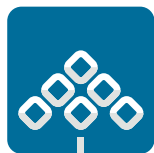


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碧桂园服务
COUNTRY GARDEN SERVICES

COUNTRY GARDEN SERVICES HOLDINGS COMPANY LIMITED

碧桂园服务控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6098)

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

RESULTS HIGHLIGHTS

	Year ended 31 December		Change
	2024	2023	
	<i>(RMB million, unless otherwise stated)</i>		
Revenue	43,992.9	42,611.5	3.2%
Gross profit	8,400.6	8,731.9	-3.8%
Net profit	1,874.5	516.7	262.8%
Profit attributable to the owners of the Company	1,808.4	292.3	518.7%
Core net profit* attributable to the owners of the Company	3,038.1	3,939.5	-22.9%
Basic earnings per share <i>(RMB cents)</i>	54.16	8.69	523.2%
Diluted earnings per share <i>(RMB cents)</i>	54.16	8.69	523.2%
Total bank deposits and cash	18,178.6	12,939.3	40.5%
Net cash generated from operating activities/core net profit* attribute to the owners of the company	1.3	1.2	0.1
Revenue-bearing gross floor area (“GFA”) of the property management services other than the “Three Supplies and Property Management” business <i>(million sq.m.)</i>	1,036.9	956.9	80.0
Revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” business <i>(million sq.m.)</i>	90.3	88.6	1.7

The Directors recommended the payment of a final dividend of RMB13.52 cents (2023: RMB2.19 cents per Share) per Share and a special dividend of RMB16.09 cents (2023: RMB27.27 cents per Share) per Share in cash as a token of appreciation to all Shareholders for their continuous support to and trust in the Company.

In addition, as at the date of this announcement, pursuant to the share award scheme adopted by the Company, the trustee has purchased 109 million shares of the Company in the open market at a total consideration (including transaction costs) of approximately RMB556.5 million and held them on trust for the selected participants until vesting.

* Core net profit attributable to the owners of the Company excluding expenses of share options, unrealised gains or losses from financial assets at fair value through profit or loss, amortisation charges of intangible assets — contracts and customer relationships, insurance brokerage licenses and brands arising from mergers and acquisitions and impairment of goodwill and other intangible assets, impairment of loans to third parties pledged by equities, losses from disposal of subsidiaries, expected losses on external guarantee, impairment of receivables from related parties and fair value gains of contingent consideration related to performance guarantees.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Country Garden Services Holdings Company Limited (the “**Company**” or “**CG Services**”) announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Year**” or the “**current year**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
Revenue	4	43,992,889	42,611,511
Cost of providing services		(33,482,191)	(32,602,076)
Cost of sales of goods		(2,110,091)	(1,277,488)
Gross profit		8,400,607	8,731,947
Selling and marketing expenses		(373,196)	(342,140)
General and administrative expenses		(4,442,718)	(3,866,360)
Impairment of goodwill and other intangible assets	11	(990,000)	(1,475,999)
Net impairment losses on financial and contract assets		(663,717)	(2,593,799)
Other income	5	254,413	477,363
Other gains — net	6	484,722	161,378
Operating profit		2,670,111	1,092,390
Finance income	7	217,255	271,998
Finance costs	7	(169,100)	(233,817)
Finance income — net	7	48,155	38,181
Share of results of investments accounted for using the equity method		(11,560)	(50,921)
Profit before income tax		2,706,706	1,079,650
Income tax expense	8	(832,198)	(562,939)
Profit for the year		1,874,508	516,711
Profit attributable to:			
— Owners of the Company		1,808,357	292,335
— Non-controlling interests		66,151	224,376
		1,874,508	516,711

		Year ended 31 December	
		2024	2023
	<i>Notes</i>	RMB'000	RMB'000
Other comprehensive income			
Item that may be reclassified to profit or loss:			
— Currency translation differences		(8,447)	(15,970)
Item that will not be reclassified to profit or loss:			
— Changes in fair value of financial assets at fair value through other comprehensive income		<u>113,397</u>	<u>173,446</u>
Total other comprehensive income for the year, net of income tax		<u>104,950</u>	<u>157,476</u>
Total comprehensive income for the year		<u>1,979,458</u>	<u>674,187</u>
Total comprehensive income attributable to:			
— Owners of the Company		1,913,307	449,811
— Non-controlling interests		<u>66,151</u>	<u>224,376</u>
		<u>1,979,458</u>	<u>674,187</u>
Earnings per share for profit attributable to owners of the Company			
(expressed in RMB cents per share)			
— Basic	9	54.16	8.69
— Diluted	9	<u>54.16</u>	<u>8.69</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 December	
		2024	2023
		RMB'000	RMB'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		1,702,482	1,656,964
Other right-of-use assets		420,609	425,737
Investment properties		1,697,824	1,305,002
Intangible assets	11	22,162,313	23,927,309
Investments accounted for using the equity method		533,497	600,367
Financial assets at fair value through other comprehensive income	12	556,740	4,317,978
Contract assets		73,320	71,405
Trade and other receivables	13	282,769	162,435
Deferred income tax assets		1,130,244	907,500
Time deposits		466,281	–
		29,026,079	33,374,697
Current assets			
Inventories		613,242	516,265
Other current assets		344,020	–
Trade and other receivables	13	22,680,328	21,606,111
Financial assets at fair value through profit or loss	14	580,033	807,724
Contingent consideration receivables	14	298,508	–
Restricted bank deposits		560,016	302,090
Time deposits		1,815,080	–
Cash and cash equivalents		15,337,225	12,637,187
		42,228,452	35,869,377
Total assets		71,254,531	69,244,074

		At 31 December	
		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY			
Equity attributable to owners of the Company			
Share capital and share premium	15	26,521,871	27,066,858
Other reserves		597,476	924,309
Retained earnings		9,497,683	8,164,706
		<u>36,617,030</u>	<u>36,155,873</u>
Non-controlling interests		<u>2,461,692</u>	<u>2,626,204</u>
Total equity		<u>39,078,722</u>	<u>38,782,077</u>
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	17	518,125	840,751
Lease liabilities		1,726,309	1,353,427
Deferred income tax liabilities		1,598,912	1,884,304
		<u>3,843,346</u>	<u>4,078,482</u>
Current liabilities			
Contract liabilities		8,245,315	7,591,490
Trade and other payables	16	18,823,788	17,436,240
Current income tax liabilities		707,579	462,736
Bank and other borrowings	17	352,131	728,797
Lease liabilities		203,650	164,252
		<u>28,332,463</u>	<u>26,383,515</u>
Total liabilities		<u>32,175,809</u>	<u>30,461,997</u>
Total equity and liabilities		<u>71,254,531</u>	<u>69,244,074</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Country Garden Services Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 24 January 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 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 is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in provision of property management services, community value-added services, value-added services to non-property owners, heat supply services, city services and commercial operational services in the People’s Republic of China (the “**PRC**”).

The Company’s shares (the “**Shares**”) are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

These consolidated financial statements for the year ended 31 December 2024 are presented in Renminbi (“**RMB**”), unless otherwise stated. RMB is also the functional currency of the Company. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 27 March 2025.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 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 Liabilities 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

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs 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	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.

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 presentation and disclosure in financial statements

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instrument: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

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

The Group was principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners, water, electricity and heat supplies and property management services under the state-owned enterprises separation and reform program (hereinafter referred to as “**Three Supplies and Property Management**”), city services and commercial operational services in the PRC.

The CODM of the Company regarded that there were four operating segments which were used to make strategic decisions:

- Property management and related services other than Three Supplies and Property Management businesses, which include property management services, community value-added services and value-added services to non-property owners (“**Property Management Services**”);
- Three Supplies and Property Management businesses (“**Three Supplies and Property Management Services**”);
- City services business, which include sanitation, cleaning and sewage and waste treatment business (“**City Services**”); and
- Commercial operational services business (“**Commercial Operational Services**”).

The CODM assesses the performance of the operating segments based on a measure of operating profit, adjusted by excluding realised and unrealised gains from financial assets at Fair Value Through Profit or Loss (“**FVPL**”), and including share of results of investments accounted for using the equity method.

Segment assets consist primarily of property, plant and equipment, other right-of-use assets, investment properties, intangible assets, investments accounted for using the equity method, contract assets, inventories, receivables, and operating cash. They exclude deferred income tax assets, financial assets at Fair Value Through Other Comprehensive Income (“**FVOCI**”) and financial assets at FVPL (excluding the contingent consideration receivables). Segment liabilities consist primarily of operating liabilities. They exclude current and deferred income tax liabilities and bank and other borrowings.

Capital expenditure comprises additions to property, plant and equipment, other right-of-use assets, investment properties and intangible assets, excluding those arising from business combinations.

Revenue mainly comprises of proceeds from provision of property management services, community value-added services, value-added services to non-property owners, heat supply services, city services and commercial operational services. An analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 was as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from property management and related services other than Three Supplies and Property Management Services		
— Property management services	25,910,364	24,698,514
— Community value-added services	4,194,290	3,752,870
— Value-added services to non-property owners	704,470	1,553,399
— Other services	232,910	190,490
	31,042,034	30,195,273
Revenue from Three Supplies and Property Management Services		
— Property management and other related services	6,539,290	4,992,205
— Heat supply services	1,616,953	1,527,985
	8,156,243	6,520,190
Revenue from city services business	4,167,620	4,883,630
Revenue from commercial operational services business	626,992	1,012,418
	43,992,889	42,611,511

(a) **Segment information**

The segment information provided to the chief operating decision-maker (“CODM”) for the year ended 31 December 2024 is as follows:

	Year ended 31 December 2024				Total RMB'000
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management Services RMB'000	City services business RMB'000	Commercial operational services RMB'000	
Revenue from contracts with customers	31,050,369	8,156,680	4,262,352	491,482	43,960,883
Recognised over time	29,833,600	7,156,915	4,149,088	483,342	41,622,945
Recognised at a point time	1,216,769	999,765	113,264	8,140	2,337,938
Revenue from other source	—	—	—	182,675	182,675
Rental income	—	—	—	182,675	182,675
Total segment revenue	31,050,369	8,156,680	4,262,352	674,157	44,143,558
Less: inter-segment revenue	(8,335)	(437)	(94,732)	(47,165)	(150,669)
Revenue from external customers	<u>31,042,034</u>	<u>8,156,243</u>	<u>4,167,620</u>	<u>626,992</u>	<u>43,992,889</u>
Segment results	<u>2,297,303</u>	<u>83,992</u>	<u>222,549</u>	<u>73,001</u>	<u>2,676,845</u>
	Year ended 31 December 2024				
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management Services RMB'000	City services business RMB'000	Commercial operational services RMB'000	Total RMB'000
Share of results of investments accounted for using the equity method	(13,748)	(4,127)	6,306	9	(11,560)
Depreciation and amortisation charges	1,361,272	149,838	363,386	114,013	1,988,509
Net impairment losses on financial and contract assets	615,255	9,322	36,592	2,548	663,717
Impairment of goodwill and other intangible assets	—	—	990,000	—	990,000
Capital expenditure	<u>1,329,179</u>	<u>236,244</u>	<u>149,538</u>	<u>418,113</u>	<u>2,133,074</u>

At 31 December 2024

	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management Services RMB'000	City services business RMB'000	Commercial operational services RMB'000	Total RMB'000
Segment assets	<u>55,615,812</u>	<u>4,066,678</u>	<u>6,728,345</u>	<u>2,576,679</u>	<u>68,987,514</u>
Investments accounted for using the equity method	<u>398,138</u>	<u>105,492</u>	<u>29,617</u>	<u>250</u>	<u>533,497</u>
Segment liabilities	<u>20,463,897</u>	<u>3,674,309</u>	<u>2,489,258</u>	<u>2,371,598</u>	<u>28,999,062</u>

The segment information provided to the CODM for the year ended 31 December 2023 is as follows:

Year ended 31 December 2023

	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management Services RMB'000	City services business RMB'000	Commercial operational services RMB'000	Total RMB'000
Revenue from contracts with customers	30,224,898	6,520,190	4,989,336	723,171	42,457,595
Recognised over time	29,152,688	5,836,604	4,824,286	700,278	40,513,856
Recognised at a point time	1,072,210	683,586	165,050	22,893	1,943,739
Revenue from other source	—	—	—	294,510	294,510
Rental income	—	—	—	294,510	294,510
Total segment revenue	<u>30,224,898</u>	<u>6,520,190</u>	<u>4,989,336</u>	<u>1,017,681</u>	<u>42,752,105</u>
Less: inter-segment revenue	<u>(29,625)</u>	<u>—</u>	<u>(105,706)</u>	<u>(5,263)</u>	<u>(140,594)</u>
Revenue from external customers	<u>30,195,273</u>	<u>6,520,190</u>	<u>4,883,630</u>	<u>1,012,418</u>	<u>42,611,511</u>
Segment results	<u>94,502</u>	<u>87,690</u>	<u>771,737</u>	<u>84,066</u>	<u>1,037,995</u>

	Year ended 31 December 2023				Total RMB'000
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management Services RMB'000	City services business RMB'000	Commercial operational services RMB'000	
Share of results of investments accounted for using the equity method	(65,697)	13,754	1,182	(160)	(50,921)
Depreciation and amortisation charges	1,282,531	128,257	344,169	170,062	1,925,019
Net impairment losses on financial and contract assets	2,425,810	6,483	7,324	154,182	2,593,799
Impairment of goodwill and other intangible assets	1,064,022	—	411,977	—	1,475,999
Capital expenditure	943,224	397,922	599,284	374,982	2,315,412

	At 31 December 2023				Total RMB'000
	Property management and related services other than Three Supplies and Property Management Services RMB'000	Three Supplies and Property Management Services RMB'000	City services business RMB'000	Commercial operational services RMB'000	
Segment assets	51,179,563	3,354,333	6,347,875	2,329,101	63,210,872
Investments accounted for using the equity method	424,350	155,786	19,981	250	600,367
Segment liabilities	19,124,589	3,017,510	2,376,646	2,026,664	26,545,409

A reconciliation of segment results to profit before income tax is provided as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Segment results	2,676,845	1,037,995
Realised and unrealised (losses)/gains from financial assets at FVPL (note 6)	(18,294)	3,474
Finance income — net	48,155	38,181
Profit before income tax	2,706,706	1,079,650

A reconciliation of segment assets to total assets is provided as follows:

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Segment assets	68,987,514	63,210,872
Deferred income tax assets	1,130,244	907,500
Financial assets at FVOCI	556,740	4,317,978
Financial assets at FVPL (exclude contingent consideration receivables)	580,033	807,724
	<hr/>	<hr/>
Total assets	<u>71,254,531</u>	<u>69,244,074</u>

A reconciliation of segment liabilities to total liabilities is provided as follows:

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Segment liabilities	28,999,062	26,545,409
Deferred income tax liabilities	1,598,912	1,884,304
Current income tax liabilities	707,579	462,736
Bank and other borrowings	870,256	1,569,548
	<hr/>	<hr/>
Total liabilities	<u>32,175,809</u>	<u>30,461,997</u>

5. OTHER INCOME

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Government subsidy income	136,369	233,409
Dividend income from financial assets at FVOCI	76,017	166,944
Late payment charges	42,027	77,010
	<hr/>	<hr/>
	<u>254,413</u>	<u>477,363</u>

6. OTHER GAINS — NET

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
(Losses)/gains on disposals of subsidiaries	(38,589)	69,257
Gains from the change of sublease contracts	78,652	50,452
(Losses)/gains on early termination of lease contracts	(4,861)	30,882
Net foreign exchange gains	51,251	21,483
Realised and unrealised (losses)/gains from financial assets at FVPL	(18,294)	3,474
Gains on disposals of investments accounted for using the equity method	4,009	—
Losses on disposals of property, plant and equipment, and investment properties	(25,689)	(24,894)
Fair value change on contingent considerations	531,876	—
Others	(93,633)	10,724
	484,722	161,378

7. FINANCE INCOME — NET

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income:		
Interest income on bank deposits	217,255	271,998
Finance costs:		
Interest expense on lease liabilities	(93,989)	(141,761)
Interest expense on bank and other borrowings	(75,111)	(92,056)
	(169,100)	(233,817)
Finance income — net	48,155	38,181

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Current income tax		
— Provision for current income tax	1,280,405	1,393,709
— Over provision in prior years	(36,228)	—
	<u>1,244,177</u>	<u>1,393,709</u>
Deferred income tax		
— Corporate income tax	(415,094)	(850,770)
— Withholding income tax on profits to be distributed in future	3,115	20,000
	<u>(411,979)</u>	<u>(830,770)</u>
	<u>832,198</u>	<u>562,939</u>

9. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2024	2023
Profit attributable to the owners of the Company (RMB'000)	1,808,357	292,335
Weighted average number of ordinary shares in issue (thousands shares)	<u>3,338,963</u>	<u>3,363,641</u>
Basic earnings per share (RMB cents)	<u>54.16</u>	<u>8.69</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares arising from the share option schemes.

For the year ended 31 December 2023 and 2024, diluted earnings per share equals to basic earnings per share as the effect of the share options were anti-dilutive.

10. DIVIDENDS

The final dividend in respect of year ended 31 December 2023 of RMB2.19 cents (equivalent to HKD2.41 cents) per share and a special dividend of RMB27.27 cents (equivalent to HKD29.94 cents) per share, totalling RMB984,854,000, has been approved at the Annual General Meeting on 6 June 2024 and was paid in cash on 30 August 2024.

The Board of Directors recommended the cash payment of a 2024 final dividend of RMB13.52 cents per share and a special dividend of RMB16.09 cents per share, totalling RMB990,000,000. The dividend scheme is conditional upon the passing of the resolution relating to the payment of the final dividend and special dividend at the forthcoming annual general meeting of the Company. These financial statements do not reflect this dividend payable.

11. INTANGIBLE ASSETS

	Software RMB'000 (ii)	Contracts and customer relationships RMB'000 (iii)	Insurance brokerage license RMB'000 (iv)	Brand RMB'000 (v)	Concession intangible assets RMB'000 (vi)	Total other intangible assets RMB'000	Goodwill RMB'000 (vii)	Total RMB'000
At 1 January 2023								
Cost	528,642	6,938,827	28,663	2,166,442	294,363	9,956,937	19,639,425	29,596,362
Accumulated amortisation	(119,855)	(1,359,206)	(6,392)	(350,523)	(31,179)	(1,867,155)	—	(1,867,155)
Accumulated impairment	—	(2,861)	—	(34,877)	—	(37,738)	(1,738,108)	(1,775,846)
Net book amount	<u>408,787</u>	<u>5,576,760</u>	<u>22,271</u>	<u>1,781,042</u>	<u>263,184</u>	<u>8,052,044</u>	<u>17,901,317</u>	<u>25,953,361</u>
Year ended 31 December 2023								
Opening net book amount	408,787	5,576,760	22,271	1,781,042	263,184	8,052,044	17,901,317	25,953,361
Additions	139,357	77,988	—	—	374,057	591,402	—	591,402
Amortisation	(61,839)	(807,793)	(2,474)	(240,979)	(27,824)	(1,140,909)	—	(1,140,909)
Disposals	(546)	—	—	—	—	(546)	—	(546)
Impairment	—	(5,595)	—	(1,888)	—	(7,483)	(1,468,516)	(1,475,999)
Closing net book amount	<u>485,759</u>	<u>4,841,360</u>	<u>19,797</u>	<u>1,538,175</u>	<u>609,417</u>	<u>7,494,508</u>	<u>16,432,801</u>	<u>23,927,309</u>
At 31 December 2023								
Cost	665,833	7,016,815	28,663	2,128,394	668,420	10,508,125	19,639,425	30,147,550
Accumulated amortisation	(180,074)	(2,166,999)	(8,866)	(588,331)	(59,003)	(3,003,273)	—	(3,003,273)
Accumulated impairment	—	(8,456)	—	(1,888)	—	(10,344)	(3,206,624)	(3,216,968)
Net book amount	<u>485,759</u>	<u>4,841,360</u>	<u>19,797</u>	<u>1,538,175</u>	<u>609,417</u>	<u>7,494,508</u>	<u>16,432,801</u>	<u>23,927,309</u>
Year ended 31 December 2024								
Opening net book amount	485,759	4,841,360	19,797	1,538,175	609,417	7,494,508	16,432,801	23,927,309
Additions	72,540	400,001	—	—	13,233	485,774	—	485,774
Acquisition of subsidiaries	65	43,963	—	—	—	44,028	76,802	120,830
Amortisation	(74,101)	(866,892)	(2,475)	(240,583)	(43,768)	(1,227,819)	—	(1,227,819)
Disposals	(5,226)	—	—	—	—	(5,226)	—	(5,226)
Disposal of subsidiaries	—	(51,758)	—	—	—	(51,758)	(96,797)	(148,555)
Impairment	—	—	—	—	—	—	(990,000)	(990,000)
Closing net book amount	<u>479,037</u>	<u>4,366,674</u>	<u>17,322</u>	<u>1,297,592</u>	<u>578,882</u>	<u>6,739,507</u>	<u>15,422,806</u>	<u>22,162,313</u>
At 31 December 2024								
Cost	730,092	7,377,702	28,663	2,128,394	681,327	10,946,178	19,479,477	30,425,655
Accumulated amortisation	(251,055)	(3,002,572)	(11,341)	(828,914)	(102,445)	(4,196,327)	—	(4,196,327)
Accumulated impairment	—	(8,456)	—	(1,888)	—	(10,344)	(4,056,671)	(4,067,015)
Net book amount	<u>479,037</u>	<u>4,366,674</u>	<u>17,322</u>	<u>1,297,592</u>	<u>578,882</u>	<u>6,739,507</u>	<u>15,422,806</u>	<u>22,162,313</u>

Amortisation of intangible assets were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of sales	1,153,717	1,079,070
General and administrative expenses	74,102	61,839
	<u>1,227,819</u>	<u>1,140,909</u>

(i) Amortisation methods and periods

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

Software	3-10 years
Contracts and customer relationships	6-9 years
Insurance brokerage license	12 years
Brand	5-12 years
Concession intangible assets	5-29 years

(ii) Software

Acquired software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining software programmes are recognised as an expense as incurred.

(iii) Contracts and customer relationships

Contracts and customer relationships acquired in business combinations and subsequent asset acquisition are recognised at fair value at the acquisition date. The contracts and customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment.

(iv) Insurance brokerage license

Insurance brokerage license acquired in the business combination is recognised at fair value at the acquisition date. It has a finite useful life and is subsequently carried at cost less accumulated amortisation.

(v) Brand

Brand acquired in the business combination is recognised at fair value at the acquisition date. It has a finite useful life and is subsequently carried at cost less accumulated amortisation and impairment.

(vi) Concession intangible assets

When the Group has entered into contractual service concession arrangements with local government authorities for its participation in the municipal sanitation public infrastructure construction business, the Group carries out the construction or upgrade work of municipal sanitation public infrastructures for the granting authorities and receives in exchange of a right to operate the public infrastructures concerned. Concession intangible assets correspond to the right granted by the respective concession grantors to the Group to charge users of the sanitation services and the fact that the concession grantors (the respective local governments) have not provided any contractual guarantees in respect of the amounts of construction costs incurred to be recoverable.

(vii) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to Cash Generating Unit (“CGU”) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Goodwill of RMB15,422,806,000 (2023: RMB16,432,801,000) has been allocated to the respective CGU for impairment testing. Management performed an impairment assessment on the goodwill as at 31 December 2023 and 2024, respectively.

The goodwill (net book amount) is allocated in CGUs as follows:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Property Management Services Operating Segment		
Country Garden Life Services CGU (“ Life Services ”)	6,380,422	3,468,945
Wealth Best Global CGU (“ Wealth Best Global ”)	3,567,263	3,567,263
Link Joy Holdings Group CGU (“ Link Joy ”)	3,233,591	3,233,591
Sichuan Justbon Life Services CGU (“ Justbon Services ”)	—	2,973,736
Other CGUs	790,333	748,069
	13,971,609	13,991,604
Three Supplies and Property Management Services Segment		
— others	3,465	3,465
City Services Operating Segment		
Country Garden Manguo Environmental Technology Group CGU (“ Manguo ”)	968,891	1,958,891
	968,891	1,958,891
Commercial Operational Services Operating Segment — others	478,841	478,841
	15,422,806	16,432,801

Integration of CGUs and goodwill reallocation

During the year ended 31 December 2024, there has been a change in the identified CGU resulting from the integration of Justbon Services CGU into Life Services CGU in order to improve operation efficiency. Both Justbon Services CGU and Life Services CGU are within the Property Management operating segment. Accordingly, goodwill originally along with Justbon Services CGU is reallocated into Life Services CGU. Management expected that the benefit of expected synergies of Justbon Services CGU shall be achieved from integrating it into the Group’s existing property management services under Life Services CGU. Such integration resulted in the reallocation of goodwill as there has been a change to the way in which goodwill is monitored internally.

Impairment tests on goodwill

The recoverable amount of a CGU is determined based on the higher of value in use and the FVLCOB.

For the year ended 31 December 2024

As at 31 December 2024, management recalculated the recoverable amounts of all CGU. The value-in-use results of CGUs other than Manguo CGU was assessed to exceed their carrying amounts as at 31 December 2024.

Impairment of Manguo CGU

During the year ended 31 December 2024, management of the Group reassessed the key assumptions for impairment testing of goodwill of Manguo CGU and considered that Manguo's business expansion in previous years has not been carried out as scheduled and some existing business has been adjusted, leading to declines in revenues and profits, and the long payment period of some customers of Manguo resulted in unsatisfactory cash flows, resulting in adverse effects on development of the businesses of Manguo. Moreover, these adverse effects are expected to remain for a period of time other than temporary. According to the management's estimation of the recoverable amount of Manguo with the assistance of an independent valuer, which was calculated based on its value in use that was assessed to be higher than its FVLCOB, impairment of goodwill and other intangible assets of approximately RMB990,000,000 were recognised for Manguo CGU, resulting in a reduction in the carrying amount of the goodwill of Manguo to RMB968,891,000.

As at 31 December 2024, management reassessed the key assumptions for impairment testing of goodwill of the other CGUs. Based on the assessment, the Group considered that no additional material impairment of goodwill was required.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	Justbon Services	Wealth Best Global	Link Joy	Manguo	Life Services	Fujian Dongfei	City Media	Other CGUs
2024								
Revenue growth rates during the projection period	N/A	3.0%	3.0%	5.4%	3.0%	N/A	N/A	3%-4.9%
Gross profit margins during the projection period	N/A	30.1%	32.9%	19.4%	20.9%	N/A	N/A	13.4%-46.5%
EBITDA margins during the projection period	N/A	21.1%	26.0%	15.2%	9.7%	N/A	N/A	8.2%-39.6%
Terminal growth rate	N/A	2.0%	2.0%	2.0%	2.0%	N/A	N/A	2.0%
Pre-tax discount rates	N/A	17.8%	17.7%	14.8%	17.5%	N/A	N/A	18.1%-20.2%
2023								
Revenue growth rates during the projection period	5.3%-5.7%	5.0%-9.0%	3.0%	5.0%	3.0%	-2.8%-5.0%	3.0%	-1.4%-9.4%
Gross profit margins during the projection period	30.0%	34.2%	34.6%	24.0%	21.8%	25.4%	33.0%	17.7%-62.1%
EBITDA margins during the projection period	21.7%	22.9%	22.7%	20.2%	11.9%	23.9%	15.9%	4.0%-53.0%
Terminal growth rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Pre-tax discount rates	18.7%	20.4%	20.7%	15.3%	20.8%	15.4%	21.1%	18.4%-22.5%

The recoverable amounts and the headrooms available (the excess of the recoverable amounts over the carrying amounts) of the respective CGU are as follows:

	Justbon Services RMB'000	Wealth Best Global RMB'000	Link Joy RMB'000	Manguo RMB'000	Life Services RMB'000	Fujian Dongfei RMB'000	City Media RMB'000
At 31 December 2024							
Recoverable amount	N/A	7,723,000	8,006,000	3,314,000	37,730,000	N/A	N/A
Headroom	N/A	1,905,224	2,756,800	—	29,151,600	N/A	N/A
At 31 December 2023							
Recoverable amount	6,262,266	6,515,422	6,720,569	4,736,726	36,974,005	1,279,920	330,959
Headroom	—	1,249,341	1,884,400	33,006	28,013,000	—	—

The recoverable amount of the respective CGU would equal its carrying amount if the key assumptions were to change as follows:

	At 31 December 2024							
	Wealth Best Global		Link Joy		Manguo		Life Services	
	From	To	From	To	From	To	From	To
Revenue growth rates during the projection period	3.0%	-5.7%	3.0%	-10.9%	N/A	N/A	3.0%	-30.2%
Gross profit margins during the projection period	30.1%	20.9%	32.9%	-5.6%	N/A	N/A	20.3%	5.6%
EBITDA margins during the projection period	21.1%	11.9%	26.0%	-62.8%	N/A	N/A	9.7%	-5.6%
Terminal growth rate	2.0%	-7.9%	2.0%	N/A*	N/A	N/A	2.0%	N/A*
Pre-tax discount rates	17.8%	28.4%	17.7%	N/A*	N/A	N/A	17.4%	N/A*
At 31 December 2023								
	Wealth Best Global		Link Joy		Manguo		Life Services	
	From	To	From	To	From	To	From	To
Revenue growth rates during the projection period	5.0%-9.0%	0.5%	3.0%	-13.9%	5.0%	4.8%	3.0%	-48.8%
Gross profit margins during the projection period	34.2%	27.7%	34.6%	22.1%	24.0%	22.1%	21.8%	7.6%
EBITDA margins during the projection period	22.9%	17.6%	22.7%	12.4%	20.2%	20.1%	11.9%	-2.3%
Terminal growth rate	3.0%	-2.7%	3.0%	-37.9%	3.0%	2.9%	3.0%	N/A*
Pre-tax discount rates	20.4%	25.2%	20.7%	36.8%	15.3%	15.4%	20.8%	N/A*

* Reasonable change of the factors will not lead to the recoverable amount lower than the carrying value of the CGU.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Listed equity securities	14,053	15,573
Unlisted equity investments	542,687	4,302,405
	556,740	4,317,978

13. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current assets:		
Trade receivables (a)		
— Related parties	2,548,569	2,997,161
— Third parties	<u>18,595,563</u>	<u>16,514,024</u>
	21,144,132	19,511,185
Less: allowance for impairment of trade receivables		
— Related parties	(1,886,053)	(2,198,613)
— Third parties	<u>(1,568,707)</u>	<u>(934,070)</u>
	(3,454,760)	(3,132,683)
	<u>17,689,372</u>	<u>16,378,502</u>
Other receivables		
— Payments on behalf of property owners	962,054	913,437
— Deposits	505,457	486,340
— Loans to third parties pledged by equities (b)	1,185,849	1,184,011
— Receivables from finance leases	56,917	66,316
— Others (c)	<u>988,187</u>	<u>1,212,760</u>
	3,698,464	3,862,864
Less: allowance for impairment of other receivables	<u>(318,032)</u>	<u>(220,135)</u>
	<u>3,380,432</u>	<u>3,642,729</u>
Prepayments to suppliers		
— Related parties	9,131	14,317
— Third parties	<u>1,196,433</u>	<u>1,200,509</u>
	1,205,564	1,214,826
Prepayments for other taxes	<u>404,960</u>	<u>370,054</u>
	<u>22,680,328</u>	<u>21,606,111</u>
Non-current assets:		
Other receivables		
— Receivables from finance leases	<u>282,769</u>	<u>162,435</u>

As at 31 December 2024, most of the trade and other receivables were denominated in RMB, and the fair value of trade and other receivables approximated their carrying amounts.

- (a) Trade receivables mainly arise from property management services income under lump sum basis, value-added services to non-property owners, heat supply services, city services and commercial operational services.

Property management services income under lump sum basis, heat supply services income and commercial operational services income are paid in accordance with the terms of the relevant service agreements. Service income from property management services and heat supply services are due for payment by the residents upon the issuance of demand note.

For value-added services to non-property owners and city services, customers are generally given a credit term of up to 90 days.

The aging analysis of the gross trade receivables based on invoice date was as follows:

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	11,374,034	13,004,798
1 to 2 years	5,099,542	5,461,279
2 to 3 years	3,695,107	668,626
Over 3 years	975,449	376,482
	<u>21,144,132</u>	<u>19,511,185</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2024, a provision of RMB3,454,760,000 (2023: RMB3,132,683,000) was made against the gross amounts of trade receivables.

- (b) The Group provided short-term loans to several third parties pledged by equity interests of property management and property agency services companies in the PRC held by the corresponding parties. The loans to third parties bear interest rate at 6% to 15% per annum. These loans have a term of 2 to 12 months. The reason for the Group to provide such loans to the third parties is for potential acquisitions of equity interests of property management and property agency services companies. In 2023, one of the equities pledged has been released as a result of the completion of a relative equity acquisition transaction.
- (c) These receivables mainly included current accounts due from third parties, which are mainly interest-free, unsecured and repayable according to contract terms.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Wealth management products (a)	580,033	602,323
Investment in a fund (b)	—	205,401
	<u>580,033</u>	<u>807,724</u>
Contingent consideration receivables	<u>298,508</u>	<u>—</u>

- (a) The Group invested in various wealth management products which can be redeemed any time at the Group's discretion. These products have a term of 5 years (2023: 3 to 5 years) with expected return rate 3.3% (2023: 2.8% to 4.6%). The fair values of these investments were determined based on the expected returns as stipulated in relevant contracts with the counterparties.
- (b) This represented the Group's investment in a fund. The fair value of this investment was determined based on the valuation report provided by the fund manager.

15. SHARE CAPITAL AND SHARE PREMIUM

	Notes	Number of shares	Nominal value of shares	Equivalent nominal value of shares	Share premium	Total	Treasury Shares	Share purchased for the share award scheme	Total
				RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Authorised									
Increase in authorised share capital of USD0.0001 each		10,000,000,000	1,000,000						
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024		<u>10,000,000,000</u>	<u>1,000,000</u>						
At 1 January 2023		3,373,127,390	337,312	2,157	27,327,757	27,329,914	—	—	27,329,914
Buy-back of shares	(a)	—	—	—	—	—	(266,603)	—	(266,603)
Cancellation of shares	(a)	(30,184,000)	(3,018)	(22)	(266,581)	(266,603)	266,603	—	—
Consideration issue	(b)	76,946	8	—	3,547	3,547	—	—	3,547
At 31 December 2023		<u>3,343,020,336</u>	<u>334,302</u>	<u>2,135</u>	<u>27,064,723</u>	<u>27,066,858</u>	<u>—</u>	<u>—</u>	<u>27,066,858</u>
At 1 January 2024		3,343,020,336	334,302	2,135	27,064,723	27,066,858	—	—	27,066,858
Buy-back of shares	(a)	—	—	—	—	—	—	(545,443)	(545,443)
Consideration issue	(b)	29,255	3	—	456	456	—	—	456
At 31 December 2024		<u>3,343,049,591</u>	<u>334,305</u>	<u>2,135</u>	<u>27,065,179</u>	<u>27,067,314</u>	<u>—</u>	<u>(545,443)</u>	<u>26,521,871</u>

- (a) During the year ended 31 December 2024, the Company adopted the share award scheme and a total of 106,880,000 shares were purchased at consideration of RMB545,443,000.

During the year ended 31 December 2023, the Company bought back and cancelled a total of 30,184,000 shares. The buy-back and cancellation were approved by shareholders at the annual general meeting on 25 May 2023. The total consideration paid to buy back these shares was RMB266,603,000, which has been deducted from equity attributable to the owners of the Company. The shares were acquired at a weighted average price of HKD9.60 per share, with prices ranging from HKD9.31 to HKD10.04.

- (b) On 27 September 2024, the Company issued 29,255 consideration shares to the third parties for the projects in transit delivered by Everjoy Services Company Limited. On 18 July 2023, the Company issued 76,946 consideration shares to the third parties for the projects in transit delivered by Everjoy Services Company Limited.

16. TRADE AND OTHER PAYABLES

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables		
— Related parties	175,195	210,312
— Third parties	8,458,982	7,005,967
	8,634,177	7,216,279
Other payables		
— Deposits	2,052,592	2,294,108
— Temporary receipts from properties owners	2,985,848	2,873,493
— Provision for financial guarantee (<i>note 18</i>)	46,635	6,598
— Considerations payable for business combinations	9,265	5,499
— Dividend payables	19,642	49,356
— Accruals and others	907,298	800,897
	6,021,280	6,029,751
Contingent considerations for business combinations	118,235	214,683
Payroll payables	3,292,507	3,123,369
Other taxes payables	757,589	852,158
	18,823,788	17,436,240

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

The aging analysis of trade payables based on the invoice date was as follows:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Within 1 year	7,397,618	6,122,897
1 to 2 years	802,199	953,450
2 to 3 years	364,184	82,028
Over 3 years	70,176	57,904
	8,634,177	7,216,279

17. BANK AND OTHER BORROWINGS

	At 31 December 2024			At 31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Secured						
Bank loans	243,055	350,294	593,349	614,560	652,135	1,266,695
Other borrowings	94,176	167,831	262,007	114,237	188,501	302,738
	337,231	518,125	855,356	728,797	840,636	1,569,433
Unsecured:						
Bank loans	14,900	—	14,900	—	—	—
Other borrowings	—	—	—	—	115	115
	14,900	—	14,900	—	115	115
Total bank and other borrowings	352,131	518,125	870,256	728,797	840,751	1,569,548

The Group's secured borrowings as at 31 December 2024 was amounted to RMB855,356,000 (2023: RMB1,569,433,000), mainly secured by certain transportation equipment of the Group with net book amount of RMB119,476,000 (2023: RMB68,021,000) and pledged by rights of collection of several city service projects.

As at 31 December 2024, the Group's bank and other borrowings were repayable as follows:

	Bank loans		Other borrowings	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	257,955	614,560	94,176	114,237
Over 1 year and within 2 years	22,950	81,230	20,236	56,743
Over 2 years and within 5 years	57,094	251,646	5,000	—
Over 5 years	270,250	319,259	142,595	131,873
	608,249	1,266,695	262,007	302,853

The weighted average effective interest rate for the year ended 31 December 2024 was 4.25% (2023: 4.59%) per annum.

The carrying amounts of the bank and other borrowings are denominated in RMB.

The carrying amounts of the current borrowings approximate their fair value, as the impact of discounting using a current borrowing rate is not significant.

18. FINANCIAL GUARANTEE

Chongqing Caixin Smart Life Services Group Co., Ltd. (“**Caizhixin Services**”, former name: Caixin Smart Life Services Group Limited), a subsidiary of the Company, was acquired by the Group from its original shareholder, Chongqing Caixin Group Co., Ltd. (“**Caixin Group**”), on 30 September 2021 (the “**Acquisition Date**”). In late August 2022, certain bank accounts of Caizhixin Services were frozen judicially, in light of the fact that Caizhixin Services provided joint and several guarantee to a trust financing arrangement of Caixin Group prior to the Acquisition Date. The Company was informed by Caixin Group and validated the existence of this obligation after the incident happened.

According to information subsequently obtained, in addition to the pledge of the equity interest of a subsidiary held by Caixin Group, the debts were also secured by another eight guarantors, including: (1) one guarantor providing guarantees by way of asset pledge; and (2) the other seven entities (including Caizhixin Services) providing joint and several guarantee obligations. As at 31 December 2024, the principal amount involved in the guarantee of the relevant debt is approximately RMB689,500,000 (2023: RMB689,500,000). Together with accrued interests and penalties, the total guarantee amount is approximately RMB1,104,676,000 (2023: RMB934,500,000).

Management of the Company represents that: (1) the Caixin Group confirms that, apart from this, Caizhixin Services provided no other external guarantee prior to the Acquisition Date; (2) the normal operation of Caizhixin Services has not been materially and adversely affected; (3) since the engagement with and acquisition of Caizhixin Services by the Group, Caixin Group has disclosed and undertaken that the guarantee did not exist during the course of due diligence and negotiation of the acquisition agreement, which, at present, is in violation of the relevant covenants and undertakings under the agreement regarding the acquisition of Caizhixin Services; (4) the Group has actively taken legal proceedings, to protect the Group’s legitimate rights and interests. As at 31 December 2024, the amount of restricted bank deposits in the frozen bank accounts of Caizhixin Services was RMB5,689,000 (2023: RMB5,385,000). As at 31 December 2024, the Group has assessed that the expected credit losses for the financial guarantee and accordingly made a provision of RMB46,635,000 (2023: RMB6,598,000). When estimating the expected credit losses of the financial guarantee, management applied estimation under various scenarios of repayment orders after taking into account the lawyer’s opinion.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading integrated service provider in the PRC covering diversified business forms. Our business covers many business forms, including services to residential properties, commercial properties, office buildings, industrial parks, multi-purpose complexes, government buildings, hospitals, schools and other public facilities, such as airport terminals, highway service stations and cultural scenic areas. We have won industry-leading customer satisfaction and brand reputation with quality services, as well as gained high recognition in a number of sub-segments of the industry. We have won well-recognized awards in the industry including “2024 China Leading Property Service Company for Top Brand of Specialized Operation” (2024中國物業服務專業化運營領先品牌企業) and “2024 China Top Property Service Brand in terms of Customer Satisfaction” (2024中國物業服務滿意度優秀品牌) granted by China Index Academy; “2024 China Property Management Companies of Comprehensive Strength – First Ranking” (2024中國物業企業綜合實力第1名) and “2024 China Benchmarking Property Management Companies for Red Property Services” (2024中國物業服務紅色物業樣本標竿企業) granted by YIHAN (億翰智庫); and First Ranking of “2024 China Top 20 Listed Companies of Property Management” (2024年中國物業管理上市公司20強) and “2024 China Listed Property Management Companies – Leading Companies in ESG Sustainability” (2024中國物業管理上市公司ESG可持續發展領先企業) granted by CRIC.

The major business sectors of the Group include: (i) property management services, (ii) community value-added services, (iii) value-added services to non-property owners, (iv) the “Three Supplies and Property Management” business, (v) city services and (vi) commercial operational services, which constitute part of our comprehensive services we provide to customers that cover the full range of the value chain in property management.

Property Management Services

We provide property owners, residents and property developers with a series of property management services, including security, cleaning, green landscaping, gardening, repair and maintenance, and other services. During the Year, property management services recorded a revenue of approximately RMB25,910.4 million, representing a year-on-year increase of approximately 4.9% as compared to the same period of last year, and its percentage of total revenue further increased to 58.9%.

The scale of the Group’s property management business has been steadily expanding. As at 31 December 2024, apart from the “Three Supplies and Property Management” business, our revenue-bearing GFA was approximately 1,036.9 million sq.m.. In addition, the revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” business was approximately 90.3 million sq.m.. We manage a total of 7,895 property projects. These projects cover 31 provinces, municipalities, autonomous regions in Mainland China and the Hong Kong Special Administrative Region and overseas, with a focus on five key economically developed city clusters, including the Pearl River Delta, the Yangtze River Delta, the middle reaches of the Yangtze River, the Beijing-Tianjin-Hebei Region and the Chengdu-Chongqing Region in China. Among them, the percentage of the revenue-bearing GFA of projects in first and second-tier cities amounted to approximately 40.7%.

Customer satisfaction is an important foundation for the sustainable development of the Group. We have further deepened our “customer-oriented” service concept and continuously optimized service quality. In 2024, we invested approximately RMB774 million to carry out renovation and renewal work on old facilities in over 3,800 projects, enabling us to rejuvenate the community environment and upgrade the customer experience. At the same time, the Group has further strengthened safety management measures and achieved zero major production safety incident during the Year; a total of more than 14,000 large-scale fire drills were organized throughout the year, effectively preventing the spread of more than 710 indoor fires at the early stage.

During the Year, we continued to promote the application of digitization and artificial intelligence Internet of Things (AIoT) to facilitate efficient operations. In terms of work processes, we embedded digital tools in multiple parts of cleaning and security to achieve precise management and efficient operations. In terms of the management mode, we implemented digital online management for elevator maintenance, simultaneously enhancing maintenance quality and the customer experience. By integrating customer channel data, we improved our response efficiency to customers. We independently developed “No. 0 Assistant” (零號助理) based on large AI model technology and took the lead in launching two applications, “I See” (一看) and “I Win” (一問), to support rapid business decision-making and improve management and work efficiency at all levels. We comprehensively optimized the application of IoT technology, deeply integrated AI technologies and achieved improvements in operating efficiency and service quality through intelligent upgrades to, among others, parking systems and charging piles.

In terms of market expansion, relying on our solid product capabilities and precise market strategies, we maintained a leading competitive edge in the increasingly competitive market environment. We adhered to the expansion strategy highlighting the focus on residential properties as the core, and the new contracts and annualized revenue from market entries of our residential sector accounted for approximately 48.8%. We released a comprehensive product solution for old communities and began pilot implementations in cities such as Beijing, Shanghai, Guangzhou, and Chongqing. In addition, relying on the “Neighbor Project Sourcing” (一拓一) all-domain expansion strategy, we fully capitalized on the leverage value of the projects under management in over 300 cities, by using flagship projects as springboards, mobilize surrounding resources to build a collaborative network, driving the efficient advancement of a nationwide grid-based layout and powering new expansion projects in nearly 200 cities.

Community Value-added Services

We are committed to becoming an “integrated whole-cycle community living services operator”. By focusing on the family growth cycle of property owners, the property value cycle and the mature development cycle of communities, we strive to provide property owners with comprehensive community living services to meet their needs for asset value preservation and appreciation and daily living needs, so as to enable property owners to experience the beauty of property management services. Community value-added services have been developed as a new engine to drive sustainable and stable growth of the Group. Based on the community and property service scenarios, we continuously build community value-added service businesses that satisfy customers, and possess differentiation and marketization capabilities.

Five major businesses have formed in our community value-added services sector: (i) home services – providing property owners with safe, convenient, professional and considerate full-range home services through a standardized operation system; (ii) community media services – establishing deep connection between consumers and brands through the community media matrix; (iii) local living services – setting up local consumption scenarios for customers and continuously adapting to the needs of property owners to customize diversified life services; (iv) real estate brokerage services – serving the needs of property owners for asset management and further developing second-hand property rental and sale; and (v) community area services – making full use of community space resources and carrying out business with the aim of providing convenience to the life of property owners and improving their sense of happiness in their living.

During the Year, the Group’s revenue from the Group’s community value-added services was approximately RMB4,194.3 million, representing a year-on-year increase of approximately 11.8% as compared to the same period of last year, and its percentage of total revenue of the Group further increased to 9.5%. During the Year, we actively developed the liquor business. We collaborated with well-known wineries to create exclusive high-quality products, and through a professional sales team, we explored scenario-based liquor consumption. As a result, the number of partners in 6 strategic regions exceeded 3,800, and the repurchase rate reached 42%. In addition, we continued to make efforts in the new energy business. Our self-operated brand, “Smart Enjoy Charging Downstairs” (智享樓下充電), provides property owners with safer and more convenient two-wheeler charging services through self-operated equipment. During the Year, we continued to promote the installation of charging piles and the optimization of product functions. As of the end of the Year, we had cumulatively operated a total of 50,000 charging piles with approximately 500,000 charging sockets in more than 4,000 communities across the country, with the cumulative number of registered users exceeding 3.4 million.

Value-added Services to Non-Property Owners

During the Year, the revenue from value-added services to non-property owners was approximately RMB704.5 million, representing a significant year-on-year decrease of approximately 54.6% as compared to the same period last year, and its percentage of the Group’s total revenue further decreased to approximately 1.6%. The value-added services to non-property owners we provide mainly include (i) management consultancy services to property developers for their presale activities, as well as consultancy services for properties managed by other property management companies; (ii) cleaning services, green landscaping, repair and maintenance services to property developers at the pre-delivery stage; (iii) sales and leasing agency services of unsold parking spaces and properties; and (iv) elevator products installation, supporting services and other services.

“Three Supplies and Property Management” Business

The Group established a joint venture in 2018 and began to undergo the separation and transfer of property management and heat supply under the “Three Supplies and Property Management” reform. As at 31 December 2024, the revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” business was approximately 90.3 million sq.m.. During the Year, the revenue from the property management business was approximately RMB6,539.3 million, and the revenue from the heat supply business was approximately RMB1,617.0 million.

During the Year, our brand reputation and comprehensive strength continued to grow, which were underscored by multiple honors, such as “The 16th among the Top 100 Chinese Property Service Enterprises in Comprehensive Strength in 2024” awarded by CPM Think Tank and CPM Research Institute. We actively promoted the improvement of service quality, and through various special initiatives to enhance service quality and empowerment training for property managers, achieved an increase in customer satisfaction. At the same time, we actively seized the opportunity of business reforms of key customers and continuously strengthened market expansion efforts. During the Year, we signed 489 new contracted projects with a total contract amount of RMB2,033 million.

City Services

The Group focuses on core sectors such as intelligent operation and maintenance of urban (ecological) environments, solid waste disposal and resource utilization, environmental protection governance, green technology services, manufacturing and leasing of environmental industry technology equipment, industrial park services, operation and maintenance of high-speed transportation and hubs. We provide comprehensive environmental protection governance solutions covering environmental protection design, construction & renovation, and intelligent operation for urban development, industrial upgrading, and livable communities. During the Year, our city services recorded a revenue of approximately RMB4,167.6 million, representing a year-on-year decrease of approximately 14.7% as compared to the same period of last year.

Commercial Operational Services

The Group provides shopping malls, neighborhood commercial centers, office buildings and other projects with full-chain services such as business planning consulting, tenant sourcing, operation and planning services, mainly including (i) conducting commercial operation and management of the properties owned by leasing developers or property owners; (ii) providing property market research and positioning services to property developers at the investment stage; (iii) providing market research and positioning, business planning consulting, tenant solicitation and opening preparation services to property developers or owners at the preparation stage before the opening of the properties; and (iv) providing tenant solicitation, operation and management services to property owners or tenants at the stage of property operation. During the Year, the commercial operational services business segment of the Group achieved a total revenue of approximately RMB627.0 million, representing a year-on-year decrease of approximately 38.1% as compared to the same period last year. Our commercial operational services formed various product lines, including the high-quality one-stop shopping malls “Bele city” (碧樂城), neighborhood center “Bele one” (碧樂匯) and commercial block “Bele time” (碧樂時光).

PROSPECTS AND FUTURE PLANS

Building an operating system based on digital capabilities and continuously promoting the standardization and optimization of our property management services

Customer satisfaction is a crucial foundation for the sustainable development of CG Services. We have been persistently committed to the service concepts and requirements of “Catering for property owners’ urgent needs; addressing property owners’ concerns” and “Property owner-oriented”, and continuously improving service efficiency and quality by constantly cultivating our service grading system and digital operations, striving to provide our property owners with high-quality services that offer excellent value for their money and create a harmonious and beautiful community.

In 2025, we will continue to cultivate the operating system based on digital capabilities. Particularly, we will continue to enhance the integration of digital tools into security and surveillance systems as well as sanitation workflows. Furthermore, we will also proactively implement the digitization of engineering work orders and customer complaint management processes. Meanwhile, we will explore customized services and products, and offer different configuration options in basic services, living space services, and living scenario services to match the actual needs of property owners.

Developing satisfactory value-added services with differentiated market capabilities based on communities and property management service scenarios

Through our neighborhood service network, we deploy key businesses to offer convenience to community residents, such as retail and EV charging, and further improve the “Fifteen Minute Convenient Living Circle” by focusing on customers’ core lifestyle needs, not only enhancing daily convenience for communities but also unlocking community spending potential, thus elevating property service standards to new heights.

Moving forward, we will continue developing premium community value-added services. While addressing property owners’ core needs, we will integrate third-party services to fulfill their broader requirements. Leveraging our supply chain advantages in community retail curation, we will strategically incubate new business lines to create additional growth vectors.

Comprehensively promoting AI empowerment and driving the digital and intelligent transformation of our property management services through technological innovation

CG Services has already carried out a series of strategic initiatives in its journey of AI transformation. Supported by our independent R&D capabilities, our large-scale modeling digital assistant “I See” (一看) and “I Win” (一問) has been fully connected to DeepSeek, which has significantly enhanced the standardization and management efficiency of our project operations and business management. Our industry-leading cleaning robot, “No. 0 Resident”, is now in regular use in 7 residential communities, and operates continuously without malfunctions. Its unique intelligent cleaning model featuring human-machine collaboration will significantly reduce labor intensity.

The deep integration of artificial intelligence with property management services will not only improve service quality but also demonstrate competitiveness of a property management enterprise. Leading property management enterprises will enjoy greater advantages in AI application scenarios, data, and application capabilities. CG Services will take the lead in applying AI technologies for breakthroughs in key property management services scenarios. We will independently develop hardware replacements with deep integration of large-scale AI models, with the aim of achieving intelligent interconnection as well as human-machine collaboration through IoT transformation, thereby accomplishing new goals in the digital and intelligent transformation of our property management services.

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from (i) property management services, (ii) community value-added services, (iii) value-added services to non-property owners, (iv) "Three Supplies and Property Management" business, (v) city services and (vi) commercial operational services. For the year ended 31 December 2024, the total revenue increased by approximately 3.2% to approximately RMB43,992.9 million from approximately RMB42,611.5 million for the year ended 31 December 2023. Such increase was mainly attributable to the comprehensive impact of the continued growth in the revenue from property management services, community value-added services, and the "Three Supplies and Property Management" business of the Group, representing an increase of 9.4% in total as compared to that for the same period in 2023 (total adjusted revenue* recording an increase of 10.2% as compared to that for the same period in 2023) offset by the decrease in revenue from value-added services to non-property owners as a result of proactive suppression of the Group's transaction amounts with customers whose credit risks have significantly increased (the "**High Risk Customers**") and the decline in revenues from city services and commercial operational services. Specific revenue by business is shown below:

(I) *Property management services*

During the Year, the revenue from property management services increased by approximately 4.9% to approximately RMB25,910.4 million from approximately RMB24,698.5 million for the year ended 31 December 2023, accounting for approximately 58.9% of the total revenue (for the same period in 2023: approximately 58.0%).

As at 31 December 2024, the revenue-bearing GFA of the Group increased by approximately 80.0 million sq.m. from approximately 956.9 million sq.m. for the same period in 2023 to approximately 1,036.9 million sq.m., mainly due to the conversion of the Group's reserved contracted GFA of the properties developed by Country Garden Holdings Company Limited ("**CGH**") and its subsidiaries, joint ventures and associates ("**Country Garden Real Estate Group**") into revenue-bearing GFA during the Year, and the increase in revenue-bearing GFA from third parties resulted from the proactive expansion.

* The Group suspended the recognition of revenue in respect of the consideration receivable but not yet collected from the High Risk Customers even though the relevant contractual obligations have been fulfilled by the Group (the "**Uncollected Amounts from the High Risk Customers**"). The adjusted revenue represents the revenue after adding back the Uncollected Amounts from the High Risk Customers.

(II) Community value-added services

During the Year, the revenue from community value-added services increased by approximately 11.8% to approximately RMB4,194.3 million from approximately RMB3,752.9 million for the year ended 31 December 2023, accounting for approximately 9.5% of the total revenue (for the same period in 2023: approximately 8.8%).

The increase in revenue from community value-added services was mainly attributable to:

- (a) During the Year, the revenue from local living services including home decoration intermediate services increased by approximately 28.3% to approximately RMB2,188.4 million from approximately RMB1,705.6 million for the year ended 31 December 2023.
- (b) During the Year, the revenue from community media services decreased by approximately 20.6% to approximately RMB642.8 million from approximately RMB809.1 million for the year ended 31 December 2023.
- (c) During the Year, the revenue from home services decreased by approximately 1.7% to approximately RMB571.6 million from approximately RMB581.4 million for the year ended 31 December 2023.
- (d) During the Year, the revenue from real estate brokerage services decreased by approximately 9.7% to approximately RMB326.1 million from approximately RMB361.3 million for the year ended 31 December 2023.
- (e) During the Year, the revenue from community area services increased by approximately 57.5% to approximately RMB465.4 million from approximately RMB295.5 million for the year ended 31 December 2023.

During the Year, the Group transcended the limitations of traditional retail by deepening scenario-based experiences and continuously optimizing service chain, establishing a “property services + professional attitude” proximity trust-chain retail model. The Group established collaborations with renowned brands such as Wuliangye, Guotai and Jiuzhongjiu to launch liquor products, holistically bolstering revenue growth for local living services.

(III) Value-added services to non-property owners

During the Year, the revenue from value-added services to non-property owners decreased by approximately 54.6% to approximately RMB704.5 million from approximately RMB1,553.4 million for the year ended 31 December 2023, accounting for approximately 1.6% of the total revenue (for the same period in 2023: approximately 3.6%).

The decrease in revenue from value-added services to non-property owners was mainly due to the proactive suppression of the transaction scale with related parties by the Group.

(IV) “Three Supplies and Property Management” Business

During the Year, the revenue from the “Three Supplies and Property Management” business currently includes the revenue arising from property management and other related services and heat supply services.

Among which, the revenue from property management and other related services increased by approximately 31.0% to approximately RMB6,539.3 million from approximately RMB4,992.2 million for the year ended 31 December 2023, accounting for approximately 14.9% of the total revenue (for the same period in 2023: approximately 11.7%).

The revenue from heat supply services increased by approximately 5.8% to approximately RMB1,617.0 million from approximately RMB1,528.0 million for the year ended 31 December 2023, accounting for approximately 3.7% of the total revenue (for the same period in 2023: approximately 3.6%).

The increase in the revenue from the “Three Supplies and Property Management” business was mainly due to (i) the increase in the revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” business; and (ii) the increase in revenue scale as a result of the conversion of certain associates and joint ventures into controlling subsidiaries through further acquisitions of their remaining equity interests by the Company’s subsidiaries.

(V) City Services

During the Year, the revenue from city services decreased from approximately RMB4,883.6 million for the year ended 31 December 2023 to approximately RMB4,167.6 million, representing a decrease of approximately 14.7%, accounting for approximately 9.5% of the total revenue (for the same period in 2023: approximately 11.5%).

The decrease in the revenue from city services was mainly due to the decreased number of projects actually taken up for the city services during the Year because of the combined effects of the Group’s voluntary withdrawal from certain sanitation projects due to implementation of quality and health control and fierce market competition. The Group will continue to proactively explore new high-quality projects, environmental protection business and renewable resources business, to establish new business growth points.

(VI) Commercial Operational Services

During the Year, the revenue from commercial operational services decreased from approximately RMB1,012.4 million for the year ended 31 December 2023 to approximately RMB627.0 million, representing a decrease of approximately 38.1%, accounting for approximately 1.4% of the total revenue (for the same period in 2023: approximately 2.4%).

The decrease in the revenue from commercial operational services was mainly due to the strategic considerations for the Group’s overall business development. The subsidiaries of the Company negotiated with the Country Garden Real Estate Group for an early termination of the property lease agreements and commercial engagement agreements signed by the end of 2023, which would help to reduce the reliance on connected persons for the commercial operational business. The Group will continue to expand the commercial operational business to the external market, and to achieve the long-term development of the Group by relying on third-party forces and continue to maintain the independence and marketization of the commercial operational business.

Costs

The Group's costs include (i) staff cost, (ii) cleaning cost, (iii) heat supply cost, (iv) maintenance cost, (v) utilities, (vi) greening and gardening cost, (vii) security expenses, (viii) cost of sales of goods, (ix) transportation cost, (x) office and communication cost, (xi) taxes and surcharges, (xii) employee uniform expenses, (xiii) depreciation and amortisation charges, (xiv) community activities cost, (xv) travelling and entertainment cost, (xvi) construction costs for infrastructure under service concession arrangements, (xvii) other labor outsourcing costs, and (xviii) others. During the Year, the costs were approximately RMB35,592.3 million, representing an increase of approximately 5.1% as compared to approximately RMB33,879.6 million for the year ended 31 December 2023. The increase in costs was mainly due to combined impact of the increased amount of the related costs as a result of the growth in the Group's property management services, community value-added services and "Three Supplies and Property Management" business, exceeding the decreased amount of the cost related to value-added services to non-property owners, commercial operational services and city services business.

Gross Profit and Gross Profit Margin

During the Year, the overall gross profit decreased by approximately RMB331.3 million to approximately RMB8,400.6 million from approximately RMB8,731.9 million for the year ended 31 December 2023, representing a decrease of approximately 3.8%. In particular, the total gross profit of property management services, community value-added services and the "Three Supplies and Property Management" business for the Year increased by 2.3% over the same period in 2023, continuing to maintain steady growth.

During the Year, the overall gross profit margin decreased by 1.4 percentage points to approximately 19.1% from approximately 20.5% for the year ended 31 December 2023. The decrease in overall gross profit margin is mainly due to (i) since August 2023, after the Group has provided services to certain customers with significantly increased credit risks, the Group will only recognise the consideration received as revenue when the Group has fulfilled its contractual obligations and has received the consideration from those customers, resulting in a decrease in relevant revenue; and (ii) reasons such as the effect of external adverse factors and the differences of gross profit margins among various businesses coupled with the changes of their percentage in the total revenue respectively, and the fact that the Group has proactively improved the service qualities, as a result, there was a decrease in the gross profit margin of other businesses apart from the property management and other related services under the "Three Supplies and Property Management" business of the Group.

After excluding the impact of amortisation charges of intangible assets — contracts and customers relationships and brands arising from mergers and acquisitions and the reason (i) for the decrease in gross profit margin as stated above, the adjusted overall gross profit margin was approximately 22.8% (for the same period in 2023: approximately 23.9%). The overall adjusted gross profit of property management services, community value-added services and the "Three Supplies and Property Management" business for the Year increased by 6.4% over the same period in 2023.

(i) *Property management services*

During the Year, the gross profit margin of property management services decreased by 1.8 percentage points to approximately 20.3% from approximately 22.1% for the year ended 31 December 2023.

The decrease in gross profit margin of property management services was mainly due to (i) since August 2023, after the Group has provided services to certain customers with significantly increased credit risks, the Group will only recognise the consideration received as revenue when the Group has fulfilled its contractual obligations and has received the consideration from those customers; and (ii) the increase in the Group's costs for cleaning, green landscaping and gardening to enhance the quality of its projects.

After excluding the impact of amortisation charges of intangible assets — contracts and customer relationships and brands arising from mergers and acquisitions and the reason (i) for the decrease in gross profit margin of property management services as stated above, the adjusted gross profit margin of property management services decreased by 0.8 percentage point to approximately 25.6% from approximately 26.4% for the year ended 31 December 2023.

(ii) *Community value-added services*

During the Year, the gross profit margin of community value-added services decreased by 0.8 percentage point to approximately 38.6% from approximately 39.4% for the year ended 31 December 2023.

The decrease in gross profit margin of community value-added services was mainly due to changes in business structure.

(iii) *Value-added services to non-property owners*

During the Year, the gross profit margin of value-added services to non-property owners increased by 0.6 percentage point to approximately 1.6% from approximately 1.0% for the year ended 31 December 2023. The gross profit margin of value-added services to non-property owners remained stable.

(iv) *“Three Supplies and Property Management” Business*

During the Year, for the “Three Supplies and Property Management” business, the gross profit margin of property management and other related services increased from approximately 7.4% for the year ended 31 December 2023 to approximately 10.0%, representing an increase of 2.6 percentage points.

The increase in the gross profit margin of the property management services and other related services under the “Three Supplies and Property Management” business was mainly due to the implementation of the cost savings as a result of the implementation of governance towards loss-making residential properties projects and the enhancement of refined management during the Year.

During the Year, for the “Three Supplies and Property Management” business, the gross profit margin of heat supply services decreased from approximately 9.8% for the year ended 31 December 2023 to approximately 5.9%, representing a decrease of 3.9 percentage points.

The decrease in the gross profit margin of heat supply services under the “Three Supplies and Property Management” business was mainly due to the increase in raw material costs for heat supply.

(v) City Services

During the Year, the gross profit margin of city services decreased from approximately 16.8% for the year ended 31 December 2023 to approximately 12.8%, representing a decrease of 4.0 percentage points.

The decrease in the gross profit margin of city services was mainly due to the phase-out of certain projects during the Year, which led to a lag in cost adjustment.

(vi) Commercial Operational Services

During the Year, the gross profit margin of commercial operational services decreased from approximately 30.9% for the year ended 31 December 2023 to approximately 16.4%, representing a decrease of 14.5 percentage points.

The decrease in the gross profit margin of commercial operational services was mainly due to the termination of cooperation of certain projects originating from related parties, which resulted in a lag in cost adjustment. Also, the newly developed third-party projects during the Year are still in the pre-opening preparation stage and have not been leased out to the public, resulting in a low overall occupancy rate. Due to the existing upfront cost input, the overall gross profit margin decreased.

General and Administrative Expenses

During the Year, general and administrative expenses were approximately RMB4,442.7 million, representing an increase of approximately 14.9% as compared with approximately RMB3,866.4 million for the year ended 31 December 2023. The percentage of general and administrative expenses increased by 1.0 percentage point from approximately 9.1% for the same period in 2023 to approximately 10.1%.

In addition, after excluding the expense of share options, the adjusted percentage of general and administrative expenses increased by 0.3 percentage point from approximately 9.5% for the same period in 2023 to approximately 9.8%.

Other Income

During the Year, other income was approximately RMB254.4 million, representing a decrease of approximately 46.7% as compared with approximately RMB477.4 million for the year ended 31 December 2023.

The decrease in other income was mainly due to the decrease in government subsidy during the Year and dividend income generated from equity investments in certain entities as compared to the same period last year.

Other Gains — Net

During the Year, other gains — net were approximately RMB484.7 million, representing an increase of approximately RMB323.3 million as compared with approximately RMB161.4 million for the year ended 31 December 2023.

The increase in other gains – net was mainly due to the increase in fair value gains of contingent consideration related to performance guarantees arising from the implementation of mergers and acquisitions in previous years.

Income Tax Expense

During the Year, income tax expense was approximately RMB832.2 million, representing an increase of approximately 47.8% as compared to approximately RMB562.9 million for the year ended 31 December 2023. The increase in income tax expense was mainly due to the change in deferred income tax expense of the Group for the Year.

Profit for the Year

During the Year, the net profit of the Group was approximately RMB1,874.5 million, representing an increase of approximately 262.8% as compared to approximately RMB516.7 million for the year ended 31 December 2023.

During the Year, the profit attributable to the owners of the Company (the “Shareholders”) was approximately RMB1,808.4 million, representing an increase of approximately 518.7% as compared to approximately RMB292.3 million for the year ended 31 December 2023.

During the Year, the profit attributable to the non-controlling interests of the Company was approximately RMB66.2 million, representing a decrease of approximately 70.5% as compared to approximately RMB224.4 million for the year ended 31 December 2023.

During the Year, the core net profit* attributable to the owners of the Company was approximately RMB3,038.1 million, representing a decrease of approximately 22.9% as compared to approximately RMB3,939.5 million for the year ended 31 December 2023.

Net Cash Generated from Operating Activities during the Year

During the Year, the Group recorded net cash generated from operating activities of approximately RMB3,873.1 million, representing a decrease of approximately 16.1% as compared to approximately RMB4,614.8 million for the year ended 31 December 2023.

The ratio of net cash generated from operating activities divided by the core net profit* attributable to the owners of the Company was approximately 1.3 times for the Year, representing an increase of approximately 0.1 time as compared to approximately 1.2 times for the year ended 31 December 2023. The Group was in a stable financial position with strong performance in cash flows from operating activities and sufficient liquidity reserves.

The Equity Attributable to Owners of the Company

The equity attributable to owners of the Company increased from approximately RMB36,155.9 million as at 31 December 2023 to approximately RMB36,617.0 million as at 31 December 2024, representing an increase of approximately RMB461.1 million, which was mainly attributable to the combined effect of: (i) the increase in equity attributable to owners of the Company due to the total comprehensive income attributable to owners of the Company of RMB1,913.3 million for the Year, (ii) the decrease in equity attributable to owners of the Company due to the dividend distribution of RMB984.9 million for the Year, (iii) the purchase of a total of 106,880,000 shares of the Company by the trustee pursuant to the share award scheme through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect mechanisms during the Year, and the total consideration paid for the purchase of such shares, amounting to RMB545.4 million, had been deducted from equity attributable to owners of the Company.

* Core net profit attributable to the owners of the Company excluding expenses of share options, unrealised gains or losses from financial assets at fair value through profit or loss, amortisation charges of intangible assets — contracts and customer relationships, insurance brokerage licenses and brands arising from mergers and acquisitions and impairment of goodwill and other intangible assets, impairment of loans to third parties pledged by equities, losses from disposal of subsidiaries, expected losses on external guarantee, impairment of receivables from related parties and fair value gains of contingent consideration related to performance guarantees.

Intangible Assets

The intangible assets of the Group mainly comprise goodwill arising from equity acquisitions, contracts and customer relationships, software assets, insurance brokerage licenses, brands and concession intangible assets.

As at 31 December 2024, the intangible assets of the Group were approximately RMB22,162.3 million, representing a decrease of approximately RMB1,765.0 million compared to approximately RMB23,927.3 million as at 31 December 2023.

This was mainly due to the fact that a provision of approximately RMB990.0 million has been made by the Group during the Year for impairment of goodwill of Country Garden Manguo Environmental Technology Group Co., Ltd. (“**Manguo**”), a non-wholly owned subsidiary of the Company, and the amortisation arising from the intangible assets of approximately RMB1,227.8 million during the Year.

Financial Assets at Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income include equity investments in certain entities.

As at 31 December 2024, the balance of financial assets at fair value through other comprehensive income of the Group was approximately RMB556.7 million, representing a decrease of approximately RMB3,761.3 million compared to approximately RMB4,318.0 million as at 31 December 2023, which was mainly due to the withdrawal of certain investment by the Group during the Year.

Trade and Other Receivables

Trade and other receivables include trade receivables, other receivables, prepayments to suppliers and prepayments for other taxes.

As at 31 December 2024, the Group recorded net trade receivables of approximately RMB17,689.4 million, representing an increase of approximately RMB1,310.9 million compared to approximately RMB16,378.5 million as at 31 December 2023, due to the progress of the consolidated fees from each business to be improved, which is mainly attributable to the long payment period of customers for property management services and city services of the Group, and the significant increase in the revenue scale of the “Three Supplies and Property Management” business resulted in the increase in the corresponding trade receivables.

The Group recorded trade receivables from CGH and its subsidiaries of approximately RMB2,364.7 million, representing a decrease of approximately RMB393.2 million compared to approximately RMB2,757.9 million as at 31 December 2023, and approximately RMB311.1 million of the total expected credit loss provision for the trade receivables from CGH and its subsidiaries was thus reversed accordingly.

The net other receivables was approximately RMB3,663.2 million as at 31 December 2024, representing a decrease of approximately RMB142.0 million compared to approximately RMB3,805.2 million as at 31 December 2023, which was mainly due to the decrease in current accounts due from third parties.

Contract Liabilities

The contract liabilities mainly arose from the advance payments made by customers for property management services and community value-added services, which are yet to be provided.

The contract liabilities increased from approximately RMB7,591.5 million as at 31 December 2023 to approximately RMB8,245.3 million as at 31 December 2024, representing an increase of approximately RMB653.8 million, which was mainly due to the increase in the advance payments for property management services.

Trade and Other Payables

Trade and other payables include trade payables, other payables, contingent consideration for business combination, payroll payables and other tax payables.

Trade payables primarily represent payables for goods or services that have been acquired in the ordinary course of business from suppliers, including purchase of goods, materials and utilities as well as purchase from sub-contractors.

As at 31 December 2024, trade payables of the Group were approximately RMB8,634.2 million, representing an increase of approximately RMB1,417.9 million compared to approximately RMB7,216.3 million as at 31 December 2023, primarily due to the increase in the costs of sales resulted in the increase in the related goods and material procurement costs, labor outsourcing costs and utility fees.

Other payables primarily include (i) deposits from property owners in relation to interior decorations; (ii) temporary receipts of fees from property owners (mainly consisting of utilities fees collected from property owners and income generated from common area value-added services that belongs to property owners); (iii) provision for financial guarantee; (iv) outstanding considerations payable for business combinations; (v) dividend payables; and (vi) accruals and others (mainly in relation to payables to third parties and advances).

Other payables decreased from approximately RMB6,029.8 million as at 31 December 2023 to approximately RMB6,021.3 million as at 31 December 2024, primarily due to the decrease in the deposits.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the Shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest-bearing debt less cash and cash equivalents.

As at 31 December 2024, the bank and other borrowings of the Group amounted to approximately RMB870.3 million (31 December 2023: approximately RMB1,569.5 million). All borrowings due during the Year were repaid on time.

As at 31 December 2023 and 2024, the gearing ratio of the Group was maintained at net cash position.

Liquidity, Financial and Capital Resources

As at 31 December 2024, total bank deposits and cash (including restricted bank deposits and time deposits) of the Group were approximately RMB18,178.6 million, representing an increase of approximately RMB5,239.3 million as compared with approximately RMB12,939.3 million as at 31 December 2023. Total bank deposits and cash were denominated in the following currencies:

	31 December 2024		31 December 2023	
	(RMB'000)	(%)	(RMB'000)	(%)
RMB	13,833,239	76.1	12,615,141	97.5
HKD	172,271	0.9	195,269	1.5
Other currencies	4,173,092	23.0	128,867	1.0
	18,178,602	100.0	12,939,277	100.0

Out of the total bank deposits and cash of the Group, there are: (i) time deposits of approximately RMB2,281.4 million, and (ii) restricted bank deposits of approximately RMB560.0 million (31 December 2023: approximately RMB302.1 million), mainly represented judicially frozen funds, cash deposits in bank as performance security for property management services according to the requirements of the local government authorities, and the deposits made as performance security for business contracts of Manguo and Fujian Dongfei Environment Group Co., Ltd. (福建東飛環境集團有限公司) (“**Fujian Dongfei**”), the subsidiaries of the Group.

As at 31 December 2024, the net current assets of the Group were approximately RMB13,896.0 million (31 December 2023: approximately RMB9,485.9 million). The current ratio (current assets/current liabilities) of the Group was approximately 1.5 times (31 December 2023: 1.4 times).

Key Risk Factors and Uncertainties

The following content lists out the key risks and uncertainties confronted by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Industry Risk

The Group's businesses are affected by the overall economy, market conditions and the policies and regulations of the property management industry. When there are changes in economic conditions that lead to fluctuations in the consumption levels and purchasing power of businesses and individuals, these fluctuations may affect the Group's business operations and collection of payments for businesses. When there are significant changes in the PRC real estate market that exceed expectations, these changes may affect the growth of the Group's revenue-bearing GFA and related revenue growth. When the government adjusts policies and regulations for property management industry, these adjustments may have a significant impact on the business strategies of property enterprises (including the Group), service offerings and charging standards.

Business Risk

The Group's ability to maintain or improve the Group's current level of profitability depends on the Group's ability to control operating costs (particularly labour costs) and the Group's profit margins and results of operations may be materially and adversely affected by the increase in labour or other operating costs; the Group may not procure new property management services contracts as planned or at desirable pace or price; the Group may not be able to collect property management fees from customers and as a result, may incur impairment losses on receivables; termination or non-renewal of a significant number of the Group's property management services contracts could have a material adverse effect on the business, financial position and results of operations.

Foreign Exchange Risk

The Group's businesses were principally located in the PRC. Except for bank deposits and trade receivables, the Group was not subject to any other material risk directly relating to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, take prudent measures and develop hedging strategies as appropriate to reduce foreign exchange risks.

Employees and Remuneration Policies

As at 31 December 2024, the Group had 214,346 employees (31 December 2023: 213,712 employees). During the Year, the total staff costs were approximately RMB16,387.8 million.

The remuneration package of the employees includes salary, bonus and other cash subsidies. Employees are rewarded on a performance-related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry and prevailing market conditions, in accordance with the policy of the Group on compensation and welfare.

The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to other mandatory provident fund schemes on behalf of its employees.

The Group has also adopted certain share option schemes and share award scheme, details of which can be referred to the sections headed “MAJOR EVENTS DURING THE YEAR” and “SHARE OPTION SCHEMES” in this announcement.

Employee Training and Development

CG Services focuses on building a comprehensive cultivation system to conduct in-depth research into the key competencies required at each stage of employees’ career development. By focusing on enhancing capabilities and professional development, the Company strengthened its backup talent pipeline, and meticulously crafted a multi-dimensional and multi-tier talent cultivation system to support employees’ in boosting their career competitiveness.

In order to enhance the ability of employees to cope with the current business changes, the Company has newly upgraded its digital learning platform “BIXUETANG College (碧學堂)” by introducing external high-quality course resources and developing appropriate online courses for employees at all levels. Meanwhile, in order to support business development more efficiently, the Company has designed regular learning programmes such as “One Moment (一刻堂)” and “Regular Meeting Learning (例會學習)”, achieving vertical integration of operational capabilities. As of 31 December 2024, “BIXUETANG College” accumulatively launched 1,208 online courses and operated 4,168 learning programmes, with average learning hours per employee of 54.4 hours.

In order to enhance the ability of core management cadres to solve future business challenges, the Company designed talent cultivation projects such as the “Cornerstone Programme (基石計劃)”, “Rising Stars Programme (新銳計劃)”, “Excellence Programme (卓越計劃)”, “Domain Programme (領域計劃)” and “Defense Officer Program (碧防官計劃)” for key groups, and comprehensively enhanced the business and management capabilities of employees by constructing key position profiles and evaluation systems, identifying shortcomings in their abilities, and matching them with training and learning programmes.

In addition, the Company was approved as the “Guangdong Province Industry-Education-Assessment Skills Ecological Chain Master Cultivation Unit (廣東省產教評技能生態鏈鏈主培育單位)” in June 2024. Since the launch of its self-assessment, the aggregate number of employees who have taken certification exams was 14,926, with 9,993 certificates issued in aggregate. During the Year, 138 certificates in aggregate have been issued across positions such as landscape gardener, housekeeping attendant and property management specialist, supplying a significant number of skilled professionals to both the Company and society.

Charge on Assets

As at 31 December 2024, several subsidiaries of the Group carried out borrowing and sale and leaseback financing loan business with banks and financial leasing companies to meet their respective daily operational needs. These were mainly secured by rights of collection of certain of their respective city service projects and certain equipment.

Contingent Liabilities

Please refer to note 16 to the consolidated financial statements in this announcement for details of contingent liabilities as at 31 December 2024, which were contingent considerations arising from business combinations. Save as disclosed, the Group did not have any other contingent liabilities.

External Guarantee

As at 31 December 2024, save as disclosed in note 18 to the consolidated financial statements in this announcement, the Group did not have any other external guarantee.

Material Acquisitions, Disposals and Significant Investments

During the Year, save for the events stated in the “MAJOR EVENTS DURING THE YEAR” below, the Group had no material acquisitions or disposals and no individually significant investments.

MAJOR EVENTS DURING THE YEAR

(1) The Termination of the Strategic Cooperation Agreement and the Possible Acquisition and (2) the End of the Offer Period

Unless the context requires otherwise, capitalised terms used in this section shall bear the same meanings as defined in the joint announcement of the Company and Hopefluent Group Holdings Limited (“**Hopefluent**”) dated 7 February 2024.

On 7 February 2024, the parties to the Strategic Cooperation Agreement (Country Garden Property Services HK Holdings Company Limited (“**CG Property Services HK**”), Mr. Fu Wai Chung (the executive director and controlling shareholder of Hopefluent), China-net Holding Ltd. and Hopefluent) entered into the Termination Agreement to terminate the Strategic Cooperation Agreement after considering, among other matters, the prevailing market conditions, recent volatility in the capital markets, changes in the parties’ expectation with respect to the implementation timeframe of the subject transactions and the underlying strategic and cooperation objectives, and hence the Subscription will not proceed. For the above reasons, the discussion between CG Property Services HK and China-net Holding Ltd. with respect to the Possible Acquisition has also been terminated and will not proceed. Pursuant to the Termination Agreement, all antecedent obligations and liabilities of CG Property Services HK, Mr. Fu Wai Chung, China-net Holding Ltd. and Hopefluent under the Strategic Cooperation Agreement shall be absolutely released and discharged in all aspects with immediate effect.

Despite the termination, the parties expect to continue to engage in amicable discussions to explore plans to deepen the long-term strategic cooperation between the Group and the Hopefluent (together with its subsidiaries) with a view to achieving business synergies in the realm of real estate agency services.

For the purpose of the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong, the offer period commenced on 6 November 2023 and ended on 7 February 2024. Please refer to the joint announcement of the Company and Hopefluent dated 7 February 2024 for further details.

(1) Resignation of Executive Director; (2) Appointment of Independent Non-Executive Director; (3) Change of Board Committee Members; and (4) Change of Joint Company Secretary and Authorised Representative

Mr. GUO Zhanjun (郭戰軍) has resigned from his position as an executive Director and a member of the environmental, social and governance committee of the Company with effect from 3 April 2024 in order to devote more time to focus on the human resources management and marketing management of the Group as a result of the adjustment of the Group's internal work division. In addition, Mr. ZHAO Jun (趙軍) has been appointed as an independent non-executive Director and a member of the audit committee, nomination committee and environmental, social and governance committee of the Company with effect from 3 April 2024. Ms. YANG Huiyan (楊惠妍) and Mr. CHEN Weiru (陳威如) have been appointed as members of the environmental, social and governance committee of the Company, all with effect from 3 April 2024. Mr. HUANG Peng (黃鵬) has resigned from his position as the joint company secretary of the Company (the “**Joint Company Secretary**”) and the authorised representative of the Company (the “**Authorised Representative**”) pursuant to Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) with effect from 3 April 2024 in order to devote more time on his duties as the executive president and chief financial officer of the Company, including being responsible for the Group's new strategic incubation businesses as well as financial management matters etc. Mr. CHEN Dilin (陳迪霖) has been appointed as the Joint Company Secretary and the Authorised Representative with effect from 3 April 2024. Please refer to the announcement of the Company dated 3 April 2024 for further details.

Adoption of the 2024 Share Option Scheme and Termination of the 2020 Share Option Scheme

On 3 April 2024, the Board proposed to terminate the share option scheme approved and adopted by the Shareholders on 28 September 2020 (the “**2020 Share Option Scheme**”), which is conditional upon the passing by the Shareholders of the resolution(s) in relation to the share option scheme to be proposed to the Shareholders for approval and adoption at the general meeting of the Company to be convened (the “**2024 Share Option Scheme**”). Adoption of the 2024 Share Option Scheme was subsequently approved by the Shareholders at an extraordinary general meeting of the Company held on 9 July 2024. On the same day, the Board has resolved to terminate the 2020 Share Option Scheme and to cancel the 24,792,000 outstanding options granted but not yet exercised under the 2020 Share Option Scheme. Please refer to the announcements of the Company dated 3 April 2024 and 9 July 2024, and the circular of the Company dated 19 June 2024 for further details.

Amendments to the Equity Transfer Agreements and the Performance Guarantees in relation to the Acquisition of a total of 60% Equity Interest in Fujian Dongfei

On 22 July 2024, Country Garden Life Services Group Co., Ltd. and CG Property Services HK entered into a supplemental agreement (the “**Supplemental Agreement**”) with, among others, Fuzhou Dingrong Environmental Protection Technology Co., Ltd. and One Supreme Limited (“**One Supreme**”). As Fujian Dongfei failed to fulfill one of the performance guarantees set out in the equity transfer agreements entered into by the relevant parties on 30 October 2020 (the “**Equity Transfer Agreements**”), One Supreme will make payment by way of compensation through equity interest and transfer its 25% equity interest in Genuine Investment Group Limited to CG Property Services HK at nil cash consideration pursuant to the Equity Transfer Agreements as amended by the Supplemental Agreement. During the Year, the equity interest compensation transaction was completed, and the Company indirectly held an aggregate of 67.5% effective shareholding in Fujian Dongfei. Please refer to the announcement of the Company dated 22 July 2024 for further details.

Grant of Share Options

On 22 July 2024, the Company offered to grant a total of 225,350,000 share options to 60 employee participants which comprise two Directors, to subscribe for an aggregate of 225,350,000 ordinary shares of US\$0.0001 each in the share capital of the Company under the terms of the 2024 Share Option Scheme adopted by the Company on 9 July 2024, subject to the acceptance of the grantees and the payment of consideration for accepting the offer of HK\$1.00 by the grantees upon acceptance of the share options. Please refer to the announcement of the Company dated 22 July 2024 for further details.

Establishment of the Debt Recovery Committee

On 22 August 2024, the Board announced that a debt recovery committee was established. On the same day, two executive Directors (including the President), one independent non-executive Director and two members of the core management have been appointed as members of the debt recovery committee and the President and executive Director has been appointed as the chairman of the committee.

The purpose of establishing the debt recovery committee is to facilitate the timely recovery of the Group’s trade receivables, to improve the efficiency of decision-making and execution of matters relating to the recovery of the Group’s trade receivables, to safeguard the operating cash flow, to assist the Board of the Company in maintaining a sound and effective risk management and internal control system for effective risk prevention, and to report to the Board on a regular basis on the progress of the recovery process, and to recommend to the Board of Directors to take appropriate corporate actions as and when appropriate to protect the interests of the Shareholders of the Company.

Disposal of a Total of Approximately 1.8% Equity Interest in Zhuhai Wanda

On 24 September 2024 and 29 October 2024, CG Property Services HK entered into two supplemental agreements with Zhuhai Wanying Enterprise Management Co., Ltd. (“**Zhuhai Wanying**”) and Dalian Wanda Commercial Management Group Co., Ltd. (“**Dalian Wanda**”, together with Zhuhai Wanying, the “**Wanda Parties**”), respectively, pursuant to which CG Property Services HK has agreed to sell, and the Wanda Parties have agreed to acquire a total of approximately 1.8% equity interest in Zhuhai Wanda Commercial Management Group Co., Ltd. (“**Zhuhai Wanda**”) (the “**Disposal**”) at a consideration in aggregate of RMB3,791,323,805. As of the date of this announcement, the Disposal was completed, and CG Property Services HK no longer holds any shares of Zhuhai Wanda. Please refer to the announcements of the Company dated 24 September 2024 and 29 October 2024 for further details.

Change of Auditors

On 21 October 2024, the Board announced that in light of the market information, and taking into account the Company’s current business development and future needs for audit services, PricewaterhouseCoopers (“**PwC**”) has agreed to resign as the auditor of the Company with effect from 21 October 2024. On the same day, with the recommendation from the audit committee of the Company (the “**Audit Committee**”), the Board has resolved to appoint Deloitte Touche Tohmatsu as the auditor of the Company to fill the casual vacancy following the resignation of PwC with effect from 21 October 2024 and to hold office until the conclusion of the next annual general meeting of the Company. Please refer to the announcement of the Company dated 21 October 2024 for further details.

Adoption of New Share Award Scheme

On 18 November 2024, the Company adopted a share award scheme, pursuant to which the Board may select employee participants to compete for share awards. The Board may also select service providers to participate in the scheme. The share award scheme was adopted with the following objectives: (i) to incentivize core talents who play an important role in the future operations and development of the Company and (ii) to reward selected participants for their contributions to the Company.

The maximum number of Shares that may be awarded under the share award scheme shall not exceed 109,000,000 Shares, representing approximately 3.26% of the issued share capital of the Company as at the adoption date. The maximum number of awarded shares that may be granted to a selected participant under the share award scheme shall not exceed 33,430,000 Shares, representing approximately 1% of the issued share capital of the Company at the adoption date.

During the Year, pursuant to the share award scheme, the trustee has purchased a total of 106,880,000 shares in aggregate in the market through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect mechanisms at a total consideration (including transaction costs) of approximately RMB545,443,000; and as at the date of this announcement, the trustee has purchased a total of 109,000,000 shares in aggregate in the market at a consideration of approximately RMB556,547,000 (including transaction costs). The awarded shares will be held by the trustee on trust for the relevant selected participants under the share award scheme until vesting, following the instructions of the performance management working group. Please refer to the announcement of the Company dated 18 November 2024 for further details.

Intention to Conduct On-market Share Repurchase

On 18 November 2024, the Board announced that depending on the market conditions and the Company's actual needs at the relevant time, the Board intends to repurchase not more than 334,302,033 shares of the Company, representing 10% of the total number of issued Shares on the date of the annual general meeting of the Company held on 6 June 2024 (the "AGM"), in the open market in accordance with the general mandate to repurchase Shares granted by the shareholders of the Company at the AGM (the "**Share Repurchase**"). The relevant consideration for the Share Repurchase will be settled with the existing available cash reserve of the Group. The Company will apply the repurchased Shares as treasury Shares for the share scheme adopted or for cancellation of the Shares repurchased. The Board believes that the Share Repurchase will demonstrate the Group's confidence in its long-term business prospects, improve the returns to the Shareholders and be in the interest of the Company and the Shareholders as a whole. The Board also believes that the Group is in a stable financial position and is able to maintain sufficient financial resources to meet the needs of its continuous business growth while conducting the Share Repurchase. Please refer to the announcement of the Company dated 18 November 2024 for further details.

SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There was no significant event affecting the Group occurred after 31 December 2024 and up to the date of this announcement.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and the related notes thereto for the year ended 31 December 2024 as set out in this results announcement have been agreed by the Group's auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024 as approved by the Board on 27 March 2025. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Deloitte Touche Tohmatsu on this results announcement.

AUDIT COMMITTEE

The Audit Committee assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, and overseeing the audit process. The Audit Committee currently comprises four independent non-executive Directors, namely Mr. Rui Meng, Mr. Mei Wenjue, Mr. Chen Weiru and Mr. Zhao Jun. Mr. Rui Meng is the chairman of the Audit Committee. The Audit Committee and the management have discussed and reviewed the annual results and consolidated accounts of the Group for the year ended 31 December 2024. It has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

CORPORATE GOVERNANCE CODE

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

During the year ended 31 December 2024, the Company had adopted and complied with all applicable code provisions set out in the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by its Directors and employees (the “**Securities Dealing Code**”).

The Company has made specific enquiry to all Directors on whether the Directors have complied with the required standard as set out in the Model Code during the year ended 31 December 2024 and all Directors have confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Year. No incident of non-compliance was found by the Company during the Year. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

SHARE OPTION SCHEMES

During the Year, the number of lapsed share options under the 2020 Share Option Scheme was 3,091,000. On 9 July 2024, the Board has resolved to terminate the 2020 Share Option Scheme and cancel 24,792,000 share options granted but not yet exercised under the 2020 Share Option Scheme. Other than the aforementioned, no share options were granted, exercised, cancelled or lapsed under the 2020 Share Option Scheme.

On 9 July 2024, the Shareholders of the Company have approved and adopted the 2024 Share Option Scheme. During the Year, other than the 225,350,000 and 1,200,000 share options granted and lapsed under the 2024 Share Option Scheme respectively, no share options were granted, exercised, cancelled or lapsed under the 2024 Share Option Scheme.

The Board has the power to manage the 2020 Share Option Scheme and the 2024 Share Option Scheme (the “**Share Option Schemes**”) and its decisions, interpretations or effects on all matters relating to the Share Option Schemes shall be final and binding on all parties. The Board has the right to authorise any Director to exercise any or all of the powers to manage the Share Option Schemes by resolution, including but not limited to the selection of eligible participants and the grant of share options to grantees in accordance with the Share Option Schemes, subject to the terms and conditions of the Share Option Schemes.

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

According to the rules of a new share award scheme adopted by the Company on 18 November 2024 and the terms of the trust deed, during the Year, a designated subsidiary of the Company established a trust in the PRC and entrusted the trustee to purchase a total of 106,880,000 shares of the Company in the open market through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect at a total consideration (including transaction costs) of approximately RMB545,443,000. For further details of the aforementioned new share award scheme, please refer to the announcement of the Company dated 18 November 2024.

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

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Directors recommended the payment of a final dividend of RMB13.52 cents (2023: RMB2.19 cents per Share) per Share for the year ended 31 December 2024 and a special dividend of RMB16.09 cents (2023: RMB27.27 cents per Share) per Share in cash to the eligible Shareholders as a token of appreciation to all Shareholders for their continuous support to and trust in the Company.

The proposed final dividend and special dividend shall be declared in RMB and paid in HKD. The final dividend and special dividend paid in HKD will be calculated based on the average middle rate of RMB against HKD as announced by the People’s Bank of China from Friday, 30 May 2025 to Thursday, 5 June 2025. It is expected that the final dividend warrants and special dividend warrants will be despatched to the eligible Shareholders on or around Friday, 29 August 2025 at their own risk.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the eligibility of the Shareholders to attend, speak and vote at the annual general meeting of 2025 (the “**2025 AGM**”) of the Company, and the eligible Shareholders’ entitlement to the proposed final dividend and special dividend, the register of members of the Company will be closed as appropriate as set out below:

- (i) For determining the Shareholders’ eligibility to attend, speak and vote at the 2025 AGM:

Latest time to lodge transfer documents for registration with the Company’s Hong Kong branch share registrar and transfer office	At 4:30 p.m. on Monday, 19 May 2025
Record date	Tuesday, 20 May 2025
Closure of the register of members of the Company	Tuesday, 20 May 2025 to Friday, 23 May 2025 (both days inclusive)

- (ii) Subject to the passing of the proposal for distributing the final dividend and special dividend at the 2025 AGM, for determining the eligible Shareholders’ entitlement to the proposed final dividend and special dividend:

Latest time to lodge transfer documents for registration with the Company’s Hong Kong branch share registrar and transfer office	At 4:30 p.m. on Tuesday, 3 June 2025
Closure of the register of members of the Company	Wednesday, 4 June 2025 to Thursday, 5 June 2025 (both days inclusive)
Record date	Thursday, 5 June 2025

For the purposes mentioned above, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

PUBLICATION OF ANNUAL RESULTS

This results announcement has been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.bgyfw.com>). The Company's 2024 annual report will be despatched to the Shareholders who requested printed copies and published on the websites of the Stock Exchange and the Company on or before 30 April 2025.

ACKNOWLEDGMENTS

The Company would like to express its deepest gratitude to the Board, the management of the Group and all employees for their hard work, loyal service and contribution. It also thanks the Shareholders, property owners and customers, governments, suppliers, business partners and professional consultants for their continuous support to the Group.

By Order of the Board
Country Garden Services Holdings Company Limited
XU Binhuai
President and Executive Director

Foshan, China, 27 March 2025

As of the date of this announcement, the executive directors of the Company are Mr. XU Binhuai (President) and Mr. XIAO Hua. The non-executive director of the Company is Ms. YANG Huiyan (Chairman). The independent non-executive directors of the Company are Mr. MEI Wenjue, Mr. RUI Meng, Mr. CHEN Weiru and Mr. ZHAO Jun.