135 |
| | **133,650** | 183,506 |

| | 2024 | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Contract liabilities | | |
| – Controlled by the Group's ultimate holding company | **6,263** | – |

(i) The above trade receivables, prepayments, trade payables and contract liabilities were trading nature, interest free and repayable according to terms in contracts.

(c) Key management compensation:

Compensations for key management other than directors is set out below:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Salaries, bonuses and other benefits | **5,445** | 2,552 |
| Contributions to pension scheme expenses | **201** | 114 |
| | **5,646** | 2,666 |

## 17. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

## 18. EVENT AFTER THE REPORTING PERIOD

The Group has the following event subsequent to the end of the reporting period:

In relation to the enforcement of the Group's deposit pledge of approximately RMB13.4 billion by the relevant banks, the wholly-owned subsidiaries of the Company have filed the relevant proceedings with the Guangzhou Intermediate People's Court of Guangdong Province, the PRC and obtained judgements from the court that the China Evergrande Group and the relevant liable parties (other than Guangzhou Xinyuan) are required to repay the amount of the deposit pledge together with the loss of interest and bear the handling costs of the cases. There are material uncertainties as to the amount of the aforesaid amount that could be recovered by the Group and the Board does not expect that the proceedings will have any material impact on the daily business operations of the Group. As of the date of this announcement, the judgments of Evergrande Hengkang RMB1.7 billion Proceeding and Evergrande Hengkang RMB1 billion Proceeding have become effective and the remaining cases are still subject to appeal. Please refer to the announcements of the Company dated 15 February 2023, 28 November 2023, 26 January 2024 and 10 January 2025 for details of the above matters.

## SUMMARY OF INDEPENDENT AUDITORS' REPORT

The following is a summary of the independent auditor's report on the consolidated financial statements of Evergrande Property Services Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2024 issued by its external auditor, Prism Hong Kong Limited ("**Prism**", formerly known as Prism Hong Kong and Shanghai Limited):

## OPINION

We have audited the consolidated financial statements of Evergrande Property Services Group Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw your attention to Note 2 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. As at 31 December 2024, the Group had the net current liabilities amounted to approximately RMB968,619,000 (as at 31 December 2023: approximately RMB1,907,269,000) as of that date. These conditions, together with the other matters set out in Note 2 to the consolidated financial statements, indicate that there are material uncertainties that may affect the Group's ability to continue as a going concern. The Group is implementing various measures to improve its liquidity. On the basis that all these measures can be successfully implemented, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as they fall due and accordingly, the consolidated financial statements have been prepared on a going concern basis. In respect of this matter, our opinion has not been modified.

## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of the Company, I am pleased to present the annual results of the Group for the year ended 31 December 2024 (the "**Year**").

**Review of 2024**

With the in-depth promotion of the national "Four Goods" construction strategy of "good houses, good neighborhoods, good communities, and good urban areas (好房子、好小區、好社區、好城區)", high-quality property services have become a powerful support for residents' happy lives, stable and harmonious communities, and the sustainable development of cities. As a key force in grassroots governance, property service enterprises, driven by both national policy encouragement and market demand, have ushered in significant development opportunities. However, the complex and changing market economic environment and the continuous shrinkage of the upstream incremental market have made property service enterprises face multiple challenges such as intensified competition, a slowdown in scale growth, and rising operating costs. In addition, the Group has been affected by the liquidation and asset disposal of the controlling shareholder, and has been continuously under pressure in aspects such as brand image, market expansion, and project operation. Previously, due to the huge loss of RMB13.4 billion, it encountered an unprecedented development crisis. Facing numerous challenges, all employees of the Group have united as one, with the determination to cut off all means of retreat and the courage to break through obstacles (以破釜沉舟的決心和披荊斬棘的勇氣), and have made every effort to promote the Company's transformation and breakthrough. We have placed customers at the center, continuously enriched the value of services, driven the development of innovative businesses by customer needs, and promoted the simultaneous improvement of the Company's scale and quality based on market-oriented principles. With the joint efforts of all employees, the Company has gradually emerged from the dilemma, and its performance has steadily improved, laying a solid foundation for achieving cross-cycle, sustainable, and high-quality development.

During the Year, the Group achieved operating revenue of approximately RMB12,756.7 million, representing a year-on-year increase of approximately 2.2%. Among them, the community living services performed outstandingly, generating revenue of approximately RMB911.0 million, representing a year-on-year growth of approximately 12.6%. The asset management services advanced steadily, achieving revenue of approximately RMB776.8 million, representing a year-on-year increase of approximately 4.9%. The Group achieved a gross profit of approximately RMB2,443.4 million during the Year, and a net profit of approximately RMB1,032.0 million. The profit attributable to the owners of the Company was approximately RMB1,021.0 million, and the basic earnings per share were approximately RMB0.09. As at 31 December 2024, the Company's net assets increased by approximately RMB958.0 million compared with the end of 2023, and the monetary funds increased by approximately RMB910.9 million compared with the end of 2023. The Company has a robust cash flow, and its financial position continues to improve.

**Focusing on advantageous markets, both "quantitative growth" and "qualitative upgrading" are advancing in tandem.** The Group has given full play to the brand advantages of its professional subsidiaries, deeply deployed in the first-tier cities and emerging city agglomerations, actively explored resources such as existing property portfolios (存量盤) and non-residential business formats. It has made a strong effort in market expansion, and the scale of management has grown steadily. As at 31 December 2024, the Group's total contracted GFA was approximately 799 million sq.m, and the GFA under management was approximately 579 million sq.m. During the year, the newly signed contracted GFA from third parties accumulated to exceed 47 million sq.m, representing a year-on-year growth of over 100%, and the annual saturated contract revenue exceeded RMB1 billion. Among them, the annual saturated revenue of non-residential projects was approximately RMB740 million, accounting for more than 70%, covering a large number of landmark projects and involving various business formats such as industrial parks, hospitals, schools, rail transit, and city public services. It has achieved all-round progress in terms of business format, scale, and region, and has accumulated a number of high-quality customers in major fields such as energy, telecommunications, logistics, and consumption, laying a solid foundation for the Company's high-quality development.

**Focusing on customer satisfaction and build a beautiful home with heart.** We firmly believe that "service is the foundation of our existence (服務是立身之本)" and always put customer satisfaction first. Starting from the customer's perspective, we continuously refine the service quality and upgrade the customer experience. During the Year, we took practical measures to fully promote service upgrades. We launched the "home renewal (家園煥新)" campaign focusing on key areas such as the property owners' living environments, security and fire protection equipment. We invested over RMB300 million throughout the Year and completed more than 4,000 community upgrade and renovation projects. The good condition rate of the equipment and facilities in the communities increased from 98.15% to 99.60%, significantly improving the living quality of customers. Meanwhile, we always regard work safety as a core task. During the Year, we continuously carried out comprehensive inspections for potential safety hazards in key areas such as community distribution room, fire escape routes, and elevator machine rooms. We also strengthened the safety training for employees to improve their emergency response capabilities. With all-round and refined safety management, we safeguard the safety of the property owners. In addition, through various means such as organizing community cultural activities covering all age groups and carrying out the campaign of "showcasing standards, showcasing services (曬標準、曬服務)", we have deepened customers' intuitive feelings and recognition of high-quality services, further enhancing customer satisfaction and a sense of belonging.

**Focusing on customer needs, the development model of "property services + living services" has achieved remarkable results**. We adhere to basic services as the support and focus on customers' high-frequency needs, further delving into segmented sectors such as community group buying and housing rental and sales. In terms of community group buying, we adhere to the strategy of "selecting products from the source, delivering services to the door, and providing worry-free after-sales service (源頭甄選、服務到家、售後無憂)". By leveraging the online " Evergrande optimization (恒優選)" Applet and creating the scene of the "neighborhood bazaar (鄰里市集)" in the downstairs economy, we have successfully promoted the vigorous development of the group buying business. The revenue during the Year increased by approximately 27.5% compared with 2023. In terms of housing rental and sales, we have continuously expanded our business scope and now cover 237 cities. Relying on the on-site advantage, with the trinity service model of "professionalism, service, and integration", we have built an efficient and reliable bridge for property transactions for the property owners. The cumulative transaction amount during the Year exceeded RMB4.0 billion, and the revenue achieved was approximately RMB73.23 million, representing an increase of nearly 150% compared with 2023. Meanwhile, we continue to explore new products and models that are suitable for customer needs and have growth potential. Focusing on the property owners' needs for home entry services, the Group continues to provide to-home services integrating housekeeping services, home appliance cleaning, elderly care services, etc. And focusing on the core needs of residents under the "silver economy" and the "tourism economy", we have incubated customized, elderly-friendly, and high-quality tourism services.

**Focusing on the customer experience, we are reshaping the new value of property services through digital intelligence transformation.** The Group is vigorously promoting the construction of a trinity smart community ecosystem of "hardware + platform + service", continuously optimizing the service model and operational efficiency, constantly innovating the customer service experience, and driving the Company's business transformation and upgrading. In terms of internal management, we build a digital intelligence operation platform for all elements, deeply integrate core modules such as human resources, procurement, finance, investment and market expansion, reshape the cross-departmental collaboration and resource allocation system, and comprehensively improve operational efficiency. In terms of customer service, relying on AIoT technology, we have successfully created a smart security system. The response efficiency of equipment failures has increased by 70%, and we have achieved active monitoring and services for more than 20 scenarios such as high-altitude parabolic objects and people drowning, building a "smart security barrier" for the property owners. Meanwhile, we have built a full-scene butler service platform, realizing closed-loop management from real-time push of property owners' repair requests, accurate order dispatching, online payment to the whole-process tracking of complaints, greatly improving service efficiency and user experience. In addition, we have actively built a community service integration platform, connecting 15 types of life scenarios such as housekeeping services, housing rental and sales, and community group buying. The customer scale of the platform has reached 3 million people. We have reconstructed the service value chain through digital intelligence operation, forming an ecological closed loop where property services and innovative businesses complement each other. Through the digital and intelligent transformation driven by both the management end and the business end in tandem, we have achieved the synchronous resonance of lean enterprise management and customer value creation.

**Actively fulfilling social responsibilities and demonstrating our commitment through actions.** While making great efforts in development, the Group has always adhered to giving back to society. We have actively carried out agricultural assistance and farmer-benefiting businesses. By means of community group buying, setting up special counters for agricultural assistance, etc., we have broadened the sales channels for agricultural products. This year, we have helped more than 30,000 rural households increase their income by over RMB40.0 million. Meanwhile, we have widely recruited groups such as demobilized veterans and people with disabilities, and provided a large number of job positions for upstream and downstream cooperative suppliers. We have given full play to the vanguard role of property management enterprises in emergency response. In the face of extreme weather such as typhoons in Hainan, we formed emergency rescue teams in advance to ensure community safety, and assisted the government in post-disaster reconstruction to safeguard the lives and property of residents. As a result, we were awarded the honorary title of "Advanced Entity in Typhoon Resistance and Emergency Rescue" and have received widespread acclaim from society. In addition, during the "ensure housing delivery (保交房)" work, the Company responded to the government-enterprise coordination mechanism, and helped millions of families live and work in peace and contentment. Through proactive actions, we have demonstrated our responsibility in providing people's livelihood services.

**Outlook for 2025**

**With solid accumulation and progress steadily, we will move steadily towards a promising future.** The Group will continue to maintain strategic determination and continuously promote the development model of "emphasizing both scale development and quality improvement, balancing financial soundness and innovative growth, and coordinating diversified layouts with full business formats (規模發展與品質提升並重、財務穩健與創新成長兼顧、多元化佈局與全業態協同)". Adhering to the concept of stable operation, we will drive the simultaneous improvement of the Company's scale and quality, and earnestly practice the new model of high-quality independent development.

**Strategy I: Continuously upgrade the living experience and win customer satisfaction with "excellent services".**

We uphold the service concept of "oriented towards customers and the front line (向客戶、向一線)", and are committed to providing practical services that meet the real needs of property owners. The Group places quality above profit, increases effective investment in public areas, continuously promotes renewal projects, and updates, renovates, and upgrades important facilities and equipment such as infrastructure, security, and fitness facilities with intelligent features. Meanwhile, we constantly improve the "dual internal and external circulation (內外雙循環)" supervision model that combines internal supervision with customer evaluation, achieve dynamic rectification of problems, and build quality resilience. The Group will create model projects. Through experience sharing, on-site assistance, and regular supervision, we will enhance the overall quality of services to ensure that the services in thousands of communities of the Company are of the same high quality.

**Strategy II: Promote the two-way matching of demand and service to meet customers' expectations for a better life.**

The Group takes "deeply meeting customers' needs" as the core and drives the growth of innovative businesses with the dual engines of "service upgrading + vertical deepening (服務升級+ 垂直深耕)". Relying on the "Evergrande optimization" platform, by strictly controlling the product selection standards, connecting the source supply chain, and optimizing the community marketing network, we create a high-value experience of good products, good prices, and good services, and spare no effort to strengthen the community group buying business. Meanwhile, we give full play to the advantages of near-field (近場) services. Supported by service standardization and refined operation, we enhance professional capabilities and service quality. With the strategy of "honeycomb-style expansion + regional deep cultivation (蜂窩式擴張+ 區域深耕)", we deepen the business layout and promote the rapid growth of the rental and sales business. We innovatively lay out community tourism. Using the trust relationship of property services as a bond, we create a composite tourism experience integrating neighborhood social interaction, worry-free companionship, and safety protection, construct high-quality life scenarios for the elderly population, and open up new growth points for innovative businesses.

**Strategy III: Carry out coordinated expansion of diversified business formats to promote the growth of management scale with improved quality.**

The Group takes "high-quality expansion and steady growth" as its keynote. It intensively cultivates key regions and the existing market, targets benchmark projects with rapid contract conversion, an excellent customer base, and strong profitability, and forms a regional agglomeration effect through the approach of "encircling key points and expanding the influence (圍點打圓)". By coordinating resources and operations, it improves the quality and operational efficiency of regional projects. Meanwhile, it solidifies the foundation with the residential business, seizes the strategic opportunities of city renewal, makes a strong foray into the non-residential business market, focuses on segmented fields such as hospitals, schools, industrial parks, rail transit, and city public services, creates a benchmark service system with industry-leading value, and accumulates differentiated competitive advantages. Through the feedback of professional capabilities and the extension of the service value chain, it strengthens the contract renewal stickiness of existing projects and empowers the expansion of new projects, fully unleashing the potential for the Group's sustainable development.

**Strategy IV: Deepen technological integration to boost the leap in the quality of property services.**

The Group will promote the integrated innovation of AI technology and property management. Leveraging AIoT technology, it will develop scenario-specific solutions for intelligent security, smart access, energy management and control, etc., to achieve three-dimensional management with interconnected devices, intercommunicating data, and interactive services. Meanwhile, based on a standardized knowledge base, the Group will integrate a 24/7 AI customer service and a smart work order system, and establish a "AI pre-processing + human backup (AI 預處理+人工保障)" collaborative mechanism. By intelligently analyzing property owners' requests for dynamic classification, it can achieve millisecond-level response to service demands and accurate scheduling of service resources. Combining with machine learning technology, the Group will continuously optimize processes and ultimately form a self-evolving service system covering the entire "reception-processing-feedback-improvement (受理-處理-反饋-改進)" chain. Through technology empowerment and management innovation, the Group aims to create a new service paradigm that combines the warmth of humanity with the efficiency of technology.

**Strategy V: Implement a prudent financial policy to build a solid defense line for the Company's development.**

The Group adheres to a development strategy that emphasizes both financial security and growth. It attaches great importance to financial independence, compliance, and transparency. By strengthening internal audit supervision and deepening the construction of financial informatization, the Group has established a penetrating regulatory system, enabling dynamic monitoring of risks throughout the entire financial chain and addressing issues at their source, thus firmly building a line of defense for financial security. We continuously consolidate the basic revenue of property services through quality improvement. We deeply cultivate high-value fields such as community living services and asset management services in the "light-asset, heavy-operation (輕資產、重運營)" model, continuously optimize the revenue structure, and drive profit growth. Meanwhile, we carefully control major capital investments, optimize cash flow management, increase the coverage of operating net cash flow over core profits, continuously enhance the thickness of cash reserves, and improve the Company's risk-resistance resilience, enabling the Company to navigate through cycles and move forward steadily.

**Strategy VI: Build a high-level talent team to activate new organizational momentum.**

We comprehensively implement the "towards the front line (向一線)" culture. We continuously promote cadres at all levels to go down to the front line. By providing opportunities, creating conditions, and assigning responsibilities, we enable talents to be tempered at the front line and grow through practice. Meanwhile, according to the characteristics of different business formats, we assign dedicated service teams. With the help of the working-hour efficiency analysis model, we dynamically adjust the staffing ratio. Focusing on the employment concept of multi-skilled in one position, we promote the transformation of front-line staff into comprehensive service providers, build an agile and flexible organization, reshape the efficiency of grass-roots organizations, and achieve the mutual promotion and common progress of service efficiency and customer satisfaction. In addition, we encourage employees to boldly experiment and be brave in innovation. By setting benchmarks and examples, we inspire employees to strive for excellence, continuously enhance employees' satisfaction, sense of responsibility, and honor. With a high-efficiency and high-satisfaction employee team, we continuously create an excellent service experience for customers.

**Strategy VII: Continuously deepen the leading role of Party building and jointly promote high - quality development.**

We will continuously deepen the "Party building + property service" model. In cooperation with the community Party organizations, we will make every effort to promote the establishment and connection of Party organizations in projects where they have not been established. Meanwhile, we will give full play to the vanguard and exemplary role of Party members. Guided by Party building, we will comprehensively improve the quality of property services, pool the strength of all parties to do practical things for residents and solve their problems, and achieve the characteristic and in-depth integration of "Party building for construction and service for the people". In addition, we will deepen the construction of the Party-building brand. By continuously summarizing, refining, enhancing and promoting the excellent experiences and innovative paths of Party-building work, we will create a Party-building brand with the characteristics of the Company, enabling the red gene to take deep root and bear fruit in property services.

We will continue to take a steady path of high-quality development, adhere to putting customers first and service foremost. We will comprehensively strengthen the five core competitiveness aspects of brand, quality, talent, operation, and technology, consolidate the foundation for the development of the property industry, and strive to provide our customers with all-round, multi-level, and comprehensive high-quality services.

**The journey ahead is long. Only through hard work can we move forward. With the mission on our shoulders, we will never forget our original aspiration.** On behalf of the Board of Directors, I would like to express my gratitude to all our employees and the management team for their contributions to the Company's development. I also extend my sincere appreciation to all shareholders and stakeholders for their trust and support.

**Duan Shengli**
*Chairman of the Board*

Hong Kong, 31 March 2025

## Management Discussion and Analysis

### Financial Review

### Revenue

The Group's revenue is mainly derived from four business segments: (i) property management services; (ii) community living services; (iii) asset management services; and (iv) community operation services. For the year ended 31 December 2024, the Group's total revenue was approximately RMB12,756.7 million, representing a year-on-year increase of approximately 2.2%.

The following table sets out a breakdown of revenue by business segment of the Group for the periods indicated:

| | **For the year ended 31 December 2024** | | For the year ended 31 December 2023 | | |
|---|---|---|---|---|---|
| | **Revenue** *(RMB'000)* | **Percentage of total revenue** *(%)* | Revenue *(RMB'000)* | Percentage of total revenue *(%)* | Growth rate *(%)* |
| Property management services | **10,688,681** | **83.8** | 10,318,518 | 82.6 | 3.6 |
| – Basic property management services | **10,591,066** | **83.0** | 10,227,388 | 81.9 | 3.6 |
| – Value-added services to non-property owners | **97,615** | **0.8** | 91,130 | 0.7 | 7.1 |
| Community living services | **910,983** | **7.1** | 809,252 | 6.5 | 12.6 |
| Asset management services | **776,780** | **6.1** | 740,369 | 5.9 | 4.9 |
| Community operation services | **380,243** | **3.0** | 618,405 | 5.0 | -38.5 |
| **Total** | **12,756,687** | **100.0** | 12,486,544 | 100.0 | 2.2 |

### (i) Property management services

During the Year, revenue from property management services amounted to approximately RMB10,688.7 million, representing a year-on-year increase of approximately 3.6%. Among them:

1. Revenue from basic property management services amounted to approximately RMB10,591.1 million, representing a year-on-year increase of approximately 3.6%, which was mainly attributable to the increase in the Group's GFA under management.

   As of 31 December 2024, the Group had a total GFA under management of approximately 579 million sq.m., representing an increase of approximately 47 million sq.m. as compared with the total GFA under management of approximately 532 million sq.m. as of 31 December 2023.

   During the Year, (i) due to the principle of prudence, the Group recognized revenue from basic property management services on the basis of the consideration expected to be received for the provision of property management services to customers. For certain customers with significantly increased credit risk, the Group has not recognized revenue for the portion of the consideration from those customers for which the Group has fulfilled its performance obligations but has not yet collected the consideration, taking into account their willingness to pay the consideration when the consideration was overdue; and (ii) considering the status of related parties, the Group's revenue from property management services during the Year excluded revenue from basic property management services such as management of vacant properties relating to related parties of approximately RMB373.8 million based on the principle of robustness.

The following table sets out the revenue from basic property management services by business segment of the Group for the periods indicated:

| Project Sources | **For the year ended 31 December 2024** | | For the year ended 31 December 2023 | | |
|---|---|---|---|---|---|
| | **Revenue** | **Percentage of total revenue** | Revenue | Percentage of total revenue | Growth rate |
| | ***(RMB'000)*** | ***(%)*** | *(RMB'000)* | *(%)* | *(%)* |
| Residential/ commercial, etc. | **8,808,237** | **83.2** | 8,494,959 | 83.1 | 3.7 |
| Public construction projects | **1,604,462** | **15.1** | 1,559,236 | 15.2 | 2.9 |
| City public service | **178,367** | **1.7** | 173,193 | 1.7 | 3.0 |
| **Total** | **10,591,066** | **100.0** | 10,227,388 | 100.0 | 3.6 |

2. Revenue from value-added services to non-property owners was approximately RMB97.6 million.

### *(ii) Community living services*

During the Year, revenue from community living services amounted to approximately RMB911.0 million, representing a year-on-year increase of approximately 12.6%, which was mainly attributable to: (i) the Group's focus on community group buying to provide property owners with green and healthy products, with a creation of a number of popular featured products during the Year; and (ii) scaling up equipment in response to property owners' high-frequency demand for direct drinking water and new energy charging to increase operating revenue.

### *(iii) Asset management services*

During the Year, revenue from asset management services amounted to approximately RMB776.8 million, representing a year-on-year increase of approximately 4.9%, which was mainly attributable to: (i) the significant increase in business revenue as the Group continued to scale up its professional leasing and sales team by leveraging on its in-depth cultivation in the community and advantage of scale, highlighted its advantages in differentiated services, and enhanced its service satisfaction and professionalism; and (ii) the steady growth achieved in the revenue scale as the Group enhanced the quality of its services and optimized the car parking experience following the commencement of operation of the newly delivered car parks.

### *(iv) Community operation services*

During the Year, revenue from community operation services amounted to approximately RMB380.2 million, representing a year-on-year decrease of approximately 38.5%, which was mainly attributable to the decrease in revenue from the related business as a result of the decrease in the willingness of merchants to place advertisements and the demand for venue rental due to the impact of the market environment.

The table below sets out a breakdown of revenue by source of the Group's revenue for the periods indicated:

| | **For the year ended 31 December 2024** | | For the year ended 31 December 2023 | | |
|---|---|---|---|---|---|
| Revenue sources | **Revenue** *(RMB'000)* | **Percentage of total revenue** *(%)* | Revenue *(RMB'000)* | Percentage of total revenue *(%)* | Growth rate *(%)* |
| Related parties | **86,806** | **0.7** | 113,712 | 0.9 | -23.7 |
| Third parties | **12,669,881** | **99.3** | 12,372,832 | 99.1 | 2.4 |
| **Total** | **12,756,687** | **100.0** | 12,486,544 | 100.0 | 2.2 |

**Cost of sales**

The Group's cost of sales include staff costs, greening and cleaning costs, facilities and equipment repair and maintenance costs, energy costs, taxes and other levies.

During the Year, the Group's cost of sales increased by approximately 10.0% from approximately RMB9,378.1 million in 2023 to approximately RMB10,313.3 million in 2024, which was mainly attributable to: (i) the expansion of the Group's GFA under management; (ii) the enhancement of the quality of services and the increase in investment in the projects under management in terms of facility and equipment renewal and renovation, environmental enhancement and greening upgrading; (iii) organize diverse community cultural activities to enhance customer engagement; and (iv) increased procurement costs as a result of the vigorous development of community living services.

**Gross profit and gross profit margin**

The following table sets out a breakdown of the Group's gross profit and gross profit margin by business segments for the periods indicated:

| | **For the year ended 31 December 2024** | | For the year ended 31 December 2023 | |
|---|---|---|---|---|
| | **Gross profit** ***(RMB'000)*** | **Gross profit margin** ***(%)*** | Gross profit *(RMB'000)* | Gross profit margin *(%)* |
| Property management services | **1,707,227** | **16.0** | 2,199,937 | 21.3 |
| – Basic property management services | **1,698,338** | **16.0** | 2,190,394 | 21.4 |
| – Value-added services to non-property owners | **8,889** | **9.1** | 9,543 | 10.5 |
| Community living services | **203,112** | **22.3** | 201,585 | 24.9 |
| Asset management services | **380,389** | **49.0** | 419,289 | 56.6 |
| Community operation services | **152,709** | **40.2** | 287,637 | 46.5 |
| **Total** | **2,443,437** | **19.2** | 3,108,448 | 24.9 |

During the Year, the Group's overall gross profit was approximately RMB2,443.4 million, with a gross profit margin of approximately 19.2%, representing a year-on-year decrease of approximately 5.7 percentage points.

1. In respect of property management services, the gross profit margin decreased by approximately 5.3 percentage points from approximately 21.3% in 2023 to approximately 16.0% in 2024. Among them, the gross profit margin of basic property management services decreased by approximately 5.4 percentage points from approximately 21.4% in 2023 to approximately 16.0% in 2024, which was mainly attributable to: (i) based on prudence principle, for certain third-party customers with significantly increased credit risk, the Group has temporarily not recognized revenue for the portion of the consideration from those customers for which the Group has fulfilled its performance obligations but has not yet collected the consideration, taking into account their willingness to pay the consideration when the consideration is overdue, but the related costs have been recognized; and (ii) the Group has focused on improving the quality of its services and has increased its investment in the projects under management in terms of facility and equipment renewal and renovation, environmental enhancement and greening upgrading.

2. In respect of community living services, gross profit margin decreased by approximately 2.6 percentage points from approximately 24.9% in 2023 to approximately 22.3% in 2024, which was mainly attributable to: (i) the increase in the procurement of equipment such as water dispensers; and (ii) the increase in investment in the supply chain and information technology in order to consolidate the advantages of the community group buying business.

3. In respect of asset management services, gross profit margin decreased by approximately 7.6 percentage points from approximately 56.6% in 2023 to approximately 49.0% in 2024, which was mainly attributable to: (i) a phased increase in the cost of business due to the adjustment of the commercial terms of the car parking space leasing business in accordance with the principle of marketization; and (ii) further enhancement of customer experience, optimization of the service platform and increase in investment in information technology.

4. In respect of community operation services, gross profit margin decreased by approximately 6.3 percentage points from approximately 46.5% in 2023 to approximately 40.2% in 2024. This was mainly due to the decrease in investment in business related to the leasing of business premises and advertisement placement by merchants due to the weaker-than-expected market environment.

**Administrative and marketing expenses**

During the Year, the administrative and marketing expenses of the Group increased by approximately 7.3% from approximately RMB909.4 million in 2023 to approximately RMB975.4 million in 2024, which was mainly attributable to: (i) the Group's increased investment in intelligent construction in order to facilitate its business development and to enhance its management efficiency; and (ii) the legal proceedings expenses incurred by the Group in relation to the RMB13.4 billion deposit pledge which was enforced by the relevant banks, and the late payment due to the underpayment of corporate income tax as a result of the early recognition of the bad debt losses and partial pre-tax deduction, included in administrative and marketing expenses during the Year. As of the date of this announcement, the Group has paid up all the income tax for the years 2021 and 2022 and will not continue to incur late payment expenses in the future.

**Other income**

During the Year, other income was approximately RMB185.3 million, representing a decrease of approximately 10.4% as compared with approximately RMB206.7 million in 2023, which was mainly attributable to the decrease in tax incentive policy subsidies and government subsidies as compared with 2023.

**Other losses**

During the Year, the Group's other net losses amounted to approximately RMB48.2 million, representing a decrease of approximately 68.1% as compared with approximately RMB151.3 million in 2023. This was mainly due to the decrease in impairment of goodwill and intangible assets during the Year.

**Income tax expenses**

During the Year, the Group's income tax expense was approximately RMB375.3 million, representing a decrease of approximately 30.7% as compared with approximately RMB541.6 million in 2023, which was mainly due to the decrease in operating profit realized during the Year as compared with 2023.

**Profit for the year**

During the Year, the net profit of the Group was approximately RMB1,032.0 million, representing a decrease of approximately 34.0% as compared with approximately RMB1,563.8 million in 2023, and the net profit margin was approximately 8.1%, representing a decrease of approximately 4.4 percentage points as compared with approximately 12.5% in 2023.

During the Year, profit attributable to owners of the Company was approximately RMB1,021.0 million, representing a decrease of approximately 33.8% as compared with approximately RMB1,541.2 million in 2023.

**Property and equipment**

The Group's property and equipment mainly comprises buildings, machinery, vehicles, furniture, fixtures and equipment.

As at 31 December 2024, the net carrying value of the Group's property and equipment was approximately RMB67.9 million, representing an increase of approximately 15.9% as compared with approximately RMB58.6 million as at 31 December 2023.

**Right-of-use assets**

The Group's right-of-use assets mainly comprise assets such as office premises, staff quarters and operating lease assets leased by the Group. As at 31 December 2024, the Group's right-of-use assets were approximately RMB22.9 million, representing a decrease of approximately RMB5.6 million as compared with approximately RMB28.5 million as at 31 December 2023, which was mainly due to the decrease in the remaining lease term of the operating lease assets.

**Intangible assets**

The Group's intangible assets include property management contracts, customer relationships, software and goodwill.

As at 31 December 2024, the Group's intangible assets amounted to approximately RMB1,498.3 million, representing a decrease of approximately RMB148.3 million as compared with approximately RMB1,646.6 million as at 31 December 2023, which was mainly attributable to impairment and amortization of goodwill, property management contracts and customer relationships recognized by the acquired subsidiaries incurred during the Year of approximately RMB150.7 million.

**Trade and other receivables**

As at 31 December 2024, the Group's trade receivables amounted to approximately RMB2,586.4 million, representing a decrease of approximately RMB460.2 million as compared with approximately RMB3,046.6 million as at 31 December 2023, which was mainly attributable to: (i) the Group's continuous efforts to enhance the quality of project services and strengthen the management of repayment and cash flow; and (ii) for certain third-party customers with significantly increased credit risk, the Group has temporarily not recognized revenue for the portion of the consideration from those customers for which the Group has fulfilled its performance obligations but has not yet collected the consideration, taking into account their willingness to pay the consideration when the consideration is overdue.

The Group's other receivables increased by approximately RMB103.9 million from approximately RMB462.0 million as at 31 December 2023 to approximately RMB565.9 million as at 31 December 2024, which was mainly attributable to the expansion in the scale of management of the Group, which resulted in the increase in deposits, advances on behalf of property owners and third parties.

**Trade and other payables**

Trade and other payables comprise trade payables, provisional receipts, deposits payable, consideration payable for mergers and acquisition, wages and benefits payable, dividends payable, tax payable and estimated liabilities.

As at 31 December 2024, the Group's trade payables were approximately RMB1,766.7 million, representing an increase of approximately RMB351.3 million as compared with approximately RMB1,415.4 million as at 31 December 2023, which was mainly attributable to the expansion of the area under management and the increase in trade payables for related material purchases and maintenance works to enhance the quality of services.

Other payables decreased by approximately RMB168.9 million from approximately RMB2,700.2 million as at 31 December 2023 to approximately RMB2,531.3 million as at 31 December 2024 (of which long-term payables of approximately RMB75.1 million and current payables of approximately RMB2,456.2 million), which was mainly due to a decrease in the Group's payment of the consideration for business combinations and transactions with third parties in prior years.

**Contract liabilities**

Contract liabilities mainly arose from prepayments made by customers for related services yet to be provided such as property management services, community living services, asset management services and community operation services. As at 31 December 2024, the Group's contract liabilities were approximately RMB2,755.0 million, representing an increase of approximately RMB105.6 million as compared with approximately RMB2,649.4 million as at 31 December 2023, which was mainly attributable to the increase in the prepayment for property service fees.

**Current income tax liabilities**

As at 31 December 2024, the Group's current income tax liabilities were approximately RMB461.1 million, representing a decrease of approximately RMB726.4 million as compared with approximately RMB1,187.5 million as at 31 December 2023. This was mainly due to: (i) the Group's back payment of income tax for 2021 and 2022 totalling approximately RMB669.0 million, which was fully settled during the Year; (ii) the settlement and payment of income tax for 2023 of approximately RMB236.0 million; and (iii) the increase in income tax liabilities arising from operating profit during the Year.

**Liquidity and financial resources**

As at 31 December 2024, the Group's total bank deposits and cash (including the Group's cash and cash equivalents and restricted cash) amounted to approximately RMB2,834.9 million, representing an increase of approximately RMB828.4 million as compared with approximately RMB2,006.5 million as at 31 December 2023, which was mainly attributable to the increase in the net cash inflow generated from the Group's operating activities during the Year.

Of the Group's total bank deposits and cash, restricted bank deposits of approximately RMB137.5 million mainly represented the industry regulatory funds of Evergrande Insurance Agency Co., Ltd., deposits for the provision of property management services as required by local government authorities, cash restricted to projects managed on a remuneration basis only and funds for litigation preservation of some subsidiaries.

As at 31 December 2024, the Group had net current liabilities of approximately RMB968.6 million (as at 31 December 2023: net current liabilities of approximately RMB1,907.3 million). The Group's current ratio (current assets/current liabilities) was approximately 0.87 times (as at 31 December 2023: 0.76 times).

As at 31 December 2024, the Group did not have any borrowings. Accordingly, the gearing ratio (calculated as total borrowings divided by total equity at the dates indicated) as at 31 December 2024 was nil (31 December 2023: nil).

## MAJOR RISKS AND UNCERTAINTIES

The major risks and uncertainties faced by the Group are set forth below. Such factors are not exhaustive and therefore other risks and uncertainties may also exist.

**Industry risks**

The operation of the Group may be affected by the regulatory landscape of the industry and related measures. The main reason is that the fees charged by property management companies for management services are strictly monitored and supervised by relevant regulatory authorities. The business performance of the Group depends on the contracted GFA, the chargeable GFA under management and the number of projects under management, but the business growth are affected and will likely continue to be affected by the People's Republic of China (the "**PRC**") government's regulations on the industry where the Group belongs.

**Business risks**

Whether the Group can maintain or improve its current level of profitability depends on whether it can maintain or improve its current scale and effectively control its operating costs. The Group's profit margins and results of operations may be materially and adversely affected by increases in labour costs or other operating costs. The Group cannot guarantee that it will be able to secure new property service contracts according to its plan or pursuant to appropriate schedule and price. The Group may not be able to recover related income including property management fees from customers, resulting in possible impairment losses in receivables. As a result of the liquidation of the controlling shareholder and the progress of the disposal of its assets, the Group may face the termination of some of the pre-contracted property management service contracts and may not be able to convert the contracted GFA in a timely and effective manner; the delay in delivery by the related parties may also affect the increase in the Group's collection rate; the change in profitability model of some of the related party-related businesses may result in a decline in the level of profitability of the related businesses; and the liquidation of the controlling shareholder may result in a change of shareholding of the Company, which may affect the stability of the operating team. The above factors may have a material adverse impact on the Group's business, financial conditions and results of operations.

**Foreign exchange risks**

The business of the Group is mainly located in PRC. Save for bank deposits denominated in foreign currencies, there is no major direct exchange rate fluctuation risk faced by the Group. During the Year, the Directors expected that the RMB exchange rate would not have a material adverse effect on the operations of the Group. Currently, the Group has not entered into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor foreign exchange risks and adopt prudent measures to reduce potential exchange risks.

### Risk of continuing as a going concern

The Group's ability to continue as a going concern is dependent on having sufficient working capital to meet its financial obligations as they fall due within the next twelve months. As stated in Note 2 to the Group's consolidated financial statements, the Group has taken certain measures to address the uncertainties in continuing as a going concern, including promoting the Company's business development, strict control over the management's establishment and remuneration, streamlining the Group's operating costs, negotiating with creditors and acquired companies on the extension of payment agreements, and enhancing internal controls to ensure the continued sound operation of the Company. The above measures have effectively alleviated the pressure on the Group's operating cash liquidity.

### Risk of unrecoverable material losses

The Group has incurred significant losses (the "**Losses**") as a result of the pledged deposits of RMB13.4 billion (the "**Deposit Pledge**") being enforced by the relevant banks, which had been fully provided for as impairment losses in 2021. The Group has filed proceedings against the China Evergrande Group and the relevant responsible parties for the recovery of Losses with the Guangzhou Intermediate People's Court of Guangdong Province in the PRC and obtained court judgements that the China Evergrande Group and the relevant responsible parties (except for Guangzhou Xinyuan) shall repay the deposit pledge amount and interest losses and bear the case handling fee. Among them, the judgements of Evergrande Hengkang RMB1.7 billion Proceeding and Evergrande Hengkang RMB1 billion Proceeding have become effective and the remaining cases are still subject to appeal. The Group will make every effort to promote the enforcement work in accordance with the effective judgments of the court. However, subject to the current status of the China Evergrande Group and the relevant responsible parties, there are still material uncertainties as to the amount of Losses that could be recovered by the Group, and the Company will keep the market informed of any progress in a timely manner by way of publication of further announcement(s).

## PLEDGE OF ASSETS

As at 31 December 2024, the Group had no pledged assets.

## CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities.

## EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2024, the Group had 95,171 employees. During the Year, the total staff costs were approximately RMB6,072.1 million.

The employees were remunerated in accordance with the Group's remuneration and welfare policies with reference to the positions of employees, performance, profitability of the Company, industry level and market environment.

The Group has to participate in social insurance contribution plans or other retirement plans organized by local governments, and make contributions to social insurance funds monthly on behalf of employees for the payment of pension funds, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident funds, or make contributions to mandatory provident fund for employees regularly.

## STAFF TRAINING AND DEVELOPMENT

Based on the three-level training mechanism of "headquarters-region-project", the Group is committed to implementing a 3-year campus recruitment programme for management trainees, trainings for new employees and key talent trainings. The Group organizes and conducts trainings on various professional skills, general aptitude, management ability and corporate culture in accordance with our business development needs and employee career planning, in order to improve the comprehensive quality and work capabilities of employees.

During the Year, all staff participated in training, with a total of 0.75 million hours of training and an average of 7.9 hours of training per person.

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

During the year ended 31 December 2024, the Group did not have any significant investment, material acquisition or disposal of subsidiaries, associates or joint ventures.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2024, the Group had no specific future plans for material investments or capital assets.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares).

As of 31 December 2024, the Company did not hold any treasury shares.

## SHARE SCHEMES

The share option scheme was approved and adopted by the shareholders of the Company at the extraordinary general meeting of the Company held on 10 May 2021. No share options had been granted since the adoption of the share option scheme up to 31 December 2024.

Save as the above, the Company has not adopted any other share scheme.

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, there have been no other material subsequent events that have occurred to the Group after 31 December 2024 and up to the date of this announcement.

### Legal proceedings

In relation to the enforcement of the Group's deposit pledge of approximately RMB13.4 billion by the relevant bank, the wholly-owned subsidiaries of the Company have filed the relevant proceedings with the Guangzhou Intermediate People's Court of Guangdong Province, the PRC and obtained judgements from the court that the China Evergrande Group and the relevant liable parties (other than Guangzhou Xinyuan) are required to repay the amount of the deposit pledge together with the loss of interest and bear the handling costs of the cases. There are material uncertainties as to the amount of the aforesaid amount that could be recovered by the Group and the Board does not expect that the proceedings will have any material impact on the daily business operations of the Group. As of the date of this announcement, the judgments of Evergrande Hengkang RMB1.7 billion Proceeding and Evergrande Hengkang RMB1 billion Proceeding have become effective and the remaining cases are still subject to appeal. Please refer to the announcements of the Company dated 15 February 2023, 28 November 2023, 26 January 2024 and 10 January 2025 for details of the above matters.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the Company's corporate governance code. For the year ended 31 December 2024, the Company has complied with all applicable code provisions of the CG Code.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the Company's code of conduct securities transactions by the Directors. The Company has made specific enquiry of all the Directors and they have confirmed that they have complied with the requirements set out in the Model Code throughout the year ended 31 December 2024.

## FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2024 (year ended 31 December 2023: Nil).

## ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company will be published and despatched to the shareholders of the Company (if requested) in the manner prescribed under the Listing Rules in due course.

## AUDIT COMMITTEE

In accordance with the requirements of the CG Code and the Listing Rules, the Company has established an audit committee (the "**Audit Committee**") comprising three independent non-executive Directors, namely, Ms. Wen Yanhong (Chairman of the Audit Committee), Mr. Peng Liaoyuan and Mr. Dong Xinyi. The Audit Committee and the management of the Company have considered and reviewed the accounting principles and practices adopted by the Group and have discussed matters relating to risk management, internal control and financial reporting, including the review of the consolidated audited financial statements of the Group for the year ended 31 December 2024. The financial information, including the comparative figures, have been reviewed by the Audit Committee.

## SCOPE OF WORK OF PRISM

The Group's auditor, Prism, have reconciled the figures set out in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes of the Group for the year ended 31 December 2024 as set out in this results announcement with the amounts set out in the Group's audited consolidated financial statements for that year. The work performed by Prism 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 Prism on this results announcement.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.evergrandeservice.com). The annual report of the Company for the year ended 31 December 2024 containing all the information required under the Listing Rules will be despatched to shareholders of the Company (if requested) and will be made available for review on the same websites in due course.

By order of the Board
**Evergrande Property Services Group Limited**
**Duan Shengli**
*Chairman*

Hong Kong, 31 March 2025

*As at the date of this announcement, the Board comprises Mr. Duan Shengli, Mr. Han Chao and Mr. Hu Xu as executive Directors; Mr. Sang Quan and Mr. Lin Wuchang as non-executive Directors; and Mr. Peng Liaoyuan, Ms. Wen Yanhong and Mr. Dong Xinyi as independent non-executive Directors.*