Jiayuan Services Holdings Limited
佳 源 服 務 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1153)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Jiayuan Services Holdings Limited (the "**Company**" or "**Jiayuan Services**"), is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	4	**858,780**	868,211
Cost of services and sales		**(617,834)**	(626,136)
Gross profit		**240,946**	242,075
Other income and expenses, net	5	**(8,926)**	4,650
Other gains and losses, net	6	**3,501**	5,183
Impairment losses on financial assets		**(87,174)**	(100,035)
Reversal of loss/(loss) on unauthorised Pledged Shares		**2,453**	(11,833)
Loss on unauthorised guarantee		**(29,340)**	(123,000)
Selling and marketing expenses		**(7,022)**	(7,582)
Administrative expenses		**(80,816)**	(64,746)
Finance costs	7	**(1,190)**	(1,682)
Share of results of an associate		**(73)**	20
Profit/(loss) before taxation	8	**32,359**	(56,950)
Income tax expense	10	**(19,067)**	(20,444)
Profit/(loss) and total comprehensive income/(expense) for the year		**13,292**	(77,394)
Profit/(loss) and total comprehensive income/(expense) for the year attributable to:			
– Owners of the Company		**8,157**	(80,914)
– Non-controlling interests		**5,135**	3,520
		13,292	(77,394)
Earnings/(loss) per share attributable to owners of the Company (expressed in RMB per share)			
– Basic and diluted	11	**0.01**	(0.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		As at 31 December	
		2024	2023
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property and equipment		**22,692**	25,782
Right-of-use assets		**2,301**	–
Intangible assets		**111,340**	120,816
Interest in an associate		**1,435**	1,508
Deferred income tax assets		**68,758**	48,935
		206,526	197,041
Current assets			
Inventories		**680**	571
Trade and other receivables	*13*	**414,548**	377,920
Restricted bank deposits		**2,515**	3,241
Cash and cash equivalents		**60,762**	48,041
		478,505	429,773
Total assets		**685,031**	626,814
EQUITY			
Deficit in equity attributable to owners of the Company			
Share capital		**5,225**	5,225
Reserves		**(135,683)**	(143,840)
		(130,458)	(138,615)
Non-controlling interests		**22,390**	26,814
Total deficit in equity		**(108,068)**	(111,801)

		As at 31 December	
		2024	2023
	Note	***RMB'000***	*RMB'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**6,454**	18,558
Lease liabilities		**1,826**	–
Deferred income tax liabilities		**1,086**	1,234
		9,366	19,792
Current liabilities			
Contract liabilities		**121,664**	130,962
Bank borrowings		**12,127**	11,338
Lease liabilities		**434**	–
Provisions		**199,202**	172,315
Trade and other payables	*14*	**373,674**	361,045
Current income tax liabilities		**76,632**	43,163
		783,733	718,823
Total liabilities		**793,099**	738,615
Total equity and liabilities		**685,031**	626,814

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND REORGANISATION

Jiayuan Services Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 5 March 2020 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. On 9 December 2020, the Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by way of initial public offering.

The trading in the shares of the Company has been suspended since 3 April 2023. With effect from 16 December 2024, the trading the in the shares of the Company has been resumed on the Main Board of the Stock Exchange as well the resumption guidance has been fulfilled. Detail of the fulfillment of resumption guidance and resumption of trading in the shares are set out on the Company's announcement dated 13 December 2024.

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are principally engaged in the provision of property management services, value-added services to property developers and community value-added services in the People's Republic of China (the "**PRC**").

In the opinion of the directors of the Company (the "**Board**"), up until 6 September 2023, Chuangyuan Holdings Limited ("**Chuangyuan Holdings**"), a company incorporated in the British Virgin Islands ("**BVI**") with limited liability, was the controlling shareholder of the Company. The intermediate holding company of the Company was Jiayuan International Group Limited ("**Jiayuan International**"), an exempted company incorporated in the Cayman Islands with limited liability and its shares were listed on the Stock Exchange until they were delisted on 29 October 2024. The ultimate holding company was Galaxy Emperor Limited, a company incorporated in the BVI with limited liability, ultimately controlled by Mr. Shum Tin Ching ("**Mr. Shum**").

As set out in the announcement of the Company dated 11 September 2023, on 7 September 2023, the Board, was informed that in November 2022, Chuangyuan Holdings (as the borrower and chargor) being the then controlling shareholder of the Company, by way of a security deed, charged 450,000,000 shares of the Company held by Chuangyuan Holdings (represented approximately 73.56% of the total issued shares of the Company at the date of the announcement, referred to as the ("**Charged Securities**")), in favour of Valuable Capital Limited ("**VCL**"), a limited company incorporated in Hong Kong and a licensed corporation under the Securities and Futures Commission of Hong Kong (as lender and chargee), to secure all the present and future outstanding liabilities to VCL under certain finance documents. Chuangyuan Holdings, which had securities trading accounts with VCL and had borrowed funds or obtained margin financing from VCL, defaulted on its repayments to VCL on or about 9 May 2023. Consequently, Mr. Lai Wing Lun and Mr. Osman Mohammed Arab were appointed as joint and several receivers and managers (the "**Receivers**") of the Charged Securities by a deed of appointment dated 6 September 2023.

On 5 September 2024, the Receivers and VCL entered into a sale and purchase agreement (the "**SPA**"), pursuant to which the Receivers agreed to sell, and VCL agreed to acquire, the Charged Securities, subject to the terms and conditions of the SPA. The completion of the SPA occurred on 5 September 2024.

VCL and Linkto Tech Limited, a limited company incorporated in Hong Kong, along with any parties acting in concert with them, are interested, as beneficial owners, in the Charged Securities. Valuable Capital Group Ltd, a limited liability company incorporated in the Cayman Islands, is the ultimate holding company of the Company. Madam Gao Yuanlan is the sole director and sole shareholder of Linkto Tech Limited.

These consolidated financial statements for the year ended 31 December 2024 are presented in Renminbi ("**RMB**"), unless otherwise stated.

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the consolidated financial statements are in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as set out below. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except for contingent consideration payable that are measured at fair value.

2.1.1 Going concern basis

As at 31 December 2024, the Group had net current liabilities of approximately RMB305,228,000, capital deficiency of approximately RMB108,068,000 and accumulated losses of approximately RMB539,108,000. Further, should the Pledged Shares be auctioned or sold, resulting in the Group losing control over Zhejiang Jiayuan Property Services Group Co., Ltd. (浙江佳源物業服務集團有限公司), ("**Zhejiang Jiayuan Services**") currently known as Zhejiang Zhixiang Dacheng Property Services Group Co., Ltd (浙江智想大成物業服務集團有限公司) ("**Zhejiang Zhixiang Dacheng**"), an indirect wholly-owned PRC subsidiary of the Company and its subsidiaries, these entities will therefore be de-consolidated from the consolidated financial statements of Group in accordance with the requirements of HKFRS 10 Consolidated Financial Statements. These events and conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of its business. Notwithstanding the above, these consolidated financial statements have been prepared on a going concern basis as the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

(i) The unconditional financial support from VCL, which has been obtained to procure the necessary finance and support to the Group for a period of not less than twelve months from the date of approval of the consolidated financial statements by the Board;

(ii) The Board have reviewed the Group's cash flow forecast, prepared by management which covers a 12-month period from the end of the reporting period and will continue to assess the impact of any change in government policy, global financial market, the economy, and the business environment on the Group's operations. The Group will adjust its strategies for its property management businesses accordingly to generate sufficient operating cash flows to meet its current and future obligations;

(iii) The contract liabilities of approximately RMB121,664,000 is non-financial liabilities and will be recognised as revenue in the subsequent year;

(iv) The existing banking facilities available for the Group; and

(v) Based on legal advice obtained regarding the unauthorised Pledged Shares, the Group possesses the options to participate in the auction or directly negotiate with the lender to settle the outstanding debt and secure the release of the Pledged Shares. Additionally, the Group reserves the right to challenge the auction process through legal avenues. The Board considers the Group will be able to recover the Pledged Shares and it will not result in a loss of control over Zhejiang Jiayuan Services and its subsidiaries.

In addition, to improve the Group's financial position, the directors of the Company are actively exploring different alternatives for equity or other financing.

Having taken into account the above, the directors consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due within the next twelve months. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate operating cash flows in the near future and obtain the continuous financial support from its beneficial owner, at a level sufficient to finance the working capital requirements of the Group.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

2.1.2 New and amended standards

(a) Amended standards adopted by the Group

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

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 ("**HK Int 5**") (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Adoption of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (collectively the "HKAS 1 Amendments")

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

The new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

Except for the above, other amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Amended standards and interpretations not yet adopted

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurements of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3 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 segments, has been identified as the executive directors of the Company.

The Group is principally engaged in the provision of property management services, value-added services to property developers and community value-added services in the PRC. The CODM reviews the operating results of the business of the Group as one operating segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one operating segment which is used to make strategic decisions.

The major operating entities of the Group are domiciled in the PRC and all of the Group's revenue were derived in the PRC during the years ended 31 December 2024 and 2023.

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

4 REVENUE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Types of services		
Property management services	**785,918**	762,203
Value-added services to property developers	**11,279**	30,562
Community value-added services	**61,583**	75,446
	858,780	868,211
Revenue from contracts with customers is recognised:		
– Over time	**848,248**	855,511
– At a point in time	**10,532**	12,700
	858,780	868,211

For the year ended 31 December 2024, none of the Group's Customers contributed 10% or more of the Group's revenue during the year.

For the year ended 31 December 2023, revenue from the entities under the control or significant influence of Mr. Shum, the former ultimate controlling party of the Company, contributed 2% of the Group's revenue up until 6 September 2023, the date Mr. Shum no longer retained control over the Group. Other than these entities, none of the Group's Customers contributed 10% or more of the Group's revenue during the year.

5 OTHER INCOME AND EXPENSES, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Government grants	**935**	4,859
Value-added tax refund	**654**	1,636
Interest income	**219**	237
Late fees and penalties	**(10,597)**	(1,276)
Recovery of bad debt	**1,968**	–
Others	**(2,105)**	(806)
	(8,926)	4,650

For the years ended 31 December 2024 and 31 December 2023, the government grants were awarding to recognise the Group's past contribution to local economic growth. The grants, at the discretion of the relevant authorities, were accounted for as financial support with no future related costs expected to be incurred nor related to any assets. As such, the grants recognised in the consolidated statement of comprehensive income when the grants were received.

6 OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Exchange (losses)/gains, net	**(1)**	111
Fair value gain on contingent consideration payable for business combination	**649**	4,746
Gains on disposals of subsidiaries	**3,150**	250
(Losses)/gains on disposals of property and equipment	**(594)**	131
Others	**297**	(55)
	3,501	5,183

7 FINANCE COSTS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest expense on bank borrowings	**1,183**	1,681
Interest expense on lease liabilities	**7**	1
	1,190	1,682

8 PROFIT/LOSS BEFORE TAX

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Depreciation of right-of-use assets	**79**	79
Depreciation of property and equipment	**5,850**	10,868
Amortisation of intangible assets	**9,476**	9,556
Cost of inventories sold	**5,856**	7,016
Auditor's remuneration		
– Annual audit services	**2,300**	3,150
– Non audit services	**–**	126
Short-term lease expenses	**2,755**	2,581

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Wages, salaries and bonuses	**310,179**	333,835
Social insurance and housing provident fund contributions	**51,094**	51,517
Other benefits	**25,563**	20,692
	386,836	406,044

All employees of the subsidiaries in the PRC participate in employee social insurance plans established in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the government authorities. Except for the contributions made to these social insurance plans, the Group has no other material commitments owing to the employees. According to the relevant regulations, the contributions paid by the Group are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are expensed as incurred.

During the years ended 31 December 2024 and 2023, the Group had no forfeited contribution which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2024 and 2023 which may be used by the Group to reduce the contribution payable in the future years.

Contributions totalling RMB14,461,000 (2023: RMB19,631,000) were payable to the plans at the year-end.

10 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax charge	**40,072**	16,653
Deferred income tax (credit)/charge	**(21,005)**	3,791
	19,067	20,444

Corporate income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is exempted from the Cayman Islands income tax.

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit generated in Hong Kong for the year (2023: Nil).

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rates (i.e. ranging from 5% to 25%) on the estimated assessable profits for the year.

11 EARNINGS/(LOSS) PER SHARE – BASIC AND DILUTED

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the earnings/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

	Year ended 31 December	
	2024	2023
Profit/(loss) attributable to owners of the Company (RMB'000)	**8,157**	(80,914)
Weighted average number of ordinary shares in issue (in thousands)	**611,709**	611,709
Basic earnings/(loss) per share (RMB)	**0.01**	(0.13)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share were the same as the basic earnings/(loss) per share as there were no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

12 DIVIDENDS

The Board of Directors did not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

13 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables *(a)*	**350,920**	313,790
Other receivables *(b)*	**56,602**	55,217
Prepayments	**7,026**	8,913
Trade and other receivables, net	**414,548**	377,920

As at 31 December 2024 and 31 December 2023, 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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**644,230**	525,562
Less: allowance for impairment	**(293,310)**	(211,772)
	350,920	313,790

Trade receivables mainly arise from property management services income under lump sum basis and value-added services to property developers. Property management services income under lump sum basis are received in accordance with the terms of the relevant service agreements. Service income from property management services are due for payment by the residents upon the issuance of demand note.

No credit term is granted to Customers. The ageing analysis of the trade receivables based on invoice date and net of allowance for impairment was as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
0-60 days	**154,770**	50,459
61-180 days	**12,251**	48,393
181-365 days	**28,134**	40,308
1-2 years	**48,188**	111,394
2-3 years	**70,541**	42,028
3-4 years	**26,376**	18,668
4-5 years	**8,915**	2,540
More than 5 years	**1,745**	–
	350,920	313,790

(b) Other receivables

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other receivables		
– Deposits and payments made on behalf of Customers	**74,415**	69,522
– Due from related parties	**1,463**	2,750
– Others	**–**	48
	75,878	72,320
Less: allowance for impairment	**(19,276)**	(17,103)
	56,602	55,217

14 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables *(a)*	**78,094**	74,064
Other payables		
– Utility and other charges	**51,853**	61,325
– Owners' maintenance fund	**39,789**	40,375
– Deposits received	**84,042**	76,466
– Contingent consideration payable for business combinations	**–**	649
– Loan from VCL	**3,700**	–
– Payroll payable	**55,728**	62,363
– Other taxes payables	**16,964**	12,397
– Others	**43,504**	33,406
	295,580	286,981
	373,674	361,045

(a) The ageing analysis of trade payables based on the invoice date was as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
0-60 days	**39,987**	27,108
61-180 days	**9,636**	8,812
181-365 days	**7,067**	17,158
More than 1 year	**21,404**	20,986
	78,094	74,064

AUDIT OPINION

The below sections set out an extract of the report by RSM regarding the Group's consolidated financial statements for the year ended 31 December 2024.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1.1 to the consolidated financial statements, which indicates that as at 31 December 2024, the Group had net current liabilities of approximately RMB305,228,000, capital deficiency of approximately RMB108,068,000 and accumulated losses of approximately RMB539,108,000, respectively. These conditions, along with other matters set forth in Note 2.1.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CHAIRMAN'S STATEMENT

To the shareholders of the Company:

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Jiayuan Services Holdings Limited (the "**Company**" or "**Jiayuan Services**", together with its subsidiaries, the "**Group**"), I am pleased to present the report on the annual results of the Group for the year ended 31 December 2024.

In 2024, China's property industry has officially entered a new stage of high-quality development. Along with the gradual maturation of the industry, property enterprises have adjusted their strategies, tapered their fronts and focused on their core businesses. "Lean" has become a keyword within the industry. Promoting the transformation of property services from "cost centered" to "profit centered" through technological empowerment has become a key path for the future development of the industry. It is foreseeable that the future is a crucial year for the transformation and advancement of China's property industry. Those companies that can seize opportunities and proactively change will emerge ahead of the competition during a new round of industry reshuffle.

The proposal by the government regarding "Good House" construction has brought new impetus into the property industry and compelled the restructuring of the property service valuation system. Going forward, the core competitiveness of Jiayuan Services will also be reflected in the improvement of its asset premium capability and service quality. Through directly improving the comfort and satisfaction of owners through refined operation and differentiated services, such positive experience will become a key driving force for attracting new property owners. As service carriers expand in scale, the Company will obtain wider brand recognition, thereby lowering operating costs, improving service quality and establishing economy of scale.

This self-reinforcing and mutually reinforcing loop will become the core driving force for the high-quality development of Jiayuan's services, establishing a new service ecosystem centered around user experience and oriented towards value creation. To this end, the Group has actively adjusted its strategic layout, made clear its core objective of "Owners First, Service First", and integrated "Altruistic Thinking" into its service system. With enhancing the experience and care for property owners as a foothold, the Group is committed to building a community ecosystem centered around trust, goodwill and companionship, comprehensively improving the well-being of community members.

In order to achieve this goal, the Group will strive to improve its quality control system, introducing innovative processes and mechanisms, building an integrated organizational service system with clear division of labor and complementary functions that is comprehensive, synergistic, efficient and highly resilient. At the same time, the Group will fully leverage its role as a leading regional hub to continuously strengthen comprehensive capabilities such as bespoke services, product implementation and incident handling, promoting the realization of the "Four Satisfactions" and "Three Goals", and accelerating the implementation of refined and high-quality management.

The core driving force for corporate development stems from continuously incentivizing active competition and innovative ability. In terms of a market expansion strategy, we will adhere to the regional hubs as a fulcrum, implementing a radial deep expansion strategy focused on key regions through the synergistic empowerment between projects, accurately servicing high-end user groups so as to enhance consumptive value and brand premium capability, further fostering the continual increase of our brand influence in return.

At the same time, the Group will actively promote the optimization and upgrading of its industrial structure with the needs of property owners as a guide and focusing on the improvement of service quality, so as to comprehensively improve the satisfaction of property owners in all aspects. Regarding product and service innovation, we will continue to increase investment and strive to create differentiative competitive advantages, providing property owners with superior and more efficient solutions, propelling our enterprises towards high-quality development.

The horn has sounded on a new journey, and a new triumph beckons. Let us, as Jiayuan Services, stand united. Let us overcome adversity and push forward with valor. For the best interests of our shareholders, for better products and services for property owners, for our shared goals and our unwavering principles. Let us fight!

Jiayuan Services Holdings Limited
Chairman and Executive Director
Li Meng

MARKET REVIEW

Looking back on 2024, the real estate-related risks of the entire property industry have been gradually and effectively eliminated, there is a relatively optimistic expectation of seeking high-quality development in the future. The overall capital market continued to hover at a historically low level, and a very small number of companies have begun to actively withdraw from the capital market. However, the amount of cash dividends distributed by listed property enterprises reached a record high, demonstrating an ability to provide strong cash returns for investors. Concurrently, as a way of providing returns to shareholders, the listed property companies have also further strengthened their share buyback stances as compared to the previous year, showing a high degree of continued recognition towards their own value. The merger and acquisitions market also continued its downturn from the previous year. Under the guidance of high-quality development, merger and acquisition transactions have ceased to be the main method for enterprises to expand scale, but have instead become an effective means for enterprises to adjust their business structure.

BUSINESS REVIEW

As at 31 December 2024, the Group had 269 property management projects with contracted GFA of approximately 54.6 million sq.m., representing a decrease of approximately 6.9% and 5.5%, respectively, as compared with that of 289 property management projects with contracted GFA of approximately 57.8 million sq.m. in the corresponding period in 2023. As at 31 December 2024, the Group had GFA under management of approximately 43.5 million sq.m., representing an increase of approximately 1.6% as compared with that of approximately 42.8 million sq.m. in the corresponding period in 2023. The increase in GFA under management was attributable to the gradual delivery of reserved projects as well as winning projects through active participation in the bidding activities in the market.

The revenue of the Group for the year ended 31 December 2024 was approximately RMB858.8 million, representing a decrease of approximately 1.1% as compared to the corresponding period of approximately RMB868.2 million in 2023. The gross profit of the Group for the year ended 31 December 2024 was approximately RMB240.9 million, representing a decrease of approximately 0.5% as compared to the corresponding period of approximately RMB242.1 million in 2023. The gross profit margin of the Group for the year ended 31 December 2024 was approximately 28.1% compared with that of approximately 27.9% in the corresponding period in 2023. The Group's loss and total comprehensive expenses for the year shifted from approximately RMB77.4 million for the year ended 31 December 2023 to a profit and total comprehensive income of approximately RMB13.3 million for the year ended 31 December 2024.

In terms of the property management service business, revenue from property management services increased by approximately 3.1% from approximately RMB762.2 million for the year ended 31 December 2023 to approximately RMB785.9 million for the year ended 31 December 2024, primarily attributable to the increase in average property service fee.

In terms of value-added services to property developers, revenue from value-added services to property developers decreased by approximately 63.1% from approximately RMB30.6 million for the year ended 31 December 2023 to approximately RMB11.3 million for the year ended 31 December 2024, primarily attributable to the decrease in the number of venue services items and new projects delivered.

In terms of community value-added services, revenue from community value-added services decreased by approximately 18.4% from approximately RMB75.4 million for the year ended 31 December 2023 to approximately RMB61.6 million for the year ended 31 December 2024, primarily due to the decrease in value-added service items and the decrease in the unit price per resident to whom the Group provided community value-added services.

FINANCIAL REVIEW

Revenue

The revenue of the Group derives from three types of services: (i) property management services; (ii) value-added services to property developers; and (iii) community value-added services. The revenue of the Group decreased by approximately 1.1% from approximately RMB868.2 million for the year ended 31 December 2023 to approximately RMB858.8 million in for the year ended 31 December 2024.

The following table sets forth the details of the Group's revenue by types of services for the years indicated:

	Year ended 31 December					
	2024		2023		Changes	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Property management services	**785,918**	**91.5**	762,203	87.8	23,715	3.1
Value-added services to property developers	**11,279**	**1.3**	30,562	3.5	(19,283)	(63.1)
Community value-added services	**61,583**	**7.2**	75,446	8.7	(13,863)	(18.4)
	858,780	**100**	868,211	100	(9,431)	(1.1)

Property management services

Revenue from property management services increased by approximately 3.1% from approximately RMB762.2 million for the year ended 31 December 2023 to approximately RMB785.9 million for the year ended 31 December 2024, primarily attributable to the increase in average property service fee.

Value-added services to property developers

Revenue from value-added services to property developers decreased by approximately 63.1% from approximately RMB30.6 million for the year ended 31 December 2023 to approximately RMB11.3 million for the year ended 31 December 2024, primarily attributable to the decrease in the number of venue services items and new projects delivered.

Community value-added services

Revenue from community value-added services decreased by approximately 18.4% from approximately RMB75.4 million for the year ended 31 December 2023 to approximately RMB61.6 million for the year ended 31 December 2024, primarily due to the decrease in value-added service items and the decrease in the unit price per resident to whom the Group provided community value-added services.

Cost of services and sales

The cost of services and sales consists of (i) employee benefit expenses; (ii) maintenance expenses; (iii) expenses for utility; (iv) cleaning and security expenses; (v) greening and gardening expenses; (vi) taxes and surcharges; (vii) office and communication expenses; and (viii) other expenses such as depreciation and amortisation.

Cost of services and sales decreased by approximately 1.3% from approximately RMB626.1 million for the year ended 31 December 2023 to approximately RMB617.8 million for the year ended 31 December 2024, primarily due to the decrease in salary base as a result of the decrease in staff salary.

Gross profit and gross profit margin

The gross profit of the Group decreased by approximately 0.5% from approximately RMB242.1 million for the year ended 31 December 2023 to approximately RMB240.9 million for the year ended 31 December 2024, which was mainly due to the reduction of income from value-added services to non-property owners and income from community value-added services.

The gross profit margin increased from approximately 27.9% for the year ended 31 December 2023 to approximately 28.1% for the year ended 31 December 2024. Such an increase was primarily attributable to the increase of income from property management services.

The following table sets forth the details of the Group's gross profit and gross profit margin by types of services for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Gross profit *RMB'000*	**Gross profit margin** *%*	Gross profit *RMB'000*	Gross profit margin *%*
Property management services	**207,493**	**26.4**	201,498	26.4
Value-added services to property developers	**2,218**	**19.7**	9,586	31.4
Community value-added services	**31,235**	**50.7**	30,991	41.1
Total	**240,946**	**28.1**	242,075	27.9

Property management services

The gross profit margin of property management services for the year ended 31 December 2024 remained unchanged as last year at approximately 26.4%.

Value-added services to property developers

The gross profit margin of value-added services to property developers decreased from 31.4% for the year ended 31 December 2023 to approximately 19.7% for the year ended 31 December 2024.

Community value-added services

The gross profit margin of community value-added services increased from approximately 41.1% for the year ended 31 December 2023 to approximately 50.7% for the year ended 31 December 2024, primarily due to the increase in unit price per resident to whom the Group provided community value-added services.

Other income and expenses, net

Other income, net turned from approximately RMB4.7 million for the year ended 31 December 2023 to other expenses, net approximately RMB8.9 million for the year ended 31 December 2024 mainly due to the decrease of government subsidies in 2024 relative to 2023.

Selling and marketing expenses

Selling and marketing expenses decreased from approximately RMB7.6 million for the year ended 31 December 2023 to approximately RMB7.0 million for the year ended 31 December 2024, representing a decrease of approximately 7.4%, mainly as a result of decreased advertising expenses in 2024 relative to 2023.

Administrative expenses

Administrative expenses increased from approximately RMB64.8 million for the year ended 31 December 2023 to approximately RMB80.8 million for the year ended 31 December 2024, representing an increase of approximately 24.8%. The increase was mainly attributable to non-recurring expenses such as costs incurred for the resumption of trading, legal proceedings, and the reorganisation of the Board.

Finance costs

Finance costs represented interest expenses on bank borrowings and interest expenses on lease liabilities due to the adoption of HKFRS 16 Leases.

Income tax expenses

Income tax expenses was approximately RMB19.1 million for the year ended 31 December 2024, representing a decrease from approximately RMB20.4 million for the year ended 31 December 2023, which was in line with the decrease in profit before tax (excluding loss on unauthorised transactions) for the year.

Profit/loss and total comprehensive income/expenses for the year

As a result of the foregoing, the profit/loss and total comprehensive income/expenses for the year shifted from a loss of approximately RMB77.4 million for the year ended 31 December 2023 to a profit of approximately RMB13.3 million for the year ended 31 December 2024.

The profit/loss and total comprehensive income/expenses attributable to owners of the Company for the year turned from a loss of approximately RMB80.9 million for the year ended 31 December 2023 to a profit of approximately RMB8.2 million for the year ended 31 December 2024.

Property and equipment

The property and equipment of the Group decreased from approximately RMB25.8 million as at 31 December 2023 to approximately RMB22.7 million as at 31 December 2024, representing a decrease of approximately 12%, mainly due to the yearly depreciation of office equipment and operation equipment.

Intangible assets

The intangible assets of the Group comprise property management contracts and goodwill resulting from equity acquisition and the purchase of software.

The intangible assets of the Group decreased from approximately RMB120.8 million as at 31 December 2023 to approximately RMB111.3 million as at 31 December 2024, representing a decrease of approximately 7.8%, mainly due to the yearly amortisation.

Trade and other receivables

Trade receivables mainly arise from provision of property management services, value-added services to property developers and community value-added services. Trade receivables of the Group, net of allowance for impairment, increased from approximately RMB313.8 million as at 31 December 2023 to approximately RMB350.9 million as at 31 December 2024, representing an increase of approximately 11.8%. Such an increase was primarily due to the reduction of collections for the year.

Other receivables mainly consist of deposits and payments made on behalf of customers. Other receivables, net of allowance for impairment increased from approximately RMB55.2 million as at 31 December 2023 to approximately RMB56.6 million as at 31 December 2024, representing an increase of approximately 2.5%, because of the increase in deposits paid to owner's committees on contract-awarding parties for newly secured project bids and occupancy.

Trade and other payables

Trade payables represent the obligations to pay for goods and services acquired in the ordinary course of business from sub-contractors. Trade payables increased from approximately RMB74.1 million as at 31 December 2023 to approximately RMB78.1 million as at 31 December 2024, representing an increase of approximately 5.4%. The increase is mainly due to a slight rise in payables to outsourced security, cleaning, and certain operational supplies providers.

Other payables mainly represent (i) consideration payable for business combinations; (ii) payroll payable; (iii) deposits received such as performance deposits, retention deposits from property owners, decoration deposits and tender bond; and (iv) owners' maintenance fund which represented various proceeds received on behalf of the property owners. Other payables increased from approximately RMB287.0 million as at 31 December 2023 to approximately RMB295.6 million as at 31 December 2024, mainly due to the Group collecting a certain amount or percentage of service performance deposits from outsourced units, such as fire protection maintenance and elevator maintenance providers, to ensure the quality of their services.

Contract liabilities

Contract liabilities mainly arise from property management fee received upfront as of the beginning of a billing cycle but are not recognised as revenue. Contract liabilities decreased from approximately RMB131.0 million as at 31 December 2023 to approximately RMB121.7 million as at 31 December 2024, primarily due to the decrease in willingness for the property owners to prepay the property management fee for the next year, influenced by the overall economic environment.

Liquidity, financial and capital resources

As at 31 December 2024, the total cash and cash equivalents and restricted bank deposits of the Group amounted to approximately RMB60.8 million (2023: RMB48.0 million) and approximately RMB2.5 million (2023: RMB3.2 million), respectively. The total bank deposits increased by 23.4% throughout the corresponding periods.

As at 31 December 2024, the Group had bank borrowings of approximately RMB18.6 million (2023: RMB29.9 million), among which approximately RMB12.1 million (2023: RMB11.3 million) will be repayable within one year or on demand. As at 31 December 2024, all current bank borrowings of the Group were denominated in RMB and carried an effective interest rate of 4.00% (2023: 4.45%) per annum. As at 31 December 2024, bank borrowings of approximately RMB18.6 million were secured by 100% equity interest of Shanghai Jiayuan Baoji Property Services Co., Ltd (2023: RMB29.9 million were secured by 100% equity interest of Shanghai Jiayuan Baoji Property Services Co., Ltd. and guaranteed jointly by Mr. Shum Tin Ching and an entity controlled by Mr. Shum Tin Ching).

The Group's short-term liquidity position has weakened compared to last year. As at 31 December 2024, the Group's net current liabilities amounted to approximately RMB305.2 million while the Group's net current liabilities amounted to approximately RMB289.1 million as at 31 December 2023. As at 31 December 2024, the Group's current ratio (current assets/current liabilities) was approximately 0.61 while the Group's current ratio was approximately 0.60 as at 31 December 2023.

As at 31 December 2024, the gearing ratio, calculated as the total liabilities divided by the total assets of the Group, was 115.8% (2023: 117.8%).

Future plans and prospects

Biting firm into verdant hills, leaving roots in crumbled rock.

The Group will always maintain its strategic focus on high-quality development, looking towards the future, having the courage to break the rules, being based on pragmatism and striving for steady and long-term development. To this end, in the coming year, we plan to adopt the following four major measures to strive to promote the high-quality growth of the Group's performance.

(I) Resolutely optimizing our project structure. We will continue to clear up projects that are difficult to manage, low in profitability and difficult to guarantee net cash inflow; at the same time, continuing to improve our expansionary mechanism, concentrating on actively participating and deeply cultivating regional market competition, and focusing resources to acquire high-quality property projects.

(II) Resolutely improving our organizational system. We will accelerate the establishment of the new three-center model in which our headquarter departments will play the central role of professional leadership, our regional lines will play the central role of promoting the widespread service, and our project managers will play the central role of promoting the effect of base network services.

(III) Resolutely refining our operational management. We will continue to comprehensively introduce a standard operating procedure system for positional work, breaking down the work procedures and steps of different service lines and positions as well as providing a most basic and straightforward description of the operational standards for each procedure and step to further improve work efficiency and service quality.

(IV) Resolutely innovating our training models. We will thoroughly research the needs of trainees, rapidly iterating a curriculum system and continually improving the mentor-led teaching system, so as to constantly enrich the excellent case library formed by each project in the course of our services.

Capital commitments

As at 31 December 2024, the Group did not have any material capital commitments.

Contingent liabilities

As at 31 December 2024, certain subsidiaries of the Company are defendants in certain claims, lawsuits, arbitrations and potential claims relating to property management contracts and employment dispute. The directors of the Company after due consideration of each case and with reference to legal advice, consider the claims would not result in any material adverse impact on the consolidated financial position or results and operations of the Group except as detailed below:

Unauthorised shares pledged

As detailed in the announcement of the Company dated 25 September 2024 and 30 September 2024 and the notes to the audited consolidated financial results of the Group for the year ended 31 December 2022, during the Independent Internal Control Review, it was identified that during the financial year ended 31 December 2022, Zhejiang Heyuan Property Services Co., Ltd.* (浙江禾源物業服務有限公司) ("**Zhejiang Heyuan**"), an indirect wholly-owned PRC subsidiary of the Company, entered into the share pledge agreement (the "**Share Pledge Agreement**") with Mr. Zang Ping ("**Mr. Zang**"), an independent third party, pursuant to which, among others, Zhejiang Heyuan agreed to pledge its equity interest in Zhejiang Jiayuan Property Services Group Co., Ltd. (浙江佳源物業服務集團有限公司) (currently known as Zhejiang Zhixiang Dacheng Property Services Group Co., Ltd (浙江智想大成物業服務集團有限公司), also an indirect wholly-owned PRC subsidiary of the Company) ("**Zhejiang Jiayuan Services**") in the principal amount of RMB500,000,000, and all underlying interest thereof (the "**Pledged Shares**") to Mr. Zang. The pledge was to secure the repayment obligation of Mr. Shum (as defined below), as borrower, in respect of the loan agreement dated 31 March 2022 entered into between (i) Mr. Zang as the lender; (ii) Mr. Shum Yuxing (沈玉興), also known as Mr. Shum Tin Ching (沈天晴) ("**Mr. Shum**"), the then ultimate controlling shareholder of the Company as at the material time of entering into of the Share Pledge Agreement, as the borrower; and (iii) Jiayuan Chuangsheng Holding Group Co., Ltd.* (佳源創盛控股集團有限公司) ("**Jiayuan Chuangsheng**"), a company ultimately and beneficially wholly-owned by Mr. Shum, as the guarantor in relation to the provision of the loan in the principal amount of RMB80,000,000.

Mr. Zang had brought a legal proceeding in the PRC against Mr. Shum and Jiayuan Chuangsheng in July 2022. In September 2022, a civil mediation paper was issued, affirming Mr. Zang's right to enforce repayment of the loan's principal and interest, and to receive preferential rights to proceeds from the auction or sale of pledged properties and the Pledged Shares. In March 2023, the court granted an enforcement order, and ordered for the resumption for the execution of such case to be resumed in March 2024. In July 2024, one of the pledged properties has been auctioned successfully while process on auctioning another pledged property is in progress. There were no further actions taken on the remaining pledged properties and the Pledged Shares as at the date of this announcement.

The Group recognised a provision of approximately RMB46,862,000 for loss on unauthorised Pledged Shares as at 31 December 2024.

Unauthorised Guarantees to the then ultimate controlling shareholder

Reference is made to the announcement of the Company dated 13 November 2024 and 13 December 2024 (the "**Unauthorised Guarantee Announcements**") in relation to, among others, the provision of the unauthorised guarantee by the Group to the then ultimate controlling shareholder during the year ended 31 December 2023.

Each of Jiayuan Chuangsheng (a company ultimately and beneficially wholly-owned by Mr. Shum), Zhejiang Heyuan (an indirect wholly-owned subsidiary of the Company) and Zhejiang Zhixiang Dacheng Property Services Group Co., Ltd.* (浙江智想大成物業服務集團有限公司) (formerly known as Zhejiang Jiayuan Services at the material time) ("**Zhejiang Zhixiang Dacheng**") (an indirect wholly-owned subsidiary of the Company) has entered into the Guarantee Agreements with Shanghai Jinyuan Investment Centre (Limited Partnership)* (上海金轅投資中心(有限合夥)) ("**Shanghai Jinyuan**") and Shanghai Zhijin, Asset Management Co., Ltd.* (上海智金資產管理有限公司) ("**Shanghai Zhijin**"), both independent third parties, pursuant to which, among others, each of Jiayuan Chuangsheng, Zhejiang Heyuan and Zhejiang Zhixiang Dacheng has agreed to provide joint liability guarantees for the payment obligations of Chaohu Xutong Business Management Co., Ltd.* (巢湖市旭彤商業管理有限公司) ("**Chaohu Xutong**") under the equity transfer agreement dated 27 July 2023 entered into between Chaohu Xutong as transferee and Shanghai Jinyuan and Shanghai Zhijin as the transferors in relation to, among others, the transfer of the entire equity interest in Hefei Hongguo Hotel Management Co., Ltd.* (合肥弘果酒店管理有限公司) to Chaohu Xutong at a consideration of RMB123 million (the "**Consideration**").

In December 2023, Shanghai Jinyuan and Shanghai Zhijin filed a request for arbitration ("**Arbitration Request**") to the Shanghai Arbitration Commission (the "**SAC**") requested, among others, (a) Chaohu Xutong to pay the Consideration; and (b) Jiayuan Chuangsheng, Zhejiang Heyuan and Zhejiang Zhixiang Dacheng to be jointly liable for the liability of Chaohu Xutong under the Equity Transfer Agreement.

In April 2024, the legal adviser of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng, without being properly authorised, attended the arbitration hearing and entered into a settlement agreement (the "**Settlement Agreement**"). Subsequently, the SAC issued the Arbitration Mediation Statement ((2024) Huzhonganzi No. 0279 ((2024)滬仲案字第 0279 號)) to confirm the terms of the Settlement Agreement.

On 8 October 2024, based on the Arbitration Mediation Statement, the Shanghai No. 2 Intermediate People's Court accepted the Arbitration Request and issued an enforcement notice (the "**Enforcement Order**") to Zhejiang Heyuan and Zhejiang Zhixiang Dacheng ordering for the compulsory enforcement of the Arbitration Mediation Statement and certain bank accounts of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng of up to the amount of approximately RMB124 million be frozen. The Board only became aware of the Arbitration Mediation Statement and the Enforcement Orders upon discovering that certain bank accounts of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng have been frozen. The Board has sought legal advices on potential and necessary follow up actions to be taken by the Group, and has taken legal actions such as applying for the withdrawal of the Arbitration Mediation Statement and the non-enforcement of the Arbitration Mediation Statement to rigorously defend to protect and safeguard the legitimate interest of the Group. On 21 March 2025, the application for withdrawal of the Arbitration Mediation Statement was dismissed, while the application of the non-enforcement of the Arbitration Mediation Statement remains in progress, and the Company is still assessing the financial impact of the Arbitration Mediation Statement and the Enforcement Orders on the Group. Please refer to the Unauthorised Guarantee Announcements for further details. Notwithstanding the above, the management of the Company is of the opinion that sufficient provision has been made in relation to the Arbitration Mediation Statement. The Group is also seeking advice from its legal advisers and will take all necessary legal actions to rigorously defend the Group's position in relation to the Arbitration Mediation Statement and the Enforcement Orders to protect and safeguard the legitimate interest of the Company and the Shareholders. The Company will publish further announcement(s) as and when appropriate if there is any material development to keep Shareholders and potential investors of the Company informed of the latest status. The Group has recognised a provision of approximately RMB152,340,000 for the year ended December 2024, based on the consideration and arbitration and penalty fees stipulated in the Arbitration Mediation Statement.

Save as disclosed above, as at 31 December 2024, the Group did not have any other material contingent liabilities.

Pledge of assets

As at 31 December 2024, the Group has the following pledge of material assets:

100% equity interest of the subsidiary, Shanghai Jiayuan Baoji Property Services Co., Ltd. was pledged as security for bank borrowings.

The Group has pledged the Pledged Shares as described in the subsection "Contingent liabilities – Unauthorised shares pledged" above.

Losses on unauthorised Pledged Shares and unauthorised guarantee

As at 31 December 2024, the loss on unauthorised Pledged Shares was approximately RMB46,862,000 and the loss caused by unauthorised guarantee granted by the Group was approximately RMB152,340,000.

MAJOR RISKS AND UNCERTAINTIES

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

Industry risks

The operation of the Group may be affected by the regulatory landscape of the PRC property management industry and related measures. In particular, any price control policies of the PRC government in relation to property management fees. The PRC government may also promulgate new laws and regulations related to other aspects of the Group's industry. This could increase the compliance and operational costs of the Group, thereby materially and adversely affecting the business, financial condition and results of operations of the Group. A significant portion of the Group's operations are concentrated in the Yangtze River Delta region. The Group is susceptible to any adverse development in government policies or business environment (including the level of economic activities and the future regional development prospects) in that region. The business performance of the Group depends on the total GFA under management and the number of projects under management. The Group has been seeking to expand the Group's business since the Group's inception through organic growth as well as acquisitions of and investment in other companies. However, the expansion plans of the Group may be affected by the economic condition in general of the PRC, market prospects and development. The Group cannot guarantee that the Group will be able to grow its business as planned.

Business risks

The Group's profitability depends on its ability to estimate or control the costs in performing our property management services. The Group's profit margin and operating results may be significantly and adversely affected by the increase in labor costs, sub-contracting costs and other operating costs. The Group may not be able to collect property management fees from property owners, residents and property developers and as a result, the Group's business, financial position and results of operations may be materially and adversely affected. The Group cannot guarantee that it is able to renew its existing property management service contracts on favorable terms. There is no guarantee that the Group would be able to find other business opportunities and enter into alternative property management service contracts on favorable terms, or at all.

Foreign exchange risk

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. The major foreign currency source of the Group was the net proceeds received following the successful listing on the Stock Exchange on 9 December 2020, all of which were denominated in HKD. The Directors expected that the RMB exchange rate would not have any material adverse effect on the operations of the Group. The Group will closely monitor the fluctuations of the RMB exchange rate and adopt prudent measures to reduce potential foreign exchange risk. As at 31 December 2024, the Group did not engage in hedging activities for managing the foreign exchange risk.

Interest rate risk

Except for the interest-bearing bank borrowings, the Group was not exposed to material risk directly relating to changes in market interest rate as at 31 December 2024.

SIGNIFICANT INVESTMENT HELD

The Group had no significant investment held as at 31 December 2024.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

EMPLOYEES AND REMUNERATION POLICY

The Group had 5,841 full-time employees as at 31 December 2024 (31 December 2023: 5,891). The total staff costs for the year ended 31 December 2024 were approximately RMB386.8 million (2023: RMB406.0 million). Employees' remuneration package includes salary, performance bonus and other welfare subsidies. The remuneration of employees is determined in accordance with the Group's remuneration and welfare policies, the employees' positions, performance, company profitability, industry level and market environment.

STAFF TRAINING AND DEVELOPMENT

The Group regards optimising and perfecting its staff training course system as a essential task. We not only value the establishment and improvement of staff training standard system, but also strive to improve the overall quality and service level of staff through those measures. Providing our employees with professional skills training for career advancement and conducting business is also one of the Group's long-term initiatives to retain and motivate talent. In order to maximize training effectiveness, we regularly organize lectures by internal and external experts, covering various dimensions such as industry trends, professional skills and management capabilities. At the same time, we encourage employees to self-learn and grow by providing the corresponding learning resources and platforms, such as online courses, professional literature and industry seminars. Through these measures, we hope every employee will be able to continuously self-improve and contribute to the sustainable development of the Group.

As of December 31, 2024, the Group successfully held 5 training sessions for project management personnel, attracting 286 participants; the management reached deep into the grassroots level and conducted 6 on-site teaching activities, benefiting a total of 1,300 employees; we also held five systematic and clearly-aimed financial audit trainings involving over 30 employees; in addition, 27 new recruits were recruited through tailored trainings. We actively encouraged employees to participate in external trainings and academic exchanges to broaden their horizons and enhance their professional capabilities. A total of 123 employees were sent to participate in industry certification trainings. At the same time, the Group maintained close cooperation with well-known domestic and foreign educational institutions and experts, and specially invited an external expert to deliver a lecture to the Group. A total of 171 employees participated in the training.

The Group has developed comprehensive training programs for different levels of employment, the human resources department of the Group usually formulates an annual training plan at the end of each year based on specific training requirements under the Zhixiangsheng program (智想生計劃), induction training, on-the-job training, reserve general manager training and promotion training program. The Group adopts a four-level training model at the professor level, expert level, follower level, and apprentice level, using different levels of training models to promote the growth and development of employees and shape learning teams and enterprises. We have adopted the method of theoretical examination and practical exercises, and the teaching model of submitting homework at the same time as the teaching, and always verifying the learning achievements of employees during the teaching process. At the same time, the Group has established a comprehensive training evaluation system to conduct regular evaluation and feedback on training effects. By collecting data such as employees' satisfaction with the training content and the improvement of their work performance after training, the training plan is continuously optimised to ensure that the training content closely matches the actual needs of the employees. In addition, we have established a career development path plan for employees, integrating training with employees' personal career development plan to help employees clarify their career goals, stimulate internal motivation, and achieve a win-win situation between personal value and corporate development.

In short, the Group will continue to strive to build a comprehensive training system, so as to provide strong support for the growth and development of employees and promote the continuous progress and prosperity of the enterprise.

COMPLIANCE WITH LAWS AND REGULATIONS

The Board places emphasis on the Group's policies and practices on compliance with legal and regulatory requirements. External legal advisers are engaged to ensure transactions and businesses performed by the Group are within the applicable legal framework. Updates on applicable laws, rules and regulations are brought to the attention of relevant employees and operation units from time to time. The Group continues to comply with the relevant laws and regulations such as the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), and other applicable laws and regulations. Based on information available, save for the non-compliance as disclosed in the announcements of the Company dated 30 September 2024 and 13 November 2024, the Directors take the view that the Group has complied with the relevant laws and regulations that have a significant impact on the operations of the Group during the year ended 31 December 2024.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group has the following significant events after the end of the reporting period:

Legal Proceedings against Entities Owned by the then Ultimate Controlling Shareholder

References are made to the announcements of the Company dated 25 September 2024 and 30 September 2024 (the "**Financial Assistance Announcements**") in relation to, among others, the provision of unauthorised financial assistances to the then ultimate controlling shareholder. Capitalised terms used herein shall have the same meanings as defined in the Financial Assistance Announcements.

As disclosed in the Financial Assistance Announcements, the Group has filed civil complaints (民事起訴狀) with the Jiaxing City People's Intermediate Court in August 2024 to claim for the outstanding amount against each of Shanghai Xiangyuan, Nanjing Jiafeng and Zhejiang Shencheng, respectively. In March 2025, the Group has filed civil lawsuits against (i) each of Shanghai Xiangyuan and Nanjing Jiafeng with Jiaxing Intermediate People's Court of Zhejiang Province* (浙江省嘉興市中級人民法院); and (ii) Zhejiang Shencheng with Nanhu District People's Court of Jiaxing City* (嘉興市南湖區人民法院), and both courts decided to file the said cases. The Company will publish further announcement(s) as and when appropriate if there is any material development to keep Shareholders and potential investors of the Company informed of the latest status.

DIVIDEND

The Board did not propose to declare a final dividend for the year ended 31 December 2024 (For the year ended 31 December 2023: no final dividend was distributed).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**AGM**") will be held on Saturday, 7 June 2025. The Notice of AGM will be published and despatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 3 June 2025 to Saturday, 7 June 2025 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 2 June 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the year ended 31 December 2024.

As of 31 December 2024, there were no treasury shares held by the Company.

CORPORATE GOVERNANCE PRACTICES

The Company and its management are committed to maintaining good corporate governance with an emphasis on the principles of transparency, accountability and independence to all Shareholders. The Company believes that good corporate governance is the essence of continual growth and enhancement of shareholders' value. The Company has applied the principles of and complied with the code provisions stipulated in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1) to the Listing Rules during the year ended 31 December 2024 with the exception of code provisions C.2.1 and C.2.7 which are explained below.

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. Mr. Zhu Hongge ("**Mr. Zhu**") was the chairman and the chief executive officer of the Company. After Mr. Zhu resigned as the chairman and the chief executive officer of the Company on 26 July 2024, Mr. Li Meng was appointed as the chairman of the Board with effect from 10 December 2024. Currently, no chief executive officer has been appointed by the Company. As all major decisions were made in consultation with members of the Board and relevant Board committee, and there have been three independent non-executive Directors on the Board offering independent perspective, the Board is therefore of the view that the current management structure can effectively facilitate the Group's operation and there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board shall nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, to maintain a high standard of corporate governance practices of the Company.

Code provision C.2.7 of the CG Code provides that the chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other directors. During the year ended 31 December 2024, both Mr. Zhu, the former chairman, and Mr. Li Meng, the successor of Mr. Zhu, did not hold meeting with the independent non-executive Directors without the presence of other directors due to business engagements. The independent non-executive Directors have communicated and discussed with Mr. Zhu and Mr. Li Meng directly from time to time to share their views on the Company's affairs. Therefore, the Company considers that there were sufficient channels and communication for discussion of the Company's affairs between the chairman and the independent non-executive Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

SCOPE OF WORK OF RSM HONG KONG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, RSM Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by RSM Hong Kong on the preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float as at the date of this announcement.

AUDIT COMMITTEE

The Audit Committee of the Company has three members, comprising three independent non-executive Directors, namely Ms. Cui Yan (chairman of the Audit Committee), Mr. Zhang Chen and Mr. Cai Sitao. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Company on financial reporting matters including a review of the annual results and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://jy-fw.cn). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders and posted on the above websites in due course.

By order of the Board
Jiayuan Services Holdings Limited
Chairman and Executive Director
Li Meng

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises six Directors, of which Mr. Li Meng (Chairman) and Mr. Xin Bing are the executive Directors, Ms. Ruan Hong is the non-executive Director, and Mr. Zhang Chen, Ms. Cui Yan and Mr. Cai Sitao are the independent non-executive Directors.